

COURT FILE NUMBER: 2101-00814  
COURT COURT OF QUEEN'S BENCH  
OF ALBERTA  
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF CALGARY OIL & GAS  
SYNDICATE GROUP LTD., CALGARY OIL AND GAS  
INTERCONTINENTAL GROUP LTD. (IN ITS OWN  
CAPACITY AND IN ITS CAPACITY AS GENERAL  
PARTNER OF T5 SC OIL AND GAS LIMITED  
PARTNERSHIP), CALGARY OIL AND SYNDICATE  
PARTNERS LTD., AND PETROWORLD ENERGY  
LTD.

DOCUMENT: **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT AIKINS LLP  
2100, 222 - 3<sup>rd</sup> Ave SW  
Calgary, AB T2P 0B4  
Telephone: 403.693.5420/4347  
Fax: 403.508.4349  
Attention: Ryan Zahara/Catrina Webster  
File: 0024563.00166

### **AFFIDAVIT OF ADAM JENKINS**

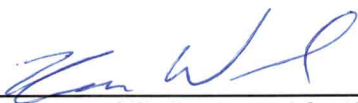
**Sworn on February 9, 2021**

I, **ADAM JENKINS**, of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT:**

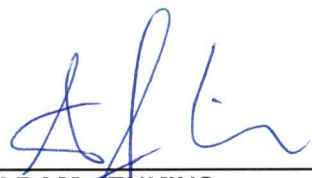
1. I am a Vice-President with Crown Capital Partners Inc. ("**CCPI**"). CCPI is a specialty finance company which manages certain investment funds, including a credit fund that operates through Crown Capital Partner Funding, LP (the "**Lender**" or "**Crown Capital**"). CCPI is the sole shareholder of the general partner of the Lender, Crown Capital LP Partner Funding Inc. ("**Crown GP**"). Crown GP is authorized and obligated to carry on the business and affairs of the Lender (in its capacity as general partner of the Lender). All references herein to the Lender or Crown Capital shall be deemed to incorporate and include Crown GP acting in its capacity as general partner thereof.

2. I have personal knowledge of the facts and matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true. I have also reviewed the books and records of Crown Capital associated with the Borrower.
3. I am authorized to make this Affidavit on behalf of CCPI and Crown Capital.
4. I am swearing this Affidavit in opposition to the application of Calgary Oil & Gas Syndicate Group Ltd., Calgary Oil and Gas Intercontinental Group Ltd. (formerly Triple Five Intercontinental Group Ltd., in its own capacity and in its capacity as General Partner of T5 SC Oil and Gas Limited Partnership) ("**Intercontinental**"), Calgary Oil And Syndicate Partners Ltd. (formerly T5 Energy Partners Ltd.) ("**Syndicate Partners**"), and Petroworld Energy Ltd. for an initial order under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA Application**").
5. I adopt and accept the evidence contained in my Affidavit (the "**Receivership Affidavit**") sworn on February 9, 2021 for an Order appointing a receiver over all the property and assets of the Defendants, T5 SC Oil and Gas Limited Partnership, by its general partner, Intercontinental, Intercontinental, and Syndicate Partners.
6. I rely on all of the evidence in the Receivership Affidavit in the within Action and in response to the CCAA Application at the February 10, 2021 Court hearing. Attached hereto and marked as **Exhibit "A"** is a copy of the Receivership Affidavit.
7. I make this Affidavit on behalf of Crown Capital in response to the CCAA Application.

SWORN BEFORE ME at the City of Calgary, )  
 in the Province of Alberta, this 9<sup>th</sup> day of )  
 February, 2021. )

  
 \_\_\_\_\_  
 A Commissioner of Oaths in and for the Province )  
 of Alberta )

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

  
 \_\_\_\_\_  
**ADAM JENKINS**

THIS IS EXHIBIT "A" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT Calgary, Alberta  
this 9<sup>th</sup> day of February, 2021



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A Commissioner of Oaths in and for the Province of Alberta

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

COURT FILE NUMBER:	2101-
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	CROWN CAPITAL PARTNER FUNDING, LP, by its general partner CROWN CAPITAL LP PARTNER FUNDING INC.
RESPONDENTS	T5 SC OIL AND GAS LIMITED PARTNERSHIP, by its general partner, CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD. (formerly TRIPLE FIVE INTERCONTINENTAL GROUP LTD.), CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD., CALGARY OIL AND SYNDICATE PARTNERS LTD. (formerly T5 ENERGY PARTNERS LTD.), and NADER GHERMEZIAN
DOCUMENT:	<b><u>AFFIDAVIT</u></b>
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100, 222 - 3 <sup>rd</sup> Ave SW Calgary, AB T2P 0B4 Telephone: 403.693.5420/4347 Fax: 403.508.4349 Attention: Ryan Zahara/Catrina Webster File: 0024563.00166

**AFFIDAVIT OF ADAM JENKINS**

**Sworn on February 9, 2021**

I, **ADAM JENKINS**, of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT:**

1. I am a Vice-President with Crown Capital Partners Inc. ("**CCPI**"). CCPI is a specialty finance company which manages certain investment funds, including a credit fund that operates through Crown Capital Partner Funding, LP (the "**Lender**" or "**Crown Capital**"). CCPI is the sole shareholder of the general partner of the Lender, Crown Capital LP Partner Funding Inc. ("**Crown GP**"). Crown GP is authorized and obligated to carry on the business and affairs of the Lender (in its capacity as general partner of the Lender). All references herein to the Lender or Crown Capital shall be deemed to incorporate and include Crown GP acting in its capacity as general partner thereof.



2. Crown Capital is a secured creditor of T5 SC Oil and Gas Limited Partnership (the "**Borrower**" or "**T5 LP**"), by its general partner, Calgary Oil and Gas Intercontinental Group Ltd. (formerly, Triple Five Intercontinental Group Ltd.) ("**Intercontinental**" or the "**General Partner**"), and its guarantors, Intercontinental, Calgary Oil and Syndicate Partners Ltd. (formerly, T5 Energy Partners Ltd.) ("**Syndicate Partners**"; together with Intercontinental, the "**Corporate Guarantors**"), and Nader Ghermezian ("**NG**"; together with the Corporate Guarantors, the "**Guarantors**").
3. I have personal knowledge of the facts and matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true. I have also reviewed the books and records of Crown Capital associated with the Borrower.
4. I am authorized to make this Affidavit on behalf of CCPI and Crown Capital.
5. Crown Capital believes that the liquidation and distribution of the assets of the Borrower will be most efficiently and effectively completed by a receiver. Accordingly, Crown Capital is making this application to appoint FTI Consulting Canada Inc. ("**FTI**") as interim receiver (the "**Interim Receiver**") pursuant to section 47 of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**") and receiver (the "**Receiver**") pursuant to section 243(1) of the BIA over the assets, property, and undertakings of the Borrower and the General Partner and the collateral pledged by the Guarantors.
6. Crown Capital is opposing the application (the "**CCAA Application**") of the Borrower and the Corporate Guarantors for a stay of proceedings under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**").

#### **A. BACKGROUND OF ADAM JENKINS**

7. I joined CCPI in January of 2019. I have a Bachelor of Science in Chemical Engineering, with a minor in Oil and Gas, from the University of Calgary. I also hold a Chartered Financial Analyst designation that I obtained in 2018.
8. I have over 11 years of professional experience in the upstream oil and gas industry, in both small and large cap companies. Prior to joining CCPI, I spent 7 years in various

production engineering and exploitation engineering roles at Devon Canada and 4 years at Marquee Energy. As an exploitation engineer for Devon Canada, I worked in the Ferrier area with a focus on both the Cardium and Spirit River formations.

9. My areas of responsibility in these roles for Devon Canada and Marquee Energy included technical reservoir evaluation and engineering, reserve evaluation, horizontal well planning, field optimization, field development (horizontal wells with multi-stage fracturing), budgeting and corporate financial modelling. I was also responsible for business development, financial analysis and modelling and led the sale of Marquee Energy, by plan of arrangement, to Prairie Provident Resources in November 2018.

## **B. OVERVIEW**

10. Crown Capital has provided multiple advances to the Borrower since August 2018. Crown Capital most recently advanced funds to the Borrower pursuant to an amended and restated loan agreement dated October 31, 2019 between Crown Capital and the Borrower (the "**Loan Agreement**"). Attached hereto and marked as **Exhibit "A"** is a copy of the Loan Agreement.
11. The Borrower is a limited partnership that was created by a limited partnership agreement dated May 4, 2014 between Intercontinental, as general partner with a 1% interest and Syndicate Partners, as limited partner with a 99% interest. The Borrower is a limited partnership registered in the Province of Alberta.
12. Intercontinental is a company incorporated pursuant to the laws of the Province of Alberta with its registered office in Edmonton, Alberta. Attached hereto and marked as **Exhibit "B"** is a copy of an Alberta Corporate Registry search for Intercontinental.
13. Syndicate Partners is a company incorporated pursuant to the laws of the Province of Alberta with its registered office in Edmonton Alberta. Attached hereto and marked as **Exhibit "C"** is a copy of an Alberta Corporate Registry search for Syndicate Partners.
14. The Borrower has substantially missed every forecast and budget provided to the Lender as the basis for each loan advance resulting in a chronically underfunded business with significant overdue and unpaid trade payables. Notably, each of the two

additional advances provided to the Borrower was to address a buildup of overdue and unpaid trade creditors, as well as a portion for growth capital that never materialized to the full benefit as forecast.

### C. THE LOANS

15. In accordance with the Loan Agreement, Crown Capital has extended credit in the form of a term loan in the aggregate amount of \$27,000,000.00 (collectively, the "**Facility**") and, as of February 8, 2021, the following amounts are outstanding on the Facility:

Loan principal	\$27,270,000.00
Prepayment fee (4%)	1,090,800.00
Loan Interest (November 1, 2020 to February 8, 2021) *	910,455.45
January 1 through February 8, 2021 production payment (estimate)	94,609.14
Production payment buyout - estimate	802,760.01

**Total Payout Amount** **\$30,168,624.60**

16. As of February 8, 2021, the total indebtedness of the Borrower to Crown Capital pursuant to the Loan Agreement is \$30,168,624.60 (collectively, the "**Outstanding Indebtedness**") with interest accruing thereafter at the default rates set out in the Loan Agreement, plus all legal and other costs and expenses incurred by Crown Capital in respect of the Loan Agreement on a solicitor and own client (full-indemnity) basis.
17. The Facilities are repayable by the Borrower to Crown Capital on March 13, 2022, subject to any earlier acceleration of the Facility pursuant to the Loan Agreement.

### D. THE SECURITY AND GUARANTEES

18. As security for all amounts owing by the Borrower to Crown Capital, the Borrower entered into a Fixed and Floating Charge Demand Debenture made by the Borrower, through the General Partner, in favour of Crown Capital dated August 31, 2018 (as

- amended, restated, modified and supplemental, the "**Debenture**"). Attached hereto and marked as **Exhibit "D"** is a copy of the Debenture.
19. The Debenture is secured against, *inter alia*, certain oil and gas producing leases and other real property interests in favour of the General Partner (held in its capacity as general partner of the Borrower) with respect to certain producing assets (the "**Assets**") located on the Sunchild First Nation reserve in the Spirit River Formation in the Ferrier area.
  20. The Borrower has also entered into an amended and restated production payment agreement (the "**Production Payment Agreement**") with the Lender dated October 31, 2019. Attached hereto and marked as **Exhibit "E"** is a copy of the Production Payment Agreement.
  21. Attached hereto and marked as **Exhibit "F"** is a copy of the Alberta Personal Property Registry search report in respect of the Borrower dated February 8, 2021.
  22. Intercontinental provided an unlimited guarantee and indemnity (the "**Intercontinental Guarantee**") of the Borrower's obligations dated August 31, 2018. Attached hereto and marked as **Exhibit "G"** is a copy of the Intercontinental Guarantee.
  23. Intercontinental also provided a Fixed and Floating Charge Demand Debenture made by the General Partner in favour of the Lender, dated August 31, 2018 (as amended, restated, modified and supplemental, the "**GP Debenture**"). Attached hereto and marked as **Exhibit "H"** is a copy of the GP Debenture.
  24. Syndicate Partners provided a limited recourse guarantee and indemnity (the "**SP LRG**") to the Lender for the obligations of the Borrower that was limited to recovery of certain collateral, namely the limited partnership units in the Borrower, under a pledge agreement (the "**SP Pledge**") dated August 31, 2018 provided by the Syndicate Partners to the Lender. Attached hereto and collectively marked as **Exhibit "I"** are copies of the SP LRG and the SP Pledge.
  25. NG provided a limited recourse guarantee and indemnity (the "**NG LRG**"; together with the SP LRG and the Intercontinental Guarantee, the "**Guarantees**") dated August 31,



2018 to the Lender for the obligations of the Borrower that was limited to recovery of certain collateral, namely the shares of the General Partner, pledged pursuant to a pledge agreement (the "**NG Pledge**") dated August 31, 2018 provided by NG to the Lender. Attached hereto and collectively marked as **Exhibit "J"** are copies of the NG LRG and NG Pledge.

26. The Debenture, the Guarantees, the Production Payment Agreement, the GP, Debenture, the SG Pledge, and the NG Pledge are collectively referred to herein as the "**Security**".

#### **E. HISTORY OF THE RELATIONSHIP BETWEEN THE BORROWER AND THE LENDER**

27. The original loan agreement was entered into with the Borrower on August 31, 2018 and was for the amount of \$15,000,000. In support of the loan agreement and the amount of funds provided thereunder the Borrower provided a budget and forecast on July 13, 2018 (the "**July 2018 Forecast**") to the Lender. Attached hereto and marked as **Exhibit "K"** is a copy of the July 2018 Forecast.
28. The Borrower utilized all of the funds advanced from the original loan agreement to repay the existing indebtedness of \$7,200,000 with the remainder being used to complete a two-well drilling program. The Borrower subsequently advised the Lender towards the end of 2018 that it required additional funds in order to pay for the cost incurred in respect of the drilling program and a compression project. The Borrower had a significant deviation from its July 2018 Forecast, resulting in a working capital deficit of approximately \$13,000,000. The majority of this shortfall was related to trade payables over 90 days incurred by the Borrower to complete the 2018 drilling program. Attached hereto and marked as **Exhibit "L"** is email correspondence dated February 15, 2019 between Crown Capital and the Borrower.
29. The Borrower, in support of this request for additional funds, provided to the Lender on February 19, 2019 a budget and forecast (the "**February 2019 Forecast**") estimating the increased production and cash flow from the recently drilled wells. Attached hereto and marked as **Exhibit "M"** is a copy of the February 2019 Forecast.

30. The request by the Borrower for additional funds at the end of 2018 resulted in the loan agreement being amended and restated on March 13, 2019 and the amount of funds advanced by Crown Capital to the Borrower was increased by \$5,000,000 (the "**\$5M AF**") to bring the total principal amount of \$20,000,000 outstanding to the Lender. As a condition of this advance, the equity sponsor for the company provided \$2,000,000 of equity (collectively, the "**2019 Equity**"), with an expectation that an equity sponsor would provide a further \$3,000,000 of equity by August 22, 2019 (the "**Additional Equity**"). The \$5M AF and 2019 Equity was then used to reduce the outstanding accounts payable and trade debt of the Borrower and complete its capital program.
31. The Borrower was unable to secure the Additional Equity it had previously indicated would be forthcoming, and the production royalty increased to 3%, from 1.33%.
32. In the summer of 2019, the Borrower threatened to sue the Lender if it did not advance further additional funds to the Borrower, notwithstanding that the Lender had no legal obligation to provide any additional funding to the Borrower under the Loan Agreement. Despite the parties discussing a potential increase to the amount outstanding under the Loan Agreement to \$30,000,000 in December 2018, due diligence completed by CCPI indicated that the business had significantly underperformed compared to its initial budget, and would not support that level of secured debt investment. Attached hereto and marked collectively as **Exhibit "N"** is an exchange of correspondence between the Borrower and the Lender threatening the litigation (the "**Litigation Correspondence**").
33. The Lender understood at this time that the Borrower was seeking refinancing of the Loan Agreement from various other entities. The Loan Agreement, at that time, had an amount outstanding of \$20,000,000 and there were prepayment fees set out in the Loan Agreement for any early prepayment of the amount outstanding to the Lender.
34. The Lender understands that the Borrower was not able to refinance the amounts outstanding under the Loan Agreement at this time and notwithstanding that: (i) commodity prices were higher than current levels; (ii) there was no additional uncertainty associated with the COVID-19 pandemic; and (iii) the amounts outstanding to the Lender under the Loan Agreement were significantly lower than current amounts.

35. The Borrower ultimately provided a release to the Lender in respect of any claims it had as set out in the Litigation Correspondence (the "**Release**"). Attached hereto and marked as **Exhibit "O"** is a copy of the Release.
36. The Borrower and the Lender entered into further discussions in August of 2019 about providing further additional funds to the Borrower. Those discussions ultimately culminated in the execution of the current version of the Loan Agreement, in its second amendment and restatement on October 31, 2019, which increased the amount outstanding under the Loan Agreement to the amount of \$27,000,000.
37. During these discussions and to support the request for further additional funds the Borrower again provided an estimated budget and forecast (the "**August 2019 Forecast**") regarding the expected production and cash flow benefits to be gained from the expenditure of the further additional funding of \$7,000,000. The Lender used the August 2019 Forecast to consider and ultimately approve providing the further additional funding of \$7,000,000 (the "**\$7M AF**") to the Borrower.
38. The \$7M AF was to be deployed by the Borrower as follows:
- (a) Approximately \$4,000,000 was to be allocated to pay outstanding trade creditors that still had not been paid from the drilling program (Q4 2018) and capital program (Q1 2019) completed previously by the Borrower; and
  - (b) Approximately \$3,000,000 was to be allocated towards a drilling program to drill two new wells (the "**2019 Wells**").

Attached hereto and marked as **Exhibit "P"** is a copy of the October 18, 2019 Commitment Letter executed by the Borrower and the Lender. Attached hereto and marked as **Exhibit "Q"** is a copy of aged payables listings dated October 25, 2019 of the Borrower.

39. The August 2019 Forecast estimated that cash flow from operations would be used to repay the remaining \$8,500,000 of the \$11,500,000 total capital estimate in the 6 months following the completion of the drilling program (collectively, the "**2019 Program**") conducted for the 2019 Wells.



40. The Borrower at the time of the request for the \$7M AF and the Loan Agreement was executed in October of 2019 made representations to the Lender that with the addition of the 2019 Wells, the Borrower would then be self-funded through its operations going forward.
41. The large amount of outstanding trade creditors was an ongoing problem for the Borrower over multiple years, including prior to any impact on the business associated with the COVID-19 pandemic.
42. The result of the 2019 Program was that the Borrower overspent on the capital expenditures by 12% (or \$1,400,000) and missed the initial estimated production date for the 2019 Wells by 6 months. The 2019 Wells did not come online until April 2020. The Borrower provided an operations update to the Lender in November of 2019 that indicated that despite issues with drilling, the 2019 Wells would be online in December 2019. The Borrower provided a further operational update to the Lender in January of 2020 which advised that the 2019 Wells would be completed in February 2020, which was also not met.
43. Additionally, the overall production of the 2019 Wells has been significantly below what was estimated by the Borrower in the August 2019 Forecast. Excluding the volumes associated with the 2019 Wells from the aggregate production rates in 2020, I have calculated that 2020 production from the Borrower's existing wells (the wells in operation as of August 2019) was 27% below the August 2019 Forecast. This further highlights management's inability to accurately forecast the production of the Assets.
44. The 2019 Wells have also substantially underperformed the Borrower's forecast of production for those wells. I have calculated that the 2019 Wells have produced at an average of 63% below the Borrowers expected production as forecast in the August 2019 Forecast. Attached hereto and marked as a confidential exhibit at **Exhibit "R"** is a copy of the December 2020 YTD actual lease operating statements that sets out the actual production of the Borrower for 2020.
45. I have also summarized the information provided in the July 2018 Forecast, February 2019 Forecast and the August 2019 Forecast and compared it against actual production

of the Borrower for the years 2019 and 2020. Attached hereto and marked as a confidential exhibit at **Exhibit "S"** is the summary document that contains this analysis.

46. The Borrower has underperformed its production and cash flow expectations in each forecast it has provided to the Lender, with the largest deviation from the various forecasts attributed to significantly lower than forecasted production, not commodity pricing.

#### **F. DEFAULT AND FORBEARANCE AGREEMENT**

47. On August 18, 2020, the Lender provided a Notice of Default (the "**Default Notice**") to the Borrower. The Default Notice advised that the Borrower had been in default since March 31, 2020 and that the Lender reserved all of its rights in respect of such defaults. The Lender also advised that the principal amount of the Loan is subject to the default interest rate provided under the Loan Agreement from and after March 31, 2020. Attached hereto and marked as **Exhibit "T"** is copy of the Default Notice.
48. As a result of the Default Notice, the Lender and the Borrower entered into negotiations in respect of a forbearance agreement. At this point in time the Lender had significant concerns about: (i) the ability of the Borrower to manage its trade creditors and accounts payable; (ii) concerns regarding the ability of the Borrower to execute on any capital or drilling program or improvements to the Assets in a timely and cost effective manner; and (iii) the ability of the Borrower to make timely interest and repayments of principal to Crown Capital. A forbearance and amending agreement (the "**Forbearance Agreement**") was executed by the Borrower and the Lender on October 16, 2020. Attached hereto and marked as **Exhibit "U"** is a copy of the Forbearance Agreement.
49. The Forbearance Agreement provided for, among other things, the following key provisions:
  - (a) Execution of a Blocked Account Agreement (the "**BAA**") by the Borrower in order to institute a process for the Lender to approve a list of payables provided by the Borrower on the first and fifteenth day of each month. The Lender, within five days of receipt of the list of proposed payables and approval of the payables (the

**"Approved Payables"**) would release funds to the Borrower to make those payments;

(b) Additional reporting requirements were to be provided by the Borrower including a 13 week cash flow forecast with variances provided within five days of the end of the month;

(c) Milestones were agreed to by the Borrower in respect of commencing a sales process (the **"Sales Process"**) and engaging a sales advisor (the **"Sales Advisor"**) to assist with the Sales Process, including the following:

i. Engage the Sales Advisor by no later than December 15, 2020; and

ii. The Sales Process would have the following deadlines associated with it (1) data room and confidential information memorandum and teaser shall be prepared and issued by the Sale Advisor by no later than January 15, 2021; (2) deadline for non-binding letters of intent (**"LOI"**) to be submitted by no later than February 21, 2021; (3) LOI to be executed by the Borrower by February 28, 2021; (4) definitive purchase and sale agreement to be executed by March 31, 2021; and (5) closing of the Sale Process and full repayment of the obligations to the Lender by April 15, 2021;

(d) On or prior to November 1, 2020 the Borrower would have completed an agreement (the **"Hedging Agreement"**) for hedges for the next 12 months with respect to 70% of boe production based on production volumes determined on a trailing twelve month average. This covenant was not met and the Borrower advised that it could not obtain a Hedging Agreement due to its current financial circumstances; and

(e) It was a forbearance terminating event for the Borrower to commit, among other things, any Pending Event of Default or Event of Default under the Loan Agreement.

50. The Borrower agreed to the terms of the Forbearance Agreement, including the implementation of the BAA, the entering into of the Hedging Agreement, commencement of the Sales Process and the engagement of the Sales Advisor. The Borrower selected the Sales Advisor and the Lender approved the engagement of the Sales Advisor,

including the timeline for the process as recommended by the Sales Advisor. The timing proposed is orderly, and agreed to by all parties as a going concern sale.

51. Any issues with the implementation of the BAA was a result of the failure of management of the Borrower to properly prepare and provide the list of Approved Payables. The Borrower was unable to manage this process due its own disorganization and inability to manage its payables on an ongoing basis. The Lender at all times promptly responded to and complied with the requirements under the BAA and the Forbearance Agreement for approving the list of proposed payables presented to it by the Borrower.
52. The BAA in no way has interfered with the ability of the Borrower to operate its business. It has been the failure of management of the Borrower to effectively execute on its capital program and drilling programs and to manage its payables associated with those programs (which was why the Lender required the BAA as part of the Forbearance Agreement) in a competent manner that has impacted the Borrower's ability to operate its business.
53. During the term of the Forbearance Agreement, the Lender has not been receiving principal payments as required by the Loan Agreements and the Borrower has consistently not had sufficient funds available in the BAA to make all of the interest and production payments owing to the Lender each month in accordance with the terms of the Forbearance Agreement.
54. The Borrower is in breach of multiple provisions of the Forbearance Agreement. The Lender and the Borrower were in the process of negotiating a further amendment (the "**FA Amendment**") to the Forbearance Agreement when it was served with notice of the CCAA Application, which is further Forbearance Terminating Event. Attached hereto and marked as **Exhibit "V"** is a copy of the draft form of the FA Amendment.

#### **G. DEMAND AND WAIVER OF NOTICE OF INTENTION TO ENFORCE SECURITY**

55. On February 8, 2021, the Lender issued notice of termination of the Forbearance Agreement (the "**Notice of Termination**"), and a demand for payment with a notice of



intention to enforce security (collectively, the "**Demand Letter**") to the Borrower by and through its General Partner. Attached hereto and marked as **Exhibit "W"** is a copy of the Notice of Termination and Demand Letter.

56. On February 8, 2021, the Lender issued demands for payment and notices of intention to enforce security on the Guarantors (collectively, the "**Guarantor Demand Letters**"). Attached hereto and collectively marked as **Exhibit "X"** are copies of the Guarantor Demand Letters.

#### **H. LOSS OF FAITH IN MANAGEMENT**

57. As set out in greater detail above, the management of the Borrower has a long track record and history of underperformance that is evidenced by significant increases in budget expenditures on capital and drilling projects, failure to meet production estimates and execute on its drilling programs (for which significant additional funds have been advanced by the Lender), and failure to generate sufficient cash flow to meet its obligations generally to the Lender and trade creditors.
58. Most recently, management of the Borrower commenced two production optimization capital projects (the "**PO Projects**") in November of 2020. The PO Projects were commenced at a time when the Borrower had requested to defer principal, interest and production payments to the Lender while in default of the Loan Agreement.
59. On November 18, 2020, the Borrower in accordance with the terms of the Forbearance Agreement provided an estimate and forecast (the "**November 2020 Forecast**") of the operations, including the effect the PO Projects were intended to have on its overall production. Attached hereto and marked as a confidential exhibit at **Exhibit "Y"** is a copy of the November 2020 Forecast.
60. In the November 2020 Forecast, the production from the PO Projects was estimated by management to add an additional 1318 boe/d to the overall production of the Borrower. Management now estimates that after completion of the PO Projects that production has increased by only about 143 boe/d. The PO Projects cost an amount of approximately \$1,300,000 out of the cash flow of the Borrower. The Lender agreed to forgo the

November 2020 interest, principal and royalty payments it was entitled to under the Loan Agreement to allow the Borrower to utilize this cash flow for the PO Projects.

61. As a result of the foregoing, the Lender has lost faith in management of the Borrower and does not believe that any of the budget or forecasts provided by management as part of the Borrower's CCAA Application will be met, that management is not capable of continuing to manage the Borrower, and management does not have the capability to manage the Borrower through a restructuring under the CCAA or through a sales process to monetize the Assets.

#### I. RESPONSE TO THE MARTIN AFFIDAVIT

62. I have reviewed the Affidavit of Ryan Martin sworn on February 5, 2021 (the "**Martin Affidavit**") and do not believe that the COVID 19 pandemic and the corresponding decrease in commodity prices has had a significant impact on the cash flow issues experienced by the Borrower. COVID-19 had a negative impact on oil prices due to decreased global demand. It is my understanding that as a result of the lower oil prices, less oil drilling occurred, reducing the supply of associated gas. This caused lower gas supply, increasing gas prices during the COVID-19 pandemic. The Borrower produces approximately 80% gas, and the net impact of commodity price variances associated with COVID-19 pandemic on the Borrower's cash flow for 2020 was not substantive.
63. The far more significant impact on cash flow of the Borrower has been the result of underperformance of the production from the Assets and the over estimation of that performance by management of the Borrower. Average commodity prices in 2020, excluding hedging, were 13% below management's forecast of commodity prices in the August 2019 Forecast when the Borrower requested the \$7M AF from the Lender.
64. Further, production values from the wells operated by the Borrower in August of 2019 was 27% below the estimates contained in the August 2019 Forecast, the 2019 Wells were delayed six months before being brought online in April of 2020 and the production from the 2019 Wells for 2020 underperformed the Borrower's estimated production by an average of 63%. Had the Borrower achieved its target production date and volumes

2020, I have estimated that 2020 cash flow would have been \$8,900,000 higher than it was.

65. The assertion by Ryan Martin that shutting in production to wait for higher prices would have been a benefit to the Borrower is disputed by the Lender. The pricing lows of 2020 was \$14.67/boe (March to August 2020, the length of the proposed shut-in), which was approximately \$3.86/boe lower than the average realized price from September to December 2020. I have done a comparative analysis on the forecast pricing and production versus the actual pricing and production for the Borrower's 2020 production. Attached hereto and marked as a confidential exhibit at **Exhibit "Z"** is a copy of a summary spreadsheet showing this analysis.
66. Had there been additional revenue realized as a result of higher prices this amount still would not have been sufficient to pay trade creditors or the amounts owing to the Lender under the Loan Agreement on a monthly basis. Shutting in production to wait for higher prices is a risky proposal as commodity prices are not guaranteed to increase. In my opinion, the risk associated with uncertain future commodity prices is not worth the potential reward of shutting-in for a capital constrained business with substantial commitments outstanding.
67. In the Martin Affidavit at paragraph 78 it sets out the net present value of the Assets as \$179.2 million. I would note that based upon my review of the most recent reserve report prepared by Sproule dated December 31, 2020 that the Borrower would require an additional \$73,000,000 of capital spending over the next four years in order to achieve this valuation. I believe the Borrower's ability to raise any material amount of capital is highly suspect considering the demonstrated track record of underperformance outlined in this Affidavit.
68. The \$179.2 million valuation contained at paragraph 78 of the Martin Affidavit provides no certainty to the Lender that the Borrower will be able to repay the amounts owed to it under the Loan Agreement in a timely fashion, either from cash flow or through refinancing.



69. Any delay in commencing the Sales Process will have a significant negative impact on the value of the Assets as a result of the declining production and the inability of management to properly execute upon the Borrower's production and optimization program. The most recent budget and forecast prepared by the Borrower in February of 2021 (the "**February 2021 Forecast**") shows a 27% decline in the production associated with the Assets from February 2021 to December 2021. Attached hereto and marked as a confidential exhibit at **Exhibit "AA"** is a copy of the February 2021 Forecast.

#### **J. NECESSITY OF THE APPOINTMENT OF A RECEIVER**

70. The Borrower is not able to meet its obligations generally as they become due, are no longer able to make payments to their creditors, and no longer have any liquidity.
71. The Borrower has repeatedly created expectations based upon information provided to the Lender through the July 2018 Forecast, the February 2019 Forecast and the October 2019 Forecast and the Borrower has not been able meet any of the forecast production or cash flow levels contained in those forecasts. The track record of underperformance detailed in this Affidavit undermine any current forecast or assertions by the Borrower that increased pricing or other improvements to the economic conditions affecting the revenue of the Borrower will be sufficient to allow the Borrower to repay the Lender in full or to restructure its affairs.
72. The Borrower has been in default under the Loan Agreement since March of 2020 and has had a significant amount of time to obtain refinancing if it wanted to do so. All refinancing efforts to date, including those undertaken in the summer of 2019 pre-COVID 19 pandemic impacts on economic conditions, have been unsuccessful.
73. The Borrower has a long history of failing to pay trade creditors (which pre-dated the COVID-19 pandemic) and being unable to effectively plan and execute on capital programs and drilling programs necessary to generate sufficient cash flow to fund its operations.
74. It is also in the best interests of any of the trade creditors that provide services for the operation of the Assets that the Assets are sold as soon as possible in order to allow for

a responsible and diligent operator that has sufficient liquidity to take over management of the Assets and provide the necessary investment to operate the Assets going forward.


75. The Borrower has not presented any detail, plan or indication of how it intends to repay amounts outstanding to the Lender and its other creditors. It is simply seeking more time to consider "strategic alternatives" without providing any indication of what those alternatives might be, the timing of pursuing them, and how those strategic alternatives differ from what the Borrower has been pursuing since 2019.
76. There is no evidence presented that any efforts of the Borrower to pursue any "strategic alternatives" will have any likelihood of success or lead to a successful restructuring. The Borrower is also opposing the commencement of the Sales Process and provides no details of any alternatives available to the Borrower to satisfy its ongoing operations.
77. The Sales Process was commenced by the Sales Advisor on February 2, 2021. The Sales Process is the only way for the Borrower to repay amounts owing to the Lender and other creditors. The Sales Process timing was agreed to by the Borrower with the advice of the Sales Advisor, is orderly, and was intended to obtain a going concern sale to maximize the value to be obtained from the Assets.
78. The Lender believes that delaying the Sales Process and adding additional priority charges and priority debt to the amounts owed by the Borrower may result in the Lender being unable to recover the entire amount outstanding to it under the Loan Agreement. The Lender presently believes that there will be a modest recovery for other creditors resulting from the Sales Process, however this amount would be eliminated by the additional expense of any CCAA proceedings and the additional interest owing to the Lender due to extending timelines for monetizing the Assets. As such, I believe it is imperative to the majority of creditors that a sale of the Assets must be completed on substantially the timelines contained in the Sales Process.
79. Further any delay to the Sales Process could result in a significant deterioration of value due to declining production, uncertain future prices for oil and gas and there is no certainty that current management of the Borrower will be able to execute on any of its forecast production, any additional drilling programs or capital improvements (which it

does not have any liquidity to perform) generally, let alone during any CCAA proceedings.


80. The Lender also has significant concerns regarding the operation and management of the Assets during the period from February 10, 2021 to February 25, 2021. The Borrower has advised that all of its available cash has been spent (or will be paid out shortly) and no additional financing or interim financing is available to the Borrower during this period. Should there be any significant operational issues that impact the operation of the Assets the Borrower has no available liquidity or funds to pay for any such work or services necessary to preserve the Assets.
81. The Lender, should its Application be granted, is prepared to fully fund the Receiver through Receiver's Borrowing Certificates to operate and manage the Assets until a sales process can be completed by the Receiver.
82. As a result of the foregoing, I believe that the appointment of the Interim Receiver pursuant to section 47 of the BIA and, after expiry of the Notice Period, the Receiver pursuant to section 243 of the BIA over the assets, undertakings, and properties of the Borrower and the collateral pledged by the Guarantors is just and convenient and necessary to protect the interests of Crown Capital and to preserve and realize on the Security in an orderly fashion.
83. I believe it is unlikely that the Borrower will be able to repay the Outstanding Indebtedness owing to the Lender without liquidating its property. The Lender believes that any sale of the assets of the Borrower will be more efficiently and effectively accomplished by a Receiver and will minimize the costs associated with such a sales process.
84. I believe that an Interim Receiver and Receiver is needed to preserve the collateral that is subject to the Lender's Security,
85. I believe it is appropriate in all of the circumstances that the Interim Receiver and Receiver be appointed over the assets, undertaking, and properties of the Borrower and the collateral of the Guarantors pursuant to sections 47 and 243 of the BIA.

86. I swear this Affidavit in support of the Lender's Application for the appointment of FTI as Interim Receiver and Receiver in respect of the Borrower and the collateral of the Guarantors and in opposition to the application of the Borrower and the Guarantors for a stay of proceedings under the CCAA.

SWORN BEFORE ME at the City of Calgary, )  
in the Province of Alberta, this 8<sup>th</sup> day of )  
February, 2021. )  
)  
)  
)  
)  
)

  
\_\_\_\_\_  
A Commissioner of Oaths in and for the Province )  
of Alberta )

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

  
\_\_\_\_\_  
**ADAM JENKINS**

THIS IS EXHIBIT "A" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

**SECOND AMENDED AND RESTATED LOAN AGREEMENT**

**Dated as of October 31, 2019**

**between**

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

**as Lender**

**– and –**

**T5 SC OIL AND GAS LIMITED PARTNERSHIP, by its general partner, TRIPLE FIVE  
INTERCONTINENTAL GROUP LTD.**

**as Borrower**

**– and –**

**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**

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## SECOND AMENDED AND RESTATED LOAN AGREEMENT

**THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT** is made with effect as of the 31<sup>st</sup> day of October, 2019, by and between **T5 SC OIL AND GAS LIMITED PARTNERSHIP**, by its general partner, **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**, **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** and **CROWN CAPITAL PARTNER FUNDING, LP**, by its general partner, **CROWN CAPITAL LP PARTNER FUNDING INC.**, and one or more Persons to whom the foregoing lender or its permitted assigns may from time to time assign an interest in the Loan Documents;

### RECITALS:

**WHEREAS** the Borrower, the General Partner and the Lender are party to an amended and restated loan agreement dated March 13, 2019 (the "**Existing Loan Agreement**");

**AND WHEREAS** the Borrower, the General Partner and the Lender have agreed to amend and restate the terms and conditions of the Existing Loan Agreement in accordance with the terms and conditions set forth in this Agreement;

**AND WHEREAS** it is the intention of the Borrower, the General Partner and the Lender that upon execution of this Agreement, the Existing Loan Agreement, shall be amended and restated in its entirety by this Agreement; provided, however, the Obligations arising under the Existing Loan Agreement shall continue in full force and effect and the Security granted in connection therewith shall be continuing but shall now be governed by the terms of this Agreement and the other Loan Documents which remain in full force and effect;

**NOW THEREFORE**, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to amend and restate the Existing Loan Agreement as follows:

### ARTICLE 1 - DEFINITIONS

#### 1.1 General Definitions.

In this Agreement the following terms shall have the following meanings:

- (a) "**Accounting Change**" shall have the meaning ascribed to it in Section 1.3.
- (b) "**Accounting Change Notice**" shall have the meaning ascribed to it in Section 1.3.
- (c) "**Acquisition**" means, with respect to any Person, any purchase or other acquisition by such Person, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (i) an Equity Interest in any other Person which represents more than 49.9% of all Equity Interests of such Person, or (ii) all or substantially all of the Property of any division, business, operation or undertaking of any other Person, or (iii) an Equity Interest in any other Person (other than a Subsidiary) with an acquisition cost of more than \$200,000, or

- (iv) any division, business, operation or undertaking of any other Person with an acquisition cost of more than \$200,000.
- (d) "**Action Request**" means any request from any Governmental Authority under any Environmental Law whereby such body or agency requests that the Person requested takes action or steps or does acts or things in respect of any Property in its charge, management or control to remediate a matter which is not or is alleged not to be in compliance with all Environmental Laws, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect.
- (e) "**AER**" means the Alberta Energy Regulator.
- (f) "**Affiliate**" has the meaning attributed to it in the *Securities Act* (Alberta).
- (g) "**After-Acquired Property**" shall have the meaning ascribed to it in Section 6.3.
- (h) "**Agreement**" means this second amended and restated loan agreement and all schedules attached hereto; the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement, as amended, restated or supplemented from time to time, as a whole and not to any particular Article, Section, Schedule, or other portion hereof or thereof.
- (i) "**Amended and Restated Production Payment Agreement**" shall have the meaning ascribed to it in Section 3.3.
- (j) "**Annual Business Plan**" means the annual business plan of the Borrower, prepared on a Consolidated basis, with detailed financial projections and budgets on a quarter to quarter basis for the following one (1) Fiscal Year, in each case consisting of a proposed balance sheet, statement of income, retained earnings, statement of cash flows, proposed Capital Expenditures and a list of assumptions upon which such projections are based.
- (k) "**Applicable Law**" means: (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (ii) any judgement, order, writ, injunction, decision, ruling, decree or award; (iii) any regulatory policy, practice, guideline or directive; or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law and, without limiting the generality of the foregoing, shall include Environmental Laws.
- (l) "**Approved Marketing Contract**" has the meaning ascribed to in Section 7.1(ss).
- (m) "**Arm's Length**" has the meaning specified in the definition of "**Non-Arm's Length**".
- (n) "**ASPE**" means Accounting Standard for Private Enterprises as in effect from time to time.

- (o) "**Associate**" means an "**associate**" as defined in the *Business Corporations Act* (Alberta).
- (p) "**Audited Financial Statements**" means the audited Consolidated statement of financial position of the Borrower, including, without limitation, balance sheet, statement of income and retained earnings and statements of cash flows for the applicable Fiscal Year prepared in accordance with GAAP.
- (q) "**Auditor**" means MNP LLP, and includes their successors and, with the consent of the Lender, not to be unreasonably withheld, any replacement auditor of recognized national standing from time to time.
- (r) "**Borrower**" means, collectively, T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd. and their respective permitted successors and assigns.
- (s) "**Business**" means, collectively, the Obligors' business of acquiring interests in petroleum and natural gas rights, and the exploration, development, production and sale of petroleum and natural gas.
- (t) "**Business Day**" means a day, other than Saturday or Sunday or a statutory holiday on which banks are generally open for business in Calgary, Alberta.
- (u) "**Canadian Pension Plan**" means any "pension plan" or "plan" that is subject to the funding requirements of the *Employment Pension Plans Act* (Alberta) or applicable pension benefits legislation in any other Canadian jurisdiction and is applicable to employees resident in Canada of an Obligor.
- (v) "**Capital Expenditures**" means, for any period, any expenditure made by any Person for the purchase, lease, acquisition, licence, erection, development, improvement, construction, repair or replacement of capital assets (which shall include the exercise of any right of first refusal or similar option would which result in any of the foregoing), and any expenditure related to a Capital Lease or any other expenditure required to be capitalized, all as determined in accordance with GAAP.
- (w) "**Capital Lease**" means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.
- (x) "**Cash Fee**" shall have the meaning ascribed to it in Section 4.6 hereof.
- (y) "**Cash Management Obligations**" means any arrangement entered into or to be entered into by the Borrower or any other Obligor with a financial institution for or in respect of cash management services for the Borrower or such Obligor, including centralized operating accounts, automated clearing house transactions, controlled disbursement services, treasury, depository, overdraft and electronic funds transfer services, foreign exchange facilities, currency exchange transactions or agreements and options with respect thereto, credit card processing services, credit or debit cards, purchase cards and any indemnity given in connection with any of the foregoing.

- (z) **"Change of Control"** means, if with respect to the Obligors (as applicable):
- (i) if Nader Ghermezian and T5 Energy Partners Ltd., collectively, cease to hold legal and beneficial ownership or control of voting shares in the capital of the General Partner which have or represent more than 50.1% of all of the votes entitled to be cast by shareholders for an election of the board of directors of the General Partner (unless such interest of Nader Ghermezian is assigned to an Affiliate of the General Partner with the prior written consent of the Lender); or
  - (ii) if T5 Energy Partners Ltd. ceases to hold directly or indirectly, beneficial ownership or control of limited partnership units of the Borrower which have or represent more than 50.1% of all of the votes of partners entitled to be cast by limited partners of the Borrower at a duly convened meeting of the partners thereof or are otherwise entitled to be voted on a resolution of the partners of the Borrower (unless such interest of T5 Energy Partners Ltd. is assigned to an Affiliate of the Borrower with the prior written consent of the Lender); or
  - (iii) if the General Partner ceases to be the general partner of the Borrower.
- (aa) **"Closing Date"** means October 31, 2019, or such other date as may be agreed to by the Lender and the Borrower.
- (bb) **"Collateral"** means all of the undertaking and Property, present and future, real, immovable, personal and immovable, of each Obligor, now or hereafter pledged, hypothecated, granted or assigned to the Lender to secure, either directly or indirectly, repayment on account of payment of any of the Obligations.
- (cc) **"Compliance Certificate"** means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 8.2 and signed by any of the Chief Financial Officer of the General Partner, in its capacity as general partner of the Borrower, Ryan Martin or Jerry McLellan (for so long as the latter two individuals hold senior management positions with the Borrower).
- (dd) **"Consolidated"** means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and when used in respect of the Borrower shall include all of the Obligors.
- (ee) **"Contingent Obligation"** means, as to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the **"primary obligations"**) of any other Person (the **"primary obligor"**) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of any

such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, Equity Interests or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term "**Contingent Obligation**" shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

- (ff) "**Current Assets**" means, for any day, the amount of current assets of the Borrower as determined in accordance with GAAP on a Consolidated basis, but excluding the impact of any Unrealized Hedging Gains.
- (gg) "**Current Liabilities**" means, for any day, the amount of current liabilities of the Borrower as determined in accordance with GAAP on a Consolidated basis, but excluding the impact of any Unrealized Hedging Losses.
- (hh) "**Current Ratio**" means, at any time, the ratio of (i) Current Assets to (ii) Current Liabilities.
- (ii) "**Debt**" means, with respect to any Person, without duplication, the aggregate of the following amounts, at the date of determination: (i) all indebtedness of such Person for borrowed money; (ii) all obligations of such Person for the deferred purchase price of Property or services which constitute indebtedness; (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments; (iv) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property); (v) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as Capital Leases; (vi) all reimbursement obligations, contingent or otherwise, of such Person under acceptance, letter of credit and similar facilities; (vii) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any partnership or shareholder or other Equity Interests of such Person (for greater certainty, not including obligations with respect to unexercised options and rights of first refusal and where conditions precedent to the purchase, redemption, retirement, defeasance or other acquisition of such obligations have not occurred); (viii) all Contingent Obligations of such Person in respect of Debt of another Person; (ix) all obligations of such Person under any Hedge Arrangements; and (x) any other obligation arising under arrangements or agreements that, in substance, provide financing to such Person.
- (jj) "**Deemed Interest Rate**" means the interest rate applicable to the Loan as set out in Section 4.1 or 4.3, as the case may be, from time to time.
- (kk) "**Depreciation Expense**" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash, determined, without duplication and determined on a Consolidated basis, in accordance with GAAP.

- (ll) "**Disposition**" means any sale, assignment, transfer, conveyance, lease or other disposition of any Property, or any interest in and to any Property, of any Obligor in a single transaction or a series of related transactions and shall include, without limiting the generality of the foregoing, any disposition by an Obligor of any interests in or to the Oil and Gas Properties, and the word "**Dispose**" or "**Disposed**" shall have a correlative meaning.
- (mm) "**Distribution**" shall mean, with respect to any Person, any payment, directly or indirectly, by such Person: (i) of any dividends on any shares of its capital, other than dividends payable in shares; (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any Equity Interests; (iii) of any other distribution in respect of any Equity Interests; (iv) of any principal, interest, premium or fees on, or related to, other indebtedness or liability of such Person whether ranking, at law or by contract, in right of payment subordinate to any liability of such Person under the Loan Documents or otherwise; or (v) of any management, consulting or similar fee or compensation or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Affiliate of such Person or to any director, officer or member of the management of such Person or an Affiliate of such Person or to any Person not dealing at Arm's Length with such first Person (for greater certainty, reasonable compensation (including bonuses) paid by an Obligor in the course of its business and consistent past practices to directors, officers and members of management of Obligors shall not constitute Distributions hereunder).
- (nn) "**Drilling Program**" means, collectively, the drilling program as outlined in the IOGC Lease as the same may be amended or modified from time to time.
- (oo) "**EBITDA**" means, for any period, Net Income for the Borrower earned during such period plus, to the extent deducted in calculating Net Income (without duplication):
- (i) Interest Expense for such period;
  - (ii) Income Tax Expense for such period;
  - (iii) Depreciation Expense and amortization expense for such period;
  - (iv) Unrealized Hedging Losses for such period;
  - (v) other non-cash expenses/losses for such period;
  - (vi) extraordinary, unusual or non-recurring items for such period;
- decreased by the sum (without duplication) of:
- (vii) extraordinary, unusual or non-recurring items for such period;
  - (viii) dividend and interest income earned or received for such period;
  - (ix) non-cash income/gains for such period; and



- (x) Unrealized Hedging Gains for such period;
- all determined in accordance with GAAP on a Consolidated basis.
- (pp) **"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.
- (qq) **"Environmental Certificate"** means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 1.1(qq) and signed by an authorized officer of the General Partner, in its capacity as general partner of the Borrower.
- (rr) **"Environmental Laws"** means all Applicable Laws relating to the Environment, Materials of Environmental Concern, pollution or protection of health, safety or the Environment, including without limitation, laws and regulations relating to emissions, discharges, releases, threatened releases, remediation or reclamation of Materials of Environmental Concern, or otherwise relating to the manufacturing, processing, distribution, use, treatment, storage, disposal or transport of Materials of Environmental Concern.
- (ss) **"Equipment"** means all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible personal or movable Property (other than Inventory) of every kind and description used in a Person's operations or owned by such Person or in which such Person has an interest, whether now owned or hereafter acquired by such Person and wherever located, and all parts, accessories and tools and all increases and accessories thereto and substitutions and replacements therefor.
- (tt) **"Equity Interests"** means (i) in the case of any corporation or company, all shares or capital stock and any securities exchangeable for or convertible into shares or capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participation rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership, limited liability company or unlimited liability company, partnership units, partnership or membership interests (whether general or limited), as applicable, and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person (including without limitation a participating interest in a joint venture), and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.
- (uu) **"Event of Default"** shall have the meaning ascribed to it in Article 11 hereof.
- (vv) **"Existing Indebtedness"** has the meaning ascribed to it in Section 2.1 hereof.
- (ww) **"Existing Loan Agreement"** has the meaning ascribed to it in the recitals hereto.
- (xx) **"Existing Swaps"** means the Hedge Arrangements listed in Schedule 1.1(xx).

- (yy) "**Farmout and JV Agreement**" means the Farmout and Joint Venture Agreement dated May 5, 2014, as between Sunchild Oil & Gas Ltd., Triple Five Intercontinental Group Ltd. and Sunchild First Nation, as may be amended, restated, supplemented or modified from time to time.
- (zz) "**Financial Assistance**" means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or Contingent Obligations incurred by that Person for the purpose of or having the effect of providing financial assistance to another Person or Persons, including, without limitation, letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances or otherwise provide financial assistance to any other entity and for greater certainty "**Financial Assistance**" shall include any guarantee of any third party lease obligations.
- (aaa) "**Financial Statements**" means the financial statements of the Borrower which shall include, without limitation, the balance sheet, statement of income and retained earnings and statement of cash flows of the Borrower all prepared on a Consolidated basis in accordance with GAAP and consistent with the approach used by the Borrower in its Audited Financial Statements.
- (bbb) "**Fiscal Quarter**" means any of the fiscal quarterly accounting periods of the Borrower which currently end on March 31, June 30, September 30, and December 31 of each year.
- (ccc) "**Fiscal Quarter End**" means the last day of a Fiscal Quarter.
- (ddd) "**Fiscal Year**" means the fiscal year of the Borrower which is currently ending on December 31 of each year.
- (eee) "**GAAP**" means generally accepted accounting principles as may be described in the CPA Canada Handbook and other primary sources recognized from time to time by the Canadian Chartered Professional Accountants including, for certainty, IFRS as applied in Canada.
- (fff) "**General Partner**" means Triple Five Intercontinental Group Ltd. and its permitted successors and assigns.
- (ggg) "**Governmental Authority**" means the government of Canada, the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any First Nation, band council or supranational bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency and, for greater certainty, includes the Alberta Energy Regulator or any successor thereof.

- (hhh) "**Hedge Arrangements**" means, for any period, for any Person, any arrangement or transaction between such Person and any other Person which is a (i) 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; (ii) 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; or (iii) contract for a commodity swap or other production agreement or option designed to protect against fluctuations in commodity prices (which, for greater certainty, includes both physically and financially settled hedges), and any other derivative agreement or other similar agreement or arrangements designed to protect or mitigate against risks in interest or currency exchange rates, or fluctuations in commodity prices.
- (iii) "**Hedging Strategy**" has the meaning ascribed to it in Section 9.1(ff) hereof.
- (jjj) "**Income Tax Expense**" means, with respect to the Borrower, for any period, the aggregate, without duplication, of all current Taxes on the income of the Borrower for such period, determined in accordance with GAAP.
- (kkk) "**IFRS**" means International Financial Reporting Standards as in effect from time to time.
- (lll) "**Independent Engineer**" means Sproule Associates Limited or any firm of independent petroleum engineers of recognized North American standing retained by the Borrower to evaluate, audit or review its and the other Obligor's Proved Reserve Value, who are acceptable to the Lender.
- (mmm) "**Independent Engineering Report**" means an independent economic and reserve evaluation report covering the P&NG Leases and Petroleum Substances of the Borrower (and if applicable, the Obligor) prepared by the Independent Engineer, with an effective date no earlier than December 31 of the immediately preceding calendar year.
- (nnn) "**Initial Loan**" has the meaning ascribed to it in Section 2.1 hereof.
- (ooo) "**Intellectual Property**" means the intellectual property in patents, patent applications, trade-marks, trade-mark applications, trade names, service marks, copyrights, copyright registrations and trade secrets including, without limitation, customer lists and information and business opportunities, industrial designs, proprietary software, technology, recipes and formulae and other similar intellectual property rights.
- (ppp) "**Interest Expense**" of the Borrower means, for any period, without duplication, the aggregate amount of interest and other financing charges paid or payable by the Borrower, on account of such period with respect to Debt including interest, amortization of discount and financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect

to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of Capital Leases and net payments (if any) pursuant to Hedge Arrangements involving interest, all as determined in accordance with GAAP.

- (qqq) "**Interest Payment Date**" means the first Business Day in each calendar month following the date of the Closing Date.
- (rrr) "**Inventory**" means, with respect to any Person, all inventory of such Person, whether now owned or hereafter acquired including, but not limited to, all goods intended for sale or lease by such Person, or for display or demonstration; all work in process; all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, printing, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in such Person's business.
- (sss) "**Investment**" in any Person means any direct or indirect (i) acquisition of any Equity Interest in such Person, (ii) loan or advance made to such Person, or (iii) contribution of capital to such Person. In determining the amount of any Investment involving a transfer of any Property other than cash, such Property shall be valued at its fair market value at the time of such transfer. For greater certainty, an Acquisition shall not be treated as an Investment.
- (ttt) "**IOGC**" means Indian Oil and Gas Canada.
- (uuu) "**IOGC Lease**" means lease no. OL-6448 dated May 1, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC, Aboriginal Affairs and Northern Development Canada; Sunchild Oil & Gas Ltd. and Sunchild First Nation, as assigned by Sunchild Oil & Gas Ltd. to the Triple Five Intercontinental Group Ltd. pursuant to the IOGC Lease Assignment, as amended by an amending agreement to oil and gas lease OL-6448 effective January 1, 2019, as may be further amended, restated, supplemented or modified from time to time.
- (vvv) "**IOGC Lease Assignment**" means the assignment of contract rights and approval pursuant to Section 49 of the IOGR with respect to the IOGC Lease effective June 10, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC, Sunchild Oil & Gas Ltd. and Triple Five Intercontinental Group Ltd.
- (www) "**IOGC Right of Way**" means right of way no. RW-4779 dated February 26, 2015, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC; Sunchild First Nation and Triple Five Intercontinental Group Ltd., as may be amended, restated, supplemented or modified from time to time.
- (xxx) "**IOGC Surface Leases**" means, collectively, (i) surface lease no. OS-7116 dated December 11, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC; Sunchild First Nation and Triple Five Intercontinental Group Ltd., as may be amended, restated, supplemented or modified from time to time; and (ii) surface lease no. OS-7181 dated effective January 29, 2018, as between Her Majesty the Queen in Right of Canada,

represented by the Executive Director of IOGC and Triple Five Intercontinental Group Ltd., and approved by Sunchild First Nation, as may be amended, restated, supplemented or modified from time to time.

- (yyy) "**IOGR**" means the *Indian Oil and Gas Regulations* (Canada), as amended or replaced from time to time.
- (zzz) "**Lender**" means Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. and their respective successors and permitted assigns.
- (aaaa) "**Lien**" means: (i) any interest in Property securing an obligation owed to, or a claim by, a Person, whether such interest is based on the common law, civil law, statute, or contract, and including, without limitation, a security interest, charge, claim, hypothec or lien arising from a mortgage, deed of trust, hypothec, encumbrance, pledge, hypothecation, assignment, deposit arrangement, agreement, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes; and (ii) to the extent not included under clause (i) of this definition, (A) any rights of repossession or similar rights of unpaid suppliers, (B) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception or encumbrance affecting Property, and (C) any other lien, hypothec, charge, privilege, secured claim, title retention, garnishment right, deemed trust, encumbrance or other right affecting Property, choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due, arising by any statute or law of any jurisdiction, at law, in equity or by any agreement.
- (bbbb) "**Limited Partnership Agreement**" means the limited partnership agreement with respect to the Borrower dated May 4, 2014, as between the General Partner, as general partner, and T5 Energy Partners Ltd., as limited partner, as amended, supplemented, restated and modified from time to time.
- (cccc) "**LLR/LMR**" means the licensee liability rating and liability management rating or similar program adopted and assessed by the AER pursuant to Directive 006 – Licensee Liability Rating (LLR) Program and Licence Transfer Process, as the same may be amended from time-time; and related regulations, directives, orders, bulletins or guidelines enacted or adopted by any of the foregoing or any Governmental Authority in addition thereto having jurisdiction.
- (dddd) "**Loan**" shall have the meaning ascribed to it in Section 2.1 hereof.
- (eeee) "**Loan Documents**" means (i) this Agreement, the Security and any other document, certificate, agreement or instrument delivered by any Obligor (including by any officer of an Obligor in his or her capacity as such) pursuant to this Agreement or the Existing Loan Agreement including, for greater certainty, the Amended and Restated Production Payment Agreement; and (ii) all present and future security, agreements, documents, certificates and instruments delivered by any Obligor to the Lender pursuant to, or in respect of this Agreement and the agreements and documents referred to in clause (i), in each case as the same may from time to time be supplemented, amended or restated, and "**Loan Document**" shall mean any one of the Loan Documents.

- (ffff) "**Losses**" shall have the meaning ascribed to it in Section 12.1 hereof.
- (gggg) "**LR Guarantors**" means, collectively, Nader Ghermezian and T5 Energy Partners Ltd. and "**LR Guarantor**" means any one of them.
- (hhhh) "**Material Adverse Effect**" shall mean (i) a material adverse effect on the Business, prospects, operations, properties, assets or condition (financial or otherwise) of the Obligors on a Consolidated basis, (ii) an adverse effect on the legality, validity or enforceability of any of the Loan Documents which could reasonably be considered material having regard to the Loan Documents considered as a whole, including the validity, enforceability, perfection or priority of any Lien created under any of the Security which could reasonably be considered material having regard to the Security considered as a whole, (iii) a material adverse effect on the ability of an Obligor, to pay or perform any of its debts, liabilities or obligations under any of the Loan Documents, which could reasonably be considered material having regard to the Obligors, taken as a whole, or (iv) an adverse effect on the right, entitlement or ability of the Lender to enforce its rights or remedies under any of the Loan Documents which could reasonably be considered material having regard to the Loan Documents taken as a whole.
- (iiii) "**Material Contracts**" means, collectively, each written agreement (or multiple agreements with the same Person), arrangement or understanding entered into by an Obligor which if not complied with, or expires, or is terminated, could reasonably be expected to have a Material Adverse Effect and includes, without limitation, the agreements listed in Schedule 7.1(j) and any "contracts" of the Obligors as that term is defined under the IOGR.
- (jjjj) "**Material Licences**" means, collectively, each licence, permit or approval issued by any Governmental Authority or any applicable stock exchange or securities commission to any Obligor, the breach or default of which, or termination of, could reasonably be expected to result in a Material Adverse Effect and includes, without limitation, the licences, permits and approvals listed in Schedule 7.1(j).
- (kkkk) "**Materials of Environmental Concern**" means any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum, petroleum products, together with any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation, materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials or wastes and including any other substances, materials or wastes that are or become regulated under any laws relating to the protection of the Environment or maintenance of occupational safety (including, without limitation, any that are or become classified as hazardous or toxic under any Applicable Law).
- (llll) "**Maturity Date**" means March 13, 2022.
- (mmmm) "**Miscellaneous Interests**" means, in respect of any P&NG Leases or Tangibles, all interests, property and rights at such time, whether contingent or absolute, legal or



beneficial, present or future which affect or are related to or are associated with such P&NG Leases or Tangibles, including, without limitation, the following property, rights, and assets:

- (i) all present and future contracts, agreements and documents relating to any of such P&NG Leases or Tangibles or any rights in relation thereto;
  - (ii) all present and future surface rights which are used or useful in connection with any of such P&NG Leases or Tangibles;
  - (iii) all present and future permits, licenses, authorizations and deposits relating to any of such P&NG Leases or Tangibles, including in respect of facilities, wells and pipelines, or the export, removal, transportation, purchase or sale of Petroleum Substances;
  - (iv) all Petroleum Substances in the course of production from any of such P&NG Leases;
  - (v) books, maps, records, documents, seismic, geological, engineering, data processing, well, plant and other reports, data, information, computer programs or other records which relate to or are used or useful in connection with any of such P&NG Leases or Tangibles; and
  - (vi) all extensions, renewals, amendments or replacements of or to any of the foregoing items described in paragraphs (i) through (v) of this definition;
- (nnnn) "**Net Debt**" means, as of any date of determination, (i) Consolidated Debt of the Borrower outstanding on such date minus (ii) the aggregate amount of cash and cash equivalents included in the cash accounts listed on the statement of financial position of the Borrower as of such date, to the extent the use thereof for application to payment of Debt is not prohibited by law or contract.
- (oooo) "**Net Debt to Proved Reserve Value Ratio**" means, on any date, determined on a Consolidated basis, the ratio of (i) the Net Debt of the Borrower on such date to (ii) Proved Reserve Value on such date.
- (pppp) "**Net Debt to TTM EBITDA Ratio**" means, on any date, determined on a Consolidated basis, the ratio of (i) the Net Debt of the Borrower on such date to (ii) TTM EBITDA on such date.
- (qqqq) "**Net Income**" means, in respect of any period for which it is being determined, the net income of the Obligors determined on a Consolidated basis in accordance with GAAP.
- (rrrr) "**Non-Arm's Length**" and similar phrases have the meaning attributed thereto for the purposes of the *Income Tax Act* (Canada), and "**Arm's Length**" shall have the opposite meaning.
- (ssss) "**Obligations**" means all present and future obligations and indebtedness, liabilities and obligations of any and every kind and nature, of the Obligors to the Lender arising under this Agreement (including as incurred under the Existing Loan

Agreement) or the Loan Documents, whether now or hereafter existing, whether now due or to become due, whether primary, secondary, direct, indirect, absolute, contingent or otherwise (including without limitation, obligations of performance), whether several or joint or joint and several.

- (tttt) "**Obligors**" means, collectively, the Borrower and the General Partner, on its own behalf and on behalf of the Borrower, and "**Obligor**" means any one of them.
- (uuuu) "**Oil and Gas Ownership Certificate**" means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 1.1(uuuu) and signed by an authorized officer of the General Partner, in its capacity as general partner of the Borrower.
- (vvvv) "**Oil and Gas Properties**" means all of the interest, right, title and estate of the Obligors, now owned or hereafter acquired, in and to:
- (i) all lands and other real and immovable property interests of the Obligors (including leasehold lands and licenses held by the Obligors relating thereto) owned, held or used, from time to time, in connection with the exploration for and development (including, without limitation, such interests in respect of which no proved reserves are attributed), production, processing, transportation and marketing of Petroleum Substances;
  - (ii) the Petroleum Substances within, upon or under all lands, real and immovable property interests referred to in subclause (i) of this definition;
  - (iii) royalty, production, profits and other interests or payments out of, referable to, or payable in respect of, Petroleum Substances or the value thereof produced from or allocable to the lands, real and immovable property interests and off-shore interests referred to in subclause (i) of this definition;
  - (iv) the P&NG Leases;
  - (v) the Tangibles;
  - (vi) the Miscellaneous Interests;
  - (vii) any and all rights and interests in the foregoing substantially replacing, extending or renewing any of the foregoing in the event of termination, surrender, negotiation or renegotiation thereof; and
  - (viii) any and all rights to acquire any of the foregoing.
- (wwww) "**Organizational Documents**" means, with respect to any applicable Person, such Person's articles or other charter or constitutional documents, by-laws, shareholder agreement, partnership agreement, joint venture agreement, limited liability company agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.
- (xxxx) "**Original Loan Agreement**" means the loan agreement dated August 31, 2018, among the Borrower, the General Partner and Lender.

- (yyyy) **"P&NG Leases"** means, collectively, any and all present and future documents of title including all leases, licenses, reservations, permits, unit agreements, assignments, trust declarations, participation, exploration, farmout, farming, royalty, purchase, or other agreements by virtue of which the any Obligor entitled to:
- (i) explore for, drill for, recover, take or win Petroleum Substances and the present and future interests of any Obligor therein, and the rights of any Obligor thereunder; or
  - (ii) share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits, or other interests out of, referable to, payable in respect of or any amounts calculable by reference to the volume or value of Petroleum Substances and the present and future interests of any Obligor therein and the rights of any Obligor thereunder.
- (zzzz) **"Pending Event of Default"** means any event or condition which, with the giving of notice, lapse of time or both, or upon a declaration or determination being made in accordance with Article 11 (or any combination thereof) would constitute an **"Event of Default"**.
- (aaaa) **"Pension Plan"** means (i) a "pension plan" or "plan" which is subject to the funding requirements of applicable pension benefit legislation in any jurisdiction as is applicable to the employees of any Obligor; or (ii) any pension benefit plan or similar agreement applicable to employees of any Obligor (other than a plan sponsored by a Governmental Authority) which, for greater certainty, includes a Canadian Pension Plan.
- (bbbb) **"Performance Notice"** has the meaning ascribed to it in the Farmout and JV Agreement.
- (cccc) **"Permitted Acquisition"** means an Acquisition of: (i) real property (or interests relating thereto) of any Person with an acquisition cost of less than \$1,000,000; and (ii) Equity Interests in any other Person(s) provided the acquisition cost(s) of all Equity Interests acquired over any twelve month period do not exceed \$1,000,000 in aggregate.
- (dddd) **"Permitted Cash Investments"** means an investment in any of the following:
- (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the Government of Canada or the United States or of any province or state thereof, as applicable (or by any agency or instrumentality of any of the foregoing to the extent such obligations are backed by the full faith and credit of the Government of Canada or the United States or of such province or state, as applicable);
  - (ii) investments in certificates of deposit, bankers' acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada or the United States or of any Canadian province or federal state in the United States having combined

capital and surplus of not less than \$300,000,000 or the equivalent in any other currency; and

- (iii) commercial paper of an issuer rated at least A-1+ or the equivalent thereof by a rating agency satisfactory to the Lender, and in each case maturing within six (6) months from the date of acquisition.

(eeee) **"Permitted Contest"** means any action taken by or on behalf of the Borrower or any other Obligor in good faith to contest a Tax, claim or Lien, provided that 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 Borrower.

(ffff) **"Permitted Debt"** means:

- (i) Debt under this Agreement;
- (ii) Debt set forth on Schedule 1.1(ffff)(ii); and
- (iii) Debt consented to in writing by the Lender from time to time, subject to the terms imposed by the Lender in connection with such consent.

(gggg) **"Permitted Disposition"** means any:

- (i) Disposition of Oil and Gas Properties (and related tangibles) resulting from any pooling or unitization 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;
- (ii) Disposition in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;
- (iii) Disposition by any Obligor of its interest in machinery, equipment or other tangible personal property for which obligations were incurred in connection with a Purchase Money Security Interest and such obligations are fully repaid concurrently with such Disposition;
- (iv) Disposition of assets (including shares or ownership interests) by an Obligor to another Obligor;
- (v) abandonment of rights in Oil and Gas Properties in the ordinary course of business;
- (vi) Disposition of current production from Oil and Gas Properties made in the ordinary course of business; or

- (vii) Disposition of Oil and Gas Properties and related tangibles made in the ordinary course of business for fair market value to third parties provided that the aggregate fair market value of such Disposition does not exceed \$200,000.

(hhhhh) **"Permitted Liens"** means, with respect to any Person, the following:

- (i) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (ii) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (iii) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower or other Obligor, which the Borrower or such other Obligor (as applicable) shall be contesting at the time by a Permitted Contest;
- (iv) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Applicable Law against any Obligor 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, the validity of which is being contested by a Permitted Contest;
- (v) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests or related production or processing facilities as security in favour of any other Person conducting the exploration, development, production, processing, operation or transmission of the property to which such Liens relate, for any Obligor's portion of the costs and expenses of such exploration, development, production, processing, operation or transmission, provided such costs or expenses are not due or delinquent or if due or delinquent, the validity of which is being contested by a Permitted Contest;
- (vi) any encumbrance or agreement relating to farmout, joint ownership, pooling or a plan of unitization affecting the property of an Obligor, or any part thereof;
- (vii) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under P&NG Leases in which an Obligor has any interest;
- (viii) Liens for penalties arising under non-participation provisions of operating agreements in respect of any Obligor's P&NG Leases,

Tangibles or related facilities, if such Liens would not reasonably be expected to have a Material Adverse Effect;

- (ix) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by any Obligor (including, without limitation, 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;
- (x) 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 an Obligor, 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;
- (xi) rights of general application reserved to or vested in any Governmental Authority to levy taxes on any of the assets or the income therefrom, or to limit, control or regulate any of the assets, or operations pertaining thereto, in any manner;
- (xii) 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;
- (xiii) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to the Oil and Gas Properties or related facilities of an Obligor, the exercise of which would not reasonably be expected to have a Material Adverse Effect;
- (xiv) public and statutory Liens not yet due and similar Liens arising by operation of Applicable Law;
- (xv) the Security;
- (xvi) the interest of any Person under any Purchase Money Security Interest, or Capital Lease to the extent the underlying obligation in respect thereof is otherwise permitted hereunder;
- (xvii) bankers' liens, rights of set-off and other similar liens existing solely with respect to cash and Permitted Cash Investments on deposit in one or more accounts maintained by the Borrower or any other Obligor, in each case, granted in the ordinary course of business in favour of the financial institution with which such accounts are maintained, securing amounts owing to such financial institution with respect to Cash Management Obligations, including those involving pooled accounts and netting arrangements;



- (xviii) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property (other than P&NG Leases) entered into in the ordinary course of business, in each case, to which an Obligor is a party;
  - (xix) Liens resulting from the deposit of cash or Permitted Cash Investments as security when an Obligor is required to do so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by Applicable Law;
  - (xx) minor defects of title which, individually and in the aggregate, do not materially affect the right of ownership of an Obligor in the Oil and Gas Properties or the right of an Obligor to utilize the Oil and Gas Properties and to conduct its business;
  - (xxi) Liens existing as at the Closing Date with the particulars identified in Schedule 1.1(hhhh) attached hereto;
  - (xxii) Liens which are not otherwise Permitted Liens; provided that (i) the aggregate amount of obligations secured thereby does not at any time exceed \$250,000 and (ii) such Liens do not attach generally to all or substantially all of the undertaking, assets and property of the Obligors;
  - (xxiii) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens referred to above in this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased; and
  - (xxiv) such other Liens as agreed to in writing by the Lender in accordance with this Agreement.
- (iiii) **"Person"** means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or foreign or local government (whether federal, provincial, state, county, city, municipal or otherwise), including, without limitation, any instrumentality, division, agency, body or department thereof.
- (jjjj) **"Petroleum Substances"** means petroleum, crude oil, crude bitumen, synthetic crude oil, oilsands, bituminous sands, natural gas, natural gas liquids, bitumen, condensate, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with or derived from any of the foregoing, including hydrogen sulphide, sulphur and coke.

- (kkkkk) "**PPSA**" shall mean the *Personal Property Security Act* (Alberta), or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time.
- (lllll) "**Prepayment Fee**" shall have the meaning ascribed to it in Section 3.2(a) hereof.
- (mmmmm) "**Principal Amount**" shall have the meaning ascribed to in Section 2.1.
- (nnnnn) "**Production Payment**" shall have the meaning ascribed to it in the Amended and Restated Production Payment Agreement.
- (ooooo) "**Production Payment Agreement**" means the production payment agreement as between the Lender and the Obligors dated August 31, 2018, as amended by a production payment agreement amending agreement dated March 13, 2019, as the same may have been further amended, restated, supplemented or modified from time to time prior to the date hereof.
- (ppppp) "**Property**" means, with respect to any Person, all or any portion of its undertaking, property or asset, whether real, immovable, personal, movable, or mixed, tangible or intangible, including for greater certainty the Oil and Gas Properties and any Equity Interests of a corporation or ownership interest in any other Person, and "**Properties**" has a correlative meaning.
- (qqqqq) "**Proved Reserve Value**" means, with respect to the Oil and Gas Properties, the total net present value, as specified in the Independent Engineering Report, of those oil and gas reserves which have been identified and quantified as Total Proved Reserves in the Independent Engineering Report, after applying a ten (10%) discount rate.
- (rrrrr) "**Purchase Money Security Interest**" means a Lien created or assumed by an Obligor securing Debt incurred to finance the unpaid acquisition price of personal Property provided that (i) such Lien is created concurrently with or prior to the acquisition of such personal Property, (ii) such Lien does not at any time encumber any Property other than the Property financed or refinanced (to the extent the principal amount is not increased) by such Debt, (iii) the principal amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Lien at no time exceeds 100% of the original purchase price of such personal Property at the time it was acquired, and for the purposes of this definition the term "**acquisition**" shall include a Capital Lease and the term "**acquire**" shall have a corresponding meaning.
- (sssss) "**Release**" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.
- (ttttt) "**Requirements of Law**" means, as to any Person, the Organizational Documents of such Person and any Applicable Law, or determination of a Governmental Authority, in each case, applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject.

- (uuuuu) "**Sales Proceeds**" shall have the meaning ascribed to it in the Amended and Restated Production Payment Agreement.
- (vvvvv) "**Schedule I Canadian Bank**" means a bank which is a Canadian chartered bank listed on Schedule I to the *Bank Act* (Canada).
- (wwwww) "**Securities Account**" means any "securities account" as such term is defined in the STA.
- (xxxxx) "**Security**" means all Liens, guarantees, indemnities, agreements and security documents (including confirmation(s) of security) granted by each of the Obligors, Nader Ghermezian and T5 Energy Partners Ltd. to the Lender securing or intended to secure repayment of the Obligations, and includes, without limitation, all guarantees, indemnities, agreements and security documents previously granted to the Lender pursuant to the Existing Loan Agreement and those guarantees, indemnities, agreements and security documents described in Article 6 of this Agreement, in each case, as the same may be amended, restated or supplemented from time to time.
- (yyyyy) "**STA**" means the *Securities Transfer Act* (Alberta), or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests on securities, investment property or other financial investments or instruments, and any successor statutes.
- (zzzzz) "**Subsidiary**" means, with respect to a Person, any corporation of which more than fifty (50%) percent of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time stock of any other class of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Person or by any partnership, joint venture or other entity of which more than fifty percent (50%) of the outstanding equity interests are at the time, directly or indirectly, owned by the Person.
- (aaaaa) "**Tangibles**" means, in respect of the Obligors at any time, all right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, of such Obligor at such time in and to any tangible property, apparatus, plants, equipment, machinery and fixtures, fixed or non-fixed, real or personal, used or capable of use in exploiting any Petroleum Substances including:
- (i) systems, plants and facilities used or useful in producing, gathering, compressing, processing, treating, refining, storing, transporting or shipping Petroleum Substances, including for greater certainty those wells listed in Part II of Schedule 7.1(q);
  - (ii) tangible property and assets used or intended for use in exploration, producing, storing, injecting or removing Petroleum Substances; and
  - (iii) all extensions, additions and accretions to any item described in items (i) or (ii) above;
- (bbbbbb) "**Taxes**" shall have the meaning ascribed to it in Section 12.2 hereof.

- (ccccc) "**Third Advance**" shall have the meaning ascribed to it in Section 2.1 hereof.
- (dddddd) "**TTM EBITDA**" means, at any date, EBITDA for the twelve (12) months immediately preceding such date.
- (eeeeee) "**Unrealized Hedging Gains**" means mark to market unrealized gains in respect of Hedge Arrangements or other risk management products recorded in accordance with GAAP.
- (ffffff) "**Unrealized Hedging Losses**" means mark to market unrealized losses in respect of Hedge Arrangements or other risk management products recorded in accordance with GAAP.
- (gggggg) "**Violation Notice**" means any notice received by a Person, from any Governmental Authority under any Applicable Law that such Person or any of its Property is not in compliance with the requirements of any Applicable Law, if such non-compliance would reasonably be expected to have a Material Adverse Effect.
- (hhhhhh) "**Welfare Plan**" means any medical, health hospitalization, insurance or other employee benefit or welfare plan or arrangement application to employees resident in Canada of an Obligor.

## 1.2 Schedules and Exhibits.

The following are the Schedules and Exhibits to this Agreement, which are deemed to be a part of this Agreement:

Schedule 1.1(qq)	Form of Environmental Certificate
Schedule 1.1(xx)	Existing Swaps
Schedule 1.1(uuuu)	Form of Oil and Gas Ownership Certificate
Schedule 1.1(ffff)(ii)	Permitted Debt
Schedule 1.1(hhhh)	Permitted Liens
Schedule 7.1(f)	Intellectual Property
Schedule 7.1(g)	Obligors' Names
Schedule 7.1(h)	Corporate Structure, Subsidiaries, Affiliates, Joint Ventures and Partnerships
Schedule 7.1(i)	Judgments and Litigation
Schedule 7.1(j)	Material Contracts and Material Licenses
Schedule 7.1(o)	Royalties
Schedule 7.1(q)	Drilling Program
Schedule 7.1(t)	Taxes
Schedule 7.1(w)	Non-Arm's Length Transactions
Schedule 7.1(x)	Location of Collateral
Schedule 7.1(y)	Owned Real Property and Oil and Gas Properties
Schedule 7.1(z)	Leased Real Property
Schedule 7.1(ee)	Labour Matters
Schedule 7.1(ff)	Pension Plans
Schedule 7.1(hh)	Insurance
Schedule 7.1(kk)	Bank Accounts and Security Accounts
Schedule 7.1(pp)	Farmout Agreements
Schedule 7.1(qq)	Operating Agreements

Schedule 7.1(ss)  
Schedule 8.2

Approved Marketing Contracts  
Form of Officer's Compliance Certificate

### 1.3 Accounting Terms and Definitions and Change to LLR/LMR.

- (a) Unless otherwise provided herein, all financial terms used in this Agreement shall be determined in accordance with GAAP in effect at the date of such determination and where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other computation is required to be made for the purpose of this Agreement, such determination or calculation shall be made in accordance with GAAP applied on a consistent basis unless otherwise indicated.
- (b) If:
- (i) there occurs a material change in GAAP, including as a result of a conversion to IFRS or ASPE; or
  - (ii) the Borrower or any of its Subsidiaries adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements;

and the above 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 contained in Section 9.1(y) to be materially different than the amount that would be determined without giving effect to such change, the Borrower shall notify the Lender 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 in accordance with GAAP and state whether the Borrower desires to revise the method of calculating one or more of the financial covenants (including the revision of any of the defined terms used in the determination of such financial covenants) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such financial covenant will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such financial covenant. The Accounting Change Notice shall be delivered to the Lender, together with written confirmation from the Auditor supporting such Accounting Change, within thirty (30) days after the end of the month in which the Accounting Change is implemented or, if such Accounting Change is implemented in the last month of a Fiscal Year or in respect of an entire Fiscal Year, within ninety (90) days after the end of such period.

- (c) If the Borrower indicates that it wishes to revise the method of calculating one or more of the financial covenants, the Borrower and the Lender shall in good faith attempt to agree on a revised method of calculating such financial covenants. If, however, within thirty (30) days thereafter, the Borrower and the Lender 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.

- (d) If a compliance certificate is delivered pursuant to Section 8.2 in which an Accounting Change is implemented without giving effect to any revised method of calculating any of the financial covenants, and subsequently, as provided above, the method of calculating one or more of the financial covenants is revised in response to such Accounting Change, or the amounts to be determined pursuant to any of the financial covenants are to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised compliance certificate.
- (e) Nothing contained in this Section 1.3 shall obligate the Lender to approve of any Accounting Change or any revisions to the method of calculating any of the financial covenants, including receipt by the Lender of any such written confirmation from the Auditor, and any such Accounting Changes or revisions to the method of calculating any of the financial covenants shall only be effective upon the prior written consent of the Lender.
- (f) If the AER revises its methodology relating to the LLR/LMR, the Borrower and the Lender shall in good faith attempt to agree on a revised LLR/LMR financial covenant set forth in Section 9.1(y) taking into account such revised methodology of the AER.

#### **1.4 Independent Engineering Report.**

The parties acknowledge, agree and confirm that it is their mutual intent that the calculation and determination of the Proved Reserve Value is to be performed in a manner consistent with the Independent Engineering Report prepared by Sproule Associates Limited and effective December 31, 2017 (the "**Base Report**"). In the event that the Independent Engineer or any other Person retained by the Borrower to prepare the Independent Engineering Report (subject to the consent of the Lender), calculates or determines the Proved Reserve Value in a manner inconsistent with the determination and/or calculation employed in the Base Report, the parties covenant to negotiate in good faith to amend this Agreement such that the definition attributable to the Proved Reserve Value, and ratio determined with reference thereto, remain consistent with the manner in which they are defined, calculated and determined with reference to the Base Report.

#### **1.5 Supplements, Re-enactments, Etc.**

References herein to any document or legislation are, unless otherwise stated, to be construed as references to such document or legislation as amended, restated or supplemented from time to time and references to any enactment include re-enactments, amendments and extensions thereof.

#### **1.6 Headings of Subdivisions.**

The headings of subdivisions in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Agreement.

#### **1.7 Gender and Number.**

Words importing the singular include the plural and vice versa and words importing gender include all genders.

### **1.8 Monetary References.**

Any reference in this Agreement to "**Dollars**", "**dollars**" or the sign "\$" shall be deemed to be a reference to lawful money of Canada, unless otherwise expressly stated.

### **1.9 Actions on Days Other Than Business Days.**

Except as otherwise specifically provided herein, where any payment is required to be made or any other action is required to be taken on a particular day and such day is not a Business Day and, as a result, such payment cannot be made or action cannot be taken on such day, then this Agreement shall be deemed to provide that such payment shall be made or such action shall be taken on the first Business Day after such day.

### **1.10 Permitted Liens.**

The inclusion of reference to Permitted Liens in any Loan Document is not intended to subordinate and shall not subordinate, and shall not be interpreted as subordinating any Lien created by any of the Security to any Permitted Lien unless the Lender agrees. However, to the extent any of such Permitted Liens are registered on title or pursuant to the PPSA prior to any of the Loan Documents that are registered subsequently, such Permitted Liens shall have priority.

### **1.11 Interpretation**

Wherever the Existing Loan Agreement is referenced herein, such references shall be deemed to include and incorporate the Original Loan Agreement where the context so requires including, without limitation, whenever a document is referenced as having been delivered in connection with the Existing Loan Agreement.

## **ARTICLE 2 - TERMS OF THE LOAN**

### **2.1 The Loan.**

The Borrower acknowledges, agrees and confirms that: (a) the principal sum of \$15,000,000 was advanced to the Borrower by the Lender on August 31, 2018, and (b) the principal sum of \$5,000,000 was advanced to the Borrower by the Lender on March 13, 2019 (collectively, the "**Initial Loan**"), which Initial Loan, together with all accrued but unpaid interest thereon (collectively, the "**Existing Indebtedness**"), remains an outstanding Obligation of the Borrower to the Lender as of the date hereof; and the Borrower further acknowledges, agrees and confirms that the Existing Indebtedness is hereby continued as principal indebtedness of the Borrower as of the date hereof under and subject to the terms and conditions of this Agreement.

Subject to the terms and conditions of this Agreement and the other Loan Documents, the Lender agrees to loan to the Borrower in lawful money of Canada, in addition to the Existing Indebtedness, the principal amount of \$7,000,000 (the "**Third Advance**") to or for the account of the Borrower (together with the Existing Indebtedness, the "**Loan**", and the outstanding principal amount of the Loan from time to time is herein referred to as the "**Principal Amount**").



## **2.2 Single Advance.**

Subject to the terms and conditions hereof, the Third Advance will be made available to the Borrower by way of a single advance on the Closing Date and the Borrower hereby irrevocably authorizes the Lender to make the Third Advance on the Closing Date.

## **2.3 Use of Proceeds.**

Provided the Obligors have performed the terms and conditions set forth in this Agreement to the satisfaction of the Lender, the Lender shall advance the Third Advance on the Closing Date as follows:

- (a) the Lender may deduct an amount from the advance equal to the costs and expenses incurred by it in accordance with Section 4.7;
- (b) the Lender may deduct an amount from the advance equal to \$140,000, in accordance with Section 4.6 hereof;
- (c) the Lender may deduct an amount from the advance equal to \$[◆], being the accrued and unpaid interest on the Principal Amount up to Closing Date; and
- (d) the balance of the Third Advance, after the deduction of the amounts set forth in Sections 2.3(a), 2.3(b) and 2.3(c), shall be advanced to the Borrower to be used for the development and completion of the Drilling Program and for general working capital purposes.

## **ARTICLE 3 - PAYMENT**

### **3.1 Payments on Principal.**

- (a) Commencing on September 1, 2020, and on the first Business Day of each month thereafter until the Principal Amount has been fully and indefeasibly repaid to the Lender by the Borrower, the Borrower shall make repayments in the amount of \$725,000 per month to be applied as follows:
  - (i) firstly, against any fees, costs or other amounts due and payable by any Obligor under this Agreement or the Loan Documents; and
  - (ii) secondly, against any and all interest accrued on the Principal Amount which has not otherwise been paid in accordance with Section 4.2 hereof; and
  - (iii) thirdly, as to the Principal Amount.
- (b) Except as otherwise set forth herein, the Principal Amount shall be repaid to the Lender by the Borrower and shall become due and payable on the Maturity Date together with all accrued and unpaid interest thereon and all fees, if any, and other amounts payable hereunder.
- (c) All payments to be made by the Borrower to the Lender hereunder shall be made to the Lender by wire transfer in accordance with the wire instructions given by the Lender to the Borrower in writing from time to time.

### 3.2 Optional Prepayment.

- (a) Subject to the terms hereof, and provided that no Pending Event of Default or Event of Default has occurred or is continuing either prior to or after giving effect to any contemplated prepayment, the Borrower shall have the option to prepay all or a portion of the outstanding Principal Amount at any date after the Closing Date, subject to the concurrent payment to the Lender of a prepayment fee calculated on the principal amount repaid in accordance with Section 3.2(b) (the "**Prepayment Fee**"), provided that (i) each prepayment is of a minimum amount of \$5,000,000, plus all accrued and unpaid interest owing on the Principal Amount; (ii) the remaining amount of the Loan shall not be less than \$5,000,000 subsequent to such prepayment (unless the Loan is being prepaid in full); and (iii) the Lender receives thirty (30) days' prior written notice of such prepayment. In the event that the outstanding Principal Amount becomes due and payable as a result of the acceleration of the Obligations by the Lender pursuant to Section 11.2 hereof, the Borrower shall be required to pay to the Lender the Prepayment Fee on the full Principal Amount in accordance with Section 3.2(b), which Prepayment Fee shall become part of and be included in the Obligations and shall be due and payable in accordance with Section 11.2.
- (b) The Prepayment Fee shall be equal to the percentage (set forth in Column B below and shown opposite of the relevant repayment date set forth in Column A below) of the amount of the Principal Amount being prepaid or otherwise becoming due and payable, as applicable, in accordance with Section 3.2(a):

<b>Column A</b>	<b>Column B</b>
<u>Repayment Date</u>	<u>Prepayment Fee</u>
Between November 1, 2019 and May 31, 2020	6%
Between June 1, 2020 and May 31, 2021	4%
Between June 1, 2021 and March 12, 2022	2%

- (c) The Obligors agree that, for the purposes of this Section 3.2, the Prepayment Fee represents a genuine estimate of the damages that the Lender will suffer due to the early repayment of the Principal Amount (or a portion thereof) and constitutes liquidated damages due to the Lender as a result of the early repayment of the Principal Amount (or a portion thereof) and is not a penalty.

### 3.3 Amendment to Production Payment Agreement.

As additional consideration for the Third Advance, the Borrower agrees to amend and restate the Production Payment Agreement in accordance with the amended and restated production payment agreement entered into by the Lender, the General Partner and Borrower on the date hereof (the "**Amended and Restated Production Payment Agreement**").

### **3.4 General Matters and Account of Record.**

All payments made by the Borrower shall be made without set-off, recoupment or counterclaim. The Lender shall open and maintain books of account or electronic records evidencing the Loan and all other amounts owing by the Borrower to the Lender hereunder. The Lender shall enter in the foregoing accounts or records, as the case may be, details of all amounts from time to time owing, paid or repaid by the Borrower hereunder and the information entered into the foregoing accounts or records constitute conclusive evidence of the obligations owing by the Borrower to the Lender in the absence of manifest error. After a request by the Borrower, the Lender shall advise the Borrower of such entries made in the Lender's books of account or other electronic records.

## **ARTICLE 4 - INTEREST, FEES AND CHARGES**

### **4.1 Rate of Interest.**

Subject to Section 4.3, the Principal Amount of the Loan and other outstanding Obligations shall bear interest from the Closing Date to the date paid, and at a per annum rate equal to ten and one-half (10.5%) percent, payable in accordance with Section 4.2 and calculated in accordance with Section 4.4.

### **4.2 Payment of Interest.**

The Borrower shall pay the Lender all accrued and unpaid interest on the Principal Amount of the Loan and the outstanding amount of the other Obligations monthly in arrears in cash on each Interest Payment Date.

### **4.3 Default Rate of Interest.**

Upon and after the occurrence of an Event of Default under Section 11.1, and during the continuation thereof, the Principal Amount of the Loan and the other Obligations shall bear interest at a rate per annum equal to the interest rate otherwise payable pursuant to Section 4.1 plus two (2%) percent and such interest shall be calculated in accordance with Section 4.4 and shall be payable on demand by the Lender.

### **4.4 Computation of Interest and Fees.**

Interest hereunder shall be determined daily and compounded monthly not in advance, both before and after demand, default and judgment and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be. For the purpose of the *Interest Act* (Canada) only, the yearly rates of interest to which the rates applicable to the Loan are equivalent are the rates so determined, multiplied by the actual number of days in the year divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as the case may be.

### **4.5 Maximum Interest.**

- (a) It is the intent of the parties that the rate of interest and the other charges to the Borrower under this Agreement shall be lawful; therefore, if for any reason the interest or other charges payable under this Agreement are found by a court of competent jurisdiction, in a final determination, to exceed the limit which the Lender may lawfully charge the Borrower, then the obligation to pay interest and other charges shall automatically be reduced with retroactive effect to such limit and, if

any amount in excess of such limit shall have been paid, then such amount shall be refunded to the Borrower.

- (b) Any amount or rate of interest referred to in this Section 4.5 shall be determined in accordance with generally accepted actuarial practices and principles over the maximum term of this Agreement (or over such shorter term as may be required by Section 347 of the *Criminal Code* (Canada) or any other Applicable Law) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive for the purposes of such determination, absent manifest error.

#### **4.6 Cash Fee.**

The Borrower shall pay to the Lender a financing fee equal to \$140,000 in cash (the "**Cash Fee**") which fee shall be fully earned, non-refundable and payable in full on the Closing Date. The Borrower hereby irrevocably authorizes the Lender to deduct the Cash Fee from the advance of the Third Advance on the Closing Date.

#### **4.7 Lender's Expenses.**

The Borrower shall reimburse the Lender for all reasonable costs and expenses (including without limitation, reasonable consultant's fees and expenses and reasonable legal fees and expenses in each applicable jurisdiction) incurred by the Lender in connection with: (a) the documentation and consummation of this transaction (whether or not this transaction is consummated) including, without limitation, security and other public record searches, lien filings, express mail or similar express or messenger deliveries and, due diligence costs and expenses; and (b) in seeking to collect, protect or enforce any rights in or to the Collateral or incurred by the Lender in seeking to collect any Obligations and to administer and enforce any of its rights under this Agreement and the other Loan Documents. All such costs, expenses and charges shall constitute Obligations hereunder, and the Borrower hereby irrevocably authorizes the Lender to deduct the above described costs, expenses and charges from the advance of the Third Advance, any such costs, expenses and charges not deducted from the Third Advance of the Loan shall otherwise be payable by the Borrower to the Lender on demand and, if overdue by thirty (30) days or more, until paid, shall bear interest at the Deemed Interest Rate.

#### **4.8 Increased Costs.**

Notwithstanding any other provision herein, in the event that the introduction of or any change in any Applicable Law or in the interpretation or application thereof, or compliance by the Lender with any request or directive from any Governmental Authority:

- (a) subjects the Lender to any new Tax of any kind whatsoever with respect to this Agreement, the other Loan Documents or the Loan, or changes the basis of taxation of payments to the Lender of principal, interest or any other amount payable hereunder (except for changes in the rate of Tax imposed on the overall net income of the Lender); or
- (b) imposes, modifies, holds applicable any reserve, special deposit, compulsory loan or similar requirement against Property held by, or deposits or other obligations in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lender;

and the result of any of the foregoing is to materially increase the cost to the Lender of agreeing to make, making, continuing or maintaining or participating in the Loan, or to materially reduce any amount receivable thereunder or to materially increase the withholding Taxes payable then, in any such case, the Borrower shall pay the Lender, after demand by the Lender, any additional amounts necessary to compensate the Lender on an after-Tax basis for such additional cost or reduced amount receivable or increased withholding Taxes payable with respect to any Loan Document or the Loan.

#### **4.9 Illegality.**

If any Applicable Law coming into force after the Closing Date, or if any change in any existing Applicable Law or in the interpretation or application thereof by any court or Governmental Authority, now or hereafter makes it unlawful for the Lender to have advanced or acquired interest in the Loan or to give effect to its obligations in respect thereof, the Lender may, by written notice thereof to the Borrower, declare its obligations under this Agreement to be terminated, and the Borrower shall prepay, within the time required by such law, the Principal Amount of the Loan together with accrued interest thereon and any other amounts owing under this Agreement as may be applicable to the date of such payment (excluding for the avoidance of doubt, any amount of the Prepayment Fee). If any such event shall, in the opinion of the Lender, acting reasonably, only affect part of its obligations under this Agreement, the remainder of this Agreement shall be unaffected and the obligations of the Borrower under the Loan Documents shall continue.

### **ARTICLE 5 - TERMINATION**

#### **5.1 Termination.**

This Agreement shall be in effect from the date hereof until the indefeasible repayment and performance in full of the Obligations. For greater certainty, if the due date of the Obligations is accelerated pursuant to Article 11 hereof or if the Borrower prepays the Loan in accordance with the terms and conditions hereof, this Agreement shall terminate on the date that all such Obligations are indefeasibly paid and performed in full. At such time as the Borrower has repaid and performed in full all of the Obligations and this Agreement has terminated, upon the Borrower's request, the Lender shall, at the Borrower's cost and expense, deliver to the Borrower a termination, discharge and release of all Security in form and substance reasonably satisfactory to the Borrower and such other documents and instruments as the Borrower may reasonably request in order to effect or evidence the termination of this Agreement and the Security.

#### **5.2 Continuing Obligations.**

Nothing in Section 5.1 shall affect any liabilities and obligations of any Obligor or the Lender set out in this Agreement or in any other Loan Document which are stated to survive payment of the Obligations and termination of this Agreement or the Loan Documents, as the case may be.

### **ARTICLE 6 - SECURITY AND COLLATERAL**

#### **6.1 Security Delivered on the Closing Date.**

On the Closing Date, as continuing collateral security for the payment and satisfaction of all Obligations (in addition to all existing Security delivered in connection with the Existing Loan Agreement), the

Obligors shall deliver or cause to be delivered to the Lender the following Security, all of which shall be in form and substance satisfactory to the Lender:

- (a) confirmations of all Security held by the Lender pursuant to or in connection with the Existing Loan Agreement; and
- (b) such other agreements and documents as the Lender may reasonably require from time to time to give effect to the existing Security and the foregoing Security including, without limitation, any agreements or documents requested by the Lender pursuant to this Article 6.

## **6.2 Form of Security.**

The Security will be in such form or forms as will be required by the Lender, acting reasonably, and will be registered in such offices in all jurisdictions reasonably required by the Lender to protect the Liens created thereby. Should the Lender determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the Lender with the Liens and priority to which it is entitled hereunder, the Obligors will forthwith execute and deliver or cause to be executed and delivered to the Lender, at the Borrower's expense, such amendments to the Security or provide such new security as the Lender may reasonably request.

## **6.3 After-Acquired Property.**

All Property acquired by or on behalf of any Obligor who has provided a demand debenture to the Lender pursuant to Section 6.1 or otherwise after the date of execution of the Security which forms part of the property of any Obligor (collectively, the "**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 Obligors will, or will cause such Subsidiaries of the Obligors to, from time to time execute and deliver and the Lender will register, all at the Borrower's expense, such instruments supplemental to the Security, in form and substance satisfactory to the Lender, acting reasonably, as may be necessary or desirable to ensure that the Security, as amended and supplemented, constitutes in favour of the Lender an effective first-ranking Lien to the extent created by the Security over such After-Acquired Property as required hereunder, subject only to Permitted Liens which under Applicable Law rank in priority thereto.

## **6.4 Security Effective Notwithstanding Date of Advances.**

The Security shall be effective and the undertakings in this Agreement and the other Loan Documents with respect thereto shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such Security or before or after or upon the date of execution of this Agreement. The Security shall not be affected by any payments on this Agreement or any of the other Loan Documents, but shall constitute continuing security to and in favour of the Lender for the Obligations from time to time.

## **6.5 No Merger.**

The Security shall not merge in any other security. No judgment obtained by or on behalf of the Lender shall in any way affect any of the provisions of this Agreement, the other Loan Documents or the Security. For greater certainty, no judgment obtained by or on behalf of the Lender shall in any way affect the obligation of the Borrower to pay interest or other amounts at the rates, times and in the manner provided in this Agreement.

## 6.6 Further Assurances.

Without in any way limiting the foregoing, each Obligor shall take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the Lender such agreements, documents and instruments as the Lender shall reasonably request, and register, file or record the same (or a notice or financing statement in respect thereof) in all offices where such registration, filing or recording is, in the opinion of the Lender or Lender's counsel, necessary or advisable to constitute, perfect and maintain the Security as Liens of the Obligor or the Person granting such Liens, subject only to the Permitted Liens, in all jurisdictions reasonably required by the Lender, in each case within a reasonable time after the request therefor by the Lender or Lender's counsel, and in each case in form and substance satisfactory to the Lenders and Lender's counsel, acting reasonably.

## 6.7 Release of Security.

Following the indefeasible repayment and performance in full of all Obligations, the Lender will, at the cost and expense of the Borrower, release and discharge the right and interest of the Lender in the Collateral in accordance with Section 5.1.

If any Property of the Obligors is Disposed of as permitted by this Agreement or is otherwise released from the Security at the direction or with the consent of the Lender, at the request, cost and expense of the Borrower (on satisfaction, or on being assured of concurrent satisfaction, of any condition to or obligation imposed with respect to such Disposition), the Lender shall discharge such Property from the Security and deliver and re-assign to the relevant Obligor (without any representation or warranty) any of such Property as is then in the possession of the Lender.

## ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

### 7.1 Representations and Warranties of Obligors.

To induce the Lender to enter into this Agreement and advance the Third Advance, the Obligors hereby jointly and severally make the following representations, warranties and covenants:

- (a) **Existence and Qualification.** Each Obligor (i) has been duly incorporated, amalgamated, formed, merged or continued, as the case may be, and is validly subsisting and in good standing as a corporation, company or partnership, under the laws of its jurisdiction of incorporation, amalgamation, merger, formation or continuance, as the case may be (or in the case of Obligors which are not corporations, has been duly created or established as a partnership or other applicable entity and validly exists under and is governed by the laws of the jurisdiction in which it has been created or established), (ii) is duly qualified to carry on its business in each jurisdiction in which it carries on business except for non-qualification which has no Material Adverse Effect on the Business, and (iii) has all required Material Licences. Without in any way limiting the foregoing, the Obligors confirm that they do not carry on business own any Property in any jurisdiction other than the Province of Alberta.
- (b) **Power and Authority.** Each Obligor has the corporate, company or partnership power, capacity and authority, as the case may be, (i) to enter into, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the



Loan Documents and (ii) to own its Property and carry on its business as currently conducted.

- (c) **Execution, Delivery, Performance and Enforceability of Documents.** The execution, delivery and performance of each of the Loan Documents to which any Obligor is a party has been duly authorized by all corporate, partnership or limited liability company, as the case may be, actions required, and each of such documents has been duly executed and delivered by it. Each Loan Document to which any Obligor is a party, constitutes a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity, or any statutory approvals required pursuant to Section 49 of the IOGR).
- (d) **Compliance with Applicable Laws, Organizational Documents and Contractual Obligations.** None of the execution or delivery of, the consummation of the transactions contemplated in, or the compliance with the terms, conditions and provisions of any of the Loan Documents by any Obligor, conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirement of Law in any material respect, any Obligor's Organizational Documents or any Material Contract or Material Licence (except to the extent that such conflict, breach, default, or contravention, as the case may be, would not have and would not reasonably be expected to have a Material Adverse Effect), or results or will result in the creation or imposition of any Liens upon any of its Property except for Permitted Liens.
- (e) **Consent Respecting Loan Documents.** Each Obligor has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required (except for registrations or filings which may be required in respect of the Security) to enable it to execute and deliver each of the Loan Documents to which it is a party and to consummate the transactions contemplated in the Loan Documents.
- (f) **Intellectual Property.**
  - (i) Each Obligor possesses, and shall continue to possess, adequate Intellectual Property to continue to conduct its Business as heretofore conducted by it (except to the extent that the failure to have or maintain the same would not have or reasonably be expected to have a Material Adverse Effect), details of all of which as of the Closing Date are described in Schedule 7.1(f).
  - (ii) Except as disclosed in Schedule 7.1(f):
    - (A) the Obligors have the right to use the Intellectual Property;
    - (B) to the knowledge of the Obligors, the Intellectual Property and the conduct of the Business by the Obligors does not infringe upon or breach the intellectual property rights of any other Person;

- (C) to the knowledge of the Obligors, there has been no unauthorized use or improper use by the Obligors (or any Person granted rights to the Intellectual Property by the Obligors) of the trademarks held by the Obligors which has affected or will affect the distinctiveness thereof or rights therein;
  - (D) to the knowledge of the Obligors, no Person is infringing or breaching any of the trademarks held by the Obligors; and
  - (E) no Obligor has received any written notice challenging an Obligor, or threatening to challenge an Obligor, respecting the validity of, use of or ownership of the Intellectual Property, and to the knowledge of the Obligors, there are no facts upon which such a challenge could be made.
- (g) **Current and Prior Names.** Each Obligor's current and prior names, trade-names and division names are described on Schedule 7.1(g).
- (h) **Corporate Structure.** The corporate structure of each Obligor and all of its Subsidiaries, partnerships and joint ventures is as set out on Schedule 7.1(h). With respect thereto, as of the Closing Date, (i) the authorized share capital and partnership units of the Obligors (as applicable) is as provided in Schedule 7.1(h), of which the number of issued and outstanding Equity Interests and the beneficial owners thereof at such time is provided for in Schedule 7.1(h), and (ii) no Person has an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued Equity Interests in the capital of any Obligor. Except as disclosed on Schedule 7.1(h), no Obligor is engaged in any joint venture or partnership with any other Person, and Schedule 7.1(h) provides a correct description of all such partnerships and joint ventures.
- (i) **Judgments and Litigation.** Except as described in (i) Part I of Schedule 7.1(i), there are no actions, suits, counterclaims or proceedings which are pending or, to the knowledge of the Obligors, threatened against any Obligor which if adversely determined (A) could be expected to result in potential liability in excess of \$200,000, or (B) would have a Material Adverse Effect, and (ii) Part II of Schedule 7.1(i), no Obligor is subject to any material 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 which (A) could be expected to result in potential liability in excess of \$200,000, or (B) could reasonably be expected to have a Material Adverse Effect. The statement of claim filed on September 11, 2019 by Total Oilfield Rentals Ltd. against the General Partner has been discontinued as of October 22, 2019. The General Partner has no further liability to Total Oilfield Rentals Ltd., other than current liabilities which are not past due and Total Oilfield Rentals Ltd. continues to provide services to the Borrower and General Partner on an ongoing basis.

- (j) **Material Contracts and Licences.** Schedule 7.1(j) (as amended from time to time and updated in accordance with delivery of a Compliance Certificate pursuant to Section 8.2), accurately sets out all Material Contracts and Material Licences. A true and complete certified copy of each Material Contract and Material Licence existing at the Closing Date has been delivered to the Lender and each Material Contract and Material Licence is in full force and effect. No event has occurred and is continuing which would constitute a breach of or a default under any Material Contract or Material Licence. Each Material Contract to which an Obligor is a party is binding upon such Obligor and, to its knowledge, is a binding agreement of each other Person who is a party to the Material Contract. Without in any way limiting the foregoing:
- (i) any and all Material Contracts and Material Licences entered into by, or granted in favour of, the General Partner have been entered into by, or granted in favour of, the General Partner in its capacity as general partner to the Borrower and all rights, privileges, entitlements or benefits thereunder are held by the General Partner in its capacity as general partner of the Borrower; and
  - (ii) to the knowledge of the Obligors, the IOGC Lease, IOGC Surface Leases and IOGC Right of Way were duly and validly authorized and approved by the Band Council of the Sunchild First Nation in accordance with all Applicable Law; and
  - (iii) to the knowledge of the Obligors, the IOGC Lease was duly and validly assigned by Sunchild Oil & Gas Ltd. to the Borrower pursuant to the IOGC Lease Assignment in accordance with all Applicable Law; and
  - (iv) any and all amendments, supplements and modifications to the IOGC Lease, IOGC Surface Leases and IOGC Right of Way have been duly authorized and approved by the General Partner in accordance with all Applicable Law and, to the knowledge of the Obligors, by the other parties thereto in accordance with all Applicable Law; and
  - (v) the Borrower has not at any time received a Direction to Comply under the IOGC Lease, IOGC Surface Leases or the IOGC Right of Way pursuant to section 46 of the IOGR.
- (k) **No Liens.** No security agreement, financing statement or analogous instrument exists as at the Closing Date with respect to any of the Collateral other than any security agreement, financing statement or analogous instrument evidencing Permitted Liens.
- (l) **Security.** The Security constitutes a valid and perfected security interest and floating charge on the Property of the Obligors subject only to Permitted Liens.
- (m) **Title to Collateral.** Each Obligor is the lawful owner of all Collateral (including, without limitation, the Oil and Gas Properties) now purportedly owned or hereafter purportedly acquired by it, free from all Liens, whether voluntarily or involuntarily created and whether or not perfected, other than Permitted Liens and, as of the

Closing Date, no Person has any agreement or right to acquire an interest in such assets other than pursuant to a Permitted Disposition.

- (n) **P&NG Leases.** To the best of the Obligor's knowledge, after due inquiry, all P&NG Leases, processing contracts, franchises, licenses and other agreements described as part of the Collateral are valid and subsisting and are in full force and effect and all of the express or implied terms or provisions of such rights, contracts, franchises, licenses and other agreements, and all Applicable Laws, rules and regulations applicable thereto have been complied with.
- (o) **Royalties.** All rents, royalties and other payments due and payable with respect to the Oil and Gas Properties, under any of the P&NG Leases or any contracts or other instruments constituting a part of the Collateral (collectively "**Royalties**"), have been duly paid. All Royalties and the material terms thereof are listed in Schedule 7.1(o) hereto.
- (p) **Surface Leases and Rights of Way.** Any and all surface leases or rights of way necessary for the proper conduct of the Obligor's operations on the Oil and Gas Properties have been validly obtained in accordance with the IOGC Lease, the Farmout and JV Agreement and Applicable Law and all payments or other consideration due thereunder have been paid and satisfied in full in accordance with the IOGC Lease, the Farmout and JV Agreement and Applicable Law. No surface lease or right of way necessary for the proper conduct of the Obligor's operations on the Oil and Gas Properties is currently in default and there exists no circumstances whereby with the passage of time such surface lease or right of way would be in default or prematurely terminated.
- (q) **Drilling Program and Continuance.** As at the date hereof the Obligors (as applicable): (i) are in compliance with their obligations under the Drilling Program; (ii) have completed eight (8) of the thirteen (13) test wells required under the current Drilling Program; and (iii) to the knowledge of the Obligors, there exists no state of facts or circumstances which would reasonably be viewed to prevent the Obligors from completing the Drilling Program in accordance with the terms and conditions of the IOGC Lease and Farmout and JV Agreement. A current and accurate description of the Drilling Program, as well as the Obligors' progress in relation thereto, is appended hereto as Part I of Schedule 7.1(q). Part II of Schedule 7.1(q) lists those wells completed in connection with the Drilling Program which are producing, or capable of producing, oil or gas, in paying quantities for the purposes of section 24 of the IOGR and the IOGC Lease. The Obligors have no other business or operations, presently or contemplated, other than as comprised within the Drilling Program.
- (r) **Financial Information.** All of the monthly, quarterly and annual Financial Statements (including Audited Financial Statements) which have been furnished to the Lender, or any of them, in connection with this Agreement are complete in all material respects and such Financial Statements fairly present the results of operations and financial position of the Borrower and the other Obligors as of the dates referred to therein and have been prepared in accordance with GAAP. All other financial information (including, without limitation, the Annual Business Plan) provided to the Lender are complete in all material respects and based on reasonable assumptions and expectations and prepared in good faith. None of the Obligors

have any liabilities (contingent or otherwise) or other obligations of the type required to be disclosed in accordance with GAAP which are not fully disclosed on its Audited Financial Statements provided to the Lender for the fiscal period ended June 30, 2019, other than liabilities and obligations incurred in the ordinary course of its business and in connection with the Obligations.

- (s) **Permitted Debt.** As of the Closing Date, no Obligor is obligated, whether directly or indirectly, for any Debt other than the Permitted Debt.
- (t) **Taxes.** Except as disclosed in Schedule 7.1(t), each Obligor has duly and timely filed all Tax returns required to be filed by it and has paid or made adequate provision for the payment of all Taxes levied on its Property or income which are showing therein as due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except in each case for Taxes which are not material in amount or which are not delinquent or if delinquent are being contested, and there is no material action (except, after the date of this Agreement, as is disclosed to the Lender in writing), suit, proceeding, investigation, audit or claim now pending, or to its knowledge, threatened by any Governmental Authority regarding any Taxes nor has it or any other Obligor agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.
- (u) **Full Disclosure.** All information provided or to be provided to the Lender by or on behalf of each Obligor in connection with the Loan is, to each Obligor's knowledge, true and correct in all material respects and none of the documentation furnished to the Lender by or on behalf of it, to the best of each Obligor's knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds (and any other Person who furnished such material on behalf of it).
- (v) **Insolvency.** No Obligor nor any of their predecessors where applicable (i) has committed any act of bankruptcy, (ii) is insolvent, or has proposed, or given notice of its intention to propose, a compromise or arrangement to its creditors generally, or (iii) has any petition for a receiving order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its Property.
- (w) **Non-Arm's Length Transactions.** All agreements, arrangements or transactions between any Obligor, on the one hand, and any Associate of, Affiliate of or other Person not dealing at Arm's Length with such Obligor, on the other hand, in an amount exceeding \$100,000 in the aggregate in existence at the Closing Date are set forth on Schedule 7.1(w).
- (x) **Location of Collateral.** The offices where each Obligor keeps its books, records and accounts (or copies thereof) concerning the Collateral, the Obligor's principal place of business and all of the Obligor's other places of business generating gross revenue in any Fiscal Year in excess of \$250,000 and locations storing Collateral

with a fair market value in excess of \$250,000 in the aggregate are as set forth in Schedule 7.1(x).

- (y) **Owned Real Property and Oil and Gas Properties.** A list of each Obligor's owned real property and Oil and Gas Properties is as set forth in Schedule 7.1(y).
- (z) **Leased Real Property.** Other than the P&NG Leases, a list of each Obligor's leased real property is as set forth in Schedule 7.1(z).
- (aa) **Title to Properties.** Each Obligor has good and valid title to its Oil and Gas Properties and the owned real property listed in Schedule 7.1(y) hereto, subject only to Permitted Liens and to minor defects of title which in the aggregate do not materially affect its rights of ownership therein or the value thereof or to which the Lender has consented to in writing. Each Obligor is entitled to charge its interests in the Oil and Gas Properties and the owned real property listed in Schedule 7.1(y) hereto in favour of the Lender as provided in this Agreement 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 and the owned real property listed in Schedule 7.1(y) hereto are not held in trust by any Obligor for any other Person.
- (bb) **Operation of Properties.** All of the oil, gas and other wells of each Obligor have been drilled, completed, operated, shut-in and abandoned, as applicable, (and they have abandoned such wells if they were required by Applicable Law to have been abandoned), in accordance with Applicable Law and the IOGC Lease. Each Obligor's Properties (including the P&NG Leases and Tangibles) have been operated in accordance with Applicable Law and the IOGC Lease and the facilities, plants and Equipment in respect of all of each Obligor's Properties (including the P&NG Leases and Tangibles) 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 and the IOGC Lease, 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.
- (cc) **Environmental Laws.** Each Obligor is compliant with all Environmental Laws applicable to its Properties and the operation of its business, except where any non-compliance would not reasonably be expected to have a Material Adverse Effect; to the knowledge of the Obligors, no Obligor has any material contingent liability with respect to non-compliance with Environmental Laws or the generation, handling, use, storage, or disposal of Materials of Environmental Concern; and, without limiting the generality of the foregoing, except as would not reasonably be expected to have a Material Adverse Effect:
  - (i) no Obligor has received any Action Request, Violation Notice, summons, complaint, order or other notice that it is not in compliance with, or that any Governmental Authority is investigating its compliance with, Environmental Laws;
  - (ii) no Obligor has knowledge or reason to believe that its operations or any Property of or occupied by such Obligor or in such Obligor's charge, management or control are not in compliance with all applicable Environmental Laws and each of its Properties is free:

- (A) from contamination by, and there has not been thereon a Release of, any Materials of Environmental Concern in breach of any Environmental Law; and
  - (B) of underground storage tanks, landfills, land disposals and dumps;
  - (iii) no Obligor and, to the knowledge of the Obligors, no predecessor of an Obligor, have filed any notice, or received notice, under any Applicable Law, including any Environmental Law, indicating past or present treatment, storage or disposal of a Material of Environmental Concern or reporting any spill or release of a Material of Environmental Concern into the environment;
  - (iv) no Obligor has any contingent liability of which such Obligor has knowledge or reasonably should have knowledge in connection with any release of any Material of Environmental Concern;
  - (v) no Obligor generates, transports, treats or disposes of any Material of Environmental Concern in any manner which is not in compliance with all applicable Environmental Laws; and
  - (vi) to the best of the knowledge of the Obligors, no Person has disposed of any Material of Environmental Concern by placing it in or on the ground of any Obligor's real properties or premises leased by any Obligor.
- (dd) **No Breach of Orders, Licences or Laws.** None of the Obligors is in breach of:
- (i) any order, approval or mandatory requirement or directive of any Governmental Authority;
  - (ii) any governmental licence or permit; or
  - (iii) any Applicable Law,
- the breach of which could reasonably be expected to have a Material Adverse Effect.
- (ee) **Labour Matters.** Except as provided on Schedule 7.1(ee):
- (i) there is no collective bargaining agreement or other labour contract covering employees of any Obligor;
  - (ii) there is no pending or, to the best of its knowledge, threatened strike, work stoppage, material unfair labour practice claims, or other material labour dispute against or affecting any Obligor or its employees which would reasonably be expected to have a Material Adverse Effect;
  - (iii) there are no controversies pending or threatened between any Obligor and any of its employees, other than employee grievances arising in the ordinary course of business which would not reasonably be expected to have a Material Adverse Effect; and



- (iv) the Obligor is in compliance in all material respects with all Applicable Laws respecting employment and employment terms, conditions and practices, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect.
  
- (ff) **Welfare Plans and Pension Plans.** Each Obligor has adopted all Welfare Plans required by Applicable Laws and each of such plans has been maintained and each Obligor is in compliance with such laws in all material respects, including, without limitation, all requirements relating to employee participation, funding, investment of funds, benefits and transactions with the Obligor and persons related to them. Except as disclosed on Schedule 7.1(ff), no Obligor sponsors or maintains or is obliged to contribute to a Pension Plan. With respect to any Pension Plan adopted or to which an Obligor may become obliged to contribute, no failure to remit contributions (other than immaterial amounts) has occurred with respect to any such Pension Plan, that is sufficient to give rise to a Lien under any Applicable Laws of any jurisdiction (other than a Permitted Lien), and no condition exists and no event or transaction has occurred with respect to any such Pension Plan which could result in the incurrence by any Obligor of any material liability, fine or penalty. Each Pension Plan is in compliance in all material respects with all Applicable Laws pertaining to pension benefits and Tax laws, (i) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws and the terms of such Pension Plan have been made in accordance with all Applicable Laws and the terms of such Pension Plan, except for amounts which are immaterial, (ii) all liabilities under such Pension Plan are fully funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of applicable pension benefits laws and of applicable regulatory authorities and the most recent actuarial report filed with respect to the Pension Plan. No event has occurred and no conditions exist with respect to any such Pension Plan that has resulted or could reasonably be expected to result in such Pension Plan having its registration revoked or refused for the purposes of any applicable pension benefits or Tax laws or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any Taxes or penalties under any applicable pension benefits or Tax laws.
  
- (gg) **Computer Software.** Each Obligor owns or has licensed for use or otherwise has the right to use all of the material software necessary to conduct its businesses. All computer equipment owned or used by an Obligor and necessary for the conduct of business has been properly maintained and is in good working order for the purposes of on-going operation, subject to ordinary wear and tear for computer equipment of comparable age.
  
- (hh) **Insurance.** Each Obligor, or the General Partner on behalf of itself and all other Obligor, has maintained and maintains insurance which is in full force and effect that complies with all of the requirements of this Agreement. Schedule 7.1(hh) lists all existing insurance policies maintained by the Obligor as of the Closing Date.
  
- (ii) **No Material Adverse Effect.** No event has occurred which has had or could reasonably be expected to have a Material Adverse Effect.

- (jj) **No Pending Event of Default or Event of Default.** No Pending Event of Default or Event of Default has occurred and is continuing.
- (kk) **Bank Accounts and Security Accounts.** A list of the each Obligor's bank accounts and Securities Accounts are set forth in Schedule 7.1(kk).
- (ll) **Subsidiaries.** As of the date hereof, neither Obligor has any Subsidiaries.
- (mm) **No Unusual Agreements or Restrictions.** No Obligor is party to, bound by or subject to any indenture, agreement, contract, instrument, lease, charter document, injunction, order, restriction or decree, which could reasonably be expected to have a Material Adverse Effect. All agreements applicable to the Obligor's Oil and Gas Properties are of the type generally found in the oil and gas industry, and do not (individually or in the aggregate) contain any unusual provisions which could reasonably be expected to have a Material Adverse Effect.
- (nn) **No Take or Pay Agreements.** No Obligor is party to or bound by, and neither any Obligor nor any of the Oil and Gas Properties are subject to, any "take or pay" contract or settlement or any other agreement or arrangement that (i) allows any natural gas purchasers to take natural gas previously paid for out of future natural production, or (ii) provides for a cash refund or rebate to any natural gas purchaser if reimbursement of take or pay monies is not made through natural gas production.
- (oo) **No Calls on Production.** No agreement, whether written or oral, exists pursuant to which any Person has a call upon, option to purchase or similar right with respect to future production from or allocable to the P&NG Leases other than pursuant to Approved Marketing Contracts.
- (pp) **Farmout Agreements and Subject Contracts, Etc.** With respect to the Oil and Gas Properties, and except as set forth on Schedule 7.1(pp), no Obligor has created and, there exist no:
  - (i) farmout agreements under which (A) an Obligor has any remaining obligations or (B) any other Person has any remaining rights to acquire an interest of any kind in the Oil and Gas Properties;
  - (ii) outstanding obligations to drill wells or engage in other development operations, except for (A) obligations under the P&NG Leases to drill an offset well and (B) obligations under an operating agreement to participate in development activities to which any Obligor has consented;
  - (iii) limitations as to the depths covered or substances to which such interests relate other than as specified in the P&NG Leases; and
  - (iv) royalty provisions requiring the payment of royalties on any basis other than as specified in the P&NG Leases.
- (qq) **Operating Agreements.** With respect to any operating agreements relating to the Oil and Gas Properties:

- (i) Schedule 7.1(qq) identifies all operating agreements to which the Oil and Gas Properties are subject;
  - (ii) Schedule 7.1(qq) identifies all outstanding calls for payment, all of which are, unless otherwise noted on Schedule 7.1(qq), being paid within the term required; and
  - (iii) there are no operations with respect to which an Obligor or any predecessor in title has become a non-consenting party, nor are there any non-consent penalties binding or that will become binding upon any Obligor.
- (rr) **Suspense of Proceeds.** All proceeds from the sale of Petroleum Substances attributable to the Obligors' interests in the Oil and Gas Properties are being received by the Obligors in a timely manner and are not being held in suspense for any reason.
- (ss) **Marketing of Production.** No Obligor sells or otherwise disposes of any material portion of the Petroleum Substance production allocable to the Oil and Gas Properties except pursuant to Petroleum Substance marketing and sale contracts that are (a) identified on Schedule 7.1(ss) and in effect on the date of this Agreement, or (b) approved by the Lender (each an "**Approved Marketing Contract**"). Each Obligor is receiving a price for all Petroleum Substance production sold that is computed substantially in accordance with the terms of the relevant contract, and deliveries are not being curtailed substantially below the subject Oil and Gas Property's delivery capacity.
- (tt) **Existing Swaps.** All Existing Swaps as of the Closing Date are listed in Schedule 1.1(xx).
- (uu) **Untrue Statements.** None of the foregoing representations and warranties and no document furnished by or on behalf of any Obligor to the Lender in connection with the negotiation of the transactions contemplated by this Agreement contain any untrue statement of a material fact or omit to state any material fact necessary to make any such statement or representation (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished.

## 7.2 Survival of Representations and Warranties of Obligors.

The Obligors jointly and severally represent, warrant and covenant that all representations, warranties and covenants contained in this Agreement and the Loan Documents (whether appearing in Article 7 or elsewhere, including any certificate delivered pursuant hereto or in connection herewith, whether concurrent with or subsequent to the Closing Date) shall be true, correct and complete in all material respects at the time of the Obligors' execution of this Agreement or at the date of delivery, as applicable, shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, and shall, except for representations and warranties that relate solely to an earlier date, remain true, correct and complete in all material respects until the indefeasible repayment and performance in full of all of the Obligations and termination of this Agreement.

## ARTICLE 8 - SCHEDULES AND REPORTS

### 8.1 Information.

The Obligors shall deliver to the Lender, or cause the delivery of, the following information:

- (a) no later than forty-five (45) days after each Fiscal Quarter End, copies of internally prepared Consolidated Financial Statements of the Borrower;
- (b) no later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, copies of Consolidated Audited Financial Statements of the Borrower;
- (c) no later than thirty (30) days subsequent to the commencement of each Fiscal Year of the Borrower, a copy of the Annual Business Plan approved by the General Partner's board of directors in form and substance satisfactory to the Lender and, within twenty (20) days of any material modification thereto, a copy of the Annual Business Plan previously delivered, as modified;
- (d) no later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, the Independent Engineering Report;
- (e) no later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, a summary of the abandonment and reclamation obligations and AER obligations (as applicable) related to the Oil and Gas Properties;
- (f) no later than thirty (30) days subsequent to the last day of each calendar month, detailed operating reports in a form and substance satisfactory to the Lender; and
- (g) such other reports as the Lender may reasonably request, including without limitation project specific accounting.

### 8.2 Compliance Certificates.

- (a) With each financial statement delivered pursuant to Sections 8.1(a) and 8.1(b), the Borrower shall deliver to the Lender a Compliance Certificate.
- (b) On the Closing Date, and with each financial statement delivered pursuant to Sections 8.1(a) and 8.1(b), the Borrower shall deliver to the Lender an Oil and Gas Ownership Certificate.
- (c) On the Closing Date, and with each Independent Engineering Report delivered pursuant to Section 8.1(d) the Borrower shall deliver to the Lender an Environmental Certificate.

### 8.3 Other Matters.

At such times as may be requested by the Lender from time to time hereafter, the Obligors shall deliver to the Lender such additional schedules, certificates, reports and information with respect to the Collateral as the Lender may from time to time reasonably require. All schedules, certificates, reports and assignments and other items delivered by the Obligors to the Lender hereunder shall be executed by an authorized representative of the Obligors (as applicable), and shall be in such form and contain such information as

the Lender shall reasonably request. The Lender, through its officers, employees or agents, shall have the right, upon reasonable notice at any time and from time to time, in the Lender's name, in the name of a nominee of the Lender or in an Obligor's name, to verify the validity, amount or any other matter relating to any of the Collateral, by mail, telephone, e-mail or otherwise. The Borrower shall reimburse the Lender, on demand, for all reasonable receipted costs, fees and expenses incurred by the Lender in this regard.

## ARTICLE 9 - COVENANTS

### 9.1 Covenants.

Until indefeasible payment and performance in full of all Obligations and termination of this Agreement, unless the Borrower obtains the prior written consent of the Lender waiving or modifying any covenants hereunder in any specific instance, the Obligors shall:

- (a) **Timely Payment.** Make due and timely payment of the Obligations required to be paid by it hereunder.
- (b) **Conduct of Business, Maintenance of Existence, Compliance with Laws.** Carry on and conduct its Business and operations and to maintain (or cause to be maintained) its Properties, in a proper, efficient and businesslike manner, in accordance with good business practice and good oilfield practice except for non-compliance which would not have a Material Adverse Effect; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business and to comply in all material respects with all Material Contracts, Material Licences and Requirements of Law, including without limitation taking any and all actions required (whether under the IOGR, the IOGC Lease, the IOGC Surface Leases, the IOGC Right of Way or the Farmout and JV Agreement or otherwise) to preserve and maintain the IOGC Lease and the Obligors' rights and privileges thereunder.
- (c) **Operation of Properties.** The Obligors will operate its respective Property (including without limitation the Oil and Gas Properties), 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.
- (d) **Further Assurances.** At the reasonable request of the Lender, provide the Lender with such other documents, opinions, consents, acknowledgements and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time.
- (e) **Access to Information.** Promptly provide the Lender with all information reasonably requested by the Lender from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Lender to inspect any of its Property and to examine and take extracts from its financial books, accounts and records including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial affairs, its

business or any part of its Property with its senior officers and (in the presence of such of its representatives as it may designate) the Auditor. Provided that a Pending Event of Default or Event of Default is then continuing (or the Lender reasonably expects that that is the case), the Borrower will pay all reasonable expenses incurred by such representatives in order to visit an Obligor's premises or attend at each Obligor's principal office, as applicable, for such purposes.

- (f) **Obligations and Taxes.** Pay or discharge or cause to be paid or discharged, before the same shall become delinquent (i) all material Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all tax returns in respect thereof; (ii) all lawful claims for labour, materials and supplies; (iii) all required payments under any of its Permitted Debt, and (iv) all other obligations; provided, however that it shall not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and, in the case of clause (i) above, an adequate reserve in accordance with GAAP has been established in its books and records.
- (g) **Use of Loan.** Use the proceeds of the Loan only as contemplated in Section 2.3.
- (h) **Performance of Leases.** Perform or cause to be performed all obligations under all leases relating to its Property (including without limitation the P&NG Leases and Tangibles), including payment of rentals, royalties, taxes or other charges in respect thereof which are necessary to maintain all such leases in good standing in all material respects.
- (i) **Defend Title to Assets.** Defend the title to the Oil and Gas Properties of the Obligors and, to the extent that failure to do so would have a Material Adverse Effect, all of the Obligors' other Property against the claims of all Persons whatsoever.
- (j) **Insurance.** Maintain or cause to be maintained with reputable insurers coverage against risk of loss or damage to its Property (including public liability and damage to property of third parties) and business interruption insurance of such types as is customary and in accordance with prudent business practices for corporations or other entities of the size and type of business and operations as the Obligors and provide to the Lender, as requested (acting reasonably), evidence of such coverage showing the Lender as a loss payee. The Obligors shall, prior to the expiry or replacement of any insurance policy, notify the Lender of the replacement and at the Lender's request send copies of all replacement policies to the Lender.
- (k) **Notice of Pending Event of Default or Event of Default.** Promptly and, in any event within two (2) Business Days, notify the Lender of any Pending Event of Default or Event of Default that would apply to it or to any Obligor of which it becomes aware of along with the action to be taken by the Obligors to remedy any such Pending Event of Default or Event of Default.
- (l) **Notice of Material Adverse Effect.** Promptly notify the Lender of any Material Adverse Effect of which it becomes aware.

- (m) **Notice of Litigation.** Promptly notify the Lender on becoming aware of the occurrence of any litigation, dispute, arbitration, proceeding or other circumstance the result of which if determined adversely would or could reasonably be expected to result in (a) a judgment or award against it in excess of \$200,000 or (b) a Material Adverse Effect, and from time to time provide the Lender with all reasonable information requested by it concerning the status of any such proceeding.
- (n) **Other Notices.** Promptly, upon having knowledge, give notice to the Lender of:
- (i) any notice of expropriation affecting any Obligor;
  - (ii) any Action Request or Violation Notice;
  - (iii) any violation of any Applicable Law which does or may have a Material Adverse Effect on any Obligor;
  - (iv) any default under any Debt in a principal amount greater than \$100,000 of an Obligor;
  - (v) any termination prior to maturity of or default under a Material Contract or any termination, lapse, rescission or default under a Material Licence;
  - (vi) any damage to or destruction of any Property of any Obligor having a replacement cost in excess of \$200,000;
  - (vii) the receipt of insurance proceeds by any Obligor in excess of \$200,000;
  - (viii) any Lien registered against any Property of any Obligor, other than a Permitted Lien;
  - (ix) the occurrence of any event referred to in Section 7.1(dd);
  - (x) any entering into of a Material Contract or Material License;
  - (xi) any notice, waiver or consent given or received pursuant to or in connection with any Material Contract or Material License including notice of any proposed amendment, modification or supplement thereto;
  - (xii) the receipt of either of the confirmation or band council resolution requested by the General Partner in its April 11, 2019 letter addressed to Sunchild Oil and Gas Ltd.; and
  - (xiii) any material change in, or material amendment to, a Material Contract or Material License.
- (o) **Environmental Compliance.** Without limiting the generality of Section 9.1(b) hereof, operate its business in compliance with Requirements of Law and operate all Property owned, leased or otherwise used by it such that no material obligation, including a clean-up, reclamation or remedial obligation, will arise under any Applicable Law; provided, however, that if any such claim is made or any such obligation arises, the applicable Obligor shall promptly satisfy, address, remediate,

reclaim or contest such claim or obligation at its own cost and expense. It shall promptly notify the Lender upon: (i) learning of the existence of any Materials of Environmental Concern located on, above or below the surface of any land which it owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in compliance with Applicable Law); and (ii) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Materials of Environmental Concern that has occurred on or from such land, which, in either the case of (i) or (ii), is likely to result in liability under Applicable Law in excess of \$200,000.

(p) **Environmental Audit.** If the Lender, acting reasonably, determines that any Obligor'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 Lender, the Obligors will, and will cause their respective Subsidiaries to, assist the Lender in conducting an environmental audit of the property which is the subject matter of such contingent or actual obligations or liabilities, by an independent consultant selected by the Lender. The reasonable costs of such audit will be for the account of the Borrower, provided that the Lender will carry out such audit in consultation with the Obligors to expedite its completion in a cost effective manner. Should the result of such audit indicate that the any Obligor 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 Lender, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Lender under the Loan Documents, the Obligors will, and will cause their respective Subsidiaries to, 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 Lender 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. The Lender will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor any Obligor's compliance with this Section 9.1(p).

(q) **Security.** With respect to the Security:

- (i) provide to the Lender the Security required from time to time pursuant to Article 6 (or as otherwise provided pursuant to the Existing Loan Agreement) in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Lender, acting reasonably; and
- (ii) do, execute and deliver all such things, documents, agreements and assurances as may from time to time be requested by the Lender to ensure that the Lender holds at all times valid, enforceable, perfected Security as contemplated by Article 6 and as delivered under the Existing Loan Agreement, subject to the qualifications described therein (including, subject to Permitted Liens).



- (r) **Maintenance of Property.** Keep all Property useful and necessary in its business in good working order and condition, normal wear and tear excepted, and maintain all Intellectual Property necessary to carry on its business.
- (s) **Permits.** The Obligors will, and will cause their respective Subsidiaries 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 Governmental Authorities, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (t) **Employee Benefit and Welfare Plans.** Maintain all employee benefit, Pension Plans and Welfare Plans relating to its business in compliance with all Applicable Laws except for immaterial non-compliance.
- (u) **Material Contracts and Material Licences.** At the request of the Lender from time to time, provide to the Lender certified copies of all Material Contracts and Material Licences.
- (v) **Books and Records.** At all times keep accurate and complete books, records and accounts with respect to all of its business activities, in accordance with sound accounting practices and, where applicable, GAAP consistently applied, and shall keep such books, records and accounts, and any copies thereof, only at the addresses indicated for such purpose on Schedule 7.1(x).
- (w) **Additional Real Property.** Provide written notice to the Lender with respect to any acquisition of real property (including Oil and Gas Properties) by any Obligor with a value in excess of \$200,000.
- (x) **Quarterly Meetings.** Schedule a meeting between the Lender and the management of the Borrower once each Fiscal Quarter during the life of the Loan (at a mutually agreed upon time and place) to discuss the Borrower and its Business including, without limitation, the Borrower's operations, finances and strategic plans.
- (y) **Financial Covenants.**
  - (i) Current Ratio. The Borrower shall maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 and as at each Fiscal Quarter End thereafter.
  - (ii) Net Debt to TTM EBITDA Ratio. The Borrower shall maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.
  - (iii) Net Debt to Proved Reserve Value Ratio. The Borrower shall maintain a Net Debt to Proved Reserve Value Ratio equal to or less than 0.50:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.
  - (iv) LLR/LMR. The Borrower shall maintain a LLR/LMR of not less than 2.5:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.

All financial ratios shall be determined on a Consolidated basis in accordance with GAAP and shall each be tested and calculated quarterly as set forth above.

For greater certainty, the ratio in Section 9.1(y)(iii) shall be determined with reference to the Proved Reserve Value, which is specified in the most-recently available Independent Engineering Report at the time such ratio is to be determined, provided that upon its availability, any new or updated Independent Engineering Report (and the figures therein) shall retroactively apply to the calculation of the ratio in Section 9.1(y)(iii) which relate to a period of time on or after the effective date of such Independent Engineering Report.

- (z) **Operations.** The Obligors shall carry out all operations with respect to its Oil and Gas Properties and under the Drilling Program diligently in a good, safe and workmanlike manner, in material compliance with the IOGC Lease, any resulting leases, the Farmout and JV Agreement and Applicable Law, and further, will utilize its best judgment and discretion and exercise the degree of care, diligence and skill that a prudent party having the same or similar duties and responsibilities would exercise in comparable circumstances. The Obligors shall carry out all operations diligently, in a good and workmanlike manner, in accordance with good oilfield practices for drilling and casing wells and injecting substances. Insofar as the Obligors hire contractors to conduct any part of such operations, the Obligors shall supervise those contractors to the extent reasonably necessary to ensure that those contractors conduct their work in the manner set out in this Section 9.1(z).
- (aa) **Health, Safety and the Environment.** Without limiting the obligations of the Obligors elsewhere in this Agreement, the Obligors shall conduct the operations under the Drilling Program in compliance with Applicable Law pertaining to health, safety and the Environment. With the goals of achieving safe and reliable operations and avoiding adverse and unintended impact on the Environment, property and the health or safety of people, the Obligors shall:
- (i) design and operate to standards that are intended to achieve sustained reliability and promote the effective management of health, safety and Environment risks; and
  - (ii) apply structured and documented health, safety and Environment management systems and procedures consistent with those generally applied by a responsible operator under similar circumstances to manage health, safety and Environment and security risks effectively and pursue sustained reliability of operations, including: (A) internal processes to identify and minimize or address health, safety and Environment risks; (B) internal processes to address the response to any emergency; (C) work rules that restrict or prohibit the possession or use of alcohol, illicit drugs or other controlled substances and weapons on the Oil and Gas Properties; and (D) internal security processes to protect the Oil and Gas Properties from harm, damage and theft.
- (bb) **Compliance with IOGC Lease, IOGC Right of Way, IOGC Surface Lease.** Without in any way limiting any other covenant herein, each Obligor shall at all times comply with the material terms, conditions, provisions, obligations and covenants provided for in the IOGC Lease (including the Drilling Program

thereunder), IOGC Right of Way, IOGC Surface Lease and Farmout and JV Agreement, as each amended and revised from time to time.

- (cc) **Hedging Policies.** The Borrower will furnish to the Lender, the Borrower's hedging policies (including information relating to the Borrower's hydrocarbon price risk management program) and any material changes thereto, in each case promptly after the approval thereof by the General Partner's board of directors.
- (dd) **Commodity Swap Contracts.** The Lender may review the Borrower's hydrocarbon price risk management program from time to time and the Lender may require, in its sole discretion, that the Borrower or any other Obligor enter into additional Hedge Arrangements. If the Lender notifies the Borrower or any other Obligor that its hydrocarbon price risk management program is, in the reasonable opinion of the Lender, not in compliance with this Section 9.1(dd), then the Borrower or other Obligor (as applicable) shall promptly act to bring its program into compliance on commercially reasonable terms.
- (ee) **Management.** The Obligors shall maintain their current senior management being comprised of Ryan Martin and Lon Kasha, unless otherwise consented to by the Lender.
- (ff) **Hedging Strategy.** Within forty-five (45) days of the Closing Date, the Obligors shall implement an ongoing hedging strategy satisfactory to the Lender (the "**Hedging Strategy**"), which Hedging Strategy shall include, *inter alia*, minimum hedging thresholds with an approximate target of 40% of production based on gas volumes determined on a trailing twelve month average. The Obligors shall report to the Lender on their compliance with the Hedging Strategy, in a form satisfactory to the Lender, on December 31, 2019 and as at each Fiscal Quarter End thereafter.

## 9.2 Negative Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, which consent shall not be unreasonably withheld, the Obligors shall not and shall ensure that each Subsidiary, as applicable, shall not, but only to the extent within the Obligors' control:

- (a) **Disposition of Property.** Except for Permitted Dispositions, Dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired.
- (b) **No Consolidation, Amalgamation, etc.** Consolidate, amalgamate or merge with any other Person other than an Obligor, continue a corporation into a jurisdiction outside of Canada, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution unless prior written approval has been received by the Lender and such documentation as is required by counsel to the Lender is delivered concurrently with such transaction.
- (c) **No Change of Name.** Change its name, adopt a French form of name or change its jurisdiction of incorporation or formation in each case without providing the Lender with fifteen (15) days' prior written notice thereof.

- (d) **No Debt.** Create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.
- (e) **Operating Leases.** Create, incur, assume or permit obligations outstanding in respect to operating leases (which, for greater certainty, does not include leases of real property) such that the aggregate annual payments due on such leases for all Obligor exceeds \$1,000,000.
- (f) **No Investments.** Make any Investment, directly or indirectly, except a Permitted Cash Investment or Investments in or to another Obligor.
- (g) **No Financial Assistance.** Give any Financial Assistance to any Person, other than in respect of Permitted Debt.
- (h) **No Distributions.** Make any Distribution, other than a Distribution to another Obligor.
- (i) **No Lien.** Create, incur, assume or permit to exist any Lien upon any of its Property except a Permitted Lien.
- (j) **Acquisitions.** Make any Acquisitions other than Permitted Acquisitions,.
- (k) **No Change to Year End.** Make any change to its Fiscal Year.
- (l) **No Change to Business.** Carry on any business other than the Business.
- (m) **Limitation on Hedging Arrangements.** The Obligor will not enter into or maintain any Hedge Arrangement, unless such Hedging Agreement is entered into for (i) hedging purposes only in the ordinary course of business, (ii) not for speculative purposes, and (iii) such Hedge Arrangement is entered into in accordance with the then current hedging policies approved by the board of directors of the General Partner.
- (n) **Location of Assets in Other Jurisdictions.** Except for any Property in transit in the ordinary course of business, acquire any Property outside of the jurisdictions identified in Schedule 7.1(x) or move any Property from one jurisdiction to another jurisdiction where the movement of such Property would cause the Lien of the Security over such Property to cease to be perfected under Applicable Law, or suffer or permit in any other manner any of its Property to not be subject to the Lien of the Security or to be or become located in a jurisdiction as a result of which the Lien of Security over such Property is not perfected, unless (i) the Obligor has first given thirty (30) days' prior written notice thereof to the Lender, and (ii) the applicable Obligor has first executed and delivered to the Lender all Security and all financing or registration statements in form and substance satisfactory to the Lender which the Lender or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected Lien (subject only to Permitted Liens) over such Property notwithstanding the movement or location of such Property as aforesaid together with such supporting certificates, resolutions, opinions and other documents as the Lender may deem necessary or desirable in connection with such security and registrations.

- (o) **Amendments to Organizational Documents.** Amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Lender under the Loan Documents.
- (p) **Amendments to other Documents.** Amend, vary or alter any Material Contract or Material Licence in a manner that would reasonably be expected to have a Material Adverse Effect.
- (q) **Non-Arm's Length Transactions.** Effect any transactions with any Person (other than an Obligor) not dealing at Arm's Length with the transacting Obligor unless such transaction is on market terms and consistent with transactions with Persons at Arm's Length and unless such transaction is first approved by the Lender in writing or materially amend the agreements and arrangements listed in Schedule 7.1(w).
- (r) **Sale and Leaseback.** Enter into any arrangement with any Person providing for the leasing by any Obligor, as lessee, of Property which has been or is to be sold or transferred by such Obligor to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or the lease obligation of any Obligor.
- (s) **Employee Loans.** Make any loans or advances to an employee of an Obligor other than loans in an aggregate amount not to exceed \$250,000 at any time; provided that such loans are used to purchase Equity Interests in such Obligor and, at the time of the loan, no Pending Event of Default or Event of Default exists.
- (t) **Auditor.** Change its Auditor except where the replacement auditor is consented to by the Lender, not to be unreasonably withheld.
- (u) **Capital Expenditures.** Without the prior written consent of the Lender, no Obligor shall make any Capital Expenditures except as included in the Annual Business Plan for such Fiscal Year.
- (v) **Compensation.** Make any material changes to employee or management compensation practices other than changes which are customary and reasonable in a business similar to the Business.
- (w) **No New Subsidiaries.** Create or acquire any Subsidiary after the Closing Date unless: (i) such Subsidiary exists pursuant to the laws of Canada or any province of Canada; (ii) all of the issued and outstanding capital of such Subsidiary is owned by an Obligor; (iii) such new Subsidiary provides a legal, valid and enforceable guarantee and indemnity in favour of the Lender and security in form and substance satisfactory to the Lender and secured by a demand debenture from such Subsidiary in favor of the Lender constituting a first-ranking Lien on all of the present and after-acquired Property of such Subsidiary (subject only to Permitted Liens), including a fixed and floating charge over all real property of such Subsidiary; and (iv) all resolutions (corporate, shareholder or otherwise) required by the Lender, acting reasonably, in connection therewith, are delivered to the Lender, and in each case customary legal opinions are delivered by Borrower's counsel to the Lender, acting reasonably.

- (x) **No Share Issuance.** Issue any Equity Interests unless the Person to whom such Equity Interests are issued is an Obligor.
- (y) **Joint Ventures.** The Obligors will not, nor will it permit any other Obligor to, enter into, agree to enter into or commit any of the Properties subject to the Security in connection with the organization of any partnership, joint venture or similar arrangement, other than the Farmout and JV Agreement.

### 9.3 Entitled to Perform Covenants

If the Obligors fail to perform any covenant contained in this Article 9, or in any other provision hereof or of any of the other Loan Documents, the Lender may perform in any manner deemed fit by it without thereby waiving any rights to enforce this Agreement or the other Loan Documents, any such covenant capable of being performed by it and if any such covenant requires the payment of money, the Lender may make such payments. All sums so expended by the Lender shall be deemed to form part of the Obligations, shall bear interest at the same rate as the Loan and shall be payable by the Borrower on demand.

## ARTICLE 10 - CONDITIONS PRECEDENT

### 10.1 Conditions Precedent to Third Advance.

The obligation of the Lender to advance the Third Advance to the Borrower is subject to the satisfaction or waiver on or before the Closing Date of the following conditions precedent (in form and substance satisfactory to the Lender):

- (a) each of this Agreement, the Security and all other Loan Documents shall have been executed and delivered by all parties thereto;
- (b) each of the Environmental Certificate and Oil and Gas Ownership Certificate shall be executed and delivered by the Borrower and dated effective as of the Closing Date;
- (c) the Lender shall have received certified copies of the Organizational Documents of each Obligor (or, if previously delivered, a certification that there has been no changes thereto since most recently delivered to the Lender), the resolutions authorizing the execution, delivery and performance of each Obligor's respective obligations under this Agreement and the other Loan Documents, as applicable, and the transactions contemplated herein, and the incumbency of the officers of the Obligors that are party to this Agreement and the other Loan Documents to be delivered pursuant to Section 6.1;
- (d) copies of all shareholder agreements and partnership agreements, if any, applicable to each Obligor, certified by such Obligor to be true, accurate, complete and in full force and effect, shall have been delivered to the Lender's satisfaction (or, if previously delivered, a certification that there has been no changes thereto since most recently delivered to the Lender);
- (e) certificates of status or good standing, as applicable, for all relevant jurisdictions of each Obligor shall have been delivered to the Lender;

- (f) each Obligor shall be in compliance in all material respects with all Material Contracts and Material Licences to the satisfaction of the Lender and, as requested by the Lender (and to the extent not previously delivered to the Lender in connection with the Existing Loan Agreement), copies of all Material Contracts and Material Licences applicable to each Obligor, certified by the Borrower to be true, accurate, complete and in full force and effect, shall have been delivered to the Lender;
- (g) evidence of repayment in full of all Debt that is not Permitted Debt, if any, shall have been delivered to the Lender concurrent with the advance of the Loan;
- (h) evidence that all necessary or required consents or approvals of any Governmental Authority or other Person in connection with the delivery of the Loan Documents have been obtained;
- (i) releases, discharges, estoppels and postponements with respect to all Liens which are not Permitted Liens, if any, shall have been delivered to the Lender or applicable solicitors' undertakings to obtain and register same coupled with the appropriate discharge statements;
- (j) payment of all amounts and fees payable to the Lender in accordance with this Agreement, including, without limitation, the Cash Fee payable pursuant to Section 4.6, the costs and expenses payable pursuant to Section 4.7 and the **[accrued and unpaid interest pursuant to Section 2.3(c)]**;
- (k) all filings, registrations and recordations shall have been made to perfect the Security in all relevant jurisdictions reasonably required by the Lender, including without limitation, security notices filed with IOGC and under the PPSA and, in the case of any real property, on title;
- (l) a currently dated letter of opinion of counsel of the Obligors that are party to Loan Documents, in form and substance satisfactory to the Lender, shall have been delivered to the Lender;
- (m) the Borrower shall have delivered to the Lender evidence of insurance acceptable to the Lender showing the Lender as a first loss payee;
- (n) no Pending Event of Default or Event of Default has occurred and is continuing on the Closing Date or would result from making the advance of the Third Advance and a senior officer of the General Partner shall have certified the same to the Lender;
- (o) all representations and warranties made by the Obligors in the Loan Documents are true and correct in all material respects;
- (p) all covenants required hereunder shall be performed, kept or observed in a manner satisfactory to the Lender;
- (q) the Lender shall be satisfied that all information provided to the Lender from any Obligor in connection with the negotiation of the transactions contemplated by this Agreement is neither false nor misleading;

- (r) no Material Adverse Effect has occurred and a senior officer of the General Partner shall have certified the same to the Lender;
- (s) the Lender shall have received such additional evidence, documents or undertakings as the Lender shall reasonably request to establish the consummation of the transactions contemplated hereby and be satisfied, acting reasonably, as to the taking of all proceedings in connection herewith in compliance with the conditions set forth in this Agreement;
- (t) the Lender shall have obtained all necessary internal approvals to enter this Agreement and provide the Third Advance;
- (u) the Amended and Restated Production Payment Agreement (and all necessary approvals for the execution, delivery and performance thereof), in form and substance acceptable to the Lender, shall have been executed or performed (as applicable) by the Obligors and their respective shareholders and partners (as applicable);
- (v) documentation evidencing payment terms from key vendors, and such other information as the Lender may reasonably request, in each case with respect to the Drilling Program, shall have been delivered to the Lender;
- (w) a release from the Obligors and LR Guarantors; and
- (x) the Lender shall have completed all due diligence which it considers necessary or appropriate in its discretion in regard to each Obligor and its Property, books and records, operations, prospects and condition (financial or otherwise), including, without limitation, in regards to past and ongoing compliance with Applicable Laws (including Environmental Laws), union and labour relations and pension matters.

## ARTICLE 11 – EVENTS OF DEFAULT

### 11.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

- (a) the failure of the Borrower to repay the Principal Amount or any portion thereof when due; or
- (b) the failure of the Borrower to pay any interest, fees or other Obligations (other than principal hereunder but for greater certainty, including amounts that may be payable under Section 3.2) under the Loan Documents when due, which failure continues unremedied for three (3) Business Days; or
- (c) the failure of any Obligor to perform, keep or observe any of the covenants contained in this Agreement (other than as described in Sections 11.1(a)-(b) and 11.1(d)-(s)) or in any of the Loan Documents, in each case, provided that if within thirty (30) days of such Obligor becoming aware of its occurrence, such Obligor diligently attempts to remedy such non-compliance and continually informs the Lender of its efforts in this regard, and such non-compliance is remedied within such



period, then such non-compliance shall be deemed not to constitute an Event of Default; or

- (d) the failure of the Borrower to be in compliance with any of the financial covenants set forth in Section 9.1(y); or
- (e) the making or furnishing by the Obligor or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other communication of a material nature within or in connection with this Agreement or the Loan Documents which is untrue or misleading in any material respect when made; provided that, no Event of Default under this Section 11.1(e) will occur if such representation, warranty or other communication was not intentionally untrue or misleading, is capable of being corrected within thirty (30) days of being made and is diligently corrected within such thirty (30) day period; or
- (f) if any Obligor ceases or threatens to cease to carry on business generally or admits its inability or fails to pay its debts generally; or
- (g) if any Obligor or LR Guarantor denies its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or
- (h) any of the Loan Documents or any material provision of any of them becomes unenforceable, unlawful or is changed by virtue of legislation or by a court, statutory board or commission, in each case in a manner that is materially adverse to the Lender, if any Obligor or LR Guarantor (as applicable) does not, within five (5) Business Days of receipt of notice of such Loan Document or material provision becoming unenforceable, unlawful or being changed and being provided with any required new agreement or amendment for execution, replace such Loan Document with a new agreement that is in form and substance satisfactory to the Lender or amend such Loan Document to the satisfaction of the Lender; or
- (i) if any Obligor becomes insolvent, makes any assignment in bankruptcy or makes any other similar assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition; or
- (j) if any proceeding or filing shall be instituted or made against any Obligor seeking to have an order for relief entered against such Obligor as debtor or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including, without limitation, the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement*

*Act (Canada)* and the *Winding-Up and Restructuring Act (Canada)*), or seeking appointment of a receiver, trustee, custodian or other similar official for such Obligor for any substantial part of its properties or assets unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or permanently stayed within thirty (30) days of institution; or

- (k) if a Person takes possession by appointment of a receiver, receiver and manager, or otherwise of any material portion of the Property of any Obligor; or
- (l) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money due shall have been obtained or entered against an Obligor or in an amount in excess of \$1,000,000 (individually or in the aggregate) and such judgment, execution, writ of seizure and sale, sequestration or decree shall not have been and remain vacated, satisfied, discharged or stayed pending appeal within thirty (30) days; or
- (m) if any of the Security shall cease to be a valid and perfected first priority security interest subject only to Permitted Liens and the Obligors or LR Guarantors (as applicable) shall have failed to remedy such default within five (5) Business Days of the Obligors becoming aware of such fact; or
- (n) any Person holding a Lien in respect of any part of the Property of any Obligor takes possession of all or any material part of the Property of any Obligor, or a distress, execution or other similar process is levied against all or any material part of the Property of any Obligor; or
- (o) if an event of default occurs under any Material Contract or Material Licence of any Obligor and which is committed by such Obligor (other than an event of default specifically dealt with in this Section) and such event of default has or would reasonably be expected to have a Material Adverse Effect; or
- (p) if a Change of Control occurs; or
- (q) if the IOGC Lease or the JV Agreement are terminated or otherwise not continued to the satisfaction of the Lender; or
- (r) if either Obligor breaches the Amended and Restated Production Payment Agreement; or
- (s) all or any material part of the Property of any Obligor shall be nationalized, expropriated or condemned, seized or otherwise appropriated, or custody or control of such Property of any Obligor shall be assumed by any Governmental Authority or any court of competent jurisdiction at the instance of any Governmental Authority, except where contested in good faith by proper proceedings diligently pursued where a stay of enforcement is in effect; or
- (t) the failure of any LR Guarantor to perform, keep or observe any of the covenants contained in any of the Loan Documents to which it is party, in each case, provided that if within thirty (30) days of such LR Guarantor becoming aware of its occurrence, such LR Guarantor diligently attempts to remedy such non-compliance

and continually informs the Lender of its efforts in this regard, and such non-compliance is remedied within such period, then such non-compliance shall be deemed not to constitute an Event of Default; or

- (u) the making or furnishing by either LR Guarantor or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other written communication of a material nature within or in connection with the Loan Documents to which it is party which is untrue or misleading in any material respect when made; provided that, no Event of Default under this Section 11.1(u) will occur if such representation, warranty or other communication was not intentionally untrue or misleading, is capable of being corrected within thirty (30) days of notice thereof and is diligently corrected within such thirty (30) day period.

### **11.2 Acceleration and Termination of Rights.**

If any Event of Default shall occur and for so long as it is continuing, all Obligations shall, at the option of the Lender, become immediately due and payable, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Obligor; provided, if any Event of Default described in Section 11.1(f), Section 11.1(i) or Section 11.1(j) with respect to an Obligor shall occur, the outstanding Principal Amount and all other Obligations shall automatically be and become immediately due and payable. In such event the Lender may, in its discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of all the Obligations and proceed to exercise any and all rights hereunder and under the Security and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

### **11.3 Remedies Cumulative and Waivers.**

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for such default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or any other Loan Document as a result of any other default or breach hereunder or thereunder.

### **11.4 Saving.**

The Lender shall not be under any obligation to any Obligor or any other Person to realize any Collateral or enforce the Security or any part thereof or to allow any of the Collateral to be sold, dealt with or otherwise disposed of. The Lender shall not be responsible or liable to the Obligors or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the Collateral or any part thereof or the failure to allow any of the Collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Lender may be

responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of Lender.

### **11.5 Third Parties.**

No Person dealing with the Lender or any agent of the Lender shall be required to inquire whether the Security has become enforceable, or whether the powers which the Lender is purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the Collateral charged by such Security or any part thereof.

### **11.6 Set-Off or Compensation.**

In addition to and not in limitation of any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 11.2, the Lender may at any time and from time to time without notice to the Obligors or any other Person, any notice being expressly waived by the Obligors, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Lender, to or for the credit of or the account of the Obligors, against and on account of the Obligations notwithstanding that any of them are contingent or unmatured.

## **ARTICLE 12 - INDEMNIFICATION, ETC.**

### **12.1 General Indemnity.**

The Obligors agree to jointly and severally defend (with counsel satisfactory to the Lender, acting reasonably), protect, indemnify and hold harmless the Lender, and each of its Affiliates, and Subsidiaries, and its and their respective partners, officers, directors, employees, legal counsel and agents (each an "**Indemnified Party**") from and against any and all obligations, losses, damages, penalties, fines, actions, judgments, suits, claims, and any reasonable costs, expenses and disbursements of any kind or nature (including, without limitation, the disbursements and the fees (on a solicitor-client basis) of one legal counsel (unless it would be inappropriate for one counsel to represent all Indemnified Parties due to a conflict of interest or otherwise in which case, all legal counsel for each Indemnified Party) in connection with any investigative, administrative or judicial proceedings, whether or not any Indemnified Party shall be designated a party thereto), (collectively, "**Losses**") which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, provincial, state or local laws or regulations, including, without limitation, securities laws, commercial laws and Environmental Laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, the making and/or the management of the Loan or the use or intended use of the proceeds of the Loan; provided, however that the Obligors shall have no obligation hereunder to any Indemnified Party to the extent that such Losses were caused by or resulted from the wilful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable against the Obligors because it violates any law or public policy, the Obligors shall satisfy such undertaking to the maximum extent permitted by Applicable Law. Any Losses covered by this indemnity shall be paid to each Indemnified Party on demand, and, failing prompt payment, shall, together with interest thereon at the Deemed Interest Rate from the date incurred by each Indemnified Party until paid in full, be added to the Obligations and be secured by the Collateral. The provisions of this Section 12.1 shall survive the satisfaction and payment of all Obligations and the termination of this Agreement.

## **12.2 Taxes.**

All payments made by the Obligor under this Agreement and the Loan Documents shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, assessments, imposts, deductions, charges, or withholdings imposed by any foreign, federal, provincial, state, local or other jurisdiction or any Governmental Authority thereof or political subdivision or taxing authority therein, excluding taxes imposed on the net income or the capital of the Lender (all such non-excluded taxes being hereinafter called "**Taxes**"). If any Taxes are required to be withheld from any amounts so payable to the Lender hereunder or under any Loan Documents the amounts so payable shall be increased to the extent necessary to yield to the recipient (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement or any other Loan Documents. If the Obligor are required by Applicable Law to make any deduction or withholding on account of any Taxes or other amount from any sum paid or expressed to be payable to the Lender under this Agreement or any other Loan Document, then: (i) the Obligor shall notify the Lender of any such requirement or any change in any such requirement as soon as it becomes aware of it; (ii) the Obligor shall pay any such Taxes or other amount before the date on which penalties attached thereto become due and payable; (iii) the sum payable by the Obligor in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the recipient receives on the due date and retains (free from any liability in respect of any such deduction, withholding or payment) a sum equal to that which it would have received and so retained had no such deduction, withholding or payment been required or made; and (iv) within thirty (30) days after payment of any sum from which the Obligor are required by Applicable Law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any Taxes or other amount which it is required by clause (ii) above to pay, it shall deliver to the Lender all such certified documents and other evidence as to the making of such deduction, withholding or payment as (A) are reasonably satisfactory to the Lender as proof of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority and (B) are reasonably required by the Lender to enable it to claim a Tax credit with respect to such deduction, withholding or payment. If the Obligor fail to pay any Taxes when due to the appropriate taxing authority, the Obligor shall indemnify the Lender for any incremental Taxes, interest or penalties that may become payable by the Lender as a result of any such failure. The provisions of this Section 12.2 shall survive the satisfaction and payment of all Obligations and the termination of this Agreement.

## **ARTICLE 13 - GENERAL PROVISIONS**

### **13.1 Notice.**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice, if sent by fax or other means of electronic communication, shall be deemed to have been received on the day of sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below. Notices of change of address shall also be governed by this Section 13.1. Notices and other communications shall be addressed as follows:

(a) if to the Obligor:

c/o Triple Five Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, Alberta

Attention: Ryan Martin  
Email: [Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)

(b) with a copy to:

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 – 3<sup>rd</sup> Ave S W  
Calgary, AB, Canada T2P 0R3

Attention: William C. Guinan  
Email: [BGuinan@blg.com](mailto:BGuinan@blg.com)

(c) if to the Lender:

Crown Capital Partner Funding, LP, c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer  
Email: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

(d) with a copy to:

MLT Aikins LLP  
1500 – 1874 Scarth Street  
Regina, SK S4P 4E9

Attention: Aaron Runge  
Email: [ARunge@mltaikins.com](mailto:ARunge@mltaikins.com)

### **13.2 Choice of Governing Law and Construction.**

Except as expressly set forth therein, this Agreement and the other Loan Documents (unless expressly stated otherwise in the other Loan Documents) shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein as to interpretation, enforcement, validity, construction, effect, and in all other respects, including, without limitation, the legality of the interest rate and other charges, but excluding perfection and realization of the security interests and hypothecs in the Collateral, which shall be governed and controlled by the laws of the relevant jurisdiction.

### **13.3 Attornment.**

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province on Alberta for all matters arising out of, or in connection with, this Agreement and the other Loan Documents.

### **13.4 Modification and Benefit of Agreement.**

This Agreement and the other Loan Documents may not be modified, altered or amended except by an agreement in writing signed by the Obligors (as applicable) and the Lender. The Obligors may not sell, assign or transfer this Agreement, or the other Loan Documents or any portion thereof including, without limitation, the Obligors' right, title, interest, remedies, powers or duties thereunder. The sale, assignment, transfer or other disposition to a Person by the Lender, at any time and from time to time hereafter, of this Agreement, or the other Loan Documents, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder shall not require the prior written consent of the Obligors. The Obligors agree that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their successors and permitted assigns.

### **13.5 Power of Attorney.**

The Obligors acknowledge and agree that its appointment of the Lender as its attorney and agent for the purposes specified in this Agreement is an appointment coupled with an interest and shall be irrevocable until all of the Obligations are indefeasibly paid and performed in full and this Agreement is terminated.

### **13.6 Waivers, Confidentiality, Information Sharing.**

- (a) The Obligors acknowledge and agree that: (i) this Agreement and the Loan Documents satisfy the requirements of section 4 of the *Interest Act* (Canada) to the extent that Section of the *Interest Act* (Canada) applies to the expression, statement or calculation of any rate of interest or other rate per annum hereunder or any other Loan Document; and (ii) the Obligors are each able to calculate the yearly rate or percentage of interest payable hereunder and under any other Loan Document. The Obligors hereby irrevocably agree not to plead or assert, whether by defence or otherwise, in any proceeding relating to this Agreement or the Loan Documents that the interest payable hereunder or thereunder, including the calculation of such rate of interest (as applicable), has not been sufficiently and adequately disclosed to the Obligors, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law or legal principle.
- (b) To the extent permitted by Applicable Law, the provisions of the *Judgment Interest Act* (Alberta) will not apply to the Loan Documents and are hereby expressly waived by the Obligors.
- (c) In no event shall any party hereto be liable for lost profits or other special or consequential damages.
- (d) To the maximum extent permitted by Applicable Law, the Obligors hereby waive all rights to a hearing of any kind prior to the exercise by the Lender of its rights to repossess the Collateral without judicial process or to reply, attach or levy upon such Collateral without prior notice or hearing.
- (e) Failure of the Lender, at any time or times hereafter, to require strict performance by the Obligors of any provision of this Agreement or any of the other Loan Documents shall not waive, affect or diminish any right of the Lender thereafter to demand strict

compliance and performance therewith. Any suspension or waiver by the Lender of a Pending Event of Default or Event of Default under this Agreement or any default under any of the Loan Documents shall not suspend, waive or affect any other Pending Event of Default or Event of Default under this Agreement or any other default under any of other Loan Documents, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. No delay on the part of the Lender in the exercise of any right or remedy under this Agreement or any other Loan Documents shall preclude any other or further exercise thereof or the exercise of any right or remedy. None of the undertakings, agreements, warranties, covenants and representations of the Obligors contained in this Agreement or any of the other Loan Documents and no Pending Event of Default or Event of Default under this Agreement or default under any of the other Loan Documents shall be deemed to have been suspended or waived by the Lender unless such suspension or waiver is in writing, signed by duly authorized officer(s) of the Lender and directed to the Obligors specifying such suspension or waiver.

- (f) The Obligors and Lender each agree that it shall maintain as confidential and, without the prior written consent of the other party, shall not disclose the terms of this Agreement and any non-public information concerning the other party or its business and operations, provided that a party may disclose such information: (i) where such information becomes publicly available or widely known by the public other than by a breach of this Agreement; (ii) if required by Applicable Laws or requested by any Governmental Authority having jurisdiction; (iii) to its Affiliates and to any of its or its Affiliates representatives, consultants or advisers who have a legitimate need to know such information (including the limited partners or any lender of the Lender or its Affiliates); and (iv) to any Person to whom such party, in good faith, anticipates assigning an interest in this Agreement as contemplated by Section 13.4 and such Person's Affiliates and the representatives, consultants and advisers of such Person or its Affiliates who have a legitimate need to know such information.

In the case of disclosure pursuant to clause (iii) or (iv), the disclosing party shall be responsible to ensure that the recipient of such information does not disclose such information to the same extent as if it were bound by the same non-disclosure obligations of the disclosing party hereunder.

### **13.7 Timing of Payments.**

Any payment received by the Lender after 2:00 p.m. (Calgary time) on a Business Day, or on any day that is not a Business Day, shall be credited to the account of the Borrower on the following Business Day.

### **13.8 Judgment Currency.**

If in the recovery by the Lender of any amount owing hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount of recovery under the judgment differs from the full amount owing hereunder, the Borrower shall pay any such shortfall to the Lender, and such shortfall can be claimed by the Lender against the Borrower as an alternative or additional cause of action and any surplus received by the Lender will be repaid to the Borrower.



### **13.9 Severability.**

If any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or remaining provisions of this Agreement.

### **13.10 Conflicts.**

In the event there occurs any conflict or inconsistency between any provision hereof and any provision of the other Loan Documents, the provision hereof, to the extent of any such conflict or inconsistency, shall govern.

### **13.11 Entire Agreement.**

This Agreement and the Loan Documents embody the entire agreement and understanding between the parties hereto and thereto and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties related to the subject matter of this Agreement and the other Loan Documents.

### **13.12 Counterpart Execution/Electronic Delivery.**

This Agreement may be executed in counterpart and delivered by fax or other electronic means of delivery and each of which, when so executed (as evidenced by an original, fax or electronic delivery), shall be deemed to be an original and all of which, when taken together, shall constitute one and the same Agreement.

### **13.13 English Language.**

At the request of the parties, this Agreement and the other Loan Documents have been negotiated in the English language and will be or have been executed in the English language. Les soussigné ont expressément demandé que ce document et tous les documents annexes soient rédigés en langue anglaise.

### **13.14 Amendment and Restatement; Confirmation of Security.**


The Existing Loan Agreement is hereby amended and restated as set forth herein and the terms and conditions of the Existing Loan Agreement are superseded and replaced by the terms and conditions of this Agreement, provided that, notwithstanding the foregoing, the Obligations, rights and remedies which have arisen under the Existing Loan Agreement remain outstanding thereunder and continue in full force and effect against the parties hereto subject only to the effect of the amendments, modifications and supplements effected by this Agreement. All deliverables made under the Existing Loan Agreement are deemed to have been delivered under this Agreement. In particular, it is specifically acknowledged, confirmed and agreed that the Security which each of the Obligors executed and delivered to Lender prior to the date of this Agreement and to which the Obligors are currently a party continue to remain in full force and effect as legal and binding obligations upon such parties in accordance with their respective terms and such Security continues to secure the Obligations in favour of the Lender and is hereby ratified and confirmed in all respects. Further, the representations and warranties of the Obligors as set forth in the Security are true and accurate in all material respects as of the date hereof and any covenants in the

Security to have been performed or complied with by the Obligors have been duly performed or complied with, as applicable, as of the date hereof.

**[Remainder of page intentionally left blank. Execution pages to follow.]**

**IN WITNESS WHEREOF**, the Borrower has duly executed this Agreement with effect as of the date set out on the first page hereof.

**T5 SC OIL AND GAS LIMITED PARTNERSHIP**, by its general partner,  
**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**

Per:   
Name: David Ehermezian  
Title: President


Per: \_\_\_\_\_  
Name:  
Title:

*[Signature page to Second Amended and Restated Loan Agreement]*

IN WITNESS WHEREOF, the General Partner has duly executed this Agreement with effect as of the date set out on the first page hereof.

TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.

Per: \_\_\_\_\_

  
Name: David Ghermezian  
Title: President

Per: \_\_\_\_\_

Name:  
Title:

IN WITNESS WHEREOF, the Lender has duly executed this Agreement with effect as of the date set out on the first page hereof.

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

Per:

Name:

Title:

  
Tom Oldfield  
Chief Investment Officer

*[Signature page to Second Amended and Restated Loan Agreement]*

**Schedule 1.1(qq)**

**Form of Environmental Certificate**

**TO:**           **Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")**  
**c/o Crown Capital Partners Inc.**  
**333 Bay St., Suite 2730**  
**Toronto, Ontario M5H 2R2**

**Attention:**   **Tim Oldfield, Chief Investment Officer**  
**Email:**       **[tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)**

**FROM:**       **T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.**

**RE:**           **Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")**

**DATE:**       **[◆]**

The undersigned, the \_\_\_\_\_ of the General Partner, hereby certifies, in that capacity for and on behalf of the Obligor, and without personal liability, that:

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 Obligor to confirm that the internal environmental reporting and response procedures of the Obligor 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 I 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 the Obligor 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 a Governmental Authority by any Obligor, or of which any Obligor is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by any Obligor; or
  - (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from a Governmental Authority by any Obligor or of which any Obligor 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 Obligor.

5. Except in compliance with Environmental Laws, no Material of Environmental Concern has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or Release of a Material of Environmental Concern at, on, from or under any Property owned, leased, managed, controlled or operated by any Obligor, which would reasonably be expected to have a Material Adverse Effect.
6. None of the real properties and facilities owned, leased, managed, controlled or operated by any Obligor, 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 real properties or facilities owned, leased, managed, controlled or operated by any Obligor, 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 Obligor is aware of any matter affecting the Environment which has had or would reasonably be expected to have a Material Adverse Effect.
9. Each Obligor (as applicable):
  - (a) has obtained and has caused each other Obligor 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.

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

Dated as of the date first above written.

Per: \_\_\_\_\_  
Name:  
Title:

**Schedule 1.1(xx)**

**Existing Swaps**

Nil.



**Schedule 1.1(uuuu)**

**Form of Oil and Gas Ownership Certificate**

**TO:** Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")  
c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

**Attention:** Tim Oldfield, Chief Investment Officer  
**Email:** [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

**FROM:** T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.

**RE:** Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")

**DATE:** [◆]

The undersigned, the \_\_\_\_\_ of the General Partner, hereby certifies, in that capacity for and on behalf of the Obligors, and without personal liability, that:

1. I have made or caused to be made due inquiries and review of all documents, correspondence and other material (the "**Title Enquiries**") relating to the real properties and Oil and Gas Properties owned by the Obligors (hereinafter collectively, the "**Lands**") described in the Independent Engineering Report addressed to the Borrower and dated effective [◆].
2. Based upon the Title Enquiries, I have no knowledge, information or belief that there exists any provision in any agreement, contract or document pertaining to the Lands which prevents the Obligors from granting security in the nature of a fixed or floating charge or security interest over such Lands to the Lender, or which would prevent the Lender from enforcing and realizing on such security in the event of a default thereunder other than the requirement to obtain the approval of the Executive Director of IOGC pursuant to section 49 of the IOGR in the event of an assignment of the IOGC Lease on the realization and enforcement of such security.
3. Based upon the Title Enquiries, to the best of my knowledge, information and belief, the Obligors are, effective the date hereof, possessed of and are beneficial owners of the respective working, royalty and other interests set forth in the Independent Engineering Report with respect to the Lands, subject to any Permitted Liens and to minor defects of title which in the aggregate do not materially affect their rights of ownership therein or the value thereof or to which the Lenders have consented in writing.
4. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default (by the Obligors or for which the Obligors are liable, including, without limitation, by any operation of the Lands) of payment of royalties in connection with the Lands, which have accrued due by reason of production since any royalty payment dates, as prescribed by statute or agreement, immediately preceding the date of this Certificate and no Obligor nor any

Person on behalf of a Obligor (including, without limitation, any operator of the Lands) has received notice of default of any obligation imposed on it by any farmout, operating agreement or any other contract or agreement in respect of the Lands which, in any case, would reasonably be expected to have a Material Adverse Effect and, to the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default of any such obligation which would reasonably be expected to have a Material Adverse Effect.

5. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, the Lands are now free and clear of all Liens and adverse claims created by, through or under the Obligors, other than the Permitted Liens, and no Obligor nor any Person on behalf of any Obligor (including, without limitation, any operator of the Lands) has received notice of any claim adverse to Obligors' working, royalty and other interests in the Lands and there are no Liens or adverse claims, other than the Permitted Liens, which materially and adversely affect the title of any Obligor to their respective interests in the Lands.
6. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there are at present no outstanding unfulfilled obligations being enforced under any lease or contract pertaining to the Lands and any Obligor's working, royalty and other interests in the Lands are not subject to any contractual obligations or conditions, except those which are permitted under the Loan Agreement or which are accounted for in the Independent Engineering Report, which are reasonably expected to result in the diminishment or forfeiture of those working, royalty and other interests.
7. No Obligor has assigned its share of production proceeds or other moneys due to it in respect of its working, royalty or other interests in the Lands to any party other than the Lender, for its own benefit.
8. All of the working, royalty and other interests of the Obligor in respect of petroleum and natural gas rights described in the Independent Engineering Report are accurately reflected in the Independent Engineering Report in all material respects.

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

Dated as of the date first above written.

Per: \_\_\_\_\_  
Name:  
Title:

## Schedule 1.1(ffff)(ii)

### Permitted Debt

1. the Cash Management Obligations, provided that the aggregate outstanding amount of such Cash Management Obligations arising in connection with credit card indebtedness of the Obligor shall not exceed at any one time \$200,000;
2. any Debt owing by an Obligor to another Obligor;
3. Debt of the Borrower or any other Obligor arising in connection with (i) Capital Leases and (ii) Purchase Money Security Interests provided that the aggregate outstanding amount of such Debt shall not exceed at any one time \$1,000,000;
4. Debt consisting of Financial Assistance permitted under Section 9.2(g);
5. Debt owing by the Obligor to The Toronto-Dominion Bank ("**TD**") in respect of the commitment letter dated April 7, 2015 from TD to the General Partner, as amended by an amending agreement dated September 17, 2015, an amending agreement dated January 9, 2017, an amending agreement dated February 1, 2018 and an amending agreement dated April 26, 2018, relating to the establishment of a letter of credit facility in the current principal amount of \$1,250,000 (the "**TD LC Facility**"), provided that the aggregate outstanding amount of such Debt shall not exceed at any one time \$1,250,000; and
6. Debt which is not otherwise Permitted Debt; provided that the principal amount of such obligations does not, in the aggregate at any time, exceed \$250,000.

## **Schedule 1.1(hhhh)**

### **Permitted Liens**

- Lien granted in favor of Sunchild Oil & Gas Ltd. in respect of the royalty payments payable pursuant to the Gross Overriding Royalty Agreement dated June 23, 2014.
- Lien granted in favor of Maple Leaf 2015 Oil & Gas Corp. in respect of the royalty payments payable pursuant to the Royalty Agreement dated July 26, 2016.
- Lien granted in favor of TD in connection with the TD LC Facility.

**Schedule 7.1(f)**  
**Intellectual Property**

Nil.

**Schedule 7.1(g)**

**Obligors' Names**

**Current Names**

1. Triple Five Intercontinental Group Ltd.
2. T5 SC Oil and Gas Limited Partnership

**Prior Names**

Nil.

**Schedule 7.1(h)**

**Corporate Structure  
Subsidiaries, Affiliates, Joint Ventures and Partnerships**

**Corporate Structure**

See attached organizational chart.

**Authorized Capital**

Borrower:

- unlimited number of Class A Units
- unlimited number of Class B Units
- unlimited number of Class C Units

General Partner:

- unlimited number of Class "A" Common Voting Shares
- 1,000 Class "B" Common Voting Shares
- 1,000 Class "C" Common Voting Shares
- 1,000 Class "D" Common Shares
- 1,000,000 Class "E" Preferred Shares
- 1,000,000 Class "F" Preferred Shares
- 1,000,000 Class "G" Preferred Shares
- 1,000,000 Class "H" Preferred Shares

**Issued Capital**

<u>Issuer</u>	<u>Shareholder/Unitholder</u>	<u>Type of Shares/Units</u>	<u>Number Issued</u>	<u>Percentage Owned</u>
Borrower	General Partner	Class B Unit	1	1%
Borrower	T5 Energy Partners Ltd.	Class A Units	9,999	99%
General Partner	Nader Ghermezian in trust for T5 Energy Partners Ltd.	Class "A" Common Voting Shares	100	100%

**Schedule 7.1(i)**

**Judgments and Litigation**

**Part I**

Nil.

**Part II**

Nil.



## Schedule 7.1(j)

### Material Contracts and Material Licences

#### Material Contracts

1. Strachan Area Gas Handling Agreement effective December 1, 2016 between Keyera Partnership and Triple Five Intercontinental Group Ltd.
2. Lease Agreement made effective October 23, 2017 between Bull Moose Capital Ltd. and Triple Five Intercontinental Group Ltd.
3. IOGC Lease
4. IOGC Lease Assignment
5. IOGC Right of Way
6. IOGC Surface Leases
7. Farmout and JV Agreement

#### Material Licences

1. Well Licence No. 0473544 dated December 17, 2014 issued by the Alberta Energy Regulator ("AER") to the General Partner in respect of the following surface location: 12-24-043-10 W5M
2. Well Licence No. 0477059 dated October 1, 2015 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
3. Well Licence No. 0477390 dated October 27, 2015 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
4. Well Licence Amendment No. 0474630 dated November 25, 2015 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
5. Well Licence No. 0482342 dated January 11, 2017 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
6. Well Licence No. 0482350 dated January 11, 2017 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
7. Well Licence No. 0488385 dated February 26, 2018 issued by the AER to the General Partner in respect of the following surface location: 13-18-043-09 W5M
8. Well Licence No. 0488418 dated March 1, 2018 issued by the AER to the General Partner in respect of the following surface location: 13-18-043-09 W5M
9. Pipeline Licence No. 57127 dated March 10, 2015 issued by the AER to the General Partner in respect of the locations starting at 12-24-043-10 W5M and ending at 13-23-043-10 W5M
10. Pipeline Licence No. 57127 dated March 7, 2015 issued by the AER to the General Partner in respect of the locations starting at 16-22-043-10 W5M and ending at 10-18-043-10 W5M
11. Facility Licence Amendment No. F49442 dated January 17, 2018 issued by the AER to the General Partner in respect of a gas battery – multiwell located at 00/12-24-043-10 W5M

## Schedule 7.1(o)

### Royalties

#### IOGC Royalties

1. Gross royalty with respect to Oil equal to the Oil Royalty Rate multiplied by the Oil Price multiplied by the Oil Production Volume for that month (excluding any Royalty Holidays, Incentives or Credits, unless specified in the IOGC lease) and under no circumstances shall the Oil Royalty Rate be less than 10%.
2. Gross royalty with respect to Marketable Gas equal to the Marketable Gas Royalty Rate multiplied by the Marketable Gas Price multiplied by the Marketable Gas Production Volume for that month (excluding any Royalty Holidays, Incentives or Credits, unless specified in the IOGC lease) and under no circumstances shall the Marketable Gas Royalty Rate be less than 10%.
3. Gross royalty with respect to Products equal to the Product Royalty Rate multiplied by the Product Price multiplied by Product Volume for that month (excluding any Royalty Holidays, Incentives or Credits, unless specified in the IOGC lease) and under no circumstances shall the Product Royalty Rate be less than 10%.
4. Net royalty payable on Gas equal to the gross royalty on Marketable Gas plus the gross royalty payable on all Products less the Gas Cost Allowance deduction as per the Royalty Reporting Guidelines.

Capitalized terms used above in this Schedule and not defined shall have the meaning given to such terms in the IOGC Lease.

#### Sunchild Oil & Gas Ltd. Royalties

Non-convertible gross overriding royalty interest in respect of the Oil and Gas produced from or allocated or attributable to Wells within, upon or under the Royalty Lands, to be quantified as 3% of the gross monthly production of Oil and Gas produced or allocated or attributable to such Wells.

Capitalized terms used under the heading above in this Schedule and not defined shall have the meaning given to such terms in the gross overriding royalty agreement made as of June 23, 2014 between the General Partner and Sunchild Oil & Gas Ltd.

#### Maple Leaf 2015 Oil & Gas Corp. Royalties

Until such time as the Royalty Owner has received aggregate royalty revenues from the Overriding Royalty in respect of all Royalty Wells, equal to the amount of \$920,000, a gross overriding royalty of 3% on Crude Oil, Natural Gas and NGLs within, upon or under the Royalty Lands corresponding to such Royalty Wells and produced from such Royalty Wells (the "**Initial Royalty Payment**"); and from and after such time as the Royalty Owner has received the Initial Royalty Payment, a gross overriding royalty of 0.75% on all Crude Oil, Natural Gas and NGLs within, upon or under the Royalty Lands corresponding to such Royalty Wells and produced from such Royalty Wells.

Capitalized terms used under the heading above in this Schedule and not defined shall have the meaning given to such terms in the royalty agreement made as of June 27, 2016 between the General Partner and Maple Leaf 2015 Oil & Gas Corp.

## Schedule 7.1(q)

### Drilling Program

#### Part I

Pursuant to the IOGC Lease, the General Partner has completed each of the following requirements pursuant to the current Drilling Program:

- On or before April 30, 2016, the General Partner shall spud a minimum of 4 wells into the Leased Lands and thereafter diligently and continuously drill such wells to a minimum depth of 2,200 metres or 5 metres into the Cardium formation, whichever occurs first (the "**Contract Depth**") and complete, cap, plug or abandon such wells.

If the General Partner has not spud such well on or before April 30, 2016, then the IOGC Lease shall be terminated on April 30, 2016, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between May 1, 2016 and April 30, 2017, the General Partner shall spud a minimum of 2 wells into the Leased Lands and thereafter diligently and continuously drill such wells to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such wells on or before April 30, 2017, then the IOGC Lease shall be terminated on April 30, 2017, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between May 1, 2017 and December 31, 2018, the General Partner shall spud a minimum of 1 well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before December 31, 2018, then the IOGC Lease shall be terminated on December 31, 2018, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between May 1, 2017 and December 31, 2018, the General Partner shall spud a minimum of 1 well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before December 31, 2018, then the IOGC Lease shall terminate on December 31, 2018, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between January 1, 2019 and April 30, 2020, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2020, then the IOGC Lease shall terminate on April 30, 2020, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between January 1, 2019 and April 30, 2021, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2021, then the IOGC Lease shall terminate on April 30, 2021, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

- Between May 1, 2021 and April 30, 2022, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2022, then the IOGC Lease shall terminate on April 30, 2022, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

- Between May 1, 2022 and April 30, 2023, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2023, then the IOGC Lease shall terminate on April 30, 2023, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

- Between May 1, 2023 and April 30, 2024, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2024, then the IOGC Lease shall terminate on April 30, 2024, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

Capitalized terms used herein and not defined shall have the meaning given to such terms in the IOGC Lease.

## Part II

<b>Well's Name</b>	<b>Producing Wells (uwi)</b>
T5 ENERGY HZ FERRIER 5-23-43-10	100/05-23-043-10W5/02
T5 ENERGY HZ WILLGR 8-24-43-10	100/08-24-043-10W5/00
T5 ENERGY HZ FERRIER 13-23-43-10	100/13-23-043-10W5/00
T5 ENERGY HZ WILLGR 16-24-43-10	100/16-24-043-10W5/00
T5 ENERGY HZ FERRIER 8-11-43-10	100/08-11-043-10W5/00
T5 ENERGY HZ 102 FERRIER 1-11-43-10	102/01-11-043-10W5/00
T5 ENERGY FERRIER 3-7-43-9	100/03-07-043-09W5/00
T5 ENERGY FERRIER 5-7-43-9	100/05-07-043-09W5/00

**Schedule 7.1(t)**  
**Taxes**

Nil.

**Schedule 7.1(w)**

**Non-Arm's Length Transactions**

Nil.

**Schedule 7.1(x)**

**Location of Collateral**

1. 12-24 T43R10 W5
2. 10-18 T43R10 W5

**Schedule 7.1(y)**

**Owned Real Property and Oil and Gas Properties**

**Owned Real Property**

Nil.

**Oil and Gas Properties**

See land schedule attached.



Sunchild First Nation - I.R. #202 Lease No. OL-6448

QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type Payable to: Indian Oil & Gas Canada	Gross Over Riding Royalty Payable to: Sunchild Oil & Gas Ltd.
Ptn. NE	21	42	10	W5	57.10	Surface to basement, exc Mannville	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NW	21	42	10	W5	63.60	Surface to basement, exc Mannville	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	21	42	10	W5	61.00	Surface to basement, exc Mannville	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	21	42	10	W5	64.00	Surface to basement, exc Mannville	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	22	42	10	W5	256.00	Surface to basement, exc Mannville & Shunda		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	27	42	10	W5	256.00	Surface to basement		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NE	28	42	10	W5	61.00	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NW	28	42	10	W5	63.00	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	28	42	10	W5	63.40	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	28	42	10	W5	58.10	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
S & NE	34	42	10	W5	192.00	Surface to basement, exc Mannville		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NW	34	42	10	W5	63.50	Surface to basement, exc Mannville		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	35	42	10	W5	256.00	Surface to basement, exc Mannville		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type Payable to: Alberta Crown	Gross Over Riding Royalty Payable to:
All	6	43	9	W5	256.00	Base Rock Creek to basement		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NE	7	43	9	W5	63.10	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NW	7	43	9	W5	61.00	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	7	43	9	W5	62.20	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	7	43	9	W5	64.00	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	18	43	9	W5	256.00	Surface to basement		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type Payable to: Alberta Crown	Gross Over Riding Royalty Payable to:
All	1	43	10	W5	256.00	Surface to basement, exc Mannville		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	2	43	10	W5	256.00	Surface to basement, exc Mannville & Rock Creek		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NE	3	43	10	W5	61.70	Surface to basement, exc Rock Creek	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NW	3	43	10	W5	64.00	Surface to basement, exc Rock Creek	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	3	43	10	W5	63.00	Surface to basement, exc Rock Creek	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	3	43	10	W5	62.24	Surface to basement, exc Rock Creek	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
M&SW	10	43	10	W5	192.00	Surface to basement, exc Rock Creek	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	10	43	10	W5	62.20	Surface to basement, exc Rock Creek	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	11	43	10	W5	62.20	Surface to basement, exc Shunda	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	11	43	10	W5	61.10	Surface to basement, exc Shunda	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	11	43	10	W5	128.00	Surface to basement, exc Shunda	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SE	12	43	10	W5	63.70	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. SW	12	43	10	W5	61.50	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NE	12	43	10	W5	59.50	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
Ptn. NW	12	43	10	W5	64.00	Surface to basement	Exe Baptiste River	T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	13	43	10	W5	256.00	Surface to basement, exc Mannville		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	14	43	10	W5	256.00	Surface to basement		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	15	43	10	W5	256.00	Surface to basement		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	23	43	10	W5	256.00	Surface to basement, exc Mannville & Rock Creek		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions
All	24	43	10	W5	256.00	Surface to basement		T5 100%	100% Crown P&NG Equivalent, subject to 10% minimum royalty	3% no deductions

Crown Lands

QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type Payable to: Alberta Crown	Gross Over Riding Royalty Payable to:
Ptn. N & SE	7	43	9	W5	8.08	PNG from Surface to basement	Ptn. Designated as Baptiste River	T5 100%	Crown PNG Lease #0516020081	None
Ptn. S & NE	3	43	10	W5	5.06	PNG from Surface to top Rock Creek	Ptn. Designated as Baptiste River	T5 100%	Crown PNG Lease #0598030879	None
Ptn. SE	10	43	10	W5	1.8	PNG from Surface to top Rock Creek	Ptn. Designated as Baptiste River	T5 100%	Crown PNG Lease #0598030879	None
Ptn. S	11	43	10	W5	4.6	PNG from Surface to top Shunda	Ptn. Designated as Baptiste River	T5 100%	Crown PNG Lease #0598030879	None
Ptn. S & NE	12	43	10	W5	7.3	PNG from Surface to base Mannville	Ptn. Designated as Baptiste River	T5 100%	Crown PNG Lease #0598030879	None
Ptn. S & NE	28	43	10	W6	12.8	PNG from Surface to basement	Ptn. Designated as Baptiste River	T5 100%	Crown PNG Lease #0516020082	None

Maple Leaf Gross Over Riding Royalty

Well	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type Payable to:	Gross Over Riding Royalty Corp.
Well 0/73	23	43	10	W5	256.00	Falher B (2526.0 - 2560.0 mKB) referenced to well 100/12-24-043-	Well Production only	T5 100%	N/A	0.75% no deductions
Well 0/08	24	43	10	W5	256.00	Falher B (2526.0 - 2560.0 mKB) referenced to well 100/12-24-043-	Well Production only	T5 100%	N/A	0.75% no deductions
Well 0/16	24	43	10	W5	256.00	Falher B (2526.0 - 2560.0 mKB) referenced to well 100/12-24-043-	Well Production only	T5 100%	N/A	0.75% no deductions

**Schedule 7.1(z)**

**Leased Real Property**

1. 12-24 T43R10 W5
2. 10-18 T43R10 W5

**Schedule 7.1(ee)**

**Labour Matters**

Nil.

**Schedule 7.1(ff)**

**Pension Plans**

Nil.

## **Schedule 7.1(hh)**

### **Insurance**

1. Commercial general liability, umbrella, pollution legal liability, office contents and other property insurance with Chubb Insurance Company of Canada; and
2. Control of well insurance with Lloyd's Underwriters.

**Schedule 7.1(kk)**

**Bank Accounts and Security Accounts**

**Bank Accounts**

Borrower – Nil.

General Partner – Transit 82389 Acct: 5307818

**Security Accounts**

Nil.

**Schedule 7.1(pp)**

**Farmout Agreements**

1. Farmout and Joint Venture Agreement dated May 5, 2014 between Sunchild Oil & Gas Ltd., Triple Five Intercontinental Group Ltd. and Sunchild First Nation.

**Schedule 7.1(qq)**  
**Operating Agreements**

Nil.



## **Schedule 7.1(ss)**

### **Approved Marketing Contracts**

1. Purchase Confirmation dated April 13, 2018 relating to Contract No. C3 + Strachan 2018 between Triple Five Intercontinental Group Ltd. and Keyera Partnership.
2. Purchase Confirmation dated April 13, 2018 relating to Contract No. C5 + Strachan 2018 between Triple Five Intercontinental Group Ltd. and Keyera Partnership.
3. Purchase Confirmation dated January 19, 2018 relating to Contract No. 9371 Gas Tra/Bra between Triple Five Intercontinental Group Ltd. and Keyera Partnership.

## Schedule 8.2

### Form of Officer's Compliance Certificate

**TO:** Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")  
c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

**Attention:** Tim Oldfield, Chief Investment Officer  
**Email:** [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

**FROM:** T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.

**RE:** Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")

**DATE:** [◆]

The undersigned, the [◆] of the [◆], hereby certifies, in that capacity for and on behalf of the Obligors, and without personal liability, that:

1. I have read and am familiar with the provisions of the Loan Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Loan Agreement.
2. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Obligors with their covenants and obligations under the Loan Agreement and the other Loan Documents as of the date of this Certificate.
3. The representations and warranties contained in the Loan Agreement and each other Loan Document are true and correct in all material respects on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true in all material respects as of such date [except \_\_\_\_\_].**[NOTE: IF A REPRESENTATION OR WARRANTY IS NOT CORRECT OR COMPLETE, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]**
4. All of the covenants required by the Loan Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except \_\_\_\_\_].**[NOTE: IF A COVENANT HAS NOT BEEN COMPLIED WITH, OR A PENDING EVENT OF**

**DEFAULT OR EVENT OF DEFAULT EXISTS OR EXISTED, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]**

5. The attached financial statements for the [Fiscal Quarter/Fiscal Year] ending [insert date] fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

6. As of [◆]:

(a) The Current Ratio was [◆]:1, calculated as follows:

- |       |   |     |
|-------|---|-----|
| (i)   | Sum of items in (i) of definition of Current Ratio  | \$• |
| (ii)  | Sum of items in (ii) of definition of Current Ratio | \$• |
| (iii) | (i) divided by (ii)                                 | •:• |

(b) The Net Debt to TTM EBITDA Ratio was [◆]:1, calculated as follows:

(i)	Net Debt [ <b>Borrower to break down Net Debt in attached Schedule I</b> ]	\$•
-----	--	-----

(ii) TTM EBITDA, calculated as follows:

A.	Net Income of the Borrower =	\$•
----	------------------------------	-----

B. increased by the sum of (without duplication),

a)	Items in (i) of the definition of EBITDA =	\$•
----	--	-----

b)	Items in (ii) of the definition of EBITDA =	\$•
----	---	-----

c)	Items in (iii) of the definition of EBITDA =	\$•
----	--	-----

d)	Items in (iv) of the definition of EBITDA =	\$•
----	---	-----

e)	Items in (v) of the definition of EBITDA =	\$•
----	--	-----

f)	Items in (vi) of the definition of EBITDA =	\$•
----	---	-----

=	a) + b) + c) + d) + e) + f) =	\$•
---	-------------------------------	-----

C. decreased by the sum of (without duplication),

g)	Items in (vii) of the definition of EBITDA =	\$•
----	--	-----

h)	Items in (viii) of the definition of EBITDA =	\$•
----	---	-----

i)	Items in (ix) of the definition of EBITDA =	\$•
----	---	-----

- j) Items in (x) of the definition of EBITDA = \$•
      - = g) + h) + i) +j) = \$•
    - D. ((A) + (B) – (C)) = \$•
    - (iii) (i) divided by (ii) •:•
  - (c) The Net Debt to Proved Reserve Value Ratio was [◆]:1, calculated as follows:
    - (i) Net Debt = \$•
    - (ii) Proved Reserve Value = \$•
    - (iii) (i) divided by (ii) •:•
  - (d) The LLR/LMR was [◆]:1 as of [◆].

7. **[Specify and attach any Material Contracts or Material License entered into since the date of the last Compliance Certificate.]**

Per: \_\_\_\_\_  
 Name:  
 Title:

THIS IS **EXHIBIT "B"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/02/07  
 Time of Search: 12:06 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 34824135  
 Customer Reference Number: 24563.166/jdc

**Corporate Access Number:** 2013180100  
**Business Number:** 858854953  
**Legal Entity Name:** CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
TRIPLE FIVE INTERCONTINENTAL GROUP LTD.	2021/01/08

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2007/04/26 YYYY/MM/DD

## Registered Office:

**Street:** 3000, 8882 - 170 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2

## Records Address:

**Street:** 3000, 8882 - 170 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2

**Email Address:** DEBRA.GORDON@TRIPLEFIVE.COM

## Directors:

**Last Name:** MARTIN  
**First Name:** RYAN  
**Street/Box Number:** 3000, 8882 - 170 STREET  
**City:** EDMONTON  
**Province:** ALBERTA

**Postal Code:** T5T4M2

**Voting Shareholders:**

**Legal Entity Name:** CALGARY OIL AND SYNDICATE PARTNERS LTD.  
**Corporate Access Number:** 2018338703  
**Street:** 3000, 8882 - 170 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS PER ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** AS PER ATTACHED SCHEDULE "B"  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** N/A  
**Business Restricted From:** N/A  
**Other Provisions:** AS PER ATTACHED SCHEDULE "C"

**Associated Registrations under the Partnership Act:**

Trade Partner Name	Registration Number
T5 SC OIL AND GAS LIMITED PARTNERSHIP	LP18481366

**Other Information:**

**Last Annual Return Filed:**

File Year	Date Filed (YYYY/MM/DD)
2020	2020/05/12

**Filing History:**

List Date (YYYY/MM/DD)	Type of Filing
2007/04/26	Incorporate Alberta Corporation

2020/02/19	Update BN
2020/05/12	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2021/01/08	Name Change Alberta Corporation
2021/02/04	Change Director / Shareholder

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2007/04/26
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2007/04/26
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2007/04/26

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





THIS IS **EXHIBIT "C"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

# Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2021/02/07  
 Time of Search: 12:07 PM  
 Search provided by: MLT AIKINS LLP (CALGARY)  
 Service Request Number: 34824137  
 Customer Reference Number: 24563.166/jdc

**Corporate Access Number:** 2018338703  
**Business Number:** 813204567  
**Legal Entity Name:** CALGARY OIL AND SYNDICATE PARTNERS LTD.

## Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
T5 ENERGY PARTNERS LTD.	2021/01/08

**Legal Entity Status:** Active  
**Alberta Corporation Type:** Named Alberta Corporation  
**Registration Date:** 2014/07/09 YYYY/MM/DD

## Registered Office:

**Street:** 3000, 8882 170 STREET NW  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2

## Records Address:

**Street:** 3000, 8882 170 STREET NW  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2

## Directors:

**Last Name:** BERZINS  
**First Name:** MARC  
**Street/Box Number:** 3000, 8882 - 170 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2

**Voting Shareholders:**

**Legal Entity Name:** CALGARY OIL & GAS SYNDICATE GROUP LTD.  
**Corporate Access Number:** 2013790122  
**Street:** 3000, 8882 - 170 STREET  
**City:** EDMONTON  
**Province:** ALBERTA  
**Postal Code:** T5T4M2  
**Percent Of Voting Shares:** 100

**Details From Current Articles:**

**The information in this legal entity table supersedes equivalent electronic attachments**

**Share Structure:** AS PER ATTACHED SCHEDULE "A"  
**Share Transfers Restrictions:** AS PER ATTACHED SCHEDULE "B"  
**Min Number Of Directors:** 1  
**Max Number Of Directors:** 7  
**Business Restricted To:** NONE  
**Business Restricted From:** NONE  
**Other Provisions:** AS PER ATTACHED SCHEDULE "C"

**Holding Shares In:**

<b>Legal Entity Name</b>
CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD.
PETROWORLD ENERGY LTD.

**Other Information:****Last Annual Return Filed:**

<b>File Year</b>	<b>Date Filed (YYYY/MM/DD)</b>
2020	2020/09/03

**Filing History:**

<b>List Date (YYYY/MM/DD)</b>	<b>Type of Filing</b>
2014/07/09	Incorporate Alberta Corporation

2020/02/21	Update BN
2020/09/03	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2021/01/08	Name Change Alberta Corporation
2021/02/04	Change Director / Shareholder

**Attachments:**

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
<a href="#">Share Structure</a>	ELECTRONIC	2014/07/09
<a href="#">Restrictions on Share Transfers</a>	ELECTRONIC	2014/07/09
<a href="#">Other Rules or Provisions</a>	ELECTRONIC	2014/07/09

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



THIS IS EXHIBIT "D" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read "Kaitlin H. Ward", is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

## FIXED AND FLOATING CHARGE DEMAND DEBENTURE

This fixed and floating charge demand debenture dated as of August 31, 2018, is made by **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** as general partner of **T5 SC OIL AND GAS LIMITED PARTNERSHIP** (collectively, the "**Debtor**"), in favour of **CROWN CAPITAL LP PARTNER FUNDING INC.** as general partner of **CROWN CAPITAL PARTNER FUNDING, LP** (collectively, the "**Secured Party**").

**NOW THEREFORE**, the Debtor covenants and agrees with the Secured Party as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Debenture, terms and expressions defined in the description of the parties, the text hereof and in Schedule "A" attached hereto shall have those meanings when used herein; capitalized terms used herein and not defined shall have the meaning given to such terms in the Loan Agreement.

#### 1.2 Schedules

The following schedules are incorporated herein and made a part hereof:

Schedule "A"	Definitions
Schedule "B"	List of Specific Property

Any reference to a Schedule to this Debenture includes, unless the context otherwise requires, such Schedule as the same is supplemented, amended, restated or replaced from time to time whether by one or more indentures supplemental hereto or otherwise.

### ARTICLE 2 PRINCIPAL AND INTEREST

#### 2.1 Promise to Pay

The Debtor, for value received, hereby acknowledges itself indebted and promises to pay to or to the order of the Secured Party, **ON DEMAND** or on such earlier date as the principal sum hereof may become payable as provided herein, the principal amount of Fifty Million Canadian (\$50,000,000.00) Dollars (the "**Principal Sum**") and to pay interest on such Principal Sum or so much thereof as remains from time to time outstanding at the rate equal to 25% per annum from the date hereof until full and final payment and discharge hereof, as well after as before demand, default and judgment in like money at the same place and to pay interest on overdue and unpaid interest at the same rate as aforesaid. It is agreed by the Debtor that the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Secured Party's right to interest at the rate and times aforesaid. All payments of principal, interest and other monies due under this Debenture shall be paid in immediately available funds to the Secured Party at 333 Bay St., Suite 2730, Toronto, Ontario M5H 2R2 or at such other place as the Secured Party may designate by notice in writing to the Debtor from time to time. Interest accruing due hereunder shall be determined daily and compounded monthly not in advance and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be, and shall be due

and payable on demand. The theory of deemed reinvestment shall not apply to the calculation of interest or the payment of other amounts hereunder.

### ARTICLE 3 SECURITY

#### 3.1 Security

As security for payment of the Principal Sum and interest thereon and all other Obligations from time to time payable hereunder, the Debtor hereby:

- (a) mortgages and charges (subject to the exceptions set out below) as and by way of a fixed and specific mortgage and charge to and in favour of the Secured Party, and grants to the Secured Party a continuing security interest in, all of its present and after acquired real and immovable property (including, by way of sublease, leasehold lands) and all of its present and after acquired Oil and Gas Properties, buildings, erections, improvements, fixtures and plants (whether the same form part of the realty or not) and all appurtenances to any of the foregoing, including without limitation all of the right, title, interest and estate of the Debtor in and to the Oil and Gas Properties described in Schedule "B"; "real and immovable property" shall include any interest in or right with respect to real and immovable property;
- (b) mortgages and charges to the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a continuing security interest in, all its present and after acquired goods (other than inventory and consumer goods), including all furniture, fixtures, plant, machinery, vehicles and tools now or hereafter owned or acquired;
- (c) mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, all its present and after acquired Petroleum Substances and inventory, including all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (d) assigns, transfers and sets over to the Secured Party, and grants to the Secured Party a security interest in, all its other present and after acquired personal property, including all its present and after acquired intangibles, book debts, accounts and other amounts receivable, securities, contract rights (including without limitation the P&NG Leases) and choses in action of every kind or nature and insurance rights arising from or out of the property referred to in subsections (a), (b) or (c) above, goodwill, chattel paper, instruments, documents of title, money and investment property;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its present and after acquired real and personal property and assets, tangible and intangible, legal and equitable, moveable or immovable, of whatsoever nature and kind (other than the property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by subsections (a), (b), (c) or (d) above and the exceptions hereinafter contained); and
- (f) assigns, mortgages and charges in favour of the Secured Party, and grants to the Secured Party a security interest in, the proceeds arising from any dealing with the real and

personal property, assets and undertaking referred to in this Section 3.1 in any form, including without limitation, any of the following: goods, investment property, instruments, documents of title, chattel paper, intangibles or money.

For the purposes of this Debenture, the present and after acquired real and personal property, assets and undertaking of the Debtor referred to in this Section 3.1 and subject to the Charge is hereinafter collectively called the "Collateral".

**TO HAVE AND TO HOLD** the Collateral and the Charge and all rights hereby conferred unto the Secured Party, subject to the terms and conditions herein set forth.

### **3.2 Attachment**

The Debtor acknowledges that the Debtor and the Secured Party have not agreed to postpone the time for attachment of the Charge and intend the Charge in the Collateral to attach immediately upon the execution of this Debenture, except in the case of Collateral in which the Debtor subsequently acquires rights, in which case the Charge shall attach contemporaneously with the Debtor acquiring rights therein without the need for any further or other deed, act or consideration. The Charge shall be effective and shall attach as of the date of execution hereof whether the monies hereby secured or any part thereof shall become owing by the Debtor before or after or upon the date of execution of this Debenture. The Debtor acknowledges conclusively that value has been given.

### **3.3 Royalty Exception**

The right, title, interest and benefit in, to and under the Gross Overriding Royalty payable by Triple Five Intercontinental Group Ltd. to Sunchild Oil & Gas Ltd. pursuant to the Gross Overriding Royalty Agreement, as presently constituted, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party shall direct.

### **3.4 Leasehold Exception**

The last day of any term reserved by any lease, oral or written, or any agreement therefor, and any renewal thereof, now held or hereafter acquired by the Debtor, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party shall direct. Upon a sale of the leasehold premises, or any part thereof, the Secured Party, for the purpose of vesting the aforesaid reversion in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as trustee or trustees of the aforesaid reversion in the place of the Debtor and to vest same accordingly in the new trustee or trustees so appointed free and clear from any obligation respecting same.

### **3.5 Contractual Rights Exception**

In the event the validity and effectiveness of the Charge over any of the Collateral is dependent upon obtaining the consent, approval or waiver of another person, the Charge over any such Collateral shall not be effective until the applicable consent, approval or waiver is obtained or is no longer necessary for the purposes of the validity and effectiveness of the Charge, whereupon the Charge shall immediately become effective over any such Collateral. Until such consent, approval or waiver is obtained or the same is no longer necessary, the Debtor shall (subject to the other terms hereof) hold such Collateral in trust (to the extent permitted by Applicable Laws) to assign the same to the Secured Party or otherwise



subject the same to the Charge, as the Secured Party shall direct, forthwith upon obtaining such consent, waiver or approval.

### **3.6 Permitted Activities**

The Debtor shall not be entitled to sell, alienate, lease, assign, dispose of or otherwise deal with the Collateral or carry on business other than in strict accordance with the terms and conditions of the Loan Agreement. If any Event of Default shall occur and be continuing, the Debtor shall forthwith be restrained from selling, alienating, leasing, assigning, disposing of or otherwise dealing with any of the Collateral without the prior consent of the Secured Party.

## **ARTICLE 4 DEMAND AND REMEDIES**

### **4.1 Demand**

Upon the occurrence and during the continuance of an Event of Default, the Charge shall immediately become enforceable. Once the Charge becomes enforceable, all of the Principal Sum hereof, accrued and unpaid interest thereon and all other Obligations shall automatically become due and payable immediately upon demand by the Secured Party, and the Debtor shall immediately pay to the Secured Party all amounts owing or payable in respect of the Obligations. Without restricting anything herein contained, it is the intent and purpose hereof that the Obligations shall become payable and be paid on such demand and the Liens hereby constituted shall thereby become enforceable without any requirement of time or further notice of any kind, all of which are expressly waived by the Debtor.

### **4.2 Remedies - General**

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may in its absolute discretion, but in accordance with Applicable Laws:

- (a) exercise such rights and remedies as are provided under this Debenture, the Loan Documents and Applicable Laws against the Debtor or in respect of the Collateral or any part thereof for the enforcement of full payment and performance of all the Obligations;
- (b) either with or without notice, enter into and upon and take possession of all or any part of the Collateral with full power to exclude the Debtor and additionally shall have full power and authority:
  - (i) to carry on, manage and conduct the business operations of the Debtor respecting such Collateral and the power to borrow money in its own name or advance its own money for the purpose of such business operations, the maintenance and preservation of such Collateral or any part thereof and the making of such replacements thereof and additions thereto as it shall deem desirable and the payment of taxes, wages and other charges ranking in priority to the Charge; and
  - (ii) to receive the revenues, incomes, issues and profits of such Collateral and to pay therefrom the costs, charges and expenses of the Secured Party in carrying on the said business operations or otherwise, and all taxes, assessments and other charges against such Collateral ranking in priority to the Charge the payment of which may be necessary to preserve such Collateral, and to apply the remainder of the monies so received in the same manner as if the same arose from a sale or realization of such Collateral;

- (c) either after entry as aforesaid or after other entries, or without any entry, sell or dispose of the Collateral, either as a whole or in separate parcels, by private contract, at public auction, by public tender, by lease, by deferred payment arrangement or in any other manner determined by the Secured Party with such notice, advertisement or other formality as may be required by law;
- (d) make any such sale or disposition of the Collateral either for cash or upon credit and upon such reasonable conditions as to upset or reserve bid or price and terms of payment as it may deem proper; to rescind or vary any contract or sale that may have been entered into and re-sell with or under any of the powers conferred herein; to adjourn such sale from time to time; and to execute and deliver to the purchaser or purchasers of the Collateral or any part thereof, good and sufficient deed or deeds for the same, and any such sale or disposition made as aforesaid shall be a perpetual bar at law and in equity against the Debtor and all other persons claiming the Collateral or any part or parcel thereof, by, from, through, or under the Debtor. The Secured Party may become purchaser at any sale of the Collateral or any part thereof;
- (e) with or without entry or sale as aforesaid, in its discretion, proceed to protect and enforce its rights under this Debenture by sale under judgment order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Debenture or in aid of the execution of any power granted in this Debenture or in aid of the execution of this Debenture or for the filing of such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claim of the Secured Party lodged in any bankruptcy, winding-up or other judicial proceeding, or for the enforcement of any other legal or equitable remedy as the Secured Party shall deem most effective to protect and enforce any of the rights or duties of the Secured Party; or
- (f) in lieu of appointing a Receiver as provided in Section 4.6, apply to any court of competent jurisdiction for the appointment of a Receiver, with such powers as the court making such appointment shall confer.

#### **4.3 Possession**

The Debtor shall on demand by the Secured Party or any Receiver yield up possession of the Collateral or any part thereof as demanded by the Secured Party or Receiver whenever the Secured Party or Receiver shall have a right to exercise any rights or remedies under Section 4.2, and put no obstacle in the way of, but facilitate by all legal means, the actions of the Secured Party or Receiver and not interfere with the carrying out of the powers hereby granted to the Secured Party or any Receiver.

#### **4.4 Judgment**

The Debtor covenants and agrees with the Secured Party that, in the case of any judicial or other proceeding to enforce the Charge or any part thereof, judgment may be rendered against the Debtor in favour of the Secured Party for any amount remaining due under this Debenture or for which the Debtor may be liable hereunder, after the application to the payment thereof of the proceeds of any sale of the Collateral or any part thereof. The covenant of the Debtor to pay interest at the rate provided in this Debenture shall not merge in any such judgment and such judgment shall bear interest at the rate set forth in this Debenture until such judgment and all interest thereon has been paid in full.

#### 4.5 Account Debtors

- (a) All persons producing, purchasing, taking, processing or receiving any Petroleum Substances produced by or for or allocable to the Debtor, having in their possession any such Petroleum Substances or proceeds therefrom, being a debtor on an intangible or chattel paper, a debtor on an instrument or any other Person being obligated to pay any account receivable or other debt due, owing or accruing due to the Debtor (including operators or managers under any operating agreement, management agreement, lease, or otherwise) are entitled at all times to treat and regard the Secured Party as the assignee and transferee from the Debtor, entitled in the place and stead of the Debtor to receive such Petroleum Substances, proceeds, accounts, intangibles and other debts. Upon the occurrence of an Event of Default which is continuing, the Secured Party may give notice to all or any of such persons of the Charge and to remit all such Petroleum Substances, proceeds, accounts and other debts directly to the Secured Party, whether or not the Debtor was making collections on such Collateral prior to notification by the Secured Party; and all such persons shall be fully protected in so treating and regarding the Secured Party and shall be under no obligation to see to the application in any particular manner by the Secured Party of any such Petroleum Substances, proceeds, accounts and other debts received by it.
- (b) Any money collected or received by the Secured Party pursuant to paragraph (a) above shall be applied in the manner as the Secured Party may see fit. The Secured Party shall not be liable or accountable for its failure to collect, realize, sell or obtain payment of accounts, chattel paper, instruments, intangibles, choses in action or rights to payment or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any right to payment of the Secured Party, the Debtor or any other Person in respect thereof.
- (c) All money collected or received by the Debtor in respect of accounts, chattel paper, instruments, documents of title, intangibles, choses in action, rights to payment or the proceeds of any sale of Petroleum Substances or other interests of the Debtor described herein shall, after the occurrence and during the continuance of an Event of Default, be held by the Debtor in trust for the absolute use and benefit of the Secured Party and shall be paid or delivered over to the Secured Party upon demand in the identical form received and until demand shall be held by the Debtor separate and apart from any funds belonging to the Debtor or any other funds over which it has possession or control.

#### 4.6 Receiver

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may in its discretion appoint a Receiver of the Collateral or any part thereof and upon any such appointment by the Secured Party the following provisions shall apply:

- (a) such appointment shall be made in writing signed by the Secured Party and such writing shall be conclusive evidence for all purposes of such appointment; the Secured Party may from time to time in the same manner remove any Receiver so appointed and appoint another in its stead; in making any such appointment the Secured Party shall be deemed to be acting as the attorney for the Debtor and the Debtor hereby consents to the appointment of a Receiver;

- (b) any such appointment may be limited to any part or parts of the Collateral or may extend to the whole thereof;
- (c) every Receiver may, in the discretion of the Secured Party, be vested with all or any of the powers, rights, benefits, discretions, protection and relief of the Secured Party hereunder and shall be vested with all of the powers and protections afforded to a Receiver under Applicable Laws;
- (d) the Secured Party may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof, in priority to the other Obligations, out of the Collateral, the income therefrom or the proceeds thereof;
- (e) the Secured Party may from time to time require any Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but the Secured Party shall not be bound to require such security;
- (f) every such Receiver may, with the consent in writing of the Secured Party, borrow money for the purpose of carrying on the business of the Debtor in respect of any part of the Collateral or for the maintenance, protection or preservation of the Collateral or any part thereof, and any Receiver may issue certificates ("**Receiver's Certificates**"), for such sums as will in the opinion of the Secured Party be sufficient for carrying out the foregoing, and such Receiver's Certificates may be payable either to order or bearer and may be payable at such time or times as the Secured Party may consider expedient, and shall bear such interest as shall therein be declared and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Secured Party may consider advisable and may pay such commission on the sale thereof as the Secured Party may consider reasonable, and the amounts from time to time payable by virtue of such Receiver's Certificates shall at the option of the Secured Party form a charge upon the Collateral in priority to this Debenture;
- (g) every Receiver shall, regarding its acts or omissions, be deemed the agent of the Debtor, and in no event the agent of the Secured Party, and the Secured Party shall not, in making or consenting to such appointment, incur any liability to any Receiver for its remuneration or otherwise howsoever;
- (h) except as may be otherwise directed by the Secured Party, all monies from time to time received by any Receiver shall be paid over to the Secured Party at the place where this Debenture is payable; and
- (i) the Secured Party may pay over to any Receiver any monies constituting part of the Collateral to the extent that the same may be applied for the purposes hereof by such Receiver and the Secured Party may from time to time determine what funds, if any, the Receiver shall be at liberty to keep on hand with a view to the performance of its duties as such Receiver.

#### **4.7 Remedies Not Exclusive**

No right, power or remedy herein conferred upon or reserved to the Secured Party or any Receiver is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by Applicable Laws, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. The Secured Party shall have the power to waive any default, provided no such



waiver shall be effective unless made in writing and shall not constitute a waiver of any other or subsequent default. No delay or omission of the Secured Party in the exercise of any right, power or remedy accruing upon any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein. Every right, power and remedy given to the Secured Party or to a Receiver by this Debenture, the Loan Documents or under Applicable Laws may be exercised from time to time and as often as may be deemed expedient by the Secured Party or such Receiver, as applicable. In case the Secured Party shall have proceeded to enforce any right under this Debenture and the proceedings for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Secured Party, then and in every such case the Debtor and the Secured Party shall, without any further action hereunder, to the full extent permitted by Applicable Laws, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Secured Party shall continue as though no such proceeding had been taken.

#### **4.8 Application of Proceeds**

Except as herein otherwise expressly provided, the monies arising from any enforcement in whole or in part of the Charge, or from any sale or realization of the whole or any part of the Collateral, whether under sale by the Secured Party or by judicial process or otherwise, and all incomes, rents and profits of the Collateral, together with any other monies then in the hands of the Secured Party or any Receiver available for such purpose, shall at the option of the Secured Party be held by the Secured Party as security for the Obligations or be applied by the Secured Party on account of the Obligations as it may see fit, without prejudice to the claim of the Secured Party upon the Debtor for any deficiency.

#### **4.9 Power of Attorney**

The Debtor hereby irrevocably constitutes and appoints the Secured Party or any Receiver appointed by the Secured Party its true and lawful attorney and Secured Party, with full power and authority in the Debtor's name, place and stead from time to time to do all acts and things and execute and deliver all share transfers, certificates, proxies, resolutions, consents, assignments, transfers, conveyances and agreements, in such form as the Secured Party considers necessary or desirable, to do all things which the Debtor is required to sign, execute and do hereunder if the Debtor has failed to sign, execute or do the same and generally to use the name of the Debtor, as applicable, in the exercise of all or any of the powers hereby conferred on the Secured Party, with full powers of substitution and revocation; provided that this power of attorney may not be exercised by the Secured Party until the occurrence of an Event of Default which is continuing. Such appointment and power of attorney is hereby declared by the Debtor to be an irrevocable power coupled with an interest in favour of the Secured Party and shall remain in full force and effect until this Debenture is discharged.

### **ARTICLE 5 REPRESENTATIONS, WARRANTIES, COVENANTS AND ENVIRONMENTAL INDEMNITY**

#### **5.1 Representations and Warranties**

The Debtor agrees, represents and warrants to and with the Secured Party that:

- (a) the Debtor has good and marketable title to its Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto), subject only to Permitted Liens;

- (b) the Debtor has not received from any Person any notice claiming an entitlement to, exercising or purporting to exercise any right of first refusal, right of first purchase or similar right or option relating to the Debtor's owned real property or Oil and Gas Properties which could, if exercised, have the effect of divesting the Debtor of title to the affected properties; and
- (c) without limiting anything contained in this Debenture, neither the provisions of this Debenture nor the actual or constructive notice on the part of the Secured Party of the actual or alleged existence of any right of any Person to claim any right of first refusal or right of first purchase shall affect or derogate from the right of the Secured Party to rely upon this Section 5.1.

## **5.2 Insurance Requirements**

The Debtor shall, at all times during the currency of this Debenture, insure and keep insured any and all insurable Collateral in strict accordance with the terms and conditions of the Loan Agreement. If the insurance hereinbefore referred to is not effected or not kept duly renewed, the Secured Party may effect or renew such insurance and if default be made in payment of premiums or sums of money by the Debtor, the Secured Party may pay the same, and such sums of money shall be added to the Obligations hereby secured and shall bear interest at the highest rate provided herein from the date of such payment and shall be repayable forthwith upon demand made by the Secured Party.

## **5.3 Environmental Indemnity**

Save and except as may be caused by the gross negligence or wilful misconduct of the Secured Party, the Debtor hereby indemnifies and holds harmless the Secured Party, and its partners, officers, directors, employees, agents and representatives, from and against any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges and expenses (including reasonable legal fees on a solicitor and his own client basis), of any nature whatsoever suffered or incurred by the Secured Party, and its partners, officers, directors, employees, agents and representatives as a result of or in connection with the Secured Party entering into the Loan Documents or holding this Debenture or in the enforcement or realization of this Debenture, including the assertion of any claim, demand, cause of action or lien thereunder, with respect to:

- (a) the Release of a Materials of Environmental Concern, the threat of the Release of any Materials of Environmental Concern, or the presence of any Materials of Environmental Concern affecting the Collateral, whether or not the same originates or emanates from the Collateral or any contiguous real property, including any loss of value of property as a result of any of the foregoing;
- (b) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources or the Environment in relation to the Collateral or any contiguous real property, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Applicable Law;
- (c) liability for personal injury or property damage arising under any statutory or common law tort theory including, without limitation, third party, consequential, indirect damages and damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at or near the Collateral;

- (d) any other environmental matter affecting the Collateral within the jurisdiction of any federal environmental agency, or any provincial, municipal or local environmental agency; and
- (e) all environmental, health, reclamation and clean up costs and obligations associated with or pertaining to the abandonment or reclamation of the Collateral or any wells, facilities, buildings, fixtures or equipment located thereon.

The Debtor's obligations under this clause shall arise upon the discovery of the presence of any Materials of Environmental Concern or upon the creation of an obligation to abandon, reclaim or clean up any of the Collateral, whether or not any federal agency or any provincial or local environmental agency has taken or threatened any action in connection with the presence of any Materials of Environmental Concern and, notwithstanding anything contained in this Debenture to the contrary, shall survive the full repayment of any and all monies hereby secured and the discharge, release or reconveyance of this Debenture to the Debtor.

## **ARTICLE 6 LIABILITIES, WAIVERS AND EXPENSES**

### **6.1 Limitation of Liability**

Except in the case of gross negligence or wilful misconduct, neither the Secured Party nor any Receiver shall (i) be responsible or liable for any debts contracted by it, for damages to persons or property, for salaries or for non-fulfillment of contracts during any period when the Secured Party or any Receiver shall manage or be in possession of the Collateral; (ii) be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable; (iii) be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor; or (iv) in the case of any chattel paper, investment property, instrument or any other intangible, be obligated to preserve rights against any other persons. The Debtor hereby waives any provision of Applicable Laws permitted to be waived by it which imposes higher or greater obligations upon the Secured Party or any Receiver than aforesaid.

### **6.2 Mandatory Provisions of Applicable Law**

Subject to Section 6.3, all rights, remedies, and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any mandatory provision of Applicable Laws and all the provisions of this Debenture are intended to be subject to all mandatory provisions of Applicable Laws which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Debenture invalid, unenforceable or not entitled to be recorded, registered or filed under any mandatory provisions of Applicable Laws. Subject to Section 6.3, if any mandatory provision of Applicable Laws shall provide for different or additional requirements than or to those specified herein as prerequisites to or incidental to the realization, sale or foreclosure of the Charge or any part thereof, then, to that extent, such laws shall be deemed to have been set forth herein at length, and any conflicting provisions hereof shall be disregarded, and the method of realization, sale or foreclosure of the Charge required by any such laws shall, insofar as may be necessary, be substituted herein as the method of realization, sale or foreclosure in lieu of that set forth above. Any provision hereof contrary to mandatory provisions of Applicable Laws shall be deemed to be ineffective and shall be severable from and not invalidate any other provision of this Debenture.

### 6.3 Waiver of Applicable Laws

- (a) To the extent not prohibited by Applicable Laws, the Debtor hereby waives its rights under all provisions of Applicable Laws that would in any manner limit, restrict or otherwise affect the Secured Party's rights and remedies hereunder or impose any additional obligations on the Secured Party. The Debtor waives the right to receive any amount which it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty or otherwise) by reason of the failure of the Secured Party to deliver to the Debtor a copy of any financing statement or any verification statement issued by any registry that confirms registration of a financing statement relating to this Debenture and the Debtor hereby waives its right to receive a copy of such financing or verification statements.
- (b) The Debtor hereby authorizes the Secured Party to provide information to any Person who requests information under section 18 of the PPSA or similar legislation and the Secured Party will not be required to investigate whether or not the inquiring Person is in fact a Person entitled to request information pursuant to section 18 of the PPSA or similar legislation.
- (c) To the fullest extent that it may lawfully do so, the Debtor hereby:
  - (i) waives and disclaims any benefit of, and shall not have or assert any right under any statute or rule of law pertaining to, discussion and division, the marshalling of assets or any other matter whatsoever, to defeat, reduce or affect the rights of the Secured Party under the terms of this Debenture to a sale of the Collateral or any part thereof or for the collection of all amounts secured hereby;
  - (ii) agrees that it shall not have or assert any right or equity of redemption or any right under any statute or otherwise to redeem the Collateral or any part thereof after the sale hereunder to any Person whether such sale is by the Secured Party, any Receiver or otherwise, notwithstanding, that the Secured Party may have purchased the same;
  - (iii) waives the rights, benefits and protection of section 49 of the *Law of Property Act* (Alberta), as amended, or any successor statute; and
  - (iv) waives the provisions of the *Judgment Interest Act* (Alberta).
- (d) The right of consolidation shall apply to this Debenture and the Oil and Gas Properties notwithstanding Section 31 of the *Property Law Act* (British Columbia) or any similar statutory provision in force from time to time, and the provisions of such statute are specifically waived.

### 6.4 Non-Application of Saskatchewan Laws

The Debtor covenants and agrees with the Secured Party that:

- (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in *The Land Contracts (Actions) Act* (Saskatchewan), with respect to any mortgage, charge or security interest given by the Debtor under this Debenture; and



- (b) *The Limitation of Civil Rights Act* (Saskatchewan), as well as Part IV of *The Saskatchewan Farm Security Act* (Saskatchewan), shall have no application to:
- (i) this Debenture;
  - (ii) any indenture, instrument or agreement entered into by the Debtor at any time hereafter, supplemental or ancillary to or in implementation of this Debenture and involving the payment by the Debtor of money, or the liability of the Debtor to payment;
  - (iii) any mortgage, charge or other security interest for the payment of money made, given or created by this Debenture or by any indenture, instrument or agreement referred to or mentioned in clause (ii) above;
  - (iv) any instrument or agreement entered into by the Debtor at any time hereafter renewing or extending or collateral to this Debenture, renewing or extending or collateral to any indenture, instrument or agreement referred to or mentioned in clause (ii) above, or renewing or extending collateral to any mortgage, charge or other security referred to or mentioned in clause (iii) above; or
  - (v) the rights, powers or remedies of the Secured Party under this Debenture or any mortgage, charge or other security interest, indenture, instrument or agreement referred to or mentioned in this Section 6.4(b).

#### 6.5 Expenses

If the Debtor fails to pay any amounts required to be paid by it under this Debenture or to observe or perform any of the covenants and obligations to be observed or performed by it set forth in this Debenture or in any other Loan Document provided by the Debtor to the Secured Party, the Secured Party and any Receiver may, but shall be under no obligation to, pay such amounts or do such acts or things as may be required to ensure such observance and performance, without waiving any of its rights under this Debenture, the Loan Agreement or under any other Loan Document. No such payment, act or thing by the Secured Party or any Receiver shall relieve the Debtor from any default under this Debenture, the Loan Agreement or any other Loan Document provided by the Debtor to the Secured Party or the consequences of such default. The reasonable expenses (including the cost of any insurance and payment of taxes or other charges and reasonable legal fees and expenses on a solicitor and his own client basis) paid by the Secured Party or any Receiver in respect of the care, custody, preservation, use or operation of the Collateral, shall be deemed advanced to the Debtor by the Secured Party or such Receiver, shall become part of the Obligations, and shall, from the time they are paid by the Secured Party or such Receiver until repaid by the Debtor, bear interest at the applicable rate hereunder. In addition, the Debtor shall pay all reasonable expenses (including reasonable legal fees and expenses on a solicitor and his own client basis) incurred by the Secured Party or any Receiver in connection with the preparation, perfection, execution, protection, enforcement of and advice with respect to this Debenture (including, without limitation, the realization, disposition, retention, protection or collection of the Collateral or any part thereof and the protection and enforcement of the rights of the Secured Party and any Receiver hereunder together with all remuneration paid to a Receiver and all costs, charges and expenses of or incidental to any receivership) and such expenses shall become part of the Obligations, and shall, from the time they are paid by the Secured Party or such Receiver until paid by the Debtor, bear interest at the applicable rate hereunder.

## **6.6 Indemnity**

Save and except as may be caused by the gross negligence or wilful misconduct of the indemnified parties referred to below, the Debtor will and does hereby indemnify and save harmless the Secured Party, every Receiver and each of their respective partners, officers, directors, employees and agents (collectively, the "**Indemnified Parties**"), from and against any and all liabilities, actions, claims, judgments, obligations, costs, charges or expenses, including reasonable legal fees and expenses on a solicitor and his own client basis, made against or incurred by the Indemnified Parties as a result of taking this Debenture or entering into any of the Loan Documents; and the Secured Party and every Receiver shall have the right to defend against any such liabilities, actions, claims and charges and to claim from the Debtor all expenses incurred in connection therewith, together with all reasonable legal fees and expenses on a solicitor and his own client basis that may be paid in connection therewith. It is understood and agreed that the covenants and conditions of this Section 6.6 shall remain in full force and effect notwithstanding the payment or release, either partially or wholly, of the Charge or any foreclosure thereof.

## **ARTICLE 7 REGISTRATION AND DISCHARGE**

### **7.1 Further Assurances**

The Debtor hereby covenants and agrees that it will at all times do, execute, file, register, acknowledge and deliver or cause to be done, executed, filed, registered, acknowledged and delivered all such further acts, deeds, mortgages, hypothecs, caveats, transfers, assignments and assurances as the Secured Party may reasonably require for the better assuring, mortgaging, charging, transferring, assigning, granting, delivering and confirming unto the Secured Party the Collateral, or any part thereof, and for the better accomplishing and effectuating the purpose of this Debenture including, without limitation, providing to the Secured Party from time to time an updated Schedule "B" (which the Secured Party may, without the consent of the Debtor, use to replace the similar Schedule which is then attached hereto without any other or further action by or on behalf of the Debtor) and the execution and delivery of indentures supplemental hereto more particularly describing the Collateral or to update, correct or amplify the description of the Collateral or to better assure, convey and confirm unto the Secured Party any of the Collateral. Upon an updated Schedule "B" being provided to the Secured Party or the execution of any supplemental indenture under this Section, as applicable, this Debenture shall be modified in accordance therewith, and each such replacement Schedule "B" and supplemental indenture shall form part of this Debenture for all purposes.

### **7.2 Registration**

The Secured Party may at any time and from time to time register or cause to be registered this Debenture (or a caveat or other notice in respect thereof) against title to any or all of the Oil and Gas Properties (including without limitation such filings as the Secured Party may deem advisable at the Indian Lands Registry). Upon the request of the Secured Party, the Debtor will provide to the Secured Party a list of its Oil and Gas Properties containing a sufficient description thereof to permit the Secured Party to register this Debenture (or a caveat or notice thereof) against title to such Oil and Gas Properties. The Debtor shall ensure and will assist the Secured Party to ensure that this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents and all documents, caveats, cautions, memorials, security notices and financing statements in respect thereof, are promptly filed and refiled, registered and re-registered and deposited and re-deposited, in such manner, in such offices and places, and at such times and as often as may be required by Applicable Laws or as may be necessary or desirable to perfect and preserve the Charge as a mortgage, charge and security interest (subject only to Permitted Liens) and the rights conferred or intended to be conferred upon the Secured

Party by the Charge and will cause to be furnished promptly to the Secured Party evidence satisfactory to the Secured Party of such filing, registering and depositing. The Debtor shall, forthwith on demand being made by the Secured Party, pay all reasonable fees, costs and expenses incurred by the Secured Party or its Secured Parties in connection with the filing, re-filing, registering, re-registering, depositing and re-depositing of this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents. The fees, costs and expenses incurred by the Secured Party or its Secured Parties hereunder shall be secured hereby and shall become part of the Obligations.

### **7.3 Discharge; Pledge by Debtor**

Upon the full, final and indefeasible payment and performance of the Obligations, this Debenture and the rights hereby granted shall, at the request of the Debtor, be terminated and thereupon the Secured Party shall at the request and at the expense of the Debtor cancel and discharge the Charge and execute and deliver to the Debtor such deeds and other instruments as shall be requisite to cancel and discharge the Charge; provided however that upon request by, or with the prior written consent of, the Secured Party this Debenture may be delivered, assigned, pledged, hypothecated or deposited by the Debtor as security for present and future credits, advances or loans to or for indebtedness or other obligations or liabilities of the Debtor and in such event, for so long as this Debenture is delivered, deposited, pledged or hypothecated as collateral security for present or future credits, for loans (fixed, term, demand, fluctuating, revolving or otherwise), indebtedness, covenants or other obligations of the Debtor, this Debenture shall (i) be considered as outstanding for its full amount; (ii) not be cancelled or redeemed on partial or full payment of such loans or indebtedness or satisfaction of such covenants or obligations; and (iii) not be affected by any such loans, indebtedness, covenants or obligations fluctuating from time to time or the amounts in respect thereof ceasing to be in debit balance. Further, this Debenture shall continue to be effective or be reinstated, as the case may be, if for any reason at any time any payment or performance of the Obligations, or any part thereof, is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or reimbursed by the Secured Party.

### **7.4 Partial Discharge**

The Secured Party may, in its sole discretion, grant postponements or partial releases or discharges of the Charge in respect of all or any part of the Collateral, but no such postponement or partial release or discharge shall in any way affect the Charge over the remainder of the Collateral, or to release or discharge the Debtor from its liability to the Secured Party to fully pay and satisfy the Obligations.

### **7.5 Composite Mortgage**

This Debenture is a composite mortgage and security agreement covering the Collateral of the Debtor located in various Provinces and Territories of Canada and other jurisdictions and, as to portions of the Collateral located in such separate jurisdictions, this Debenture shall be a separate mortgage and security agreement enforceable against the Debtor without regard to the application of this Debenture to portions of the Collateral located in other jurisdictions. All provisions hereof shall be applicable separately to the portions of the Collateral located in each separate jurisdiction with the same effect as if a separate mortgage and security agreement with respect thereto had been executed and delivered by the Debtor to the Secured Party. Upon the reasonable request of the Secured Party, the Debtor shall prepare, execute, deliver and register, at its expense, a separate mortgage and security agreement covering the portion of the Collateral located in any such jurisdiction or jurisdictions, such separate mortgage and security agreement to be substantially in the form hereof except for such modifications as shall be required by the fact that such mortgage and security agreement relates only to the property of the Debtor located in such jurisdiction or jurisdictions or as may be required by the Secured Party in connection herewith.

**7.6 Deemed Satisfaction**

Notwithstanding the stated interest rate per annum in Section 2.1 of this Debenture or any other provision hereof, payment by such Debtor of interest and fees for any period in respect of the Obligations at the rate at which such Obligations bear interest or such fees are determined for such period under the Loan Agreement, will be deemed to be payment in satisfaction of the interest payment on the Principal Sum under this Debenture for the same period. Notwithstanding Sections 2.1 or 7.3 or any other provision hereof, the Secured Party shall only be entitled to collect an amount under this Debenture up to the aggregate amount of the Obligations owing under the Loan Agreement. In the event of conflict between the provisions of this Debenture and the Loan Agreement, the provisions of the Loan Agreement shall govern.

**7.7 Realization**

Notwithstanding any other provision herein, including Section 2.1, the Secured Party will not, nor will it be entitled to, demand payment pursuant to this Debenture or enforce the Charge unless and until an Event of Default has occurred and is continuing, but thereafter the Secured Party may at any time exercise and enforce all of the rights and remedies of a holder of this Debenture in accordance with and subject to the Loan Documents to which the Debtor is a party as the absolute holder hereof, provided that the Secured Party will not be bound to exercise any such right or remedy.

**ARTICLE 8  
MISCELLANEOUS**

**8.1 Additional Security**

Nothing in this Debenture contained shall detract from or limit the absolute obligation of the Debtor to make payment of this Debenture and of all monies owing hereunder at the time and in the manner provided in this Debenture and to perform or observe any other act or condition which it is required to perform or observe hereunder whether or not the Charge is operative, and the rights under this Debenture shall be in addition to and not in substitution for any other Liens of any and every character now or hereafter held by the Secured Party for the Obligations.

**8.2 Assignment by the Secured Party**

It is agreed that this Debenture and the principal, interest and other monies hereby secured will be paid by the Debtor and shall be assignable by the Secured Party free from any right of set-off, counterclaim, deduction or equities between the Debtor and the Secured Party.

**8.3 Third Parties**

No Person dealing with the Secured Party, any Receiver or any of their respective agents shall be concerned to inquire whether the Charge (or any part thereof) has become enforceable, or whether the powers which the Secured Party or any Receiver is purporting to exercise have become exercisable, or whether any of the Obligations remain outstanding or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Secured Party or any Receiver with the Collateral or any part thereof or to see to the application of any money paid to the Secured Party or any Receiver and, in the absence of fraud on the part of such person, such dealings shall be deemed, as regards the safety and protection of such person, to be within the powers hereby conferred upon the Secured Party or any Receiver and to be valid and effective accordingly.



#### **8.4 Severability**

Any provision of this Debenture which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

#### **8.5 Non-Negotiation**

This Debenture is not a negotiable instrument.

#### **8.6 Amendments**

No provision of the Debenture may be amended verbally and any such amendment may only be made by way of an instrument in writing signed by the Debtor and the Secured Party.

#### **8.7 Notice**

All notices, advices, requests and demands hereunder shall be in writing (including e-mail transmissions) and may be given to the Debtor or the Secured Party at the following addresses or at such other address as any party shall designate for itself and all notices shall be effective upon actual receipt:

##### **If to the Debtor:**

Triple Five Intercontinental Group Ltd., as general partner of T5 SC Oil and Gas Limited Partnership  
3600, 700 – 2<sup>nd</sup> Street S.W.  
Calgary, AB

Attention: Ryan Martin  
E-mail: [Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)

##### **If to the Secured Party:**

Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP, c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Tim Oldfield  
E-mail: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

#### **8.8 Governing Law**

This Debenture is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of laws or rules which would result in any laws other than the internal laws in force in the Province of Alberta applying to this Debenture. The Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Debenture, or any of the transactions contemplated hereby, without prejudice to the rights of the Secured Party to take proceedings in other jurisdictions in which any Collateral may be situate.

### **8.9 Crystallization of Floating Charge**

For the purposes of section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Debenture over the Debtor's real and immovable property, both freehold and leasehold, shall crystallize and become a fixed charge upon the earlier of:

- (a) the Debtor becoming insolvent or bankrupt or making an assignment or proposal under the applicable bankruptcy or insolvency legislation in favour of its creditors;
- (b) a bankruptcy petition being filed or presented against the Debtor;
- (c) a Receiver being appointed for the Debtor or for any material part of the Collateral;
- (d) the Debtor failing to pay the Obligations when due; or
- (e) the Secured Party notifying the Debtor in writing that the floating charge created by this Debenture has crystallized and become a fixed charge.

### **8.10 Time of Essence**

Time shall be of the essence of this Debenture.

### **8.11 Successors and Assigns**

This Debenture shall be binding upon the Debtor, its successors and permitted assigns (including any successor by reason of amalgamation, merger or other combination) and shall enure to the benefit of the Secured Party and its successors and assigns; provided always that the Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party. The Debtor agrees that no change in the name, objects or constitution of the Debtor shall in any way affect the enforceability of this Debenture against the Debtor from time to time.

### **8.12 Headings**

The headings and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

### **8.13 References**

Unless something in the subject matter or context is inconsistent herewith, all references to Sections, Articles and Schedules are to Sections and Articles of and Schedules to this Debenture. The words "hereto", "hereof", "hereunder" and similar expressions mean and refer to this Debenture. In this Debenture, the singular includes the plural and vice versa; a reference to gender includes the masculine, feminine and neuter; where a term or expression is defined, derivations thereof have a corresponding meaning; references to any statute, act or other legislative enactment shall be to such statute, act or other legislative enactment as amended from time to time or replaced by a statute, act or other legislative enactment dealing with substantially the same subject matter as the statute, act or other legislative enactment so replaced; and references to any agreement, contract, document, licence or other instrument shall mean and refer to such agreement, contract, document, licence or other instrument as amended, modified, replaced, restated, extended, renewed or supplemented from time to time.

#### 8.14 Currency Indemnity

In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing under this Debenture or any other Loan Document, or for the payment of damages in respect of any breach of this Debenture or any other Loan Document, or under or in respect of a judgment or order of another court or tribunal for the payment of such amounts or damages, such judgment or order being expressed in a currency (the "**Judgment Currency**") other than the currency payable hereunder or thereunder (the "**Agreed Currency**"), each party against whom the judgment or order is made shall indemnify and hold each party in whose favour the judgment or order is made harmless against any deficiency in terms of the Agreed Currency in the amounts received by such party arising or resulting from any variation as between (i) the exchange rate at which the Agreed Currency is converted into the Judgment Currency for the purposes of such judgment or order, and (ii) the exchange rate at which such party is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by such party on the date of such receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the parties hereunder and shall apply irrespective of any indulgence granted hereunder.

#### 8.15 Currency of Payment

The principal, interest and other moneys payable hereunder shall be paid in lawful money of Canada.

#### 8.16 Agreement Paramount

In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Debenture and of the Loan Agreement, then, the provisions of the Loan Agreement shall govern and be paramount, and any such provision in this Debenture shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference. Notwithstanding the foregoing, if there is any right or remedy of the Lender set out in this Debenture or any part thereof which is not set out or provided for in the Loan Agreement, such additional right or remedy shall not constitute a conflict or inconsistency.

#### 8.17 Charging Clause

The Debtor, being the registered owner of its Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto), and for better securing to the Secured Party repayment in the manner aforesaid of the Principal Sum and interest, and other monies hereby secured, hereby mortgages to the Secured Party all of its estate and interest in the Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto).

#### 8.18 Prior Mortgages

The Debtor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Debtor under the terms of any prior mortgages, debentures, agreements for sale or other Liens (hereinafter called the "**prior mortgages**" and each a "**prior mortgage**") with respect to its Oil and Gas Properties, whether registered or unregistered. It is expressly agreed and understood by the Debtor that in the event of default by the Debtor under any of the terms of any prior mortgage, then at the option of the Secured Party the Debtor shall be deemed to be in default of the terms of this Debenture. The Secured Party may, at its option, make any payment or cure any default under the prior mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Secured Party thereby incurred shall be added to the moneys payable

hereunder, shall bear interest at the rate aforesaid from the date expended until paid, shall be payable with interest as aforesaid forthwith by the Debtor to the Secured Party without demand and shall be a charge on the Oil and Gas Properties and the Secured Party shall have the same rights and remedies to enforce payment thereof as it would have in the event of default in payment of other moneys payable hereunder.

**8.19 Receipt**

The Debtor hereby acknowledges receipt of an executed copy of this Debenture.

**[Balance of page intentionally left blank. Execution page to follow**



IN WITNESS WHEREOF the Debtor has issued this Debenture signed by its duly authorized officers as of the date and year first above written.

T5 SC OIL AND GAS LIMITED PARTNERSHIP, by its general partner, TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

(c/s)

By:

Name: David Hernandez  
Title: President

By:

Name:  
Title:

I/We have authority to bind the Debtor

*[Signature page to Fixed and Floating Charge Demand Debenture]*

## SCHEDULE "A"

Attached to and forming part of the Debenture dated August 31, 2018 issued by Triple Five Intercontinental Group Ltd., as general partner of T5 SC Oil and Gas Limited Partnership in favour of Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP

### DEFINITIONS

In the Debenture to which this Schedule "A" is attached, the following terms shall have the respective meanings given to them:

"**Charge**" means the Liens created by created by the Debenture;

"**Debenture**" means the fixed and floating charge demand debenture to which this Schedule "A" is attached, as the same may be amended, supplemented, restated or replaced from time to time, including all the Schedules now or hereafter attached to the Debenture;

"**Event of Default**" means a default by the Debtor in the payment or performance of the Obligations, as well as the occurrence of an "Event of Default" under the Loan Agreement (as that term is defined therein);

"**Gross Overriding Royalty**" has the meaning ascribed to it in the Gross Overriding Royalty Agreement;

"**Gross Overriding Royalty Agreement**" means the gross overriding royalty agreement dated June 2014 between Triple Five Intercontinental Group Ltd. and Sunchild Oil & Gas Ltd. as presently constituted on the date of the Debenture, but does not include any amendment, supplement or modification thereof unless consented to by the Secured Party in writing;

"**including**" means including without limitation, and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it, and "includes" shall be construed in a like manner;

"**Loan Agreement**" means the loan agreement dated as of August 31, 2018, among Triple Five Intercontinental Group Ltd., the Debtor, as borrower, and the Secured Party, as lender, as the same may be amended, supplemented, restated, extended, renewed, or superseded from time to time;

"**Oil and Gas Properties**" has the meaning ascribed to it in the Loan Agreement and includes for the purposes of this Debenture, all owned real property of the Debtor as well as those properties listed in Schedule "B" hereto as the same may be amended, modified, replaced or supplemented from time to time.

"**PPSA**" means the *Personal Property Security Act* (Alberta), as amended from time to time; and the terms "proceeds", "equipment", "inventory", "chattel paper", "intangible", "instrument", "investment property", "security", "accessions", "document of title" and "account" shall, when used herein, have the same meanings as are ascribed thereto in the PPSA;

"**property**" means, in respect of any person, its property, assets and undertaking, both real and personal, tangible or intangible; and

**"Receiver"** means any receiver, manager, or receiver and manager of the Collateral or any part thereof or the business and undertaking of the Debtor, or any part thereof, whether appointed by the Secured Party under the Debenture or by a court pursuant to Applicable Laws and any nominee of the Secured Party or any other Person that is appointed by the Secured Party to exercise all or any of the powers, rights, benefits and discretion of the Secured Party under the Debenture.

**SCHEDULE "B"**

Attached to and forming part of the Debenture dated August 31, 2018 issued by Triple Five Intercontinental Group Ltd., as general partner of T5 SC Oil and Gas Limited Partnership in favour of Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP

**LIST OF SPECIFIC PROPERTY**

**Indian Oil and Gas Canada Interests**

<b>NO.</b>	<b>Lease No. / Reserve Name / Date</b>	<b>Current Interest % and Type</b>	<b>Rights</b>	<b>Lands</b>	<b>Zone(s)</b>
1	OL-6448 / Sunchild #202 / May 1, 2014	100% Working Interest	All rights	All lands described in Lease No. OL-6448	All zones described in Lease No. OL-6448
2	OS-7116 / Sunchild #202 / December 11, 2014	100%	All rights	All lands described in Surface Lease No. OS-7116	--
3	RW-4779 / Sunchild #202 / February 26, 2015	100%	All rights	All lands described in Right of Way No. RW-4779	--
4	OS-7181 / Sunchild #202 / January 31, 2018	100%	All rights	All lands described in Surface Lease No. OS-7181	--

**Crown PNG Leases**

<b>No.</b>	<b>AGREEMENT NUMBER</b>	<b>AGREEMENT TYPE</b>
1	0516020081	005 5YR Northern PNG Lease
2	0516020082	005 5YR Northern PNG Lease
3	0598030879	005 5YR Northern PNG Lease

THIS IS EXHIBIT "E" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

## AMENDED AND RESTATED PRODUCTION PAYMENT AGREEMENT

THIS AGREEMENT made as of October 31, 2019.

### BETWEEN:

**T5 SC OIL AND GAS LIMITED PARTNERSHIP**, by its general partner, **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** (collectively, "**T5**")

- and -

**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** ("**T5 GP**")

- and -

**CROWN CAPITAL PARTNER FUNDING, LP**, by its general partner, **CROWN CAPITAL LP PARTNER FUNDING INC.** (collectively, "**Crown**")

(each a "**Party**" and collectively the "**Parties**")

### WHEREAS:

- A. The Parties previously entered into a loan agreement dated August 31, 2018 (the "**Original Loan Agreement**"), as amended and restated by an amended and restated loan agreement dated March 13, 2019, and further amended and restated by a second amended and restated loan agreement dated as of October 31, 2019 (as may be further amended, restated, modified or supplemented from time to time, the "**Loan Agreement**");
- B. As a condition to the Original Loan Agreement, the Parties entered into a production payment agreement dated August 31, 2018, as amended by a production payment agreement amending agreement dated March 13, 2019 (the "**Production Payment Agreement**"); and
- C. As a condition to the Loan Agreement, the Parties have agreed to amend and restate the conditions of the Production Payment Agreement in accordance with the terms and conditions set forth in this Agreement.

**NOW THEREFORE** in consideration of the respective covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties hereby agree as follows:

## ARTICLE 1 DEFINITIONS AND INTERPRETATION

### 1.1 Definitions

Capitalized terms used but not otherwise defined herein shall have the meanings provided in the Loan Agreement and, in addition:

- (a) "**Agreement**" means this Amended and Restated Production Payment Agreement and the Schedule attached hereto, as may be amended, restated, supplemented or modified from time to time;

- (b) "**Audit Deadline**" has the meaning given in Section 2.4(b);
- (c) "**Buyout Amount**" has the meaning given in Section 3.1(c);
- (d) "**Crown PNG Leases**" means collectively, all petroleum and natural gas leases or licenses granted to the Owners, including without limitation, those 5 Year Northern Crown PNG Leases assigned agreement numbers 0516020081, 0516020082 and 0598030879, as each may be amended, modified or supplemented from time to time;
- (e) "**Existing Wells**" means all wells on, within, or adjacent to the Leased Lands that have been drilled, completed and placed on production as of October 31, 2019, which shall include without limitation, those wells set out in Schedule "B" hereto;
- (f) "**Future Wells**" means all wells on, within, or adjacent to the Leased Lands that will be drilled, completed and placed on production after October 31, 2019;
- (g) "**IOGC Lease**" means lease no. OL-6448 dated May 1, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of Indian Oil and Gas Canada, Aboriginal Affairs and Northern Development Canada; Sunchild Oil & Gas Ltd. and Sunchild First Nation, as assigned by Sunchild Oil & Gas Ltd. to T5 GP pursuant to the IOGC Lease Assignment, as amended by an amending agreement to oil and gas lease OL-6448 effective January 1, 2019, as may be further amended, restated, supplemented or modified from time to time;
- (h) "**IOGC Lease Assignment**" means the assignment of contract rights and approval pursuant to Section 49 of the IOGR with respect to the IOGC Lease effective June 10, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of Indian Oil and Gas Canada, Sunchild Oil & Gas Ltd. and T5 GP;
- (i) "**Leased Lands**" means, collectively, the lands now or hereafter leased pursuant to the IOGC Lease and the Crown PNG Leases including, without limitation, as set forth in Schedule "A" hereto, or so much of those lands and Petroleum Substances as from time to time remain subject to the IOGC Lease and Crown PNG Leases;
- (j) "**Noon 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 approximately 12:00 noon (Toronto, Ontario time) on the Business Day that such conversion is to be made (or, if such conversion is to be made before noon, then at approximately noon on the immediately preceding Business Day); provided that if such rate is no longer quoted at noon (Toronto, Ontario time), it shall mean the spot rate of exchange for such conversion as quoted by the Bank of Canada at the close of business on the immediately preceding Business Day, and, in either case, if no such rate is quoted, the spot rate of exchange quoted for wholesale transactions by such Canadian 'schedule 1' bank in Toronto, Ontario selected for these purposes by the Owners;
- (k) "**Notice Date**" means (i) the date that Crown delivers notice of the exercise of the Put Option under Section 3.1(a), (ii) the date Crown delivers notice of its election to require the Owners to buyout the Production Payment under Section 3.1(b), (iii) the date T5 delivers notice of its election to buyout the Production Payment under Section 3.1(b), or (iv) the date that Crown delivers notice of its election to terminate the Production Payment under Section 3.2, as applicable;
- (l) "**Owners**" means, collectively, T5 and T5 GP and any of their respective subsidiaries that has the right, title and interest to explore for, drill for, extract, win, produce, take, save and market Petroleum Substances from the Leased Lands, as set out in Schedule "A", and "**Owner**" shall mean any one of them;

- (m) "**Owners' Participating Interest**" means, the Owners' collective right, title and interest to explore for, drill for, extract, win, produce, take, save and market Petroleum Substances from the Leased Lands as of the date hereof, being one-hundred (100%) percent;
- (n) "**Payment Period**" means the period commencing September 1, 2018 and ending on March 13, 2022;
- (o) "**Prepayment Amount**" has the meaning given in Section 3.2(c);
- (p) "**Production Payment**" has the meaning given in Section 2.2(a);
- (q) "**Put Option**" has the meaning given in Section 3.1(a);
- (r) "**Sale Proceeds**" means the gross proceeds from the sale of the Total Production; and
- (s) "**Total Production**" means the aggregate gross monthly production of Petroleum Substances from the Leased Lands attributable to each Owners' Participating Interest.

## 1.2 Interpretation

Unless otherwise stated or the context otherwise necessarily requires, in this Agreement:

- (a) the expressions "Article", "Section", "Subsection", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, paragraph and schedule of or to this Agreement.
- (b) words importing the singular shall include the plural and vice versa, and words importing a particular gender shall include all genders;
- (c) all monetary amounts expressed herein or calculated or to be paid pursuant hereto shall be in Canadian dollars unless otherwise specified;
- (d) capitalized words and phrases used herein which are derivatives of words or phrases otherwise defined herein shall have a corresponding meaning;
- (e) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, that payment or calculation is to be made, or that other action is to be taken, as applicable, on or as of the next following Business Day;
- (f) unless otherwise specified, time periods within or following which any payment is to be made or any act is to be done under this Agreement shall be calculated by excluding the day on which the period commences and including the day on which such period ends;
- (g) the word "**including**" means "**including, without limitation**" and shall not be limited in scope by the items listed after such word;
- (h) words such as "**hereof**", "**herein**" or "**hereunder**" shall mean "**of**", "**in**" or "**under**" this Agreement and not the specific section in which the reference occurs unless expressly otherwise noted;
- (i) the headings contained in this Agreement are intended for convenience of reference only and shall form no part of this Agreement; and
- (j) the rule of "**contra proferentem**" shall not apply to this Agreement.



### 1.3 Schedule

The following schedule is attached to, forms part of and is incorporated in this Agreement:

Schedule "A" – Leased Lands

Schedule "B" – Existing Wells

### 1.4 Subsidiary Compliance

The Owners shall take all steps and actions as may be required to cause each of their respective subsidiaries (as applicable) to: (i) comply with this Agreement, and (ii) take all steps and actions to allow and facilitate Crown's exercise of its rights hereunder.

## ARTICLE 2 PRODUCTION PAYMENT

### 2.1 Grant of Production Payment

The Owners hereby grant and set over the Production Payment to Crown during the Payment Period. Crown hereby accepts the grant of the Production Payment.

### 2.2 Quantification of Production Payment

- (a) From and after October 31, 2019, the "**Production Payment**" shall be as follows:
  - (i) 3% of the Sale Proceeds from Existing Wells; and
  - (ii) 6% of the Sale Proceeds from Future Wells.
- (b) The Production Payment shall be calculated monthly in accordance with Section 2.2(a) based on the Sale Proceeds in the relevant month and shall be paid monthly in accordance with Section 2.3.
- (c) Notwithstanding anything contained herein to the contrary, the Production Payment to Crown will not include Petroleum Substances that the Owners reasonably use or lose in drilling, completion and production operations on the Leased Lands or in the delivery of Petroleum Substances to, handling at, or prior to, the point of sale.
- (d) The Production Payment shall be calculated free and clear of any and all deductions whatsoever for costs and expenses incurred by the Owners.
- (e) The Production Payment shall not be subject to any royalties, burdens or other encumbrances payable by the Owners in respect of each Owners' Participating Interest or production of Petroleum Substances therefrom.
- (f) If any of the Sale Proceeds are in a currency other than Canadian dollars, then for the purposes of determining the Production Payment hereunder, those amounts shall be converted to Canadian dollars using the same rates used in preparing the financial statements referred to in sections 8.1(a) and (b) of the Loan Agreement.
- (g) The Owners shall hold or cause their respective subsidiaries to hold the Sale Proceeds as trustee in trust for Crown and subject to the terms of this Agreement.

- (h) If any portion of the Leased Lands is pooled, unitized or combined with any other lands, then the Production Payment shall be calculated using the quantity of Petroleum Substances thereby attributed to Owners' Participating Interest in the affected Leased Lands.
- (i) Subject to Section 2.2(h), the Production Payment shall only apply to Petroleum Substances produced from the Leased Lands during the Payment Period.

### **2.3 Monthly Accounting and Payment**

- (a) The Owners shall remit to Crown all funds accruing to Crown for the Production Payment for each month in the Payment Period within 35 days after the end of such month, which covenant shall be unaffected by the failure of any purchaser of some or all of the Total Production to pay the relevant Owner for that production.
- (b) The Owners will provide, together with the remittance pursuant to Section 2.3(a), Crown with a statement in written or electronic format showing, on a well by well or other agreed basis, in reasonable detail, the manner in which the Owners calculated the Production Payment, including:
  - (i) the quantity and kind of Petroleum Substances comprising the Total Production;
  - (ii) the unit sale price for such Petroleum Substances; and
  - (iii) the quantification of the Production Payment payable for such immediately preceding month.
- (c) The Parties acknowledge and agree that the first month of the Payment Period will be September 2018 and that the last month of the Payment Period will be March, 2022, provided that the Production Payment for March, 2022 shall be adjusted to account for the number of days in the month of March, 2022 to which the Payment Period applies having regard to the total number of days in such month.
- (d) Concurrent with T5's delivery of its annual financial statements to Crown pursuant to Section 8.1(b) of the Loan Agreement, the Owners shall provide Crown with a statement, in written or electronic format, which reconciles:
  - (i) the monthly payments made by the Owners in accordance with Section 2.3(a) (including any estimated aspect thereof) for the relevant Fiscal Year, with
  - (ii) the Owners Fiscal Year-end determination of the aggregate amount of the Production Payment payable in respect of such Fiscal Year.

Where such reconciliation statement indicates that an adjustment is due from one Party to the other, the Owners shall include such adjustment in the next monthly payment under Section 2.3(a), or, where there is no further monthly payment under Section 2.3(a), one Party shall pay the other Party the amount of the adjustment within 30 days of receipt of the reconciliation statement.

### **2.4 Books, Records and Audit Right**

- (a) The Owners shall keep and maintain true and correct books, records and accounts showing credits and charges hereunder and the kind and quantity of Petroleum Substances produced from and attributed to the Owners' Participating Interest, the disposition thereof and the price obtained therefor.
- (b) Crown may, upon reasonable notice to the Owners and at Crown's own expense, audit the books, records and accounts of the Owners at T5's offices in Calgary, Canada during normal business

hours, including production accounting and marketing records, with respect to the Production Payment for each Fiscal Year during the Payment Period within 12 months after receiving both the annual financial statements pursuant to Section 8.1(b) of the Loan Agreement for such Fiscal Year and the reconciliation statement for such Fiscal Year pursuant Section 2.3(d) (the "**Audit Deadline**").

- (c) Any statement issued by the Owners to Crown respecting the calculation of the Production Payment will be presumed to be true and correct on the Audit Deadline therefor, unless a Party takes written exception thereto and requests an adjustment pursuant to this Section 2.4 before such Audit Deadline, such statement will be final and binding on the Parties subject to manifest error.
- (d) The Owners shall respond in writing to any audit claims or discrepancies within 90 days of the receipt of such notice of claim or discrepancies. If the Owners do not respond in such 90 day period, a credit for the disputed amount shall be deemed to be made in favour of Crown.

## **2.5 Operations**

- (a) The Owners will not discriminate against the Leased Lands or the Petroleum Substances produced therefrom in favour of other lands that are not subject to the Production Payment or the Petroleum Substances produced from such other lands.
- (b) Crown is not and shall not be liable or responsible for any of the duties and obligations arising under or with respect to the Oil and Gas Properties.

## **ARTICLE 3 BUYOUT AND DEFAULT**

### **3.1 Production Payment Put Option**

- (a) If the Loan is prepaid in full prior to the Maturity Date, Crown shall be granted an option to require T5 to buyout the Production Payment (the "**Put Option**") by paying to Crown the Buyout Amount. The Put Option may be exercised by Crown at any time prior to the earlier of (i) 12 months from the date of full prepayment of the Loan; and (ii) the end of the Payment Period. Unless otherwise agreed to by Crown, the Buyout Amount under this Section 3.1(a), shall be calculated as of the Notice Date and paid to Crown on or before the date falling 35 days after the last day of the month end which immediately precedes the Notice Date. Upon receipt by Crown of such Buyout Amount, the Owners shall be released and discharged from any and all future obligations or liabilities for the Production Payment, but shall remain liable for Production Payment amounts due but not included in the Buyout Amount.
- (b) Notwithstanding Section 3.1(a), if the Owners, with the consent of Crown (in its sole discretion), directly or indirectly sell, assign, transfer, convey, surrender, exchange, lease, sub-lease, or otherwise Dispose of, their respective right, title, estate and interest in or to all or a portion of the Leased Lands (whether directly through a Disposition of the Leased Lands or indirectly through the Disposition of the Equity Interests of the Owners), then (i) T5 shall have the option to elect to buyout the Production Payment in respect of such Leased Lands; and (ii) Crown shall have the option to require T5 to buyout the Production Payment in respect of such Leased Lands, and in either case, the buyout of the Production Payment shall be satisfied by T5 paying to Crown the Buyout Amount in respect of those Leased Lands. Unless otherwise agreed to by Crown, the Buyout Amount under this Section 3.1(b), shall be calculated as of the Notice Date and paid to Crown on or before the date falling 35 days after the last day of the month end which immediately precedes the Notice Date.
- (c) For the purposes of this Agreement, the "**Buyout Amount**" shall be determined as follows:

$$BA = Y \times Z$$

Where:

**BA** is the Buyout Amount, which amount shall be converted to Canadian dollars from United States dollars using the Noon Rate on the Notice Date (if applicable)

**Y** is the trailing average Production Payment for the last full six (6) months immediately prior to the Notice Date

**Z** is the number of months remaining from the Notice Date until the Maturity Date, provided that any partial months remaining until the Maturity Date shall be expressed in combination with the number of whole months as a decimal resulting from the following quotient:

$$\frac{[\# \text{ of days less than a full month}]}{[30]}$$

### 3.2 Default

- (a) Without prejudice to Crown's remedies under the Loan Agreement in respect of a payment default hereunder, Crown may, on written notice to the Owners, elect to terminate the Production Payment in respect of the Leased Lands if:
- (i) the Owners fail to pay any Production Payment or any other amount due and payable and such default is not remedied within three (3) Business Days;
  - (ii) there is a breach or failure of due performance or observance by the Owners of any of their obligations hereunder (other than as provided for in Section 3.2(a)(i)), unless such breach or failure is cured to the satisfaction of Crown, acting reasonably, within 15 Business Days after written notice thereof by Crown to T5; or
  - (iii) an Event of Default occurs and is continuing under the Loan Agreement.
- (b) In the event that Crown elects to terminate the Production Payment in respect of the Leased Lands in accordance with Section 3.2(a), the Owners shall be obligated to pay the Prepayment Amount to Crown. The Prepayment Amount shall be calculated as of the Notice Date and paid to Crown as soon as reasonably practicable and in no event later than the date falling 35 days after the last day of the month end which immediately precedes the Notice Date.
- (c) For the purposes of this Agreement, the "**Prepayment Amount**" shall be determined using the same formula as the Buyout Amount.
- (d) In the event of a failure by the Owners to pay the Prepayment Amount in accordance with Section 3.2(b), Crown may take such actions and commence such proceedings as Crown, in its sole discretion, may determine and may enforce or otherwise realize upon any Security, all without any obligation to marshal any Security Interests and without additional notice, presentation, demand or protest, all of which the Owners hereby expressly waive (to the extent such rights may be waived under Applicable Law). The rights and remedies of Crown under this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. Crown may, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise for any available relief or purpose including but not limited to:
- (i) **Specific Performance:** the specific performance of any covenant or agreement contained in this Agreement and the Security;
  - (ii) **Injunction:** enjoining a violation of any of the terms of this Agreement and the Security;

- (iii) **Assistance:** aiding in the exercise of any power granted by this Agreement and the Security or by law; or
  - (iv) **Judgment:** obtaining and recovering judgment for any and all amounts due in respect of the Prepayment Amount or otherwise due under this Agreement and the Security.
- (e) The Parties agree that, for the purposes of this Section 3.2, the Prepayment Amount:
- (i) represents a genuine estimate by the Parties of the damages that Crown will suffer for the failure of the Owners to pay the Production Payment for the entire Payment Period; and
  - (ii) shall be liquidated damages and not a penalty, and which payment shall constitute Crown's sole remedy for the termination of the Production Payment under this Section, with no right to claim further damages or other remedies from the Owners hereunder.

## **ARTICLE 4 GENERAL**

### **4.1 Term and Termination**

This Agreement shall be effective as of the date hereof and, unless terminated earlier by agreement of the Parties (including pursuant to Section 3.2), shall terminate on the later of:

- (a) the expiry of the last audit period under Section 2.4; and
- (b) the final resolution of the last audit claim or dispute under Section 2.4.

Notwithstanding the foregoing, the termination of this Agreement shall be without prejudice to any rights and obligations arising out of or in connection with this Agreement that have vested, matured, or accrued before such termination.

### **4.2 Joint and Several**

All covenants, obligations and liabilities of the Owners hereunder shall be, or shall upon coming into existence be, deemed to be, joint and several covenants, obligations and liabilities of each of the Owners.

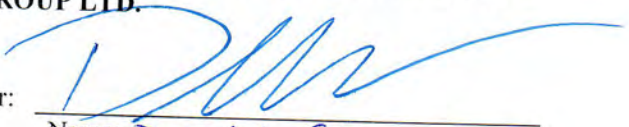
### **4.3 Miscellaneous Provisions**

Sections 4.3, 13.1 to 13.4, 13.7, 13.9, 13.11 and 13.12 of the Loan Agreement are incorporated herein by reference, *mutatis mutandis*.

**[Balance of page intentionally left blank. Execution pages to follow.]**

IN WITNESS WHEREOF T5 has duly executed this Agreement on the date first above written.

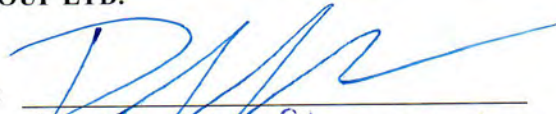
**T5 SC OIL AND GAS LIMITED  
PARTNERSHIP, by its general partner,  
TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.**

Per:   
Name: David Ghermezian  
Title: President

Per: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF T5 GP has duly executed this Agreement on the date first above written.

**TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.**

Per:   
Name: David Ghermezian  
Title: President

Per: \_\_\_\_\_  
Name:  
Title:





**SCHEDULE "A"**  
**LEASED LANDS**

*(see attached)*

**SCHEDULE "B"**  
**EXISTING WELLS**

<b>Well's Name</b>	<b>Producing Wells (uwi)</b>
T5 ENERGY HZ FERRIER 5-23-43-10	100/05-23-043-10W5/02
T5 ENERGY HZ WILLGR 8-24-43-10	100/08-24-043-10W5/00
T5 ENERGY HZ FERRIER 13-23-43-10	100/13-23-043-10W5/00
T5 ENERGY HZ WILLGR 16-24-43-10	100/16-24-043-10W5/00
T5 ENERGY HZ FERRIER 8-11-43-10	100/08-11-043-10W5/00
T5 ENERGY HZ 102 FERRIER 1-11-43-10	102/01-11-043-10W5/00
T5 ENERGY FERRIER 3-7-43-9	100/03-07-043-09W5/00
T5 ENERGY FERRIER 5-7-43-9	100/05-07-043-09W5/00

THIS IS **EXHIBIT "F"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

Search ID #: Z13499348

**Transmitting Party**

MLT AIKINS LLP

2100 – 222 3rd AVE SW  
Calgary, AB T2P 0B4

Party Code: 60006660  
Phone #: 403 693 4331  
Reference #: 0024563.166

Search ID #: Z13499348

Date of Search: 2021-Feb-08

Time of Search: 12:44:50

**Business Debtor Search For:**

T5 SC OIL AND GAS LIMITED PARTNERSHIP,

Exact Result(s) Only Found

**NOTE:**

A complete Search may result in a Report of Exact and Inexact Matches.  
Be sure to read the reports carefully.



Search ID #: Z13499348

**Business Debtor Search For:**

T5 SC OIL AND GAS LIMITED PARTNERSHIP,

Search ID #: Z13499348

Date of Search: 2021-Feb-08

Time of Search: 12:44:50

---

Registration Number: 18082832316

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Aug-28

Registration Status: Current

Expiry Date: 2028-Aug-28 23:59:59

---

Exact Match on: Debtor No: 1

---

**Debtor(s)**

**Block**

**Status**

1 T5 SC OIL AND GAS LIMITED PARTNERSHIP  
3600, 700 - 2ND STREET SW  
CALGARY, AB T2P 2W3

Current

**Secured Party / Parties**

**Block**

**Status**

1 CROWN CAPITAL LP PARTNER FUNDING INC.  
SUITE 2730, 333 BAY STREET  
TORONTO, ON M5H 2R2

Current

**Block**

**Status**

2 CROWN CAPITAL PARTNER FUNDING, LP  
SUITE 2730, 333 BAY STREET  
TORONTO, ON M5H 2R2

Current

**Collateral: General**

**Block**

**Description**

**Status**

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z13499348

**Business Debtor Search For:**

T5 SC OIL AND GAS LIMITED PARTNERSHIP,

Search ID #: Z13499348

Date of Search: 2021-Feb-08

Time of Search: 12:44:50

---

Registration Number: 18082832408

Registration Type: LAND CHARGE

Registration Date: 2018-Aug-28

Registration Status: Current

Registration Term: Infinity

---

Exact Match on:

Debtor

No: 1

---

**Debtor(s)**

**Block**

**Status**

1 T5 SC OIL AND GAS LIMITED PARTNERSHIP  
3600, 700 - 2ND STREET SW  
CALGARY, AB T2P 2W3

Current

**Secured Party / Parties**

**Block**

**Status**

1 CROWN CAPITAL LP PARTNER FUNDING INC.  
SUITE 2730, 333 BAY STREET  
TORONTO, ON M5H 2R2

Current

**Block**

**Status**

2 CROWN CAPITAL PARTNER FUNDING, LP  
SUITE 2730, 333 BAY STREET  
TORONTO, ON M5H 2R2

Current

Result Complete

THIS IS **EXHIBIT "G"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KATLIN H. WARD**  
**BARRISTER & SOLICITOR**

## GUARANTEE AND INDEMNITY AGREEMENT

This Agreement is made as of the 31<sup>st</sup> day of August, 2018,

### BETWEEN:

**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** (together with any successors, by amalgamation or otherwise, and permitted assigns, hereinafter referred to as the "**Guarantor**")

### AND:

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

### WHEREAS:

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner the Guarantor (collectively, the "**Borrower**"), as borrower, and the Guarantor, the Lender has agreed to make the Loan available to the Borrower.
- B. The Guarantor receives direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- C. As a condition to making available the Loan, the Guarantor is required to execute and deliver this Agreement to the Lender.
- D. As security for the payment by the Guarantor of the Guaranteed Obligations (as hereinafter defined), the Guarantor has granted a fixed and floating charge demand debenture in favour of the Lender dated the date hereof (the "**Debenture**").

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees with the Lender as follows:

**1. Guarantee.** The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Loan Agreement and the Loan Documents present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), reasonable legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement or the Loan Documents (collectively, the "**Guaranteed Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Guaranteed Obligations shall include all principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any other agreement made between the Borrower and the Lender in connection with or pursuant to the Loan Agreement or the Loan Documents, and any liability of the Borrower arising under guarantees provided



by the Borrower or the Guarantor to the Lender in connection with the obligations of other parties in connection with or pursuant to the Loan Agreement and the Loan Documents.

2. **Indemnity.** In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, the Guarantor agrees to indemnify and save harmless the Lender from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which the Lender may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Guaranteed Obligations. Notwithstanding the foregoing, under no circumstances shall any Guarantor be liable for any special damages or consequential damages.

3. **Continuing Guarantee.** The guarantee contained herein shall be a continuing guarantee and shall secure the Guaranteed Obligations and any ultimate balance thereof until Borrower's indefeasible repayment and performance in full of the Guaranteed Obligations in accordance with Article 5 of the Loan Agreement. This Agreement shall continue in full force and effect regardless of whether the Guarantor or any other party responsible for the payment of the Guaranteed Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. **Borrower's Status and Authority.** All monies or advances in fact borrowed or obtained from the Lender by the Borrower under the Loan Agreement and the Loan Documents shall be deemed to form part of the Guaranteed Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its partners or their respective partners, directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewal or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or its partners or their respective partners, directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its partners or their respective partners, directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. **Guarantee Absolute.** The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Guaranteed Obligations or any security held by or granted to the Lender to secure payment or performance of the Guaranteed Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, limited partnership agreement, Equity Interests, constating documents or by-laws, ownership or control of the Borrower;
- (c) any amalgamation, merger, consolidation or other reorganization of the Borrower or its business or affairs;

- (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure to obtain, register, perfect or maintain any Security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (g) the valuation by the Lender of any of its Security, which shall not be considered as a purchase of such Security, or as payment on account of the Guaranteed Obligations;
- (h) the failure or neglect of the Lender to demand payment of the Guaranteed Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's Security;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor to the extent permitted by Applicable Laws;
- (j) any dealings described in section 6 hereof; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower or of the Guarantor in respect of the Guaranteed Obligations.

**6. Dealings with the Borrower and Others.** Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents;
- (b) make advances to the Borrower and receive repayments in respect of the Guaranteed Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) in a manner consistent with the Loan Agreement, take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;
- (e) in a manner consistent with the Loan Agreement, release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all Security

- given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;
- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
  - (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any Security;
  - (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any Security upon such part of the Guaranteed Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
  - (i) otherwise deal with, waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all Security held by the Lender, with the consent of the Borrower acting reasonably.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever unless such act, thing, omission or means is sufficient to discharge the Guarantor as guarantor and as principal debtor.

**7. No Obligation to Exercise Other Remedies.** The Lender shall not be obliged to exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Guaranteed Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.

**8. Enforcement.** The Lender shall be entitled to make demand on the Guarantor upon a demand being made by the Lender on the Borrower after the occurrence of an Event of Default which is continuing under the Loan Agreement.

**9. Accounts Settled.** Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error or evidence to the contrary.

**10. Waiver.** The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

**11. Foreign Currency Obligations.** To the extent permitted by Applicable Law, the Guaranteed Obligations of the Guarantor shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only by payment in the currency in which they are due (the "**Agreed Currency**") and the Lender may, in accordance with normal banking procedures, purchase the sum paid in the Other Currency (after any premium and costs of

exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided in this section, continue in full force and effect.

**12. Disclosure.** To the extent permitted by Applicable Laws, the Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Guaranteed Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

**13. Taxes, etc.** All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by Applicable Law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under section 13(b) hereof and make such reports and filings in connection therewith in the manner required by Applicable Law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

**14. Assignment.** The Guarantor hereby consents to the sale, assignment, transfer or other disposition to any Person (the "**Assignee**") by the Lender in accordance with Section 13.4 of the Loan Agreement, at any time and from time to time hereafter, of this Agreement and the Guaranteed Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Guarantor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender (which may be withheld in its sole discretion).

**15. Revival of Indebtedness and Liability.** If at any time all or any part of any payment previously applied by the Lender to any portion of the Guaranteed Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising



from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Guaranteed Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Guaranteed Obligations as though such payment to the Lender had not been made.

**16. Assignment and Postponement of Amounts Due to the Guarantor.** Payment of all present and future debts and liabilities of the Borrower to the Guarantor (the "**Postponed Indebtedness**") is hereby postponed to payment of the Guaranteed Obligations. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Guaranteed Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. Until the indefeasible repayment and performance in full of the Guaranteed Obligations, the Guarantor shall not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender (which may be withheld, acting reasonably). As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

**17. Subrogation.** The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Guaranteed Obligations; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Guaranteed Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which any Guarantor may have against the Lender in respect of the Guaranteed Obligations or this Agreement, together with an acknowledgment that the Guaranteed Obligations and any security assigned by the Lender to any Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender in its sole discretion.

**18. Additional and Separate Security.** This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Guaranteed Obligations or the collateral securing the Guaranteed Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties.

**19. Set-Off.** The Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any indebtedness at any time owing by the Lender to the Guarantor, whether or not any of such obligations may be unliquidated, contingent or unmatured.

**20. Entire Agreement.** This Agreement, the Debenture and the other Loan Documents to which the Guarantor is a party to constitute the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

**21. Governing Law and Attornment.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

**22. Notice.** All written notices and other written communications with respect to this Agreement shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:

in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer  
Email: tim.oldfield@crowncapital.ca

and in the case of any of the Guarantor shall be sent to:

Triple Five Intercontinental Group Ltd.  
3600, 700 – 2nd Street SW  
Calgary, Alberta

Attention: Ryan Martin  
Email: Ryan.Martin@petroworldenergy.com

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

**23. Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by Applicable Law. Each provision of this Agreement is declared to be separate, severable and distinct.

**24. Number, Gender and Persons.** Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

**25. Amalgamation of Guarantor.** The Guarantor acknowledges and agrees that in the event that it amalgamates with any other persons (which it is prohibited from doing without the prior written approval of the Lender pursuant to the terms of the Loan Agreement) then all references herein to that Guarantor shall extend to, include and bind the amalgamated corporation.

**26. Counterpart Execution / Electronic Delivery.** This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in

portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

**27. Time.** Time shall be of the essence of this Agreement.

**28. Further Assurances.** The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

**29. Interpretation.** The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "section" means the relevant section of this Agreement. All capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.


**30. Successors and Assigns.** This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its successors and permitted assigns.

**31. Copy of Agreement.** The Guarantor acknowledges receipt of an executed copy of this Agreement.

[Remainder of page intentionally left blank. Signature pages to follow.]

THIS AGREEMENT has been executed by the Guarantor on the date first stated above.

**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**

By:   
Name: David Khemzian  
Title: President

By: \_\_\_\_\_  
Name:  
Title:



THIS IS **EXHIBIT "H"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

## FIXED AND FLOATING CHARGE DEMAND DEBENTURE

This fixed and floating charge demand debenture dated as of August 31, 2018, is made by **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** (the "**Debtor**"), in favour of **CROWN CAPITAL LP PARTNER FUNDING INC.** as general partner of **CROWN CAPITAL PARTNER FUNDING, LP** (collectively, the "**Secured Party**").

**NOW THEREFORE**, the Debtor covenants and agrees with the Secured Party as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Debenture, terms and expressions defined in the description of the parties, the text hereof and in Schedule "A" attached hereto shall have those meanings when used herein; capitalized terms used herein and not defined shall have the meaning given to such terms in the Loan Agreement.

#### 1.2 Schedules

The following schedules are incorporated herein and made a part hereof:

Schedule "A"	Definitions
Schedule "B"	List of Specific Property

Any reference to a Schedule to this Debenture includes, unless the context otherwise requires, such Schedule as the same is supplemented, amended, restated or replaced from time to time whether by one or more indentures supplemental hereto or otherwise.

### ARTICLE 2 PRINCIPAL AND INTEREST

#### 2.1 Promise to Pay

The Debtor, for value received, hereby acknowledges itself indebted and promises to pay to or to the order of the Secured Party, **ON DEMAND** or on such earlier date as the principal sum hereof may become payable as provided herein, the principal amount of Fifty Million Canadian (\$50,000,000.00) Dollars (the "**Principal Sum**") and to pay interest on such Principal Sum or so much thereof as remains from time to time outstanding at the rate equal to 25% per annum from the date hereof until full and final payment and discharge hereof, as well after as before demand, default and judgment in like money at the same place and to pay interest on overdue and unpaid interest at the same rate as aforesaid. It is agreed by the Debtor that the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Secured Party's right to interest at the rate and times aforesaid. All payments of principal, interest and other monies due under this Debenture shall be paid in immediately available funds to the Secured Party at 333 Bay St., Suite 2730, Toronto, Ontario M5H 2R2 or at such other place as the Secured Party may designate by notice in writing to the Debtor from time to time. Interest accruing due hereunder shall be determined daily and compounded monthly not in advance and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be, and shall be due and payable on demand. The theory of deemed reinvestment shall not apply to the calculation of interest or the payment of other amounts hereunder.

### ARTICLE 3 SECURITY

#### 3.1 Security

As security for payment of the Principal Sum and interest thereon and all other Guaranteed Obligations from time to time payable hereunder, the Debtor hereby:

- (a) mortgages and charges (subject to the exceptions set out below) as and by way of a fixed and specific mortgage and charge to and in favour of the Secured Party, and grants to the Secured Party a continuing security interest in, all of its present and after acquired real and immovable property (including, by way of sublease, leasehold lands) and all of its present and after acquired Oil and Gas Properties, buildings, erections, improvements, fixtures and plants (whether the same form part of the realty or not) and all appurtenances to any of the foregoing, including without limitation all of the right, title, interest and estate of the Debtor in and to the Oil and Gas Properties described in Schedule "B"; "real and immovable property" shall include any interest in or right with respect to real and immovable property;
- (b) mortgages and charges to the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a continuing security interest in, all its present and after acquired goods (other than inventory and consumer goods), including all furniture, fixtures, plant, machinery, vehicles and tools now or hereafter owned or acquired;
- (c) mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, all its present and after acquired Petroleum Substances and inventory, including all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (d) assigns, transfers and sets over to the Secured Party, and grants to the Secured Party a security interest in, all its other present and after acquired personal property, including all its present and after acquired intangibles, book debts, accounts and other amounts receivable, securities, contract rights (including without limitation the P&NG Leases) and choses in action of every kind or nature and insurance rights arising from or out of the property referred to in subsections (a), (b) or (c) above, goodwill, chattel paper, instruments, documents of title, money and investment property;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its present and after acquired real and personal property and assets, tangible and intangible, legal and equitable, moveable or immovable, of whatsoever nature and kind (other than the property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by subsections (a), (b), (c) or (d) above and the exceptions hereinafter contained); and
- (f) assigns, mortgages and charges in favour of the Secured Party, and grants to the Secured Party a security interest in, the proceeds arising from any dealing with the real and personal property, assets and undertaking referred to in this Section 3.1 in any form, including without limitation, any of the following: goods, investment property, instruments, documents of title, chattel paper, intangibles or money.

For the purposes of this Debenture, the present and after acquired real and personal property, assets and undertaking of the Debtor referred to in this Section 3.1 and subject to the Charge is hereinafter collectively called the "**Collateral**".

**TO HAVE AND TO HOLD** the Collateral and the Charge and all rights hereby conferred unto the Secured Party, subject to the terms and conditions herein set forth.

### **3.2 Attachment**

The Debtor acknowledges that the Debtor and the Secured Party have not agreed to postpone the time for attachment of the Charge and intend the Charge in the Collateral to attach immediately upon the execution of this Debenture, except in the case of Collateral in which the Debtor subsequently acquires rights, in which case the Charge shall attach contemporaneously with the Debtor acquiring rights therein without the need for any further or other deed, act or consideration. The Charge shall be effective and shall attach as of the date of execution hereof whether the monies hereby secured or any part thereof shall become owing by the Debtor before or after or upon the date of execution of this Debenture. The Debtor acknowledges conclusively that value has been given.

### **3.3 Royalty Exception**

The right, title, interest and benefit in, to and under the Gross Overriding Royalty payable by the Debtor to Sunchild Oil & Gas Ltd. pursuant to the Gross Overriding Royalty Agreement, as presently constituted, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party shall direct.

### **3.4 Leasehold Exception**

The last day of any term reserved by any lease, oral or written, or any agreement therefor, and any renewal thereof, now held or hereafter acquired by the Debtor, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party shall direct. Upon a sale of the leasehold premises, or any part thereof, the Secured Party, for the purpose of vesting the aforesaid reversion in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as trustee or trustees of the aforesaid reversion in the place of the Debtor and to vest same accordingly in the new trustee or trustees so appointed free and clear from any obligation respecting same.

### **3.5 Contractual Rights Exception**

In the event the validity and effectiveness of the Charge over any of the Collateral is dependent upon obtaining the consent, approval or waiver of another person, the Charge over any such Collateral shall not be effective until the applicable consent, approval or waiver is obtained or is no longer necessary for the purposes of the validity and effectiveness of the Charge, whereupon the Charge shall immediately become effective over any such Collateral. Until such consent, approval or waiver is obtained or the same is no longer necessary, the Debtor shall (subject to the other terms hereof) hold such Collateral in trust (to the extent permitted by Applicable Laws) to assign the same to the Secured Party or otherwise subject the same to the Charge, as the Secured Party shall direct, forthwith upon obtaining such consent, waiver or approval.

### **3.6 Permitted Activities**

The Debtor shall not be entitled to sell, alienate, lease, assign, dispose of or otherwise deal with the Collateral or carry on business other than in strict accordance with the terms and conditions of the Loan Agreement. If any Event of Default shall occur and be continuing, the Debtor shall forthwith be restrained from selling, alienating, leasing, assigning, disposing of or otherwise dealing with any of the Collateral without the prior consent of the Secured Party.

## **ARTICLE 4 DEMAND AND REMEDIES**

### **4.1 Demand**

Upon the occurrence and during the continuance of an Event of Default, the Charge shall immediately become enforceable. Once the Charge becomes enforceable, all of the Principal Sum hereof, accrued and unpaid interest thereon and all other Guaranteed Obligations shall automatically become due and payable immediately upon demand by the Secured Party, and the Debtor shall immediately pay to the Secured Party all amounts owing or payable in respect of the Guaranteed Obligations. Without restricting anything herein contained, it is the intent and purpose hereof that the Guaranteed Obligations shall become payable and be paid on such demand and the Liens hereby constituted shall thereby become enforceable without any requirement of time or further notice of any kind, all of which are expressly waived by the Debtor.

### **4.2 Remedies - General**

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may in its absolute discretion, but in accordance with Applicable Laws:

- (a) exercise such rights and remedies as are provided under this Debenture, the Loan Documents and Applicable Laws against the Debtor or in respect of the Collateral or any part thereof for the enforcement of full payment and performance of all the Guaranteed Obligations;
- (b) either with or without notice, enter into and upon and take possession of all or any part of the Collateral with full power to exclude the Debtor and additionally shall have full power and authority:
  - (i) to carry on, manage and conduct the business operations of the Debtor respecting such Collateral and the power to borrow money in its own name or advance its own money for the purpose of such business operations, the maintenance and preservation of such Collateral or any part thereof and the making of such replacements thereof and additions thereto as it shall deem desirable and the payment of taxes, wages and other charges ranking in priority to the Charge; and
  - (ii) to receive the revenues, incomes, issues and profits of such Collateral and to pay therefrom the costs, charges and expenses of the Secured Party in carrying on the said business operations or otherwise, and all taxes, assessments and other charges against such Collateral ranking in priority to the Charge the payment of which may be necessary to preserve such Collateral, and to apply the remainder of the monies so received in the same manner as if the same arose from a sale or realization of such Collateral;



- (c) either after entry as aforesaid or after other entries, or without any entry, sell or dispose of the Collateral, either as a whole or in separate parcels, by private contract, at public auction, by public tender, by lease, by deferred payment arrangement or in any other manner determined by the Secured Party with such notice, advertisement or other formality as may be required by law;
- (d) make any such sale or disposition of the Collateral either for cash or upon credit and upon such reasonable conditions as to upset or reserve bid or price and terms of payment as it may deem proper; to rescind or vary any contract or sale that may have been entered into and re-sell with or under any of the powers conferred herein; to adjourn such sale from time to time; and to execute and deliver to the purchaser or purchasers of the Collateral or any part thereof, good and sufficient deed or deeds for the same, and any such sale or disposition made as aforesaid shall be a perpetual bar at law and in equity against the Debtor and all other persons claiming the Collateral or any part or parcel thereof, by, from, through, or under the Debtor. The Secured Party may become purchaser at any sale of the Collateral or any part thereof;
- (e) with or without entry or sale as aforesaid, in its discretion, proceed to protect and enforce its rights under this Debenture by sale under judgment order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Debenture or in aid of the execution of any power granted in this Debenture or in aid of the execution of this Debenture or for the filing of such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claim of the Secured Party lodged in any bankruptcy, winding-up or other judicial proceeding, or for the enforcement of any other legal or equitable remedy as the Secured Party shall deem most effective to protect and enforce any of the rights or duties of the Secured Party; or
- (f) in lieu of appointing a Receiver as provided in Section 4.6, apply to any court of competent jurisdiction for the appointment of a Receiver, with such powers as the court making such appointment shall confer.

#### **4.3 Possession**

The Debtor shall on demand by the Secured Party or any Receiver yield up possession of the Collateral or any part thereof as demanded by the Secured Party or Receiver whenever the Secured Party or Receiver shall have a right to exercise any rights or remedies under Section 4.2, and put no obstacle in the way of, but facilitate by all legal means, the actions of the Secured Party or Receiver and not interfere with the carrying out of the powers hereby granted to the Secured Party or any Receiver.

#### **4.4 Judgment**

The Debtor covenants and agrees with the Secured Party that, in the case of any judicial or other proceeding to enforce the Charge or any part thereof, judgment may be rendered against the Debtor in favour of the Secured Party for any amount remaining due under this Debenture or for which the Debtor may be liable hereunder, after the application to the payment thereof of the proceeds of any sale of the Collateral or any part thereof. The covenant of the Debtor to pay interest at the rate provided in this Debenture shall not merge in any such judgment and such judgment shall bear interest at the rate set forth in this Debenture until such judgment and all interest thereon has been paid in full.

#### 4.5 Account Debtors

- (a) All persons producing, purchasing, taking, processing or receiving any Petroleum Substances produced by or for or allocable to the Debtor, having in their possession any such Petroleum Substances or proceeds therefrom, being a debtor on an intangible or chattel paper, a debtor on an instrument or any other Person being obligated to pay any account receivable or other debt due, owing or accruing due to the Debtor (including operators or managers under any operating agreement, management agreement, lease, or otherwise) are entitled at all times to treat and regard the Secured Party as the assignee and transferee from the Debtor, entitled in the place and stead of the Debtor to receive such Petroleum Substances, proceeds, accounts, intangibles and other debts. Upon the occurrence of an Event of Default which is continuing, the Secured Party may give notice to all or any of such persons of the Charge and to remit all such Petroleum Substances, proceeds, accounts and other debts directly to the Secured Party, whether or not the Debtor was making collections on such Collateral prior to notification by the Secured Party; and all such persons shall be fully protected in so treating and regarding the Secured Party and shall be under no obligation to see to the application in any particular manner by the Secured Party of any such Petroleum Substances, proceeds, accounts and other debts received by it.
- (b) Any money collected or received by the Secured Party pursuant to paragraph (a) above shall be applied in the manner as the Secured Party may see fit. The Secured Party shall not be liable or accountable for its failure to collect, realize, sell or obtain payment of accounts, chattel paper, instruments, intangibles, choses in action or rights to payment or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any right to payment of the Secured Party, the Debtor or any other Person in respect thereof.
- (c) All money collected or received by the Debtor in respect of accounts, chattel paper, instruments, documents of title, intangibles, choses in action, rights to payment or the proceeds of any sale of Petroleum Substances or other interests of the Debtor described herein shall, after the occurrence and during the continuance of an Event of Default, be held by the Debtor in trust for the absolute use and benefit of the Secured Party and shall be paid or delivered over to the Secured Party upon demand in the identical form received and until demand shall be held by the Debtor separate and apart from any funds belonging to the Debtor or any other funds over which it has possession or control.

#### 4.6 Receiver

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may in its discretion appoint a Receiver of the Collateral or any part thereof and upon any such appointment by the Secured Party the following provisions shall apply:

- (a) such appointment shall be made in writing signed by the Secured Party and such writing shall be conclusive evidence for all purposes of such appointment; the Secured Party may from time to time in the same manner remove any Receiver so appointed and appoint another in its stead; in making any such appointment the Secured Party shall be deemed to be acting as the attorney for the Debtor and the Debtor hereby consents to the appointment of a Receiver;

- (b) any such appointment may be limited to any part or parts of the Collateral or may extend to the whole thereof;
- (c) every Receiver may, in the discretion of the Secured Party, be vested with all or any of the powers, rights, benefits, discretions, protection and relief of the Secured Party hereunder and shall be vested with all of the powers and protections afforded to a Receiver under Applicable Laws;
- (d) the Secured Party may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof, in priority to the other Guaranteed Obligations, out of the Collateral, the income therefrom or the proceeds thereof;
- (e) the Secured Party may from time to time require any Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but the Secured Party shall not be bound to require such security;
- (f) every such Receiver may, with the consent in writing of the Secured Party, borrow money for the purpose of carrying on the business of the Debtor in respect of any part of the Collateral or for the maintenance, protection or preservation of the Collateral or any part thereof, and any Receiver may issue certificates ("**Receiver's Certificates**"), for such sums as will in the opinion of the Secured Party be sufficient for carrying out the foregoing, and such Receiver's Certificates may be payable either to order or bearer and may be payable at such time or times as the Secured Party may consider expedient, and shall bear such interest as shall therein be declared and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Secured Party may consider advisable and may pay such commission on the sale thereof as the Secured Party may consider reasonable, and the amounts from time to time payable by virtue of such Receiver's Certificates shall at the option of the Secured Party form a charge upon the Collateral in priority to this Debenture;
- (g) every Receiver shall, regarding its acts or omissions, be deemed the agent of the Debtor, and in no event the agent of the Secured Party, and the Secured Party shall not, in making or consenting to such appointment, incur any liability to any Receiver for its remuneration or otherwise howsoever;
- (h) except as may be otherwise directed by the Secured Party, all monies from time to time received by any Receiver shall be paid over to the Secured Party at the place where this Debenture is payable; and
- (i) the Secured Party may pay over to any Receiver any monies constituting part of the Collateral to the extent that the same may be applied for the purposes hereof by such Receiver and the Secured Party may from time to time determine what funds, if any, the Receiver shall be at liberty to keep on hand with a view to the performance of its duties as such Receiver.

#### **4.7 Remedies Not Exclusive**

No right, power or remedy herein conferred upon or reserved to the Secured Party or any Receiver is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by Applicable Laws, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. The Secured Party shall have the power to waive any default, provided no such



waiver shall be effective unless made in writing and shall not constitute a waiver of any other or subsequent default. No delay or omission of the Secured Party in the exercise of any right, power or remedy accruing upon any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein. Every right, power and remedy given to the Secured Party or to a Receiver by this Debenture, the Loan Documents or under Applicable Laws may be exercised from time to time and as often as may be deemed expedient by the Secured Party or such Receiver, as applicable. In case the Secured Party shall have proceeded to enforce any right under this Debenture and the proceedings for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Secured Party, then and in every such case the Debtor and the Secured Party shall, without any further action hereunder, to the full extent permitted by Applicable Laws, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Secured Party shall continue as though no such proceeding had been taken.

#### **4.8 Application of Proceeds**

Except as herein otherwise expressly provided, the monies arising from any enforcement in whole or in part of the Charge, or from any sale or realization of the whole or any part of the Collateral, whether under sale by the Secured Party or by judicial process or otherwise, and all incomes, rents and profits of the Collateral, together with any other monies then in the hands of the Secured Party or any Receiver available for such purpose, shall at the option of the Secured Party be held by the Secured Party as security for the Guaranteed Obligations or be applied by the Secured Party on account of the Guaranteed Obligations as it may see fit, without prejudice to the claim of the Secured Party upon the Debtor for any deficiency.

#### **4.9 Power of Attorney**

The Debtor hereby irrevocably constitutes and appoints the Secured Party or any Receiver appointed by the Secured Party its true and lawful attorney and Secured Party, with full power and authority in the Debtor's name, place and stead from time to time to do all acts and things and execute and deliver all share transfers, certificates, proxies, resolutions, consents, assignments, transfers, conveyances and agreements, in such form as the Secured Party considers necessary or desirable, to do all things which the Debtor is required to sign, execute and do hereunder if the Debtor has failed to sign, execute or do the same and generally to use the name of the Debtor, as applicable, in the exercise of all or any of the powers hereby conferred on the Secured Party, with full powers of substitution and revocation; provided that this power of attorney may not be exercised by the Secured Party until the occurrence of an Event of Default which is continuing. Such appointment and power of attorney is hereby declared by the Debtor to be an irrevocable power coupled with an interest in favour of the Secured Party and shall remain in full force and effect until this Debenture is discharged.

### **ARTICLE 5 REPRESENTATIONS, WARRANTIES, COVENANTS AND ENVIRONMENTAL INDEMNITY**

#### **5.1 Representations and Warranties**

The Debtor agrees, represents and warrants to and with the Secured Party that:

- (a) the Debtor has good and marketable title to its Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto), subject only to Permitted Liens;

- (b) the Debtor has not received from any Person any notice claiming an entitlement to, exercising or purporting to exercise any right of first refusal, right of first purchase or similar right or option relating to the Debtor's owned real property or Oil and Gas Properties which could, if exercised, have the effect of divesting the Debtor of title to the affected properties; and
- (c) without limiting anything contained in this Debenture, neither the provisions of this Debenture nor the actual or constructive notice on the part of the Secured Party of the actual or alleged existence of any right of any Person to claim any right of first refusal or right of first purchase shall affect or derogate from the right of the Secured Party to rely upon this Section 5.1.

## 5.2 Insurance Requirements

The Debtor shall, at all times during the currency of this Debenture, insure and keep insured, any and all insurable Collateral (or cause the same in its capacity of general partner of the Borrower) in strict accordance with the terms and conditions of the Loan Agreement. If the insurance hereinbefore referred to is not effected or not kept duly renewed, the Secured Party may effect or renew such insurance and if default be made in payment of premiums or sums of money by the Debtor, the Secured Party may pay the same, and such sums of money shall be added to the Guaranteed Obligations hereby secured and shall bear interest at the highest rate provided herein from the date of such payment and shall be repayable forthwith upon demand made by the Secured Party.

## 5.3 Environmental Indemnity

Save and except as may be caused by the gross negligence or wilful misconduct of the Secured Party, the Debtor hereby indemnifies and holds harmless the Secured Party, and its partners, officers, directors, employees, agents and representatives, from and against any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges and expenses (including reasonable legal fees on a solicitor and his own client basis), of any nature whatsoever suffered or incurred by the Secured Party, and its partners, officers, directors, employees, agents and representatives as a result of or in connection with the Secured Party entering into the Loan Documents or holding this Debenture or in the enforcement or realization of this Debenture, including the assertion of any claim, demand, cause of action or lien thereunder, with respect to:

- (a) the Release of a Materials of Environmental Concern, the threat of the Release of any Materials of Environmental Concern, or the presence of any Materials of Environmental Concern affecting the Collateral, whether or not the same originates or emanates from the Collateral or any contiguous real property, including any loss of value of property as a result of any of the foregoing;
- (b) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources or the Environment in relation to the Collateral or any contiguous real property, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Applicable Law;
- (c) liability for personal injury or property damage arising under any statutory or common law tort theory including, without limitation, third party, consequential, indirect damages and damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at or near the Collateral;

- (d) any other environmental matter affecting the Collateral within the jurisdiction of any federal environmental agency, or any provincial, municipal or local environmental agency; and
- (e) all environmental, health, reclamation and clean up costs and obligations associated with or pertaining to the abandonment or reclamation of the Collateral or any wells, facilities, buildings, fixtures or equipment located thereon.

The Debtor's obligations under this clause shall arise upon the discovery of the presence of any Materials of Environmental Concern or upon the creation of an obligation to abandon, reclaim or clean up any of the Collateral, whether or not any federal agency or any provincial or local environmental agency has taken or threatened any action in connection with the presence of any Materials of Environmental Concern and, notwithstanding anything contained in this Debenture to the contrary, shall survive the full repayment of any and all monies hereby secured and the discharge, release or reconveyance of this Debenture to the Debtor.

## **ARTICLE 6 LIABILITIES, WAIVERS AND EXPENSES**

### **6.1 Limitation of Liability**

Except in the case of gross negligence or wilful misconduct, neither the Secured Party nor any Receiver shall (i) be responsible or liable for any debts contracted by it, for damages to persons or property, for salaries or for non-fulfillment of contracts during any period when the Secured Party or any Receiver shall manage or be in possession of the Collateral; (ii) be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable; (iii) be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor; or (iv) in the case of any chattel paper, investment property, instrument or any other intangible, be obligated to preserve rights against any other persons. The Debtor hereby waives any provision of Applicable Laws permitted to be waived by it which imposes higher or greater obligations upon the Secured Party or any Receiver than aforesaid.

### **6.2 Mandatory Provisions of Applicable Law**

Subject to Section 6.3, all rights, remedies, and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any mandatory provision of Applicable Laws and all the provisions of this Debenture are intended to be subject to all mandatory provisions of Applicable Laws which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Debenture invalid, unenforceable or not entitled to be recorded, registered or filed under any mandatory provisions of Applicable Laws. Subject to Section 6.3, if any mandatory provision of Applicable Laws shall provide for different or additional requirements than or to those specified herein as prerequisites to or incidental to the realization, sale or foreclosure of the Charge or any part thereof, then, to that extent, such laws shall be deemed to have been set forth herein at length, and any conflicting provisions hereof shall be disregarded, and the method of realization, sale or foreclosure of the Charge required by any such laws shall, insofar as may be necessary, be substituted herein as the method of realization, sale or foreclosure in lieu of that set forth above. Any provision hereof contrary to mandatory provisions of Applicable Laws shall be deemed to be ineffective and shall be severable from and not invalidate any other provision of this Debenture.

### 6.3 Waiver of Applicable Laws

- (a) To the extent not prohibited by Applicable Laws, the Debtor hereby waives its rights under all provisions of Applicable Laws that would in any manner limit, restrict or otherwise affect the Secured Party's rights and remedies hereunder or impose any additional obligations on the Secured Party. The Debtor waives the right to receive any amount which it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty or otherwise) by reason of the failure of the Secured Party to deliver to the Debtor a copy of any financing statement or any verification statement issued by any registry that confirms registration of a financing statement relating to this Debenture and the Debtor hereby waives its right to receive a copy of such financing or verification statements.
- (b) The Debtor hereby authorizes the Secured Party to provide information to any Person who requests information under section 18 of the PPSA or similar legislation and the Secured Party will not be required to investigate whether or not the inquiring Person is in fact a Person entitled to request information pursuant to section 18 of the PPSA or similar legislation.
- (c) To the fullest extent that it may lawfully do so, the Debtor hereby:
  - (i) waives and disclaims any benefit of, and shall not have or assert any right under any statute or rule of law pertaining to, discussion and division, the marshalling of assets or any other matter whatsoever, to defeat, reduce or affect the rights of the Secured Party under the terms of this Debenture to a sale of the Collateral or any part thereof or for the collection of all amounts secured hereby;
  - (ii) agrees that it shall not have or assert any right or equity of redemption or any right under any statute or otherwise to redeem the Collateral or any part thereof after the sale hereunder to any Person whether such sale is by the Secured Party, any Receiver or otherwise, notwithstanding, that the Secured Party may have purchased the same;
  - (iii) waives the rights, benefits and protection of section 49 of the *Law of Property Act* (Alberta), as amended, or any successor statute; and
  - (iv) waives the provisions of the *Judgment Interest Act* (Alberta).
- (d) The right of consolidation shall apply to this Debenture and the Oil and Gas Properties notwithstanding Section 31 of the *Property Law Act* (British Columbia) or any similar statutory provision in force from time to time, and the provisions of such statute are specifically waived.

### 6.4 Non-Application of Saskatchewan Laws

The Debtor covenants and agrees with the Secured Party that:

- (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in *The Land Contracts (Actions) Act* (Saskatchewan), with respect to any mortgage, charge or security interest given by the Debtor under this Debenture; and



- (b) *The Limitation of Civil Rights Act* (Saskatchewan), as well as Part IV of *The Saskatchewan Farm Security Act* (Saskatchewan), shall have no application to:
- (i) this Debenture;
  - (ii) any indenture, instrument or agreement entered into by the Debtor at any time hereafter, supplemental or ancillary to or in implementation of this Debenture and involving the payment by the Debtor of money, or the liability of the Debtor to payment;
  - (iii) any mortgage, charge or other security interest for the payment of money made, given or created by this Debenture or by any indenture, instrument or agreement referred to or mentioned in clause (ii) above;
  - (iv) any instrument or agreement entered into by the Debtor at any time hereafter renewing or extending or collateral to this Debenture, renewing or extending or collateral to any indenture, instrument or agreement referred to or mentioned in clause (ii) above, or renewing or extending collateral to any mortgage, charge or other security referred to or mentioned in clause (iii) above; or
  - (v) the rights, powers or remedies of the Secured Party under this Debenture or any mortgage, charge or other security interest, indenture, instrument or agreement referred to or mentioned in this Section 6.4(b).

## 6.5 Expenses

If the Debtor fails to pay any amounts required to be paid by it under this Debenture or to observe or perform any of the covenants and obligations to be observed or performed by it set forth in this Debenture or in any other Loan Document provided by the Debtor to the Secured Party, the Secured Party and any Receiver may, but shall be under no obligation to, pay such amounts or do such acts or things as may be required to ensure such observance and performance, without waiving any of its rights under this Debenture, the Loan Agreement or under any other Loan Document. No such payment, act or thing by the Secured Party or any Receiver shall relieve the Debtor from any default under this Debenture, the Loan Agreement or any other Loan Document provided by the Debtor to the Secured Party or the consequences of such default. The reasonable expenses (including the cost of any insurance and payment of taxes or other charges and reasonable legal fees and expenses on a solicitor and his own client basis) paid by the Secured Party or any Receiver in respect of the care, custody, preservation, use or operation of the Collateral, shall be deemed advanced to the Debtor by the Secured Party or such Receiver, shall become part of the Guaranteed Obligations, and shall, from the time they are paid by the Secured Party or such Receiver until repaid by the Debtor, bear interest at the applicable rate hereunder. In addition, the Debtor shall pay all reasonable expenses (including reasonable legal fees and expenses on a solicitor and his own client basis) incurred by the Secured Party or any Receiver in connection with the preparation, perfection, execution, protection, enforcement of and advice with respect to this Debenture (including, without limitation, the realization, disposition, retention, protection or collection of the Collateral or any part thereof and the protection and enforcement of the rights of the Secured Party and any Receiver hereunder together with all remuneration paid to a Receiver and all costs, charges and expenses of or incidental to any receivership) and such expenses shall become part of the Guaranteed Obligations, and shall, from the time they are paid by the Secured Party or such Receiver until paid by the Debtor, bear interest at the applicable rate hereunder.

## 6.6 Indemnity

Save and except as may be caused by the gross negligence or wilful misconduct of the indemnified parties referred to below, the Debtor will and does hereby indemnify and save harmless the Secured Party, every Receiver and each of their respective partners, officers, directors, employees and agents (collectively, the "**Indemnified Parties**"), from and against any and all liabilities, actions, claims, judgments, obligations, costs, charges or expenses, including reasonable legal fees and expenses on a solicitor and his own client basis, made against or incurred by the Indemnified Parties as a result of taking this Debenture or entering into any of the Loan Documents; and the Secured Party and every Receiver shall have the right to defend against any such liabilities, actions, claims and charges and to claim from the Debtor all expenses incurred in connection therewith, together with all reasonable legal fees and expenses on a solicitor and his own client basis that may be paid in connection therewith. It is understood and agreed that the covenants and conditions of this Section 6.6 shall remain in full force and effect notwithstanding the payment or release, either partially or wholly, of the Charge or any foreclosure thereof.

## ARTICLE 7 REGISTRATION AND DISCHARGE

### 7.1 Further Assurances

The Debtor hereby covenants and agrees that it will at all times do, execute, file, register, acknowledge and deliver or cause to be done, executed, filed, registered, acknowledged and delivered all such further acts, deeds, mortgages, hypothecs, caveats, transfers, assignments and assurances as the Secured Party may reasonably require for the better assuring, mortgaging, charging, transferring, assigning, granting, delivering and confirming unto the Secured Party the Collateral, or any part thereof, and for the better accomplishing and effectuating the purpose of this Debenture including, without limitation, providing to the Secured Party from time to time an updated Schedule "B" (which the Secured Party may, without the consent of the Debtor, use to replace the similar Schedule which is then attached hereto without any other or further action by or on behalf of the Debtor) and the execution and delivery of indentures supplemental hereto more particularly describing the Collateral or to update, correct or amplify the description of the Collateral or to better assure, convey and confirm unto the Secured Party any of the Collateral. Upon an updated Schedule "B" being provided to the Secured Party or the execution of any supplemental indenture under this Section, as applicable, this Debenture shall be modified in accordance therewith, and each such replacement Schedule "B" and supplemental indenture shall form part of this Debenture for all purposes.

### 7.2 Registration

The Secured Party may at any time and from time to time register or cause to be registered this Debenture (or a caveat or other notice in respect thereof) against title to any or all of the Oil and Gas Properties (including without limitation such filings as the Secured Party may deem advisable at the Indian Lands Registry). Upon the request of the Secured Party, the Debtor will provide to the Secured Party a list of its Oil and Gas Properties containing a sufficient description thereof to permit the Secured Party to register this Debenture (or a caveat or notice thereof) against title to such Oil and Gas Properties. The Debtor shall ensure and will assist the Secured Party to ensure that this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents and all documents, caveats, cautions, memorials, security notices and financing statements in respect thereof, are promptly filed and refiled, registered and re-registered and deposited and re-deposited, in such manner, in such offices and places, and at such times and as often as may be required by Applicable Laws or as may be necessary or desirable to perfect and preserve the Charge as a mortgage, charge and security interest (subject only to Permitted Liens) and the rights conferred or intended to be conferred upon the Secured

Party by the Charge and will cause to be furnished promptly to the Secured Party evidence satisfactory to the Secured Party of such filing, registering and depositing. The Debtor shall, forthwith on demand being made by the Secured Party, pay all reasonable fees, costs and expenses incurred by the Secured Party or its Secured Parties in connection with the filing, re-filing, registering, re-registering, depositing and re-depositing of this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents. The fees, costs and expenses incurred by the Secured Party or its Secured Parties hereunder shall be secured hereby and shall become part of the Guaranteed Obligations.

### **7.3 Discharge; Pledge by Debtor**

Upon the full, final and indefeasible payment and performance of the Guaranteed Obligations, this Debenture and the rights hereby granted shall, at the request of the Debtor, be terminated and thereupon the Secured Party shall at the request and at the expense of the Debtor cancel and discharge the Charge and execute and deliver to the Debtor such deeds and other instruments as shall be requisite to cancel and discharge the Charge; provided however that upon request by, or with the prior written consent of, the Secured Party this Debenture may be delivered, assigned, pledged, hypothecated or deposited by the Debtor as security for present and future credits, advances or loans to or for indebtedness or other obligations or liabilities of the Debtor and in such event, for so long as this Debenture is delivered, deposited, pledged or hypothecated as collateral security for present or future credits, for loans (fixed, term, demand, fluctuating, revolving or otherwise), indebtedness, covenants or other obligations of the Debtor, this Debenture shall (i) be considered as outstanding for its full amount; (ii) not be cancelled or redeemed on partial or full payment of such loans or indebtedness or satisfaction of such covenants or obligations; and (iii) not be affected by any such loans, indebtedness, covenants or obligations fluctuating from time to time or the amounts in respect thereof ceasing to be in debit balance. Further, this Debenture shall continue to be effective or be reinstated, as the case may be, if for any reason at any time any payment or performance of the Guaranteed Obligations, or any part thereof, is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or reimbursed by the Secured Party.

### **7.4 Partial Discharge**

The Secured Party may, in its sole discretion, grant postponements or partial releases or discharges of the Charge in respect of all or any part of the Collateral, but no such postponement or partial release or discharge shall in any way affect the Charge over the remainder of the Collateral, or to release or discharge the Debtor from its liability to the Secured Party to fully pay and satisfy the Guaranteed Obligations.

### **7.5 Composite Mortgage**

This Debenture is a composite mortgage and security agreement covering the Collateral of the Debtor located in various Provinces and Territories of Canada and other jurisdictions and, as to portions of the Collateral located in such separate jurisdictions, this Debenture shall be a separate mortgage and security agreement enforceable against the Debtor without regard to the application of this Debenture to portions of the Collateral located in other jurisdictions. All provisions hereof shall be applicable separately to the portions of the Collateral located in each separate jurisdiction with the same effect as if a separate mortgage and security agreement with respect thereto had been executed and delivered by the Debtor to the Secured Party. Upon the reasonable request of the Secured Party, the Debtor shall prepare, execute, deliver and register, at its expense, a separate mortgage and security agreement covering the portion of the Collateral located in any such jurisdiction or jurisdictions, such separate mortgage and security agreement to be substantially in the form hereof except for such modifications as shall be required by the fact that such mortgage and security agreement relates only to the property of the Debtor

located in such jurisdiction or jurisdictions or as may be required by the Secured Party in connection herewith.

#### **7.6 Deemed Satisfaction**

Notwithstanding the stated interest rate per annum in Section 2.1 of this Debenture or any other provision hereof, payment by such Debtor of interest and fees for any period in respect of the Guaranteed Obligations at the rate at which such Guaranteed Obligations bear interest or such fees are determined for such period under the Loan Agreement, will be deemed to be payment in satisfaction of the interest payment on the Principal Sum under this Debenture for the same period. Notwithstanding Sections 2.1 or 7.3 or any other provision hereof, the Secured Party shall only be entitled to collect an amount under this Debenture up to the aggregate amount of the Guaranteed Obligations owing under the Guarantee. In the event of conflict between the provisions of this Debenture and either the Loan Agreement or the Guarantee, the provisions of the Loan Agreement and the Guarantee, in such order of priority, shall govern.

#### **7.7 Realization**

Notwithstanding any other provision herein, including Section 2.1, the Secured Party will not, nor will it be entitled to, demand payment pursuant to this Debenture or enforce the Charge unless and until an Event of Default has occurred and is continuing, but thereafter the Secured Party may at any time exercise and enforce all of the rights and remedies of a holder of this Debenture in accordance with and subject to the Loan Documents to which the Debtor is a party as the absolute holder hereof, provided that the Secured Party will not be bound to exercise any such right or remedy.

### **ARTICLE 8 MISCELLANEOUS**

#### **8.1 Additional Security**

Nothing in this Debenture contained shall detract from or limit the absolute obligation of the Debtor to make payment of this Debenture and of all monies owing hereunder at the time and in the manner provided in this Debenture and to perform or observe any other act or condition which it is required to perform or observe hereunder whether or not the Charge is operative, and the rights under this Debenture shall be in addition to and not in substitution for any other Liens of any and every character now or hereafter held by the Secured Party for the Guaranteed Obligations.

#### **8.2 Assignment by the Secured Party**

It is agreed that this Debenture and the principal, interest and other monies hereby secured will be paid by the Debtor and shall be assignable by the Secured Party free from any right of set-off, counterclaim, deduction or equities between the Debtor and the Secured Party.

#### **8.3 Third Parties**

No Person dealing with the Secured Party, any Receiver or any of their respective agents shall be concerned to inquire whether the Charge (or any part thereof) has become enforceable, or whether the powers which the Secured Party or any Receiver is purporting to exercise have become exercisable, or whether any of the Guaranteed Obligations remain outstanding or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Secured Party or any Receiver with the Collateral or any part thereof or to see to the application of any money paid to the Secured Party or any Receiver and,



in the absence of fraud on the part of such person, such dealings shall be deemed, as regards the safety and protection of such person, to be within the powers hereby conferred upon the Secured Party or any Receiver and to be valid and effective accordingly.

#### **8.4 Severability**

Any provision of this Debenture which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

#### **8.5 Non-Negotiation**

This Debenture is not a negotiable instrument.

#### **8.6 Amendments**

No provision of the Debenture may be amended verbally and any such amendment may only be made by way of an instrument in writing signed by the Debtor and the Secured Party.

#### **8.7 Notice**

All notices, advices, requests and demands hereunder shall be in writing (including e-mail transmissions) and may be given to the Debtor or the Secured Party at the following addresses or at such other address as any party shall designate for itself and all notices shall be effective upon actual receipt:

##### **If to the Debtor:**

Triple Five Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street S.W.  
Calgary, AB

Attention: Ryan Martin  
E-mail: [Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)

##### **If to the Secured Party:**

Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP, c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Tim Oldfield  
E-mail: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

#### **8.8 Governing Law**

This Debenture is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of laws or rules which would result in any laws other than the internal laws in force in the Province of Alberta applying to this Debenture. The Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta

for all matters arising out of or relating to this Debenture, or any of the transactions contemplated hereby, without prejudice to the rights of the Secured Party to take proceedings in other jurisdictions in which any Collateral may be situate.

#### **8.9 Crystallization of Floating Charge**

For the purposes of section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Debenture over the Debtor's real and immovable property, both freehold and leasehold, shall crystallize and become a fixed charge upon the earlier of:

- (a) the Debtor becoming insolvent or bankrupt or making an assignment or proposal under the applicable bankruptcy or insolvency legislation in favour of its creditors;
- (b) a bankruptcy petition being filed or presented against the Debtor;
- (c) a Receiver being appointed for the Debtor or for any material part of the Collateral;
- (d) the Debtor failing to pay the Guaranteed Obligations when due; or
- (e) the Secured Party notifying the Debtor in writing that the floating charge created by this Debenture has crystallized and become a fixed charge.

#### **8.10 Time of Essence**

Time shall be of the essence of this Debenture.

#### **8.11 Successors and Assigns**

This Debenture shall be binding upon the Debtor, its successors and permitted assigns (including any successor by reason of amalgamation, merger or other combination) and shall enure to the benefit of the Secured Party and its successors and assigns; provided always that the Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party. The Debtor agrees that no change in the name, objects or constitution of the Debtor shall in any way affect the enforceability of this Debenture against the Debtor from time to time.

#### **8.12 Headings**

The headings and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

#### **8.13 References**

Unless something in the subject matter or context is inconsistent herewith, all references to Sections, Articles and Schedules are to Sections and Articles of and Schedules to this Debenture. The words "hereto", "hereof", "hereunder" and similar expressions mean and refer to this Debenture. In this Debenture, the singular includes the plural and vice versa; a reference to gender includes the masculine, feminine and neuter; where a term or expression is defined, derivations thereof have a corresponding meaning; references to any statute, act or other legislative enactment shall be to such statute, act or other legislative enactment as amended from time to time or replaced by a statute, act or other legislative enactment dealing with substantially the same subject matter as the statute, act or other legislative enactment so replaced; and references to any agreement, contract, document, licence or other instrument

shall mean and refer to such agreement, contract, document, licence or other instrument as amended, modified, replaced, restated, extended, renewed or supplemented from time to time.

#### **8.14 Currency Indemnity**

In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing under this Debenture or any other Loan Document, or for the payment of damages in respect of any breach of this Debenture or any other Loan Document, or under or in respect of a judgment or order of another court or tribunal for the payment of such amounts or damages, such judgment or order being expressed in a currency (the "**Judgment Currency**") other than the currency payable hereunder or thereunder (the "**Agreed Currency**"), each party against whom the judgment or order is made shall indemnify and hold each party in whose favour the judgment or order is made harmless against any deficiency in terms of the Agreed Currency in the amounts received by such party arising or resulting from any variation as between (i) the exchange rate at which the Agreed Currency is converted into the Judgment Currency for the purposes of such judgment or order, and (ii) the exchange rate at which such party is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by such party on the date of such receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the parties hereunder and shall apply irrespective of any indulgence granted hereunder.

#### **8.15 Currency of Payment**

The principal, interest and other moneys payable hereunder shall be paid in lawful money of Canada.

#### **8.16 Agreement Paramount**

In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Debenture and of the Loan Agreement, then, the provisions of the Loan Agreement shall govern and be paramount, and any such provision in this Debenture shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference. Notwithstanding the foregoing, if there is any right or remedy of the Lender set out in this Debenture or any part thereof which is not set out or provided for in the Loan Agreement, such additional right or remedy shall not constitute a conflict or inconsistency.

#### **8.17 Charging Clause**

The Debtor, being the registered owner of its Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto), and for better securing to the Secured Party repayment in the manner aforesaid of the Principal Sum and interest, and other monies hereby secured, hereby mortgages to the Secured Party all of its estate and interest in the Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto).

#### **8.18 Prior Mortgages**

The Debtor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Debtor under the terms of any prior mortgages, debentures, agreements for sale or other Liens (hereinafter called the "**prior mortgages**" and each a "**prior mortgage**") with respect to its Oil and Gas Properties, whether registered or unregistered. It is expressly agreed and understood by the Debtor that in the event of default by the Debtor under any of the terms of any prior mortgage, then at the option of the Secured Party the Debtor shall be deemed to be in

default of the terms of this Debenture. The Secured Party may, at its option, make any payment or cure any default under the prior mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Secured Party thereby incurred shall be added to the moneys payable hereunder, shall bear interest at the rate aforesaid from the date expended until paid, shall be payable with interest as aforesaid forthwith by the Debtor to the Secured Party without demand and shall be a charge on the Oil and Gas Properties and the Secured Party shall have the same rights and remedies to enforce payment thereof as it would have in the event of default in payment of other moneys payable hereunder.

**8.19 Receipt**

The Debtor hereby acknowledges receipt of an executed copy of this Debenture.

[Balance of page intentionally left blank. Execution page to follow.]

IN WITNESS WHEREOF the Debtor has issued this Debenture signed by its duly authorized officers as of the date and year first above written.

**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**

By: 

Name: David Hernandez  
Title: President

By: \_\_\_\_\_

Name:  
Title:

(c/s)

I/We have authority to bind the Debtor

*[Signature page to Fixed and Floating Charge Demand Debenture]*



## SCHEDULE "A"

Attached to and forming part of the Debenture dated August 31, 2018 issued by Triple Five Intercontinental Group Ltd. in favour of Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP

### DEFINITIONS

In the Debenture to which this Schedule "A" is attached, the following terms shall have the respective meanings given to them:

"**Charge**" means the Liens created by the Debenture;

"**Debenture**" means the fixed and floating charge demand debenture to which this Schedule "A" is attached, as the same may be amended, supplemented, restated or replaced from time to time, including all the Schedules now or hereafter attached to the Debenture;

"**Event of Default**" means a default by the Debtor in the payment or performance of the Guaranteed Obligations, as well as the occurrence of an "Event of Default" under the Loan Agreement (as that term is defined therein);

"**Gross Overriding Royalty**" has the meaning ascribed to it in the Gross Overriding Royalty Agreement;

"**Gross Overriding Royalty Agreement**" means the gross overriding royalty agreement dated June 2014 between the Debtor and Sunchild Oil & Gas Ltd. as presently constituted on the date of the Debenture, but does not include any amendment, supplement or modification thereof unless consented to by the Secured Creditor in writing;

"**Guarantee**" means the guarantee and indemnity agreement dated of the date hereof between the Debtor, as guarantor, and the Secured Creditor;

"**Guaranteed Obligations**" has the meaning ascribed to it in the Guarantee;

"**including**" means including without limitation, and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it, and "includes" shall be construed in a like manner;

"**Loan Agreement**" means the loan agreement dated as of August 31, 2018, among the Debtor, T5 SC Oil and Gas Limited Partnership, by its general partner, the Debtor, as borrower, and the Secured Party, as lender, as the same may be amended, supplemented, restated, extended, renewed, or superseded from time to time;

"**Oil and Gas Properties**" has the meaning ascribed to it in the Loan Agreement and includes for the purposes of this Debenture, all owned real property of the Debtor as well as those properties listed in Schedule "B" hereto as the same may be amended, modified, replaced or supplemented from time to time.

"**PPSA**" means the *Personal Property Security Act* (Alberta), as amended from time to time; and the terms "proceeds", "equipment", "inventory", "chattel paper", "intangible", "instrument", "investment property", "security", "accessions", "document of title" and "account" shall, when used herein, have the same meanings as are ascribed thereto in the PPSA;

**"property"** means, in respect of any person, its property, assets and undertaking, both real and personal, tangible or intangible; and

**"Receiver"** means any receiver, manager, or receiver and manager of the Collateral or any part thereof or the business and undertaking of the Debtor, or any part thereof, whether appointed by the Secured Party under the Debenture or by a court pursuant to Applicable Laws and any nominee of the Secured Party or any other Person that is appointed by the Secured Party to exercise all or any of the powers, rights, benefits and discretion of the Secured Party under the Debenture.

## SCHEDULE "B"

Attached to and forming part of the Debenture dated August 31, 2018 issued by Triple Five Intercontinental Group Ltd. in favour of Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP

### LIST OF SPECIFIC PROPERTY

#### Indian Oil and Gas Canada Interests

NO.	Lease No. / Reserve Name / Date	Current Interest % and Type	Rights	Lands	Zone(s)
1	OL-6448 / Sunchild #202 / May 1, 2014	100% Working Interest	All rights	All lands described in Lease No. OL-6448	All zones described in Lease No. OL-6448
2	OS-7116 / Sunchild #202 / December 11, 2014	100%	All rights	All lands described in Surface Lease No. OS-7116	--
3	RW-4779 / Sunchild #202 / February 26, 2015	100%	All rights	All lands described in Right of Way No. RW-4779	--
4	OS-7181 / Sunchild #202 / January 31, 2018	100%	All rights	All lands described in Surface Lease No. OS-7181	--

#### Crown PNG Leases

No.	AGREEMENT NUMBER	AGREEMENT TYPE
1	0516020081	005 5YR Northern PNG Lease
2	0516020082	005 5YR Northern PNG Lease
3	0598030879	005 5YR Northern PNG Lease



THIS IS **EXHIBIT "I"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

## LIMITED RECOURSE GUARANTEE AND INDEMNITY AGREEMENT

This Agreement is made as of the 31<sup>st</sup> day of August, 2018,

### BETWEEN:

**T5 ENERGY PARTNERS LTD.** (together with any successors, by amalgamation or otherwise, and permitted assigns, hereinafter referred to as the "**Guarantor**")

### AND:

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

### WHEREAS:

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner Triple Five Intercontinental Group Ltd. (collectively, the "**Borrower**"), as borrower, and Triple Five Intercontinental Group Ltd., the Lender has agreed to make the Loan available to the Borrower.
- B. The Guarantor receives direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- C. As a condition to making available the Loan, the Guarantor is required to execute and deliver this Agreement to the Lender.
- D. As security for the payment by the Guarantor of the Guaranteed Obligations (as hereinafter defined), the Guarantor has entered into (i) a pledge agreement in favour of the Lender dated the date hereof (the "**Unit Pledge Agreement**"); and (ii) a pledge agreement with Nader Ghermezian in favour of the Lender dated the date hereof (the "**Share Pledge Agreement**", together with the Unit Pledge Agreement, the "**Pledge Agreements**").

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees with the Lender as follows:

**I. Guarantee.** The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Loan Agreement and the Loan Documents present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), reasonable legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement or the Loan Documents (collectively, the "**Guaranteed Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Guaranteed Obligations shall include all

principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any other agreement made between the Borrower and the Lender in connection with or pursuant to the Loan Agreement or the Loan Documents, and any liability of the Borrower arising under guarantees provided by the Borrower or the Guarantor to the Lender in connection with the obligations of other parties in connection with or pursuant to the Loan Agreement and the Loan Documents.

2. **Indemnity.** In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, the Guarantor agrees to indemnify and save harmless the Lender from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which the Lender may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Guaranteed Obligations. Notwithstanding the foregoing, under no circumstances shall any Guarantor be liable for any special damages or consequential damages.

3. **Continuing Guarantee.** The guarantee contained herein shall be a continuing guarantee and shall secure the Guaranteed Obligations and any ultimate balance thereof until Borrower's indefeasible repayment and performance in full of the Guaranteed Obligations in accordance with Article 5 of the Loan Agreement. This Agreement shall continue in full force and effect regardless of whether the Guarantor or any other party responsible for the payment of the Guaranteed Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. **Borrower's Status and Authority.** All monies or advances in fact borrowed or obtained from the Lender by the Borrower under the Loan Agreement and the Loan Documents shall be deemed to form part of the Guaranteed Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its partners or their respective partners, directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewal or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or its partners or their respective partners, directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its partners or their respective partners, directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. **Guarantee Absolute.** The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Guaranteed Obligations or any security held by or granted to the Lender to secure payment or performance of the Guaranteed Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, limited partnership agreement, Equity Interests, constating documents or by-laws, ownership or control of the Borrower;

- (c) any amalgamation, merger, consolidation or other reorganization of the Borrower or its business or affairs;
- (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure to obtain, register, perfect or maintain any Security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (g) the valuation by the Lender of any of its Security, which shall not be considered as a purchase of such Security, or as payment on account of the Guaranteed Obligations;
- (h) the failure or neglect of the Lender to demand payment of the Guaranteed Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's Security;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor to the extent permitted by Applicable Laws;
- (j) any dealings described in section 6 hereof; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower or of the Guarantor in respect of the Guaranteed Obligations.

**6. Dealings with the Borrower and Others.** Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents;
- (b) make advances to the Borrower and receive repayments in respect of the Guaranteed Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) in a manner consistent with the Loan Agreement, take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;

- (e) in a manner consistent with the Loan Agreement, release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all Security given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;
- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
- (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any Security;
- (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any Security upon such part of the Guaranteed Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
- (i) otherwise deal with, waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all Security held by the Lender, with the consent of the Borrower acting reasonably.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever unless such act, thing, omission or means is sufficient to discharge the Guarantor as guarantor and as principal debtor.

**7. Limited Recourse Guarantee.** Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Agreement is for the sole purpose of enabling the Lender to obtain an effective charge and security interest in the Collateral (as defined in each of the Pledge Agreements, collectively) of the Guarantor. Notwithstanding any other provisions hereof:

- (a) the liability of the Guarantor to the Lender under this Agreement is limited to such liability as is required to enable the Lender to obtain an effective charge and security interest in the Collateral (as defined in each of the Pledge Agreements, collectively), and to permit the Lender to realize upon such Collateral (as defined in each of the Pledge Agreements, collectively);
- (b) the Lender shall not be entitled to sue or to commence any action against the Guarantor to recover any sum owing by the Guarantor to the Lender pursuant to this Agreement, unless such suit or action is necessary to permit the Lender to realize upon the Collateral (as defined in each of the Pledge Agreements, collectively); and
- (c) in the event that the Guarantor shall default in its obligations under this Agreement, the sole recourse of the Lender against the Guarantor with respect to such obligations shall be with respect to the Collateral (as defined in each of the Pledge Agreements, collectively), or any amounts received upon the realization of the Collateral (s defined in each of the Pledge Agreements, collectively), and the Lender shall not, under any circumstances, have any right hereunder to any other payment from the Guarantor or against any of its other property or assets with respect to the Guaranteed Obligations, and for greater



certainly the Guarantor shall not be liable hereunder to pay to the Lender any amount by which the Guaranteed Obligations exceed the proceeds of realization of the Collateral.

8. **Representations and Warranties.** The Guarantor represents and warrants to the Lender that:
- (a) the Guarantor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to enter into this Agreement; and this Agreement has been duly authorized by all necessary corporate action on the part of the Guarantor and constitutes a legal and valid agreement binding on the Guarantor, enforceable in accordance with its terms and will not conflict with any contract or agreement to which the Guarantor is a party to or by which it is bound; and
  - (b) no authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity have jurisdiction is required in connection with the execution and delivery by the Guarantor of this Agreement and the performance of its obligations hereunder.
9. **No Obligation to Exercise Other Remedies.** The Lender shall not be obliged to exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Guaranteed Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.
10. **Enforcement.** The Lender shall be entitled to make demand on the Guarantor upon a demand being made by the Lender on the Borrower after the occurrence of an Event of Default which is continuing under the Loan Agreement.
11. **Accounts Settled.** Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error or evidence to the contrary.
12. **Waiver.** The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.
13. **Foreign Currency Obligations.** To the extent permitted by Applicable Law, the Guaranteed Obligations of the Guarantor shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only by payment in the currency in which they are due (the "**Agreed Currency**") and the Lender may, in accordance with normal banking procedures, purchase the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided in this section, continue in full force and effect.

14. **Disclosure.** To the extent permitted by Applicable Laws, the Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Guaranteed Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

15. **Taxes, etc.** All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by Applicable Law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under section 15(b) hereof and make such reports and filings in connection therewith in the manner required by Applicable Law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

16. **Assignment.** The Guarantor hereby consents to the sale, assignment, transfer or other disposition to any Person (the "**Assignee**") by the Lender in accordance with Section 13.4 of the Loan Agreement, at any time and from time to time hereafter, of this Agreement and the Guaranteed Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Guarantor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender (which may be withheld in its sole discretion).

17. **Revival of Indebtedness and Liability.** If at any time all or any part of any payment previously applied by the Lender to any portion of the Guaranteed Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Guaranteed Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Guaranteed Obligations as though such payment to the Lender had not been made.

**18. Assignment and Postponement of Amounts Due to the Guarantor.** Payment of all present and future debts and liabilities of the Borrower to the Guarantor (the "**Postponed Indebtedness**") is hereby postponed to payment of the Guaranteed Obligations. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Guaranteed Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. Until the indefeasible repayment and performance in full of the Guaranteed Obligations, the Guarantor shall not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender (which may be withheld, acting reasonably). As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

**19. Subrogation.** The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Guaranteed Obligations; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Guaranteed Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which any Guarantor may have against the Lender in respect of the Guaranteed Obligations or this Agreement, together with an acknowledgment that the Guaranteed Obligations and any security assigned by the Lender to any Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender in its sole discretion.

**20. Additional and Separate Security.** This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Guaranteed Obligations or the collateral securing the Guaranteed Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties.

**21. Set-Off.** The Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any indebtedness at any time owing by the Lender to the Guarantor, whether or not any of such obligations may be unliquidated, contingent or unmatured.

**22. Entire Agreement.** This Agreement and the Pledge Agreements constitute the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

**23. Governing Law and Attornment.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

**24. Notice.** All written notices and other written communications with respect to this Agreement shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:



in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer  
Email: tim.oldfield@crowncapital.ca

and in the case of any of the Guarantor shall be sent to:

T5 Energy Partners Ltd.  
3000 8882 170 Street  
Edmonton, AB T5T 4M2

Attention: David Ghermezian  
Email: David@triplefive.com

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

**25. Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by Applicable Law. Each provision of this Agreement is declared to be separate, severable and distinct.

**26. Number, Gender and Persons.** Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

**27. Amalgamation of Guarantor.** The Guarantor acknowledges and agrees that in the event that it amalgamates with any other persons (which it is prohibited from doing without the prior written approval of the Lender pursuant to the terms of the Loan Agreement) then all references herein to that Guarantor shall extend to, include and bind the amalgamated corporation.

**28. Counterpart Execution / Electronic Delivery.** This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

**29. Time.** Time shall be of the essence of this Agreement.

**30. Further Assurances.** The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

**31. Interpretation.** The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "section" means the relevant section of this Agreement. All capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

**32. Successors and Assigns.** This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its successors and permitted assigns.

**33. Copy of Agreement.** The Guarantor acknowledges receipt of an executed copy of this Agreement, the Pledge Agreements and the Loan Agreement.

**[Remainder of page intentionally left blank. Signature pages to follow.]**

**THIS AGREEMENT** has been executed by the Guarantor on the date first stated above.

**T5 ENERGY PARTNERS LTD.**

(c/s)

By: 

Name: David Cheimezian  
Title: President

By: \_\_\_\_\_

Name:  
Title:

## PLEDGE AGREEMENT

This Agreement is made as of the 31<sup>st</sup> day of August, 2018,

**BETWEEN:**

**T5 ENERGY PARTNERS LTD.** (the "Pledgor")

**AND:**

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

**WHEREAS:**

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner Triple Five Intercontinental Group Ltd. (collectively, the "**Borrower**"), as borrower, and Triple Five Intercontinental Group Ltd., the Lender has agreed to make the Loan available to the Borrower.
- B. The Pledgor has agreed to guarantee the Loan pursuant to a limited recourse guarantee dated as of the date hereof (the "**Guarantee**") and to grant a security interest in and pledge the Collateral to the Lender.
- C. The Pledgor receives direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- D. As a condition to making available the Loan, the Pledgor is required to execute and deliver this Agreement to the Lender.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by the Pledgor, the Pledgor agrees with and in favour of the Lender as follows:

### ARTICLE 1 - INTERPRETATION

#### **1.01 Definitions**

In this Agreement, terms and expressions defined in the description of the above recitals, the text hereof and in this Section 1.01 below shall have those meanings when used herein; capitalized terms used herein and not defined shall have the meaning given to such terms in the Loan Agreement.

"**Agreement**" means this pledge agreement, including its recitals and schedules, as amended from time to time.

"**Collateral**" means:

- (i) the limited partnership units in the capital of the Borrower described in Schedule "A" hereto, as such Schedule may be amended, supplemented or modified from time to time (collectively, the "**Pledged Units**") owned by the Pledgor, all Security Certificates in respect of the Pledged Units, if any, and other instruments evidencing or representing such Pledged Units, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Units;
- (ii) all additional or substitute limited partnership units or other equity interests of any class of the Borrower from time to time issued to or otherwise acquired by the Pledgor, the Security Certificates in respect thereof, if any, and other instruments representing such additional or substitute limited partnership units, and all interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or an exchange for any or all of such additional or substitute limited partnership units; and
- (iii) to the extent not otherwise included in the foregoing, all Proceeds thereof.

"**Guaranteed Obligations**" has the meaning ascribed to such term in the Guarantee.

"**Liabilities**" means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to the Lender under, pursuant to or in connection with the Loan Agreement or the Loan Documents; including without limitation all principal, interest, fees, indemnities, costs and expenses owing by the Borrower thereunder.

"**Pledged Units**" has the meaning set out in clause (i) of the definition of "Collateral".

"**PPSA**" means the *Personal Property Security Act* (Alberta).

"**Release Date**" means the date on which the Liabilities have been indefeasibly paid and discharged in full and the Lender had no further obligations to the Borrower under the Loan Agreement and any other Loan Document pursuant to which further Liabilities may arise.

The terms "**Certificated Security**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**", "**Security**", "**Security Certificate**", and "**Uncertificated Security**" whenever used herein have the meanings given to those terms in the PPSA.

## 1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

## 1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts,

unincorporated organizations, joint ventures and governmental authorities. The term "including" means "including without limiting the generality of the foregoing".

**1.04 Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

**1.05 Schedules**

The following are the Schedules to this Agreement:

Schedule "A" – List of Pledged Units

**ARTICLE 2 - GRANT OF SECURITY INTEREST AND PLEDGE**

**2.01 Grant and Pledge of Collateral**

As general and continuing collateral security for the payment and performance of the Guaranteed Obligations, the Pledgor hereby grants to the Lender a security interest in, and pledges to the Lender, all right, title and interest of the Pledgor in and to the Collateral.

**2.02 Security Interest Absolute**

The security interest granted hereby and all rights of the Lender hereunder and all obligations of the Pledgor hereunder are unconditional and absolute and independent and separate from any other security for the Guaranteed Obligations, whether executed by the Pledgor or any other person.

**2.03 Continuing Liability of the Pledgor**

This Agreement and the security interest granted hereby is granted as collateral security only and will not subject the Lender to, or transfer or in any way affect or modify, any obligation or liability of the Pledgor with respect to any of the Collateral or any transaction in connection therewith.

**2.04 Delivery of Collateral**

All Pledged Units must be delivered immediately to the Lender or its nominee. The Lender may, at its option, cause all or any of the Collateral of the Pledgor to be registered in the name of the Lender or its nominee.

**2.05 Subsequently Acquired Collateral**

To the extent the Pledgor acquires, by way of amalgamation or otherwise, any additional Collateral at any time or from time to time after the date hereof, such Collateral will automatically (and without any further action being required to be taken by the Lender) be subject to the security interest and pledge created hereby. The Pledgor will take, or cause to be taken, as promptly as practicable and, in any event within five (5) days after it obtains such additional Collateral, all steps and actions as the Lender deems necessary to ensure that the additional Collateral consisting of Certified Securities is delivered duly endorsed for transfer in blank to the Lender.



**2.06**            **Attachment**

The Pledgor acknowledges that the security interest hereby created attaches upon the execution of this Agreement (or in the case of any after-acquired property, upon the date of acquisition by the Pledgor of any rights therein), that value has been given by the Lender and that the Pledgor has, or in the case of after-acquired property will have, rights in the Collateral or the power to transfer rights in such Collateral to the Lender.

**ARTICLE 3 - REPRESENTATIONS,  
WARRANTIES AND COVENANTS**

**3.01**            **Representations and Warranties of the Pledgor**

The Pledgor represents and warrants to the Lender that:

- (a) the Pledgor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to enter into this Agreement; this Agreement has been duly authorized by all necessary corporate action on the part of the Pledgor and constitutes a legal and valid agreement binding on the Pledgor, enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Pledgor pursuant to any agreement, indenture or other instrument to which the Pledgor is a party or by which the Pledgor or any of its property may be bound or affected;
- (b) the Pledgor is the legal and beneficial owner of the Collateral, free of any security interest, other than:
  - (i) any security interest in favour of the Lender; or
  - (ii) any security interest in favour of a Securities Intermediary which is consented to in writing by the Lender, provided such security interest in favour of such Securities Intermediary is subordinated to the Lender's security interest in the Collateral,with full right and authority to create the security interest and to cause delivery of the Collateral to the Lender pursuant hereto;
- (c) no Collateral is in the possession or control of any person asserting a claim thereto or security interest therein, except that the Lender or its nominee or a Securities Intermediary acting on its behalf may have possession or control of the Collateral;
- (d) all Collateral consisting of Pledged Units has been duly authorized and validly issued, is outstanding as fully paid and non-assessable and, except as set forth on Schedule "A" hereto, constitutes 100% of the issued and outstanding limited partnership units or other equity interests of the Borrower;
- (e) other than this Agreement, there is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Pledgor could be required to sell or otherwise dispose of any of the Collateral; and

- (f) no authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity have jurisdiction is required in connection with the execution and delivery by the Pledgor of this Agreement and the performance of its obligations hereunder, except as may be required to perfect the security interest granted hereby or in connection with the disposition of all or any Collateral by laws affecting the offering and sale of securities generally.

**3.02 Covenants of the Pledgor**

The Pledgor covenants with the Lender that the Pledgor will:

- (a) ensure that the representations and warranties set forth in Section 3.01 will be true and correct at all times;
- (b) defend the Collateral against all claims and demands respecting such Collateral made by any person other than the Lender at any time and, except as otherwise provided herein, keep such Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests except as approved in writing by the Lender prior to their creation or assumption;
- (c) not sell or dispose of, transfer, relinquish or otherwise deal with any of its interest in its Pledged Units or any additional or substitute limited partnership units of the Borrower acquired by the Pledgor from time to time; and
- (d) provide to the Lender, promptly upon request, all information and evidence the Lender may reasonably request concerning the Collateral to enable the Lender to enforce the provisions hereof.

**ARTICLE 4 - DEALING WITH COLLATERAL**

**4.01 Rights and Duties of the Lender**

(1) The Lender may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Lender and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Lender and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Pledgor reasonably requests in writing, but failure of the Lender or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

**4.02 Voting Rights**

(1) Subject to the provisions of Section 4.02(2), the Pledgor is entitled to exercise, either directly or, if the Collateral is registered in the name of the Lender or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Collateral, including the right to vote from time to time exercisable in respect of such Collateral and to give proxies, consents, ratifications and waivers in respect thereof. No such action may be taken if it would be prejudicial to the interests of the Lender or would violate or be



inconsistent with the Loan Agreement, the Loan Documents, or this Agreement or any other agreement relating thereto or hereto or would have the effect of reducing the value of the Collateral as security for the Guaranteed Obligations or imposing any restriction on the transferability of any of the Collateral.

(2) Upon the occurrence of an Event of Default that is continuing and the exercise by the Lender of any of its rights and remedies under Section 5.01, the Lender may give the Pledgor written notice prohibiting the Pledgor from exercising the rights and powers of a holder of the Collateral, including the right to vote the Collateral, at which time all such rights of the Pledgor will cease immediately and the Lender will have the right to exercise the rights and powers related to such Collateral, including the right to vote.

#### **4.03 Distributions and Interest Payments**

(1) Subject to the provisions of Section 4.03(2), the Pledgor is entitled to receive all distributions or interest payments in respect of the Collateral. If such Collateral has been registered in the name of the Lender or its nominee, the Lender will execute and deliver (or cause to be executed and delivered) to the Pledgor all directions and other instruments as the Pledgor may request for the purpose of enabling the Pledgor to receive the distributions or other payments that the Pledgor is authorized to receive pursuant to this Section 4.03(1).

(2) Upon the occurrence of an Event of Default that is continuing and the exercise by the Lender of any of its rights and remedies under Section 5.01, all rights of the Pledgor pursuant to Section 4.03(1) will cease, and all such rights will thereupon become vested in the Lender, and the Lender will have the sole and exclusive right and authority to receive and retain all payments that the Pledgor would otherwise be authorized to retain pursuant to Section 4.03(1). All money and other property received by the Lender pursuant to the provisions of this Section 4.03(2) may be applied on account of the Guaranteed Obligations or may be retained by the Lender as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement. All payments which are received by the Pledgor contrary to the provisions of this Section 4.03(2) will be held by the Pledgor in trust for the benefit of the Lender, will be segregated from other property or funds of the Pledgor and will be forthwith delivered to the Lender or its nominee to hold as Collateral.

### **ARTICLE 5 - DEFAULT AND REMEDIES**

#### **5.01 Remedies**

(1) Upon the occurrence of an Event of Default that is continuing, any or all security granted hereby will, at the option of the Lender, become immediately enforceable; and in addition to any right or remedy provided by Applicable Law or any other agreement, the Lender will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- (a) transfer any part of the Collateral into the name of the Lender or its nominee if it has not already done so in accordance with Section 2.04;
- (b) vote any of the Collateral (whether or not registered in the name of the Lender or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof;
- (c) exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Collateral, including the right to exchange at its discretion any of the Collateral upon the amalgamation, arrangement, merger, consolidation or other reorganization of the Borrower, all without liability except to account for property actually received by the Lender;

- (d) from time to time realize upon, collect, sell, transfer, assign, give options to purchase or otherwise dispose of and deliver any Collateral in such manner as may seem advisable to the Lender. For such purposes each requirement relating thereto and prescribed by Applicable Law or otherwise is hereby waived by the Pledgor to the extent permitted by law and in any offer or sale of any of the Collateral the Lender is authorized to comply with any limitation or restriction in connection with such offer or sale as the Lender may be advised by counsel is necessary in order to avoid any violation of Applicable Law, or in order to obtain any required approval of the sale or of the purchase by any governmental or regulatory authority or official. Such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Lender be liable or accountable to the Pledgor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;
  - (e) purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise; and
  - (f) accept the Collateral in satisfaction of the Guaranteed Obligations upon notice to the Pledgor of its intention to do so in the manner required by law.
- (2) The Lender may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with the Pledgor, debtors of the Pledgor, sureties and others and with the Collateral and other security as the Lender sees fit without prejudice to the liability of the Pledgor to the Lender or the Lender's rights hereunder.
- (3) The Lender will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Lender, the Pledgor or any other person, in respect of the Collateral.
- (4) The Lender may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Lender may apply any balance of such proceeds to payment of the Guaranteed Obligations in such order as the Lender sees fit. If there is any surplus remaining, the Lender may pay it to any person having a claim thereto in priority to the Pledgor of whom the Lender has knowledge and any balance remaining must be paid to the Pledgor. If the disposition of the Collateral fails to satisfy the Guaranteed Obligations secured by this Agreement and the aforesaid expenses, the Pledgor will not be liable to pay any deficiency to the Lender forthwith on demand.

#### **5.02 Payment of Expenses**

The Lender may charge on its own behalf and also pay to others all reasonable out-of-pocket expenses of the Lender and others, including the fees and disbursements of any Securities Intermediary, experts or advisers (including lawyers on a solicitor and client basis) retained by the Lender, incurred in connection with realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, or in connection with the administration or any amendment of this Agreement or incidental to the care, safekeeping or otherwise of any Collateral. The Lender may deduct the amount of such expenses from any proceeds of disposition of the Collateral.

## ARTICLE 6 - GENERAL

### **6.01 Benefit of the Agreement**

This Agreement will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties.

### **6.02 Entire Agreement**

This Agreement has been entered into pursuant to the provisions of the Guarantee and Loan Agreement and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement and the Guarantee, the rights and obligations of the parties will be governed by the provisions of the Loan Agreement and the Guarantee, in that order of priority. This Agreement cancels and supersedes any prior understandings and agreements between the parties with respect thereto. Other than the Pledge Agreement between the Lender, Nader Ghermezian and T5 of even date herewith, there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Lender and the Pledgor with respect to the subject matter hereof other than as expressly set forth in this Agreement or in the Guarantee.

### **6.03 Termination of Pledge**

This Agreement and the security interest created hereunder will terminate when the Collateral is no longer subject to the security interest in accordance with the Guarantee and the Loan Agreement. Upon such termination any Collateral then in the custody of the Lender or its nominee must be re-delivered to the Pledgor as soon as practicable.

### **6.04 Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

### **6.05 Assignment**

The rights of the Lender under this Agreement may be assigned by the Lender as provided for in the Loan Agreement and the Guarantee. The Pledgor may not assign their obligations under this Agreement.

### **6.06 Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

### **6.07 Notices**

All written notices and other written communications with respect to this Agreement or any of the Loan Documents shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:

in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer  
Email: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

and in the case of the Pledgor shall be sent to:

T5 Energy Partners Ltd.  
3000 8882 170 Street  
Edmonton, AB T5T 4M2

Attention: David Ghermezian  
Email: [David@triplefive.com](mailto:David@triplefive.com)

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

**6.08 Additional Continuing Security**

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Lender.

**6.09 Remedies Cumulative**

The rights and remedies of the Lender hereunder are cumulative and are in addition to and not in substitution for any other security now or hereafter held by the Lender or any other rights or remedies available at law or in equity or otherwise. No single or partial exercise by the Lender of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which the Lender may be entitled.

**6.10 Further Assurances**

The Pledgor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, agreements, acts, matters and things as may be reasonably requested by the Lender for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

**6.11 Power of Attorney**

The Pledgor hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof the true and lawful attorney of the Pledgor upon the occurrence of an Event of Default that is continuing, with full power of substitution, to do, make and execute all such statements, assignments, documents, agreements, acts, matters or things with the right to use the name of the Pledgor whenever and wherever the officer or agent may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement, such power being coupled with an interest.

**6.12            Indemnity**

The Pledgor hereby indemnifies and agrees to hold harmless the Lender from and against any and all claims, losses and liabilities arising out of or from this Agreement (including enforcement of this Agreement), save and except for those arising from the gross negligence or wilful misconduct of the Lender.

**6.13            Discharge**

The Pledgor will not be discharged from any of the Guaranteed Obligations or from this Agreement except by a release or discharge signed in writing by the Lender. The Pledgor will be entitled to require a discharge by notice to the Lender upon, but only upon the occurrence of the Release Date. Upon the written request of a Pledgor given at any time on or after the Release Date, the Lender shall, at the expense of the Pledgor, release the Pledgor and the Collateral from the security interest granted herein. Upon such release, and at the request and expense of the Pledgor, the Lender shall execute and deliver to the Pledgor such releases and discharges as the Pledgor may reasonably request.

**6.14            Governing Law and Attornment**

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Pledgor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

**6.15            Counterparts / Electronic Execution**

This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

**6.16            Executed Copy**

The Pledgor acknowledges receipt of a fully executed copy of this Agreement.

**6.17            Waiver**

The Pledgor waives the right to receive any amount which it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty or otherwise) by reason of the failure of the Lender to deliver to the Pledgor a copy of any financing statement or any verification statement issued by any registry that confirms registration of a financing statement relating to this Agreement and the Pledgor hereby waives its right to receive a copy of such financing or verification statements.

**[Remainder of page intentionally left blank. Signature pages to follow.]**

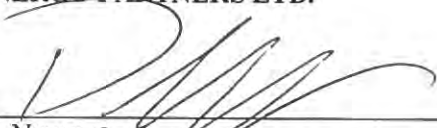


**THIS AGREEMENT** has been executed by the Pledgor on the date first stated above.

**T5 ENERGY PARTNERS LTD.**

(c/s)

By:



Name: David Ghermezian  
Title: President

By:

Name:  
Title:

**Schedule "A"**

**List of Pledged Units**

9,999 Class A Units in the capital of T5 SC Oil and Gas Limited Partnership registered in the name of T5 Energy Partners Ltd. and represented by unit certificate no. 2.

THIS IS **EXHIBIT "J"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**



## LIMITED RECOURSE GUARANTEE AND INDEMNITY AGREEMENT

This Agreement is made as of the 31<sup>st</sup> day of August, 2018,

### BETWEEN:

NADER GHERMEZIAN (together with any successors and permitted assigns, hereinafter referred to as the "**Guarantor**")

### AND:

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

### WHEREAS:

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner Triple Five Intercontinental Group Ltd. (collectively, the "**Borrower**"), as borrower, and Triple Five Intercontinental Group Ltd., the Lender has agreed to make the Loan available to the Borrower.
- B. The Guarantor receives direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- C. As a condition to making available the Loan, the Guarantor is required to execute and deliver this Agreement to the Lender.
- D. As security for the payment by the Guarantor of the Guaranteed Obligations (as hereinafter defined), the Guarantor has entered into a pledge agreement in favour of the Lender dated the date hereof (the "**Pledge Agreement**").

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees with the Lender as follows:

**1. Guarantee.** The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Loan Agreement and the Loan Documents present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), reasonable legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement or the Loan Documents (collectively, the "**Guaranteed Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Guaranteed Obligations shall include all principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any other agreement made between the Borrower and the Lender in connection with or pursuant to the Loan Agreement or the Loan Documents, and any liability of the Borrower arising under guarantees provided

by the Borrower or the Guarantor to the Lender in connection with the obligations of other parties in connection with or pursuant to the Loan Agreement and the Loan Documents.

**2. Indemnity.** In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, the Guarantor agrees to indemnify and save harmless the Lender from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which the Lender may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Guaranteed Obligations. Notwithstanding the foregoing, under no circumstances shall any Guarantor be liable for any special damages or consequential damages.

**3. Continuing Guarantee.** The guarantee contained herein shall be a continuing guarantee and shall secure the Guaranteed Obligations and any ultimate balance thereof until Borrower's indefeasible repayment and performance in full of the Guaranteed Obligations in accordance with Article 5 of the Loan Agreement. This Agreement shall continue in full force and effect regardless of whether the Guarantor or any other party responsible for the payment of the Guaranteed Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

**4. Borrower's Status and Authority.** All monies or advances in fact borrowed or obtained from the Lender by the Borrower under the Loan Agreement and the Loan Documents shall be deemed to form part of the Guaranteed Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its partners or their respective partners, directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewal or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or its partners or their respective partners, directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its partners or their respective partners, directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

**5. Guarantee Absolute.** The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Guaranteed Obligations or any security held by or granted to the Lender to secure payment or performance of the Guaranteed Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, limited partnership agreement, Equity Interests, constating documents or by-laws, ownership or control of the Borrower;
- (c) any amalgamation, merger, consolidation or other reorganization of the Borrower or its business or affairs;

- (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure to obtain, register, perfect or maintain any Security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (g) the valuation by the Lender of any of its Security, which shall not be considered as a purchase of such Security, or as payment on account of the Guaranteed Obligations;
- (h) the failure or neglect of the Lender to demand payment of the Guaranteed Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's Security;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor to the extent permitted by Applicable Laws;
- (j) any dealings described in section 6 hereof; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower or of the Guarantor in respect of the Guaranteed Obligations.

**6. Dealings with the Borrower and Others.** Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents;
- (b) make advances to the Borrower and receive repayments in respect of the Guaranteed Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) in a manner consistent with the Loan Agreement, take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;
- (e) in a manner consistent with the Loan Agreement, release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all Security

given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;

- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
- (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any Security;
- (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any Security upon such part of the Guaranteed Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
- (i) otherwise deal with, waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all Security held by the Lender, with the consent of the Borrower acting reasonably.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever unless such act, thing, omission or means is sufficient to discharge the Guarantor as guarantor and as principal debtor.

**7. Limited Recourse Guarantee.** Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Agreement is for the sole purpose of enabling the Lender to obtain an effective charge and security interest in the Collateral (as defined in the Pledge Agreement) of the Guarantor. Notwithstanding any other provisions hereof:

- (a) the liability of the Guarantor to the Lender under this Agreement is limited to such liability as is required to enable the Lender to obtain an effective charge and security interest in the Collateral (as defined in the Pledge Agreement), and to permit the Lender to realize upon such Collateral (as defined in the Pledge Agreement);
- (b) the Lender shall not be entitled to sue or to commence any action against the Guarantor to recover any sum owing by the Guarantor to the Lender pursuant to this Agreement, unless such suit or action is necessary to permit the Lender to realize upon the Collateral (as defined in the Pledge Agreement); and
- (c) in the event that the Guarantor shall default in its obligations under this Agreement, the sole recourse of the Lender against the Guarantor with respect to such obligations shall be with respect to the Collateral (as defined in the Pledge Agreement), or any amounts received upon the realization of the Collateral (as defined in the Pledge Agreement), and the Lender shall not, under any circumstances, have any right hereunder to any other payment from the Guarantor or against any of its other property or assets with respect to the Guaranteed Obligations, and for greater certainty the Guarantor shall not be liable hereunder to pay to the Lender any amount by which the Guaranteed Obligations exceed the proceeds of realization of the Collateral.



8. **Representations and Warranties.** The Guarantor represents and warrants to the Lender that:
- (a) the Guarantor has the legal capacity to execute and deliver this Agreement and to carry out and perform his covenants and obligations hereunder;
  - (b) this Agreement has been duly executed and delivered by the Guarantor and constitutes a legal, valid and binding obligation of the Guarantor, enforceable against him in accordance with its terms and does not and will not conflict with any material contract or agreement to which the Guarantor is a party to or by which he is bound; and
  - (b) no authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity have jurisdiction is required in connection with the execution and delivery by the Guarantor of this Agreement and the performance of his obligations hereunder.
9. **No Obligation to Exercise Other Remedies.** The Lender shall not be obliged to exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Guaranteed Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.
10. **Enforcement.** The Lender shall be entitled to make demand on the Guarantor upon a demand being made by the Lender on the Borrower after the occurrence of an Event of Default which is continuing under the Loan Agreement.
11. **Accounts Settled.** Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error or evidence to the contrary.
12. **Waiver.** The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.
13. **Foreign Currency Obligations.** To the extent permitted by Applicable Law, the Guaranteed Obligations of the Guarantor shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only by payment in the currency in which they are due (the "**Agreed Currency**") and the Lender may, in accordance with normal banking procedures, purchase the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided in this section, continue in full force and effect.

14. **Disclosure.** To the extent permitted by Applicable Laws, the Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Guaranteed Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

15. **Taxes, etc.** All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by Applicable Law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under section 15(b) hereof and make such reports and filings in connection therewith in the manner required by Applicable Law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

16. **Assignment.** The Guarantor hereby consents to the sale, assignment, transfer or other disposition to any Person (the "**Assignee**") by the Lender in accordance with Section 13.4 of the Loan Agreement, at any time and from time to time hereafter, of this Agreement and the Guaranteed Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Guarantor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender (which may be withheld in its sole discretion).

17. **Revival of Indebtedness and Liability.** If at any time all or any part of any payment previously applied by the Lender to any portion of the Guaranteed Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Guaranteed Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Guaranteed Obligations as though such payment to the Lender had not been made.

18. **Assignment and Postponement of Amounts Due to the Guarantor.** Payment of all present and future debts and liabilities of the Borrower to the Guarantor (the "**Postponed Indebtedness**") is hereby postponed to payment of the Guaranteed Obligations. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Guaranteed Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. Until the indefeasible repayment and performance in full of the Guaranteed Obligations, the Guarantor shall not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender (which may be withheld, acting reasonably). As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security

19. **Subrogation.** The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Guaranteed Obligations; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Guaranteed Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which any Guarantor may have against the Lender in respect of the Guaranteed Obligations or this Agreement, together with an acknowledgment that the Guaranteed Obligations and any security assigned by the Lender to any Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender in its sole discretion.

20. **Additional and Separate Security.** This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Guaranteed Obligations or the collateral securing the Guaranteed Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties.

21. **Set-Off.** The Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any indebtedness at any time owing by the Lender to the Guarantor, whether or not any of such obligations may be unliquidated, contingent or unmatured.

22. **Entire Agreement.** This Agreement and the Pledge Agreement constitute the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

23. **Governing Law and Attornment.** This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

24. **Notice.** All written notices and other written communications with respect to this Agreement shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:

in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer  
Email: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

and in the case of any of the Guarantor shall be sent to:

Nader Ghermezian  
3000 8882 170 Street  
Edmonton, AB T5T 4M2

Email: [Nader@triplefive.com](mailto:Nader@triplefive.com)

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

**25. Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by Applicable Law. Each provision of this Agreement is declared to be separate, severable and distinct.

**26. Number, Gender and Persons.** Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

**27. Counterpart Execution / Electronic Delivery.** This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

**28. Time.** Time shall be of the essence of this Agreement.

**29. Further Assurances.** The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

**30. Interpretation.** The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this




Agreement to a "section" means the relevant section of this Agreement. All capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

**31. Successors and Assigns.** This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and his heirs, executors, administrators and personal representatives.

**32. Copy of Agreement.** The Guarantor acknowledges receipt of an executed copy of this Agreement, the Pledge Agreement and the Loan Agreement.

**[Remainder of page intentionally left blank. Signature pages to follow.]**

THIS AGREEMENT has been executed by the Guarantor on the date first stated above.

  
\_\_\_\_\_  
(Witness)

)  
)  
)  
)  
\_\_\_\_\_  
NADER GHERMEZIAN

Guarantees Acknowledgment Act  
(Section 3)

CERTIFICATE

I HEREBY CERTIFY THAT:


1. Nader Ghermezian, the guarantor in the limited recourse guarantee dated August 31, 2018 made between Nader Ghermezian and Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc., which this certificate is attached to or noted upon, appeared in person before me and acknowledged that he had executed the guarantee.
2. I satisfied myself by examination of the guarantor that he is aware of the contents of the guarantee and understands it.

CERTIFIED by Alan Glazer, Lawyer at the City of East Rutherford,  
in the State of New Jersey, this 29 day of August, 2018.

  
\_\_\_\_\_  
Signature

STATEMENT OF GUARANTOR

I am the person named in this certificate.

  
\_\_\_\_\_  
Nader Ghermezian

## PLEDGE AGREEMENT

This Agreement is made as of the 31<sup>st</sup> day of August, 2018,

**BETWEEN:**

**NADER GHERMEZIAN ("Nader")**

**AND:**

**T5 ENERGY PARTNERS LTD. ("T5")**

**AND:**

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

**WHEREAS:**

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner Triple Five Intercontinental Group Ltd. (collectively, the "**Borrower**"), as borrower, and Triple Five Intercontinental Group Ltd. (the "**General Partner**"), the Lender has agreed to make the Loan available to the Borrower.
- B. Each of Nader and T5 (collectively, the "**Pledgors**" and each a "**Pledgor**") have agreed to guarantee the Loan pursuant to certain limited recourse guarantees from each of the Pledgors in favour of the Lender and dated as of the date hereof (collectively, the "**Guarantees**" and each a "**Guarantee**") and further, have agreed to grant a security interest in and pledge the Collateral to the Lender.
- C. Each of the Pledgors receive direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- D. As a condition to making available the Loan, the Pledgors are required to execute and deliver this Agreement to the Lender.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged by each Pledgor, each Pledgor agrees with and in favour of the Lender as follows:

### ARTICLE 1 - INTERPRETATION

**1.01 Definitions**

In this Agreement, terms and expressions defined in the description of the above recitals, the text hereof and in this Section 1.01 below shall have those meanings when used herein; capitalized terms used herein and not defined shall have the meaning given to such terms in the Loan Agreement.

"**Agreement**" means this pledge agreement, including its recitals and schedules, as amended from time to time.

"**Collateral**" means:

- (i) the shares in the capital of the General Partner described in Schedule "A" hereto, as such Schedule may be amended, supplemented or modified from time to time (collectively, the "**Pledged Shares**") legally and beneficially owned by the Pledgors, collectively, all Security Certificates in respect of the Pledged Shares, if any, and other instruments evidencing or representing such Pledged Shares, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Shares;
- (ii) all additional or substitute shares or other equity interests of any class of the General Partner from time to time issued to or otherwise acquired by either Pledgor, the Security Certificates in respect thereof, if any, and other instruments representing such additional or substitute shares, and all dividends, interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or an exchange for any or all of such additional or substitute shares; and
- (iii) to the extent not otherwise included in the foregoing, all Proceeds thereof.

"**Guaranteed Obligations**" means, collectively, the Guaranteed Obligations of each Pledgor as such term is defined in its respective Guarantee.

"**Liabilities**" means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Borrower to the Lender under, pursuant to or in connection with the Loan Agreement or the Loan Documents; including without limitation all principal, interest, fees, indemnities, costs and expenses owing by the Borrower thereunder.

"**Pledged Shares**" has the meaning set out in clause (i) of the definition of "Collateral".

"**PPSA**" means the *Personal Property Security Act* (Alberta).

"**Release Date**" means the date on which the Liabilities have been indefeasibly paid and discharged in full and the Lender had no further obligations to the Borrower under the Loan Agreement and any other Loan Document pursuant to which further Liabilities may arise.

The terms "**Certificated Security**", "**Proceeds**", "**Securities Account**", "**Securities Intermediary**", "**Security**", "**Security Certificate**", and "**Uncertificated Security**" whenever used herein have the meanings given to those terms in the PPSA.

## 1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

**1.03            Extended Meanings**

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term "including" means "including without limiting the generality of the foregoing".

**1.04            Statutory References**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

**1.05            Schedules**

The following are the Schedules to this Agreement:

Schedule "A" – List of Pledged Shares

**ARTICLE 2 - GRANT OF SECURITY INTEREST AND PLEDGE**

**2.01            Grant and Pledge of Collateral**

As general and continuing collateral security for the payment and performance of the Guaranteed Obligations, each of the Pledgors hereby grants to the Lender a security interest in, and pledges to the Lender, all right, title and interest of such Pledgor in and to the Collateral.

**2.02            Security Interest Absolute**

The security interest granted hereby and all rights of the Lender hereunder and all obligations of the Pledgors hereunder are unconditional and absolute and independent and separate from any other security for the Guaranteed Obligations, whether executed by the Pledgors or any other person.

**2.03            Continuing Liability of the Pledgors**

This Agreement and the security interest granted hereby is granted as collateral security only and will not subject the Lender to, or transfer or in any way affect or modify, any obligation or liability of the Pledgors with respect to any of the Collateral or any transaction in connection therewith.

**2.04            Delivery of Collateral**

All Pledged Shares must be delivered immediately to the Lender or its nominee. The Lender may, at its option, cause all or any of the Collateral of the Pledgors to be registered in the name of the Lender or its nominee.

**2.05            Subsequently Acquired Collateral**

To the extent either Pledgor acquires, by way of amalgamation or otherwise, any additional Collateral at any time or from time to time after the date hereof, such Collateral will automatically (and without any further action being required to be taken by the Lender) be subject to the security interest and pledge created



hereby. Each Pledgor will take, or cause to be taken, as promptly as practicable and, in any event within five (5) days after it obtains such additional Collateral, all steps and actions as the Lender deems necessary to ensure that the additional Collateral consisting of Certified Securities is delivered duly endorsed for transfer in blank to the Lender.

**2.06            Attachment**

Each Pledgor acknowledges that the security interest hereby created attaches upon the execution of this Agreement (or in the case of any after-acquired property, upon the date of acquisition by the Pledgor of any rights therein), that value has been given by the Lender and that each Pledgor has, or in the case of after-acquired property will have, rights in the Collateral or the power to transfer rights in such Collateral to the Lender.

**ARTICLE 3 - REPRESENTATIONS,  
WARRANTIES AND COVENANTS**

**3.01            Representations and Warranties of the Pledgors**

The Pledgors jointly and severally represent and warrant to the Lender that:

- (a) T5 is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to enter into this Agreement and this Agreement has been duly authorized by all necessary corporate action on the part of T5 and constitutes a legal and valid agreement binding on T5, enforceable in accordance with its terms;
- (b) Nader has the capacity to enter into this Agreement and this Agreement constitutes a legal and valid agreement binding on the Pledgor, enforceable in accordance with its terms;
- (c) the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of either Pledgor pursuant to any agreement, indenture or other instrument to which either Pledgor is a party or by which either Pledgor or any of its property may be bound or affected;
- (d) collectively, the Pledgors are the legal and beneficial owners of the Collateral, free of any security interest, other than:
  - (i) any security interest in favour of the Lender; or
  - (ii) any security interest in favour of a Securities Intermediary which is consented to in writing by the Lender, provided such security interest in favour of such Securities Intermediary is subordinated to the Lender's security interest in the Collateral,with full right and authority to create the security interest and to cause delivery of the Collateral to the Lender pursuant hereto;
- (e) no Collateral is in the possession or control of any person asserting a claim thereto or security interest therein, except that the Lender or its nominee or a Securities Intermediary acting on its behalf may have possession or control of the Collateral;

- (f) all Collateral consisting of Pledged Shares has been duly authorized and validly issued, is outstanding as fully paid and non-assessable and, except as set forth on Schedule "A" hereto, constitutes 100% of the issued and outstanding shares or other equity interests of the General Partner;
- (g) other than this Agreement, there is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which either Pledgor could be required to sell or otherwise dispose of any of the Collateral; and
- (h) no authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity have jurisdiction is required in connection with the execution and delivery by either Pledgor of this Agreement and the performance of their respective obligations hereunder, except as may be required to perfect the security interest granted hereby or in connection with the disposition of all or any Collateral by laws affecting the offering and sale of securities generally.

### **3.02 Covenants of the Pledgors**

The Pledgors jointly and severally covenant with the Lender that each Pledgor will:

- (a) ensure that the representations and warranties set forth in Section 3.01 will be true and correct at all times;
- (b) defend the Collateral against all claims and demands respecting such Collateral made by any person other than the Lender at any time and, except as otherwise provided herein, keep such Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests except as approved in writing by the Lender prior to their creation or assumption;
- (c) not sell or dispose of, transfer, relinquish or otherwise deal with any of its respective interests in its Pledged Shares or any additional or substitute shares of the General Partner, or interests therein, acquired by either Pledgor from time to time; and
- (d) provide to the Lender, promptly upon request, all information and evidence the Lender may reasonably request concerning the Collateral to enable the Lender to enforce the provisions hereof.

## **ARTICLE 4 - DEALING WITH COLLATERAL**

### **4.01 Rights and Duties of the Lender**

(1) The Lender may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Lender and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Lender and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that



purpose as the Pledgors reasonably and jointly request in writing, but failure of the Lender or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

#### **4.02 Voting Rights**

(1) Subject to the provisions of Section 4.02(2), the Pledgors are entitled to exercise, either directly or, if the Collateral is registered in the name of the Lender or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Collateral (to the extent of their respective interests therein), including the right to vote from time to time exercisable in respect of such Collateral and to give proxies, consents, ratifications and waivers in respect thereof. No such action may be taken if it would be prejudicial to the interests of the Lender or would violate or be inconsistent with the Loan Agreement, the Loan Documents, or this Agreement or any other agreement relating thereto or hereto or would have the effect of reducing the value of the Collateral as security for the Guaranteed Obligations or imposing any restriction on the transferability of any of the Collateral.

(2) Upon the occurrence of an Event of Default that is continuing and the exercise by the Lender of any of its rights and remedies under Section 5.01, the Lender may give the Pledgors written notice prohibiting the Pledgors from exercising the rights and powers of a holder of the Collateral, including the right to vote the Collateral, at which time all such rights of the Pledgors, as applicable, will cease immediately and the Lender will have the right to exercise the rights and powers related to such Collateral, including the right to vote.

#### **4.03 Dividends and Interest Payments**

(1) Subject to the provisions of Section 4.03(2), the Pledgors are entitled to receive all dividends, distributions or interest payments in respect of the Collateral (to the extent of their respective interests therein). If such Collateral has been registered in the name of the Lender or its nominee, the Lender will execute and deliver (or cause to be executed and delivered) to the Pledgors all directions and other instruments as the Pledgors may jointly request in writing for the purpose of enabling the Pledgors to receive the dividends, distributions or other payments that the Pledgors are authorized to receive pursuant to this Section 4.03(1).

(2) Upon the occurrence of an Event of Default that is continuing and the exercise by the Lender of any of its rights and remedies under Section 5.01, all rights of the Pledgors pursuant to Section 4.03(1) will cease, and all such rights will thereupon become vested in the Lender, and the Lender will have the sole and exclusive right and authority to receive and retain all payments that the Pledgors, as applicable, would otherwise be authorized to retain pursuant to Section 4.03(1). All money and other property received by the Lender pursuant to the provisions of this Section 4.03(2) may be applied on account of the Guaranteed Obligations or may be retained by the Lender as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement. All payments which are received by either Pledgor contrary to the provisions of this Section 4.03(2) will be held by such Pledgor in trust for the benefit of the Lender, will be segregated from other property or funds of such Pledgor and will be forthwith delivered to the Lender or its nominee to hold as Collateral.

### **ARTICLE 5 - DEFAULT AND REMEDIES**

#### **5.01 Remedies**

(1) Upon the occurrence of an Event of Default that is continuing, any or all security granted hereby will, at the option of the Lender, become immediately enforceable; and in addition to any right or

remedy provided by Applicable Law or any other agreement, the Lender will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively, concurrently or both:

- (a) transfer any part of the Collateral into the name of the Lender or its nominee if it has not already done so in accordance with Section 2.04;
  - (b) vote any of the Collateral (whether or not registered in the name of the Lender or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof;
  - (c) exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Collateral, including the right to exchange at its discretion any of the Collateral upon the amalgamation, arrangement, merger, consolidation or other reorganization of the General Partner, all without liability except to account for property actually received by the Lender;
  - (d) from time to time realize upon, collect, sell, transfer, assign, give options to purchase or otherwise dispose of and deliver any Collateral in such manner as may seem advisable to the Lender. For such purposes each requirement relating thereto and prescribed by Applicable Law or otherwise is hereby waived by each Pledgor to the extent permitted by law and in any offer or sale of any of the Collateral the Lender is authorized to comply with any limitation or restriction in connection with such offer or sale as the Lender may be advised by counsel is necessary in order to avoid any violation of Applicable Law, or in order to obtain any required approval of the sale or of the purchase by any governmental or regulatory authority or official. Such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Lender be liable or accountable to either Pledgor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;
  - (e) purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise; and
  - (f) accept the Collateral in satisfaction of the Guaranteed Obligations upon notice to the Pledgors of its intention to do so in the manner required by law.
- (2) The Lender may (i) grant extensions of time, (ii) take and perfect or abstain from taking and perfecting security, (iii) give up securities, (iv) accept compositions or compromises, (v) grant releases and discharges, and (vi) release any part of the Collateral or otherwise deal with either Pledgor, debtors of either Pledgor, sureties and others and with the Collateral and other security as the Lender sees fit without prejudice to the liability of the either Pledgor to the Lender or the Lender's rights hereunder.
- (3) The Lender will not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and is not bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Lender, either Pledgor or any other person, in respect of the Collateral.
- (4) The Lender may apply any proceeds of realization of the Collateral to payment of expenses in connection with the preservation and realization of the Collateral as above described and the Lender may apply any balance of such proceeds to payment of the Guaranteed Obligations in such order as the Lender sees fit. If there is any surplus remaining, the Lender may pay it to any person having a claim thereto in priority to either Pledgor of whom the Lender has knowledge and any balance remaining must be paid to the

Pledgor (in accordance with their respective interests therein). If the disposition of the Collateral fails to satisfy the Guaranteed Obligations secured by this Agreement and the aforesaid expenses, the Pledgor will not be liable to pay any deficiency to the Lender forthwith on demand.

**5.02 Payment of Expenses**

The Lender may charge on its own behalf and also pay to others all reasonable out-of-pocket expenses of the Lender and others, including the fees and disbursements of any Securities Intermediary, experts or advisers (including lawyers on a solicitor and client basis) retained by the Lender, incurred in connection with realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, or in connection with the administration or any amendment of this Agreement or incidental to the care, safekeeping or otherwise of any Collateral. The Lender may deduct the amount of such expenses from any proceeds of disposition of the Collateral.

**ARTICLE 6 - GENERAL**

**6.01 Benefit of the Agreement**

This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Pledgors and their respective successors, assigns, heirs, executors, administrators and personal representatives (as applicable).

**6.02 Entire Agreement**

This Agreement has been entered into pursuant to the provisions of each of the Guarantees and Loan Agreement and is subject to all the terms and conditions thereof and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement and the Guarantees, the rights and obligations of the parties will be governed by the provisions of the Loan Agreement and the applicable Guarantee, in that order of priority. This Agreement cancels and supersedes any prior understandings and agreements between the parties with respect thereto. Other than the Pledge Agreement between the Lender and T5 dated of even date herewith, there are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Lender and the Pledgors with respect to the subject matter hereof other than as expressly set forth in this Agreement or in the Guarantees (as applicable).

**6.03 Termination of Pledge**

This Agreement and the security interest created hereunder will terminate when the Collateral is no longer subject to the security interest in accordance with the Guarantees and the Loan Agreement. Upon such termination any Collateral then in the custody of the Lender or its nominee must be re-delivered to the Pledgors, in accordance with a jointly signed written direction, as soon as practicable.

**6.04 Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by all of the parties. No waiver of any breach of any provision of this Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

**6.05**            **Assignment**

The rights of the Lender under this Agreement may be assigned by the Lender as provided for in the Loan Agreement and the Guarantee. Neither Pledgor may assign its respective obligations under this Agreement.

**6.06**            **Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

**6.07**            **Notices**

All written notices and other written communications with respect to this Agreement or any of the Loan Documents shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:

in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention:        Chief Investment Officer  
Email:            [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

and in the case of Nader shall be sent to:

Nader Ghermezian  
3000 8882 170 Street  
Edmonton, AB T5T 4M2

Email:            [Nader@triplefive.com](mailto:Nader@triplefive.com)

and in the case of T5 shall be sent to:

T5 Energy Partners Ltd.  
3000 8882 170 Street  
Edmonton, AB T5T 4M2

Attention:        David Ghermezian  
Email:            [David@triplefive.com](mailto:David@triplefive.com)

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

**6.08**            **Additional Continuing Security**

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Lender and this Agreement is a continuing agreement and security that will remain in full force and effect until discharged by the Lender.

**6.09 Remedies Cumulative**

The rights and remedies of the Lender hereunder are cumulative and are in addition to and not in substitution for any other security now or hereafter held by the Lender or any other rights or remedies available at law or in equity or otherwise. No single or partial exercise by the Lender of any right or remedy precludes or otherwise affects the exercise of any other right or remedy to which the Lender may be entitled.

**6.10 Further Assurances**

Each Pledgor must at its expense from time to time do, execute and deliver, or cause to be done, executed and delivered, all such financing statements, further assignments, documents, agreements, acts, matters and things as may be reasonably requested by the Lender for the purpose of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

**6.11 Power of Attorney**

Each Pledgor hereby irrevocably constitutes and appoints the Lender and any officer or agent thereof the true and lawful attorney of such Pledgor upon the occurrence of an Event of Default that is continuing, with full power of substitution, to do, make and execute all such statements, assignments, documents, agreements, acts, matters or things with the right to use the name of the Pledgor whenever and wherever the officer or agent may deem necessary or expedient and from time to time to exercise all rights and powers and to perform all acts of ownership in respect to the Collateral in accordance with this Agreement, such power being coupled with an interest.

**6.12 Indemnity**

Each Pledgor hereby jointly and severally indemnifies and agrees to hold harmless the Lender from and against any and all claims, losses and liabilities arising out of or from this Agreement (including enforcement of this Agreement), save and except for those arising from the gross negligence or wilful misconduct of the Lender.

**6.13 Discharge**

Neither Pledgor will be discharged from any of the Guaranteed Obligations or from this Agreement except by a release or discharge signed in writing by the Lender. The Pledgors will be entitled to require a discharge by notice to the Lender upon, but only upon the occurrence of the Release Date. Upon the joint written request of the Pledgors given at any time on or after the Release Date, the Lender shall, at the expense of the Pledgors, release the Pledgors and the Collateral from the security interest granted herein. Upon such release, and at the request and expense of the Pledgors, the Lender shall execute and deliver to the Pledgors such releases and discharges as the Pledgors may reasonably request.



**6.14**            **Governing Law and Attornment**

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, each Pledgor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

**6.15**            **Counterparts / Electronic Execution**

This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

**6.16**            **Executed Copy**


Each Pledgor acknowledges receipt of a fully executed copy of this Agreement.

**6.17**            **Waiver**

Each Pledgor waives the right to receive any amount which it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty or otherwise) by reason of the failure of the Lender to deliver to either Pledgor a copy of any financing statement or any verification statement issued by any registry that confirms registration of a financing statement relating to this Agreement and each Pledgor hereby waives its right to receive a copy of such financing or verification statements.

**[Remainder of page intentionally left blank. Signature pages to follow.]**

THIS AGREEMENT has been executed by the Pledgors on the date first stated above.

  
\_\_\_\_\_  
(Witness)

)  
)  
)  
)  
\_\_\_\_\_  
NADER GHERMEZIAN

T5 ENERGY PARTNERS LTD.

(c/s)

By: \_\_\_\_\_  
Name: David Ghermezian  
Title: president


By: \_\_\_\_\_  
Name:  
Title:

**THIS AGREEMENT** has been executed by the Pledgors on the date first stated above.

\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
\_\_\_\_\_ )  
(Witness) \_\_\_\_\_ ) **NADER GHERMEZIAN**

**TS ENERGY PARTNERS LTD.**

(c/s)

By:   
Name: Nader Ghermezian  
Title: President  
By: \_\_\_\_\_  
Name:  
Title:



**Schedule "A"**

**List of Pledged Shares**

100 Class A Shares in the capital of Triple Five Intercontinental Group Ltd. registered in the name of Nader Ghermezian (in his capacity as trustee for and on behalf of T5 Energy Partners Ltd.) and represented by share certificate #1.

THIS IS **EXHIBIT "K"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**



THIS IS EXHIBIT "L" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



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A Commissioner for Oaths in and for the Province of Alberta.

**KATLIN H. WARD**  
**BARRISTER & SOLICITOR**

**From:** [Ryan Martin](#)  
**To:** [Chris Johnson](#)  
**Cc:** [Adam Jenkins](#); [Brent Hughes](#)  
**Subject:** RE: T5 Variance Analysis  
**Date:** Friday, February 15, 2019 8:56:32 AM

---

Thanks Chris, I understand your position on getting to a doable deal and fully appreciate Crown support and potential flexibility on our project financing. At first read last night, was out on Valentines dinner with the wife and assumed a less flexible position, especially regarding Tallinn involvement for the additional debt.

Let me see what I can do this am, but do head out today at noon to Fernie for my Son's hockey tournament. Will get back to you guys early next week, if not later am today.

Ryan

---

**From:** Chris Johnson <[chris.johnson@crowncapital.ca](mailto:chris.johnson@crowncapital.ca)>  
**Sent:** Thursday, February 14, 2019 7:45 PM  
**To:** Ryan Martin <[Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)>  
**Cc:** Adam Jenkins <[adam.jenkins@crowncapital.ca](mailto:adam.jenkins@crowncapital.ca)>; Brent Hughes <[brent.hughes@crowncapital.ca](mailto:brent.hughes@crowncapital.ca)>  
**Subject:** Re: T5 Variance Analysis

Ryan, Adam prepared this at my request and I was not party to the previous conversations. I thought it important to get the facts on the table and outline what we think is a doable deal. We can continue discussing this but we are trying to be responsive to your situation. As the facts show, there is a large difference from the original budget. We are proposing to fund some of this, but are also looking for a similar contribution from the equity holders. Typically, shortfalls would be funded 100% by the equity holders. Further, we remain supportive of further investment for growth and will look to modify the amortization. All told you have considerable support from our team despite such a large budget miss in the first 6 months.

Chris.

On Feb 14, 2019, at 8:42 PM, Ryan Martin <[Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)> wrote:

Disappointed you moved to a decision without a discussion, as mentioned at lunch and our 3pm.

Will respond tm.  
Regards  
Ryan

On Feb 14, 2019 5:21 PM, Adam Jenkins <[adam.jenkins@crowncapital.ca](mailto:adam.jenkins@crowncapital.ca)> wrote:  
Hi Ryan,

My apologies for the long e-mail below, but we thought it was important to state the current situation and the potential path(s) forward.

To help understand the current working capital shortfall, we have evaluated the original Triple Five (T5) management model that the \$15M loan was underwritten on - dated July 18, 2018 - and compared it to the current February 13, 2019 T5 management model. The February 2019 model has 2018 actuals, with updated production and pricing forecast assumptions for 2019 forward.

- The original model showed a ~\$3 million working capital surplus at February 2019, and a path to grow within cash flow.
- From the Feb 2019 management model, Crown has removed the \$2 million equity raise and the

addition of \$8.1 million of debt from Q1 2019, as well as moved the 2 new drills forward to Q4 2019. This is to compare the same growth assumptions as in the base model.

- The updated model shows an ~\$11 million working capital shortfall at February 2019. The majority of this shortfall consists by payables over 120 days related to the Q4 2018 drilling program.

**Variance Analysis – Current Feb 2019 model less July 2018 model**

<PastedGraphic-1.png>

Notes:

- 1) 20% lower gas production, 7% lower liquids production: backpressure issues, delay in on production timing of new wells
- 2) 20% drop in commodity prices: Market driven (these also caused some of the production outages)
- 3) Unbudgeted capital with future benefits: \$4.5 million (compression, facility construction with next phase of development in mind)
- 4) Overspend: \$1.0 million of unbudgeted DCET capital (July 2018 budget for DCET was \$6M/well)

It is Crown's view that the business requires a minimum of \$10 million to fix the current working capital shortfall. This will allow the company to continue on what is viewed as an attractive growth story moving forward. The two Q4 2018 wells are outperforming production estimates; most notable is the liquid production outperformance. Subsequent wells are viewed to be able to capture similar liquid rates to the Q4 wells, mitigating the effect of weakened AECO natural gas prices.

It is Crowns view that a minimum of 50% of the current working capital shortfall requires an equity solution. This corresponds to the nature of the variances – some of these variances add security to an upsized loan (additional compression and facility capital planning for future growth). The EBITDA shortfall caused by commodity price decline affects the future cash flow and this requires an equity fix as lower cash flow does not support more debt. Also of note, without sufficient equity the company is projected to be in breach of covenants for the foreseeable future.

To date, Triple Five has indicated that a maximum of \$2 million of equity is available as long as additional debt is brought to the business. This is insufficient for Crown to provide additional capital. Crown would entertain presenting the investment committee with an increase of \$5 million to the existing facility if the equity commitment is increased to a minimum of \$5 million.

In addition to the proposed \$2 million of equity, Tallinn Capital has indicated interest in providing additional debt to the business – from \$8.1 million up to a full replacement of Crown's facility in the business. Given that adding debt to the story only pushes covenants further from returning to the levels the loan was underwritten on, Crown does not have interest in the addition of third party debt to the business. That said, Crown but would not stand in the way of an "all Tallinn" solution.

Please let me know if you have any questions or comments regarding this e-mail. We are happy to discuss at your convenience.

Regards,

Adam Jenkins, P.Eng, CFA  
Vice President  
Crown Capital Partners Inc.  
Direct: 403 826-2145  
[Adam.jenkins@crowncapital.ca](mailto:Adam.jenkins@crowncapital.ca)  
[www.crowncapital.ca](http://www.crowncapital.ca)

THIS IS **EXHIBIT "M"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta.

**KATLIN H. WARD**  
**BARRISTER & SOLICITOR**





THIS IS **EXHIBIT "N"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



---

A Commissioner for Oaths in and for the Province of Alberta.

**KATLIN H. WARD**  
**BARRISTER & SOLICITOR**

File No. 441112/15

July 12, 2019

**BY COURIER & EMAIL**

Crown Capital Partner Funding, LP  
c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

**Attention: Chief Investment Officer**  
**Email: tim.oldfield@crowncapital.ca**

Dear Sir:

**Re: Amended and Restated Loan Agreement dated March 13, 2019 (the “2019 Credit Agreement”) and Production Payment Agreement dated August 31, 2018 (as amended March 13, 2019) (the “Amended PPA”) between T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd. (“Triple Five” or “T5”) and Crown Capital Partners Funding, LP (“CCPF”)**

We are litigation counsel to Triple Five with respect to the above-captioned matter.

At all material times prior to and following the closing of the original loan agreement dated August 31, 2018 between CCPF and T5 which provided for a loan in the amount of \$15MM, CCPF was aware that upon the success of T5’s 2018 two well drilling program, T5’s capital funding requirements would increase by \$10MM to \$25MM. In fact, during the negotiation of the 2019 Credit Agreement, CCPF provided Triple Five with various assurances that CCPF would either provide the additional \$10MM funding that Triple Five would require, or, that CCPF would not otherwise prevent Triple Five from obtaining such additional debt financing elsewhere. Notwithstanding the foregoing commitments, CCPF has not made the additional funding available to T5, has not facilitated funding through another lender and such additional funding was not provided under the 2019 Credit Agreement in the amount of \$20MM (the “Loan”). Although the principal amount of the Loan increased from \$15MM to \$20MM, since the 2019 Credit Agreement also imposed a requirement for T5 to itself fund \$5MM of additional equity, the effect of the 2019 Credit Agreement was that CCPF provided no additional funding to T5 at all.

In accordance with its understandings with CCPF, namely, that if Triple Five drilled two successful wells additional financing from CCPF would be forthcoming, Triple Five in fact drilled and completed two new wells in the fall of 2018. Valuation determinations relating thereto were confirmed by both Sproule Associates Limited and by CCPF’s consulting engineer in late 2018, both confirming the approximate amount of \$30MM in lending value. During that time there were several meetings and discussions between CCPF and T5 wherein T5 provided updates on those wells and on Triple Five’s operational and financial performance generally. During this time CCPF also provided encouragement and assurances to T5 that \$10MM in additional funding would be available before the end of 2018 or at the latest, in early 2019. However, by early 2019, CCPF started to make additional



and unreasonable demands of T5, including the requirement for the \$5MM equity contributions referred to above, before it would agree to any further financing. CCPF's requirements also included a tripling of the percentage amount of the "Production Payment" payable to CCPF under the Amended PPA, from 1.0% to 3.0%, if the equity covenant was not satisfied by August 31, 2019. The combined effect has been to deny any additional funding to T5 and to severely undermine T5's ability to execute its business plans.

While CCPF originally confirmed and gave assurances to Triple Five that CCPF was willing to provide the required additional \$10MM financing, CCPF has failed to do so to date. Triple Five has sought to mitigate its losses through the procurement of alternate financing arrangements with certain other willing lenders, either by simply obtaining an additional \$10MM loan, subject to industry standard inter-creditor arrangements with CCPF, or, by refinancing and increasing the amount of the Loan in its entirety. CCPF, however, has refused to consent to or otherwise facilitate either of these commercially reasonable solutions, notwithstanding favourable \$30MM engineering valuations, and notwithstanding verified \$30MM valuations provided by other willing lenders. Instead, CCPF has simply offered Triple Five the opportunity to pay out the Loan, subject to certain prepayment fees. These amounts, when calculated on an annualized basis as at July 31, 2019, contribute to an implicit cost of debt, and represent a penalty, in the approximate amount of 24%. CCPF's position in this regard is unreasonable and financially unfeasible for Triple Five.

CCPF's refusal to lend additional funds or otherwise co-operate with Triple Five obtaining funding elsewhere has seriously impeded Triple Five's ability to execute on its business plans which includes, *inter alia*, a number of time-sensitive opportunities. In particular, CCPF's failure to follow through with the \$10MM increase to the financing, as verbally committed, has resulted in Triple Five's inability to, *inter alia*, capitalize on two successful well opportunities in early January 2019. The foregoing has also resulted in other material disruptions to T5's business operations. These include, unforeseen delays in covering payables, and an inability to capitalize on other appropriate and accretive business opportunities. Triple Five estimates its losses from its reliance on CCPF's verbal representations relating to the above matters to be in the range of \$20MM to \$30MM.

In view of T5's close cooperation with CCPF during the fall of 2018 and in early 2019, and in view of the success of the 2018 two well drilling program, T5 is at a loss to account for CCPF's abrupt about-face in failing to provide any of the previously committed \$10MM in additional funding. The only logical conclusion is either that CCPF has forgotten its promises to Triple Five, has made errors in its underwriting assessment, or is acting in bad faith and engaging in economic extortion with a view to exacting additional and unreasonable fees from Triple Five.

This correspondence is to put you on notice that if CCPF continues to refuse to provide the requisite additional financing or to reasonably co-operate with Triple Five and other willing lenders, Triple Five will commence an action against CCPF. Time is of the essence as the passage of each day lessens the chances that Triple Five can fully execute on its business plans. Accordingly, an arrangement suitable to Triple Five and CCPF must be finalized by no later than July 19, 2019, failing which, we have been instructed to file a Statement of Claim against you seeking damages in the amount of \$30MM for, among other things, acting in bad faith in relation to CCPF's failure to provide consent to the proposed additional financing, bad faith in the performance of its written and oral agreements with T5, breach of its assurances to Triple Five, and punitive damages.

Triple Five sincerely hopes that CCPF will be decide to be reasonable and abide by the assurances it has given to Triple Five, and negotiate in good faith so as to allow Triple Five to obtain its required additional financing without the need for Triple Five to commence an action against CCPF next week.

Our client looks forward to hearing from you.

Yours truly,

**BORDEN LADNER GERVAIS LLP**

By: 

David T. Madsen Q.C.

cc: MLT Aikins LLP  
1500 – 1874 Scarth Street  
Regina, SK S4P 4E9  
Attention: Aaron Runge  
Email: ARunge@mltaikins.com

DAVID T. MADSEN, Q.C.  
T 403-232-9612  
F 403-266-1395  
dmadsen@blg.com  
File No: 441112-000015

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 - 3rd Ave SW  
Calgary, AB, Canada T2P 0R3  
T 403.232.9500  
F 403.266.1395  
blg.com



**VIA EMAIL([arunge@mltaikins.com](mailto:arunge@mltaikins.com))**

July 16, 2019

MLT Aikins  
1500 – 1874 Scarth Street  
Regina, Saskatchewan S4P 4E9

**Attention: Aaron D. Runge**

Dear Sir:

**Re: Amended and Restated Loan Agreement dated March 13, 2019 (the “2019 Credit Agreement”) and Production Payment Agreement dated August 31, 2018 (as amended March 13, 2019) (the “Amended PPA”) between T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd. (“Triple Five” or “T5”) and Crown Capital Partners Funding, LP (“CCPF”)**

Thank you for letter of July 15, 2019 to Mr. Guinan. I note, with interest, that you have simply dismissed the facts referenced in my letter of July 12, 2019 surrounding the promises made by Crown to Triple Five, and have chosen to simply respond with a discussion of a possible early payout amount. It is apparent that your client is underestimating both the seriousness of this matter to Triple Five, and Triple Five’s resolve and willingness to litigate this matter. Can you please advise if you have instructions to accept service of a Statement of Claim on behalf of Crown.

Sincerely

**BORDEN LADNER GERVAIS LLP**

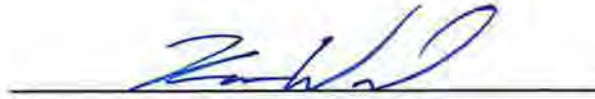
A handwritten signature in blue ink, appearing to read 'David T. Madsen', is written over a horizontal blue line.

DAVID T. MADSEN, Q.C.

/al



THIS IS **EXHIBIT "O"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

## RELEASE

This Release (the "**Release**") is made and entered into by and between T5 SC OIL AND GAS LIMITED PARTNERSHIP, by its general partner, TRIPLE FIVE INTERCONTINENTAL GROUP LTD. (collectively, the "**Borrower**"), TRIPLE FIVE INTERCONTINENTAL GROUP LTD. (the "**General Partner**"), T5 ENERGY PARTNERS LTD., and NADER GHERMEZIAN (together with the Borrower and General Partner, collectively, the "**Releasors**") and CROWN CAPITAL PARTNER FUNDING, LP, by its general partner, CROWN CAPITAL LP PARTNER FUNDING INC. (collectively, "**Crown Capital**"). The Releasors and Crown Capital are collectively referred to herein as the "**Parties**".

**IN CONSIDERATION** for good and valuable consideration, including, but not limited to the provision of a \$7,000,000 advance to be made to the Borrower pursuant to a Second Amended and Restated Loan Agreement dated October 31, 2019 among the Borrower, the General Partner and Crown Capital (the "**SAR Loan Agreement**"), the receipt and sufficiency of which is hereby irrevocably acknowledged by the Releasors, the Releasors hereby expressly and irrevocably warrant, represent, and covenant that the Releasors hereby release, remise, and forever discharge, Crown Capital and, as applicable, each of its respective parents, subsidiaries, related and affiliated entities and each of the respective past, present and future agents, employees, shareholders, officers, directors, partners, and principals and any respective successors, predecessors, insurers, and assigns of Crown Capital (collectively, the "**Crown Capital Parties**") of and from any and all claims, demands, suits, causes of action, liabilities, obligations, judgments, orders, debts, liens, contracts, agreements, covenants and causes of action of every kind and nature, whether known or unknown, vested or contingent, in law or equity, existing by statute, common law, contract or otherwise, which have existed, may exist, or do exist, known or unknown, arising out of or in any way related to or based upon any matter raised in or in any way related to:

- (a) any alleged representation(s), commitment(s), assurance(s), or any other allegation that any of the Crown Capital Parties would provide any of the Releasors with any additional funding or financing whatsoever or in any way facilitate or co-operate with any of the Releasors to obtain any such funding or financing through another lender;
- (b) any allegation or position otherwise taken or advanced by the Releasors that the \$20,000,000 loan advanced by Crown Capital to the Borrower pursuant to the Amended and Restated Loan Agreement dated March 13, 2019 as among the Borrower, the General Partner and Crown Capital, was capable of prepayment prior to March 13, 2020 at the unilateral election of the Borrower;
- (c) the express or implied allegations contained within: (i) the July 9, 2019 correspondence from the Borrower signed by Mr. Ryan Martin and addressed to Tim Oldfield of Crown Capital; and (ii) the July 12, 2019 correspondence from David T. Madsen, Q.C. of Borden Ladner Gervais LLP addressed to Tim Oldfield of Crown Capital; and
- (d) the SAR Loan Agreement and any other Loan Document (as such term is defined in the SAR Loan Agreement), provided that the release in this paragraph (d) shall only relate to matters up to and including the date of this Release (which limitation shall in no way affect the scope of any other Released Matters),

(collectively, the "**Released Matters**").

**AND ALSO KNOW** that the parties hereto hereby acknowledge and agree that:

1. For greater clarity, no provision of this Release shall be construed or shall operate as a release of any claims, demands, suits, causes of action, liabilities, obligations, judgments, orders, debts, liens, contracts, agreements, covenants and causes of action of every kind

and nature, whether known or unknown, vested or contingent, in law or equity, existing by statute, common law, contract or otherwise, which have existed, may exist, or do exist, known or unknown which may be held by the Crown Capital Parties as against the Releasors, relating to the Released Matters, or any other matter.


2. The Releasors hereby agree not to commence any proceedings of any kind or nature whatsoever in any jurisdiction for or in respect of any matter, claim, or liability relating to or arising out of the Released Matters as against any of the Crown Capital Parties, or against any party who may have a right to claim through or against any of the Crown Capital Parties.
3. This Release contains the entire agreement between the Parties respecting the subject matter hereof. The terms and conditions of this Release are contractual and not a mere recital. No part of this Release may be amended except in writing executed by each of the Parties.
4. This Release shall be governed by, and construed in accordance with, the laws of the Province of Alberta, and the federal laws applicable therein.
5. The Releasors hereby represent and warrant that they have received, or had the opportunity to receive, independent legal advice regarding this Release and have been duly informed of the effect of the same upon their legal rights.
6. The terms of this Release are fully understood and are accepted voluntarily, uninfluenced by representations on the part of the Parties or anyone representing the Parties, for the purpose of making a full and final compromise, adjustment, and settlement of all claims resulting from the matters referred to herein.
7. This Release also binds the assigns of each of the Releasors and enures to the benefit of the assigns of the Crown Capital Parties, and wherever the singular number is used in this Release the same shall include the plural where the context is so required.
8. This Release may be executed in counterpart and by electronic means, each of which counterparts so executed shall be deemed to be an original, and such counterparts together shall be deemed to constitute one and the same original Release.

**[Remainder of page left intentionally blank. Execution page to follow.]**



IN WITNESS WHEREOF the Releasors have executed this Release with effect as of the 31<sup>st</sup> day of October, 2019.

T5 SC OIL AND GAS LIMITED PARTNERSHIP  
by its general partner, TRIPLE FIVE  
INTERCONTINENTAL GROUP LTD.

  
Name: David Ghermezian  
Title: President

TRIPLE FIVE INTERCONTINENTAL GROUP  
LTD.

  
Name: David Ghermezian  
Title: President

T5 ENERGY PARTNERS LTD.

  
Name: David Ghermezian  
Title: President

\_\_\_\_\_  
(Witness)  
Print Name:

\_\_\_\_\_  
NADER GHERMEZIAN

IN WITNESS WHEREOF the Releasors have executed this Release with effect as of the 31<sup>st</sup> day of October, 2019.

T5 SC OIL AND GAS LIMITED PARTNERSHIP  
by its general partner, TRIPLE FIVE  
INTERCONTINENTAL GROUP LTD.

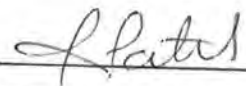
TRIPLE FIVE INTERCONTINENTAL GROUP  
LTD.

  
Name:  
Title:

  
Name:  
Title:

T5 ENERGY PARTNERS LTD.

  
Name:  
Title:

  
(Witness)

Print Name: Rachel Patel

  
NADER GHERMEZIAN

THIS IS **EXHIBIT "P"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**



**COMMITMENT LETTER**

October 18, 2019

Triple Five Intercontinental Group Ltd.  
3600, 700 – 2nd Street SW  
Calgary, Alberta T2P

Attention: Mr. Ryan Martin

We are pleased to provide this Commitment Letter which outlines the terms and conditions upon which Crown Capital Partner Funding, LP. ("CCPF") is prepared to make an investment in T5 SC Oil & Gas Limited Partnership (the "Borrower").

All amounts are expressed in Canadian dollars.

**I. Transaction Terms**

**1. Sources / Uses.**

Source of Funds		Use of Funds <sup>1</sup>	
CCPF Term Loan	\$ 7,000,000	Payment of overdue accounts payable	\$ 4,000,000
		Drilling of development wells	\$ 3,000,000
<b>Total Sources</b>	<b>\$ 7,000,000</b>	<b>Total Uses</b>	<b>\$ 7,000,000</b>

<sup>1</sup>Approximate balances, not including fees and expenses.

**2. Term Loan**

Amount: \$7,000,000 upsize to existing facility

Borrower: T5 SC Oil & Gas Limited Partnership

Guarantors: Triple Five Intercontinental Group Ltd.

Advances: To be advanced upon Closing

Fixed Interest: 10.5% per annum on outstanding amounts, compounded and payable monthly

Maturity: March 13, 2022

Repayment: Principal repayment of \$725,000 per month beginning nine months from closing (September 1<sup>st</sup>, 2020), with a balloon payment of the remaining principal balance at Maturity.

Prepayment: The right to prepay will remain in accordance with section 3.2 of the Amended and Restated Loan Agreement, dated March 13, 2019, other than the table in section 3.2 (b) which is to be replaced with the following table:

Months Following Closing	Prepayment Fee
Months 1 – 7	6%
Months 8 – 19	4%
Months 20 – 29	2%

Production Payment: As consideration for the Term Loan, the Borrower shall grant CCPF a Production Payment equal to 3.0% of the Company's gross sales from all existing wells, and 6% on volumes associated with any future drilling, until March 13, 2022. The Production Payment shall be calculated and payable monthly.

Crown will be provided with a put option that will become exercisable upon full prepayment of the term loan and will remain exercisable for the following 12 months. The value of the Production Payment at the time of exercise will be determined using the following formula:

[Average monthly Production Payment for the six months prior to the exercise date] x [Months remaining until Maturity].

In the event Crown does not exercise its put option, the Production Payment will survive to the Maturity Date.

### 3. Covenants

Covenants are to include:

- a) Current Ratio in excess of 1.0:1.0 at all times (not to be tested until March 31, 2020);
- b) Net Debt to TTM EBITDA Ratio not to exceed 2.5:1;
- c) Net Debt to Proved Reserve Value (utilizing a 10% discount rate) not to exceed 50%;  
and
- d) Alberta Energy Regulator Liability Management Ratio (LLR/LMR) of not less than 2.5 at all times. Subject to review upon changes to regulator methodology.

## II. Other Terms

1. Conditions. Conditions precedent to Closing shall include:

- a) Documented payment terms from key vendors for upcoming drilling program;
- b) Opinion of counsel, satisfactory to CCPF, as to the usual matters including, without limitation, that all documents documenting this financing, are valid, legally binding and enforceable;
- c) Execution, delivery and, where applicable, registration of all legal documentation ("Operative Documents") satisfactory to CCPF and its counsel;
- d) No material adverse changes in the business and affairs of the Borrower in the sole discretion of CCPF;



- e) Satisfaction by CCPF that all material information supplied by the Borrower is neither false nor misleading;
  - f) Satisfaction by CCPF that there exists no material litigation against the Borrower; and
  - g) Such other conditions specific to the transaction and typical of facilities of this type.
2. Fees. \$140,000 is earned by CCPF upon the execution of this Commitment Letter. The Fees will be deducted from the Advance upon Closing and in any event are payable not later than 30 days following the provision of the Commitment Letter by CCPF.
  3. Expenses. Regardless of whether the transaction is completed, the Borrower shall pay all reasonable out-of-pocket expenses of CCPF in respect of the transaction including, without limitation: due diligence, legal, registration and filing fees.
  4. Closing. The parties shall work to close the transaction as soon as reasonably possible with a target close date on or before October 31, 2019.
  5. Confidentiality. The Borrower agrees that the contents of this Commitment Letter are strictly confidential and that there will be no disclosure of this Commitment Letter or the fact that the Borrower and CCPF are having discussions to any third party without the prior written consent of CCPF.
  6. Lapsing Date. The proposal set forth in this Commitment Letter shall expire in the event that it is not signed and returned to CCPF by the close of business on October 21, 2019.

If the foregoing Commitment Letter is acceptable to you, please indicate your approval and acceptance of the terms and conditions by signing and returning to us a copy of this document.

We look forward to working with you.

Yours truly,

CROWN CAPITAL PARTNER FUNDING, LP, by its general partner, CROWN CAPITAL LP PARTNER FUNDING

Per: Brent Hughes

Per: [Signature]

Agreed to and accepted this 18<sup>th</sup> day of October, 2019.

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Per: [Signature]

THIS IS **EXHIBIT "Q"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



\_\_\_\_\_  
A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

Installation: T5INTG

**Aged AP / AR Summary. (Level: Invoice)**  
**Period: 2019-10. Aged from: 2019-10-31. Outstanding Only: Yes. Age by invoice date.**  
**Companies: Beginning to End Account: 6210.**

Company	Acct	Account Description	Invoice	Pay Date	< 31 days	31 to 60 days	61 to 90 days	Over 90 days	Grand Total
<b>1069416 -- 1069416 ALBERTA LTD.</b>									
	6210	AP - TRADE	INV10041	2019-06-21				-259.88	-259.88
	6210	AP - TRADE	INV10042	2019-06-21				-259.88	-259.88
	6210	AP - TRADE	INV10043	2019-06-21				-259.88	-259.88
	6210	AP - TRADE	INV9053	2019-06-21				-17,292.70	-17,292.70
	6210	AP - TRADE	INV9176	2019-06-21				-17,312.53	-17,312.53
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-35,384.87</b>	<b>-35,384.87</b>
<b>1791069 -- 1791069 AB LTD.</b>									
	6210	AP - TRADE	787889	2019-07-08				-1,386.00	-1,386.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,386.00</b>	<b>-1,386.00</b>
<b>2076273 -- 2076273 ALBERTA LTD.</b>									
	6210	AP - TRADE	230	2019-09-04		-9,660.00			-9,660.00
	6210	AP - TRADE	25	2019-06-04				-10,500.00	-10,500.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-9,660.00</b>	<b>0.00</b>	<b>-10,500.00</b>	<b>-20,160.00</b>
<b>664961 -- 664961 ALBERTA LTD.</b>									
	6210	AP - TRADE	19-0010025	2019-05-03				-1,176.00	-1,176.00
	6210	AP - TRADE	19-0010225	2019-06-30				-1,354.50	-1,354.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,530.50</b>	<b>-2,530.50</b>
<b>ACM0001 -- ACME ENERGY MARKETING LTD.</b>									
	6210	AP - TRADE	FTR 0819	2019-09-24		-427.91			-427.91
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-427.91</b>	<b>0.00</b>	<b>0.00</b>	<b>-427.91</b>
<b>ALB0001 -- ALBERTA TUBULAR PRODUCTS LTD</b>									
	6210	AP - TRADE	CI18125410	2018-12-12				-119,484.12	-119,484.12
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-119,484.12</b>	<b>-119,484.12</b>
<b>ALB0002 -- ALBERTA TREATING CHEMICALS LTD</b>									
	6210	AP - TRADE	43238	2019-01-18				-2,916.65	-2,916.65
	6210	AP - TRADE	43605	2019-07-04				-3,656.39	-3,656.39
	6210	AP - TRADE	43661	2019-08-07			-3,656.39		-3,656.39
	6210	AP - TRADE	43691	2019-08-15			-2,437.60		-2,437.60
	6210	AP - TRADE	43692	2019-08-19			-1,458.32		-1,458.32
	6210	AP - TRADE	43693	2019-08-19			-3,904.99		-3,904.99
	6210	AP - TRADE	43748	2019-09-13		-3,656.39			-3,656.39
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-3,656.39</b>	<b>-11,457.30</b>	<b>-6,573.04</b>	<b>-21,686.73</b>
<b>AMG0001 -- A M GEFLE CONSULTING SERVICES</b>									
	6210	AP - TRADE	1342	2019-01-31				-15,120.00	-15,120.00
	6210	AP - TRADE	1343	2019-02-15				-15,120.00	-15,120.00
	6210	AP - TRADE	1344	2019-02-28				-12,600.00	-12,600.00
	6210	AP - TRADE	1345	2019-03-15				-17,640.00	-17,640.00
	6210	AP - TRADE	1346	2019-03-31				-13,860.00	-13,860.00
	6210	AP - TRADE	1347	2019-04-15				-14,880.15	-14,880.15
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-89,220.15</b>	<b>-89,220.15</b>



Triple 5 Intercontinental Group Ltd.

Installation: TSINTG  
**Aged AP / AR Summary. (Level: Invoice)**  
 Period: 2019-10. Aged from: 2019-10-31. Outstanding Only: Yes, Age by invoice date.  
 Companies: Beginning to End Account: 6210.

Company	Acct	Account Description	Invoice	Pay Date	< 31 days	31 to 60 days	61 to 90 days	Over 90 days	Grand Total
<b>ANDY0001 -- ANDY PREFONTAINE</b>									
	6210	AP - TRADE	2019-08	2019-09-30		-2,200.00			-2,200.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-2,200.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,200.00</b>
<b>APT0001 -- APT ENERGY SERVICES LTD.</b>									
	6210	AP - TRADE	10-1215	2019-07-07				-1,812.30	-1,812.30
	6210	AP - TRADE	10-1217	2019-07-07				-467.25	-467.25
	6210	AP - TRADE	10-1221	2019-07-07				-2,332.58	-2,332.58
	6210	AP - TRADE	10-1243	2019-08-10			-1,022.70		-1,022.70
	6210	AP - TRADE	10-1244	2019-08-19			-1,837.50		-1,837.50
	6210	AP - TRADE	4422	2019-06-16				-11,595.15	-11,595.15
	6210	AP - TRADE	4426	2019-07-05				-9,442.13	-9,442.13
	6210	AP - TRADE	4438	2019-07-07				-8,402.63	-8,402.63
	6210	AP - TRADE	4444	2019-08-13			-6,930.00		-6,930.00
	6210	AP - TRADE	4455	2019-08-24			-7,654.50		-7,654.50
	6210	AP - TRADE	4464	2019-08-25			-5,370.75		-5,370.75
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-22,815.45</b>	<b>-34,052.04</b>	<b>-56,867.49</b>
<b>AZT0001 -- AZTEC ENGINEERING INC</b>									
	6210	AP - TRADE	22310	2019-01-31				-20,684.18	-20,684.18
	6210	AP - TRADE	22318	2019-01-31				-21,351.08	-21,351.08
	6210	AP - TRADE	22353	2019-01-31				-4,611.09	-4,611.09
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-46,646.35</b>	<b>-46,646.35</b>
<b>BAI0001 -- BAILEY'S WELDING &amp; CONSTRUCTION INC.</b>									
	6210	AP - TRADE	19483	2019-09-09		-955.50			-955.50
	6210	AP - TRADE	19576	2019-09-27		-1,299.13			-1,299.13
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-2,254.63</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,254.63</b>
<b>BER0001 -- BERNIE LUBLINKHOF WELDING LTD.</b>									
	6210	AP - TRADE	3594	2019-02-04				-4,007.85	-4,007.85
	6210	AP - TRADE	3595	2019-02-26				-4,134.38	-4,134.38
	6210	AP - TRADE	3597	2019-03-27				-22,921.50	-22,921.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-31,063.73</b>	<b>-31,063.73</b>
<b>BIL0001 -- BILL WARD</b>									
	6210	AP - TRADE	017	2019-09-01		-1,890.00			-1,890.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-1,890.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,890.00</b>
<b>BLA0001 -- BLACKSTONE DRILLING FLUIDS LIMITED</b>									
	6210	AP - TRADE	RO-003613	2018-10-17				-324,922.21	-324,922.21
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-324,922.21</b>	<b>-324,922.21</b>
<b>BOR0001 -- BORDEN LADNER,GERVAIS LLP</b>									
	6210	AP - TRADE	697719095	2019-06-06				-4,216.66	-4,216.66
	6210	AP - TRADE	697736860	2019-07-30				-27,307.61	-27,307.61
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-31,524.27</b>	<b>-31,524.27</b>

Triple 5 Intercontinental Group Ltd.

Installation: T5INTG  
**Aged AP / AR Summary. (Level: Invoice)**  
 Period: 2019-10. Aged from: 2019-10-31. Outstanding Only: Yes, Age by invoice date.  
 Companies: Beginning to End Account: 6210.

Company	Acct	Account Description	Invoice	Pay Date	< 31 days	31 to 60 days	61 to 90 days	Over 90 days	Grand Total
<b>BOR0002 -- BONNETT'S ENERGY SERVICES PARTNERSHIP</b>									
	6210	AP - TRADE	PDIN00001372	2018-11-08				-31,596.60	-31,596.60
	6210	AP - TRADE	PDIN00001495	2018-11-30				-34,650.00	-34,650.00
	6210	AP - TRADE	PDIN00002085	2019-03-25				15,798.30	15,798.30
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-50,448.30</b>	<b>-50,448.30</b>
<b>BUF0001 -- BUFFALO INSPECTION SERVICE (2005) INC.</b>									
	6210	AP - TRADE	SI-037281	2019-01-22				-948.68	-948.68
	6210	AP - TRADE	SI-037848	2019-01-31				-800.63	-800.63
	6210	AP - TRADE	SI-038824	2019-03-05				-1,166.55	-1,166.55
	6210	AP - TRADE	SI-038832	2019-02-28				-1,538.88	-1,538.88
	6210	AP - TRADE	SI-039538	2019-03-20				-838.95	-838.95
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,293.69</b>	<b>-5,293.69</b>
<b>CER0001 -- CERTIFIED CONTROLS &amp; MEASUREMENT CORP.</b>									
	6210	AP - TRADE	14355	2019-03-31				-2,922.41	-2,922.41
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,922.41</b>	<b>-2,922.41</b>
<b>CHR0001 -- CHRIS PAGE &amp; ASSOCIATES LTD.</b>									
	6210	AP - TRADE	IN308580	2019-09-26		-9,912.00			-9,912.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-9,912.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-9,912.00</b>
<b>COL0001 -- COLTER ENERGY LP</b>									
	6210	AP - TRADE	2018956	2018-11-20				-34,664.96	-34,664.96
	6210	AP - TRADE	2019068	2019-01-31				-47,040.00	-47,040.00
	6210	AP - TRADE	2019125	2019-02-16				-22,050.00	-22,050.00
	6210	AP - TRADE	2019213	2019-03-19				-41,150.55	-41,150.55
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-144,905.51</b>	<b>-144,905.51</b>
<b>COLI001 -- COLLICUT ENERGY SERVICES</b>									
	6210	AP - TRADE	13787	2019-04-22				-1,963.50	-1,963.50
	6210	AP - TRADE	14148	2019-07-22				-4,770.72	-4,770.72
	6210	AP - TRADE	14349	2019-08-30			-4,770.72		-4,770.72
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-4,770.72</b>	<b>-6,734.22</b>	<b>-11,504.94</b>
<b>COM0005 -- COMPASS ACCESS SOLUTIONS LTD.</b>									
	6210	AP - TRADE	IN004719	2019-01-31				-8,844.68	-8,844.68
	6210	AP - TRADE	IN004720	2019-01-31				-8,816.12	-8,816.12
	6210	AP - TRADE	IN004722	2019-01-16				-8,431.50	-8,431.50
	6210	AP - TRADE	IN004793	2019-02-28				-1,468.53	-1,468.53
	6210	AP - TRADE	IN004794	2019-02-28				-1,468.53	-1,468.53
	6210	AP - TRADE	IN004843	2019-03-05				-8,696.63	-8,696.63
	6210	AP - TRADE	IN004845	2019-03-06				-18,592.88	-18,592.88
	6210	AP - TRADE	IN004847	2019-03-07				-18,936.75	-18,936.75
	6210	AP - TRADE	IN004853	2019-03-15				-1,291.50	-1,291.50
	6210	AP - TRADE	IN004897	2019-03-31				-1,625.87	-1,625.87
	6210	AP - TRADE	IN004898	2019-03-31				-1,625.87	-1,625.87
	6210	AP - TRADE	IN005036	2019-04-30				-1,573.43	-1,573.43
	6210	AP - TRADE	IN005037	2019-04-30				-1,573.43	-1,573.43
	6210	AP - TRADE	IN005101	2019-05-31				-2,285.01	-2,285.01

Triple 5 Intercontinental Group Ltd.

Installation: T5INTG

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<b>COM0005 -- COMPASS ACCESS SOLUTIONS LTD. cont...</b>									
	6210	AP - TRADE	IN005102	2019-05-31				-2,285.01	-2,285.01
	6210	AP - TRADE	IN005240	2019-06-30				-2,211.30	-2,211.30
	6210	AP - TRADE	IN005241	2019-06-30				-2,211.30	-2,211.30
	6210	AP - TRADE	IN005334	2019-07-31				-2,285.01	-2,285.01
	6210	AP - TRADE	IN005335	2019-07-31				-2,285.01	-2,285.01
	6210	AP - TRADE	IN005417	2019-08-31			-2,285.01		-2,285.01
	6210	AP - TRADE	IN005418	2019-08-31			-2,285.01		-2,285.01
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-4,570.02</b>	<b>-96,508.36</b>	<b>-101,078.38</b>
<b>CON0002 -- CONNECT AUTOMATION</b>									
	6210	AP - TRADE	2197	2019-02-13				-40,572.30	-40,572.30
	6210	AP - TRADE	2198	2019-02-13				-11,750.26	-11,750.26
	6210	AP - TRADE	2216	2019-02-28				-10,651.28	-10,651.28
	6210	AP - TRADE	2253	2019-03-25				-11,878.58	-11,878.58
	6210	AP - TRADE	2254	2019-03-25				-20,708.43	-20,708.43
	6210	AP - TRADE	2276	2019-04-04				-7,245.00	-7,245.00
	6210	AP - TRADE	2297	2019-04-18				-19,344.15	-19,344.15
	6210	AP - TRADE	2329	2019-05-18				-1,120.98	-1,120.98
	6210	AP - TRADE	2371	2019-05-31				-8,241.94	-8,241.94
	6210	AP - TRADE	2402	2019-06-20				-9,708.30	-9,708.30
	6210	AP - TRADE	2444	2019-07-25				-19,010.71	-19,010.71
	6210	AP - TRADE	2445	2019-07-25				-1,582.73	-1,582.73
	6210	AP - TRADE	2495	2019-09-24		-758.63			-758.63
	6210	AP - TRADE	2496	2019-09-24		-13,012.83			-13,012.83
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-13,771.46</b>	<b>0.00</b>	<b>-161,814.66</b>	<b>-175,586.12</b>
<b>CON0003 -- CONNATE WATER SOLUTIONS (1867927 AB LTD)</b>									
	6210	AP - TRADE	1164	2019-06-03				-8,141.14	-8,141.14
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-8,141.14</b>	<b>-8,141.14</b>
<b>D&amp;J0001 -- D&amp;J ENTERPRISES &amp; MAINTENANCE LTD.</b>									
	6210	AP - TRADE	1396	2019-08-22			-1,155.00		-1,155.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-1,155.00</b>	<b>0.00</b>	<b>-1,155.00</b>
<b>DDR0002 -- DDR STEAM PRESSURE WASHING</b>									
	6210	AP - TRADE	19-0010515	2019-09-30			-1,580.25		-1,580.25
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-1,580.25</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,580.25</b>
<b>DEL0001 -- DELOITTE LLP</b>									
	6210	AP - TRADE	8000622075	2019-06-03				-2,441.25	-2,441.25
	6210	AP - TRADE	8000659424	2019-07-02				-2,441.25	-2,441.25
	6210	AP - TRADE	8000754322	2019-09-04			-2,441.25		-2,441.25
	6210	AP - TRADE	8000754347	2019-09-04			-2,441.25		-2,441.25
	6210	AP - TRADE	8000798698	2019-10-02	-2,441.25				-2,441.25
			<b>***Company Totals:</b>		<b>-2,441.25</b>	<b>-4,882.50</b>	<b>0.00</b>	<b>-4,882.50</b>	<b>-12,206.25</b>

Installation: TSINTG

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DEN0002 --		<b>DENTONS CANADA LLP</b>							
	6210	AP - TRADE	3443730	2019-07-31				-1,765.05	-1,765.05
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,765.05</b>	<b>-1,765.05</b>
DIA0001 --		<b>DIAMOND J INDUSTRIES LTD</b>							
	6210	AP - TRADE	55165	2019-03-25				-3,129.00	-3,129.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3,129.00</b>	<b>-3,129.00</b>
DLA0001 --		<b>DLA PIPER (CANADA) LLP</b>							
	6210	AP - TRADE	1888087	2019-08-30			-5,136.34		-5,136.34
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-5,136.34</b>	<b>0.00</b>	<b>-5,136.34</b>
DOM0001 --		<b>DOMES OILFIELD TRANSPORTATION INC.</b>							
	6210	AP - TRADE	00458	2019-02-28				-4,410.00	-4,410.00
	6210	AP - TRADE	00476	2019-03-15				-4,299.75	-4,299.75
	6210	AP - TRADE	00477	2019-03-19				-5,362.88	-5,362.88
	6210	AP - TRADE	00498	2019-03-31				-4,966.50	-4,966.50
	6210	AP - TRADE	00517	2019-04-30				-2,835.00	-2,835.00
	6210	AP - TRADE	00557	2019-05-31				-2,929.50	-2,929.50
	6210	AP - TRADE	00558	2019-06-30				-2,835.00	-2,835.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-27,638.63</b>	<b>-27,638.63</b>
DOW0001 --		<b>DOWNTON'S TRANSPORT LTD.</b>							
	6210	AP - TRADE	3-009824	2019-03-18				-4,389.00	-4,389.00
	6210	AP - TRADE	3-009825	2019-03-19				-4,788.00	-4,788.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-9,177.00</b>	<b>-9,177.00</b>
ECL0001 --		<b>ECLIPSE E-LINE SERVICES INC.</b>							
	6210	AP - TRADE	1903	2018-12-21				-16,613.63	-16,613.63
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16,613.63</b>	<b>-16,613.63</b>
ELD0001 --		<b>ELDORADO PRESSURE SERVICES LTD</b>							
	6210	AP - TRADE	88684	2019-02-16				-9,402.75	-9,402.75
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-9,402.75</b>	<b>-9,402.75</b>
ENE0005 --		<b>ENERCORP SAND SOLUTIONS</b>							
	6210	AP - TRADE	019489	2019-06-03				-18,900.00	-18,900.00
	6210	AP - TRADE	019555	2019-07-02				-18,900.00	-18,900.00
	6210	AP - TRADE	019609	2019-08-01				-18,900.00	-18,900.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-56,700.00</b>	<b>-56,700.00</b>
ENE0006 --		<b>ENERFLEX LTD.</b>							
	6210	AP - TRADE	90245513	2019-04-25				-5,250.05	-5,250.05
	6210	AP - TRADE	90249707/9379	2019-06-10				-20,733.13	-20,733.13
	6210	AP - TRADE	90253854/3719	2019-08-01				-20,733.13	-20,733.13
	6210	AP - TRADE	90254874	2019-07-17				-43,581.97	-43,581.97
	6210	AP - TRADE	90258294/8341	2019-08-12			-20,733.13		-20,733.13
	6210	AP - TRADE	90262502/2531	2019-10-09	-20,733.13				-20,733.13
			<b>***Company Totals:</b>		<b>-20,733.13</b>	<b>0.00</b>	<b>-20,733.13</b>	<b>-90,298.28</b>	<b>-131,764.54</b>

Installation: TSINTG

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<b>ENV0001 -- ENVISION MANUFACTURING &amp; SUPPLY LTD.</b>									
	6210	AP - TRADE	19046	2019-05-05				-12,180.00	-12,180.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-12,180.00</b>	<b>-12,180.00</b>
<b>EVER0001 -- EVERGREEN ENERGY TANK RENTALS LTD.</b>									
	6210	AP - TRADE	RD21360C	2019-01-07				-6,032.25	-6,032.25
	6210	AP - TRADE	RD21421C	2019-02-07				-1,627.50	-1,627.50
	6210	AP - TRADE	RD21640C	2019-03-11				-3,039.75	-3,039.75
	6210	AP - TRADE	RD21812C	2019-04-11				-3,420.38	-3,420.38
	6210	AP - TRADE	RD21931C	2019-05-12				-1,627.50	-1,627.50
	6210	AP - TRADE	RD22013C	2019-06-12				-1,627.50	-1,627.50
	6210	AP - TRADE	RD22109C	2019-07-12				-1,575.00	-1,575.00
	6210	AP - TRADE	RD22237C	2019-08-12			-1,627.50	-1,627.50	-1,627.50
	6210	AP - TRADE	RD22345C	2019-08-12			-1,627.50	-1,627.50	-1,627.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-3,255.00</b>	<b>-18,949.88</b>	<b>-22,204.88</b>
<b>FOU0001 -- FOUR DIRECTIONS LAND</b>									
	6210	AP - TRADE	18-0010E	2019-07-30				-283.50	-283.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-283.50</b>	<b>-283.50</b>
<b>GAR0001 -- GARNET'S OILFIELD TRUCKING INC.</b>									
	6210	AP - TRADE	8774	2019-07-03				-3,331.13	-3,331.13
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3,331.13</b>	<b>-3,331.13</b>
<b>GOR0001 -- GORD'S CONTRACT OPERATING LTD.</b>									
	6210	AP - TRADE	006-19	2019-02-28				-18,900.00	-18,900.00
	6210	AP - TRADE	008-19	2019-08-31			-1,260.00	-1,260.00	-1,260.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-1,260.00</b>	<b>-18,900.00</b>	<b>-20,160.00</b>
<b>GOV0002 -- GOVERNMENT OF ALBERTA</b>									
	6210	AP - TRADE	072019CROWNROY	2019-10-30	-1,059.95				-1,059.95
			<b>***Company Totals:</b>		<b>-1,059.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,059.95</b>
<b>GOW0001 -- GOWLING WLG (CANADA) LLP</b>									
	6210	AP - TRADE	19143473	2019-04-30				-441.00	-441.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-441.00</b>	<b>-441.00</b>
<b>HEL0002 -- HELLBOUND SERVICES CORP</b>									
	6210	AP - TRADE	39494	2019-01-30				-4,082.40	-4,082.40
	6210	AP - TRADE	39611	2019-02-28				-1,692.60	-1,692.60
	6210	AP - TRADE	39612	2019-02-28				-1,012.20	-1,012.20
	6210	AP - TRADE	39613	2019-02-28				-4,056.15	-4,056.15
	6210	AP - TRADE	39705	2019-03-28				-1,360.80	-1,360.80
	6210	AP - TRADE	39706	2019-03-28				-2,362.50	-2,362.50
	6210	AP - TRADE	39707	2019-03-28				-2,469.60	-2,469.60
	6210	AP - TRADE	39735	2019-03-31				-1,890.00	-1,890.00
	6210	AP - TRADE	39909	2019-05-17				-1,824.90	-1,824.90
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-20,751.15</b>	<b>-20,751.15</b>

Triple 5 Intercontinental Group Ltd.

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<b>HIF0001 -- HI-FLO OILFIELD SERVICES LTD.</b>									
	6210	AP - TRADE	34786	2019-03-26				-894.60	-894.60
	6210	AP - TRADE	34831	2019-03-04				-1,266.30	-1,266.30
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,160.90</b>	<b>-2,160.90</b>
<b>HIG0002 -- HIGH COUNTRY OILFIELD TRANSPORTATION INC.</b>									
	6210	AP - TRADE	00574	2019-07-31				-2,929.50	-2,929.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,929.50</b>	<b>-2,929.50</b>
<b>HOR0002 -- HORIZON DRILLING</b>									
	6210	AP - TRADE	INV0014747	2019-05-21				-12,705.75	-12,705.75
	6210	AP - TRADE	INV0014823	2019-06-10				-11,707.05	-11,707.05
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-24,412.80</b>	<b>-24,412.80</b>
<b>KAR0001 -- KARIBU INDUSTRIES LTD</b>									
	6210	AP - TRADE	8780	2019-06-27				-1,624.35	-1,624.35
	6210	AP - TRADE	8781	2019-06-28				-1,825.95	-1,825.95
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-3,450.30</b>	<b>-3,450.30</b>
<b>KLA0001 -- KLASSEN'S MECHANICAL OILFIELD MAINTENANCE LTD.</b>									
	6210	AP - TRADE	5390	2019-06-15				-5,173.63	-5,173.63
	6210	AP - TRADE	5391	2019-06-15				-1,391.96	-1,391.96
	6210	AP - TRADE	5392	2019-06-15				-1,378.90	-1,378.90
	6210	AP - TRADE	5403	2019-06-30				-974.30	-974.30
	6210	AP - TRADE	5404	2019-06-30				-23,915.14	-23,915.14
	6210	AP - TRADE	5405	2019-06-30				-772.52	-772.52
	6210	AP - TRADE	5414	2019-07-15				-5,317.15	-5,317.15
	6210	AP - TRADE	5415	2019-07-15				-1,466.55	-1,466.55
	6210	AP - TRADE	5422	2019-07-31				-553.88	-553.88
	6210	AP - TRADE	5427	2019-08-15			-5,077.71	-5,077.71	-5,077.71
	6210	AP - TRADE	5428	2019-08-15			-2,442.78	-2,442.78	-2,442.78
	6210	AP - TRADE	5429	2019-08-15			-658.88	-658.88	-658.88
	6210	AP - TRADE	5437	2019-08-31			-868.88	-868.88	-868.88
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-9,048.25</b>	<b>-40,944.03</b>	<b>-49,992.28</b>
<b>LIP0001 -- LIPSEY OILFIELD SERVICES LTD.</b>									
	6210	AP - TRADE	12601	2019-02-28				-4,349.63	-4,349.63
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-4,349.63</b>	<b>-4,349.63</b>
<b>LON0001 -- LONGHORN OILFIELD SERVICES</b>									
	6210	AP - TRADE	28264	2019-01-07				-19,761.00	-19,761.00
	6210	AP - TRADE	28312	2019-01-11				-9,094.58	-9,094.58
	6210	AP - TRADE	28381	2019-01-28				-3,123.75	-3,123.75
	6210	AP - TRADE	28548	2019-02-11				-2,572.50	-2,572.50
	6210	AP - TRADE	28657	2019-02-25				-2,572.50	-2,572.50
	6210	AP - TRADE	28781	2019-03-11				-2,572.50	-2,572.50
	6210	AP - TRADE	28815	2019-03-15				-1,391.46	-1,391.46
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-41,088.29</b>	<b>-41,088.29</b>

Triple 5 Intercontinental Group Ltd.

Installation: TSINTG

**Aged AP / AR Summary. (Level: Invoice)**  
 Period: 2019-10. Aged from: 2019-10-31. Outstanding Only: Yes. Age by invoice date.  
 Companies: Beginning to End Account: 6210.

Company	Acct	Account Description	Invoice	Pay Date	< 31 days	31 to 60 days	61 to 90 days	Over 90 days	Grand Total
<b>LON0003 -- LONQUIST &amp; CO. CANADA, ULC</b>									
	6210	AP - TRADE	38	2019-03-25				-9,646.88	-9,646.88
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-9,646.88</b>	<b>-9,646.88</b>
<b>MAX0001 -- MAXXAM ANALYTICS, C/O CH 3047</b>									
	6210	AP - TRADE	P1224732	2019-04-02				-2,505.30	-2,505.30
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,505.30</b>	<b>-2,505.30</b>
<b>MCM0001 -- MCMEEKIN RESOURCES LTD</b>									
	6210	AP - TRADE	201902-0008	2019-02-19				-6,432.30	-6,432.30
	6210	AP - TRADE	201902-0011	2019-02-25				-9,433.20	-9,433.20
	6210	AP - TRADE	201902-0012	2019-02-27				-1,507.80	-1,507.80
	6210	AP - TRADE	201908-0042	2019-08-20			-1,739.85	-1,739.85	-1,739.85
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-1,739.85</b>	<b>-17,373.30</b>	<b>-19,113.15</b>
<b>MLT0001 -- MLT AIKINS</b>									
	6210	AP - TRADE	6004353	2019-12-19	-239.07				-239.07
	6210	AP - TRADE	6004353R	2019-04-01				239.07	239.07
	6210	AP - TRADE	6056368	2019-08-06			-4,270.77		-4,270.77
			<b>***Company Totals:</b>		<b>-239.07</b>	<b>0.00</b>	<b>-4,270.77</b>	<b>239.07</b>	<b>-4,270.77</b>
<b>MNP0001 -- MNP LLP</b>									
	6210	AP - TRADE	2018AUDITACCR	2018-12-31				-13,000.00	-13,000.00
	6210	AP - TRADE	8762513	2019-04-09				-3,537.50	-3,537.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16,537.50</b>	<b>-16,537.50</b>
<b>MPI0001 -- MARMIT PLASTICS INC.</b>									
	6210	AP - TRADE	39846	2018-12-20				-16,305.89	-16,305.89
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-16,305.89</b>	<b>-16,305.89</b>
<b>MRC0001 -- MRC GLOBAL (CANADA) ULC</b>									
	6210	AP - TRADE	5396006001	2019-04-12				-2,024.84	-2,024.84
	6210	AP - TRADE	5553668001	2019-07-17				-128.81	-128.81
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-2,153.65</b>	<b>-2,153.65</b>
<b>NEX0001 -- NEXSOURCE POWER ELECTRIC &amp; CONTROLS INC.</b>									
	6210	AP - TRADE	12326	2019-04-05				-1,308.75	-1,308.75
	6210	AP - TRADE	12373	2019-05-29				-3,352.65	-3,352.65
	6210	AP - TRADE	12950	2019-09-10		-4,250.19			-4,250.19
	6210	AP - TRADE	36162	2019-01-02				-1,307.89	-1,307.89
	6210	AP - TRADE	36274	2018-12-29				-1,177.05	-1,177.05
	6210	AP - TRADE	36275	2018-12-28				-23,168.71	-23,168.71
	6210	AP - TRADE	36563	2019-01-03				-5,062.05	-5,062.05
	6210	AP - TRADE	36564	2019-01-03				-2,552.88	-2,552.88
	6210	AP - TRADE	36565	2019-01-04				-6,320.67	-6,320.67
	6210	AP - TRADE	36844	2019-01-11				-5,722.44	-5,722.44
	6210	AP - TRADE	36845	2019-01-04				-1,038.19	-1,038.19
	6210	AP - TRADE	36846	2019-01-14				-9,837.21	-9,837.21
	6210	AP - TRADE	36847	2019-01-16				-6,663.44	-6,663.44
	6210	AP - TRADE	36848	2019-01-10				-3,779.86	-3,779.86

Installation: T5INTG

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NEX0001	-	NEXSOURCE POWER ELECTRIC & CONTROLS INC. cont...							
	6210	AP - TRADE	36849	2019-01-18				-14,911.68	-14,911.68
	6210	AP - TRADE	36850	2019-01-24				-27,228.80	-27,228.80
	6210	AP - TRADE	36895	2019-01-22				-348.59	-348.59
	6210	AP - TRADE	36896	2019-01-23				-28,827.77	-28,827.77
	6210	AP - TRADE	36941	2019-01-04				-442.54	-442.54
	6210	AP - TRADE	37393	2019-01-29				-2,180.65	-2,180.65
	6210	AP - TRADE	37394	2019-01-31				-4,566.63	-4,566.63
	6210	AP - TRADE	37395	2019-02-05				-2,450.68	-2,450.68
	6210	AP - TRADE	37396	2019-02-05				-7,725.98	-7,725.98
	6210	AP - TRADE	37397	2019-01-24				-11,738.45	-11,738.45
	6210	AP - TRADE	37398	2019-01-28				-7,500.34	-7,500.34
	6210	AP - TRADE	37399	2019-01-31				-33,826.86	-33,826.86
	6210	AP - TRADE	37659	2019-02-08				-20,666.13	-20,666.13
	6210	AP - TRADE	37660	2019-02-14				-20,376.30	-20,376.30
	6210	AP - TRADE	37811	2019-02-26				-2,612.77	-2,612.77
	6210	AP - TRADE	37812	2019-02-21				-6,744.93	-6,744.93
	6210	AP - TRADE	37813	2019-02-26				-30,073.53	-30,073.53
	6210	AP - TRADE	38003	2019-02-27				-972.07	-972.07
	6210	AP - TRADE	38004	2019-02-28				-180.23	-180.23
	6210	AP - TRADE	38005	2019-02-28				-21,751.59	-21,751.59
	6210	AP - TRADE	38006	2019-02-21				-19,635.37	-19,635.37
	6210	AP - TRADE	38007	2019-02-28				-21,447.30	-21,447.30
	6210	AP - TRADE	38008	2019-03-01				-6,327.30	-6,327.30
	6210	AP - TRADE	38107	2019-02-28				-6,892.40	-6,892.40
	6210	AP - TRADE	38205	2019-01-21				-4,035.99	-4,035.99
	6210	AP - TRADE	38206	2019-03-11				-2,075.96	-2,075.96
	6210	AP - TRADE	38331	2019-03-15				-33,613.23	-33,613.23
	6210	AP - TRADE	38502	2019-03-20				-554.40	-554.40
	6210	AP - TRADE	38503	2019-03-18				-9,575.66	-9,575.66
	6210	AP - TRADE	38504	2019-03-26				-22,975.32	-22,975.32
	6210	AP - TRADE	38582	2019-03-29				-32,258.67	-32,258.67
	6210	AP - TRADE	38608	2019-03-29				-1,468.85	-1,468.85
	6210	AP - TRADE	38609	2019-04-01				-4,518.99	-4,518.99
	6210	AP - TRADE	38652	2019-03-27				-5,752.96	-5,752.96
	6210	AP - TRADE	38653	2019-04-04				-2,360.12	-2,360.12
	6210	AP - TRADE	38723	2019-04-10				-4,356.90	-4,356.90
	6210	AP - TRADE	38787	2019-04-11				-25,874.26	-25,874.26
	6210	AP - TRADE	38950	2019-04-08				-474.47	-474.47
	6210	AP - TRADE	38951	2019-04-15				-2,212.52	-2,212.52
	6210	AP - TRADE	38952	2019-04-16				-1,864.31	-1,864.31
	6210	AP - TRADE	39127	2019-04-12				-777.84	-777.84
	6210	AP - TRADE	39128	2019-03-01				-1,203.30	-1,203.30
	6210	AP - TRADE	39230	2019-04-30				-3,389.40	-3,389.40
	6210	AP - TRADE	39231	2019-05-06				-1,272.60	-1,272.60
	6210	AP - TRADE	39583	2019-05-27				-486.15	-486.15
	6210	AP - TRADE	39791	2019-05-29				-12,990.18	-12,990.18
	6210	AP - TRADE	39792	2019-06-05				-155.93	-155.93
	6210	AP - TRADE	40430	2019-05-28				-853.34	-853.34
	6210	AP - TRADE	40431	2019-06-13				-1,387.88	-1,387.88



Triple 5 Intercontinental Group Ltd.

Installation: T5INTG  
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<b>NEX0001 -- NEXSOURCE POWER ELECTRIC &amp; CONTROLS INC. cont...</b>									
	6210	AP - TRADE	40584	2019-07-03				-972.30	-972.30
	6210	AP - TRADE	40740	2019-07-23				-777.84	-777.84
	6210	AP - TRADE	41065	2019-07-26				-520.28	-520.28
	6210	AP - TRADE	41075	2019-08-30			-583.38		-583.38
	6210	AP - TRADE	41076	2019-08-30			-5,929.35		-5,929.35
	6210	AP - TRADE	41077	2019-09-05		-4,143.81			-4,143.81
	6210	AP - TRADE	41233	2019-09-12		-1,348.81			-1,348.81
	6210	AP - TRADE	41421	2019-09-20		-6,585.89			-6,585.89
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-16,328.70</b>	<b>-6,512.73</b>	<b>-549,480.33</b>	<b>-572,321.76</b>
<b>OCH0001 -- O'CHIESE FIRST NATION</b>									
	6210	AP - TRADE	1902-TF010	2019-02-20				-785.00	-785.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-785.00</b>	<b>-785.00</b>
<b>OCH0002 -- O'CHIESE SAFETY SERVICES PARTNERSHIP</b>									
	6210	AP - TRADE	OSS18220	2019-01-01				-4,887.75	-4,887.75
	6210	AP - TRADE	OSS18226	2019-01-01				-6,982.50	-6,982.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-11,870.25</b>	<b>-11,870.25</b>
<b>PET0003 -- PETROSIGHT INC.</b>									
	6210	AP - TRADE	19-0630R	2019-04-01				1,102.50	1,102.50
	6210	AP - TRADE	19-0693	2019-01-01				-5,250.00	-5,250.00
	6210	AP - TRADE	19-1219	2019-03-15				-813.75	-813.75
	6210	AP - TRADE	19-1391	2019-04-15				-78.75	-78.75
	6210	AP - TRADE	19-1548	2019-05-15				-26.25	-26.25
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,066.25</b>	<b>-5,066.25</b>
<b>ROC0002 -- ROCKY MOUNTAIN VALVE SERVICES LTD.</b>									
	6210	AP - TRADE	308284	2019-01-24				-8,555.99	-8,555.99
	6210	AP - TRADE	308314	2019-01-31				-943.38	-943.38
	6210	AP - TRADE	308315	2019-01-31				-876.12	-876.12
	6210	AP - TRADE	308352	2019-02-28				-2,141.86	-2,141.86
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-12,517.35</b>	<b>-12,517.35</b>
<b>SAY0001 -- SAYER ENERGY ADVISORS</b>									
	6210	AP - TRADE	S01874	2019-05-24				-5,250.00	-5,250.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,250.00</b>	<b>-5,250.00</b>
<b>SEC0001 -- SECURE ENERGY SERVICES INC</b>									
	6210	AP - TRADE	ROFST566603	2019-07-15				-4,805.64	-4,805.64
	6210	AP - TRADE	ROFST572315	2019-08-14			-3,747.98		-3,747.98
	6210	AP - TRADE	ROFST578365	2019-09-16		-4,635.12			-4,635.12
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-4,635.12</b>	<b>-3,747.98</b>	<b>-4,805.64</b>	<b>-13,188.74</b>
<b>SPR0001 -- SPROULE ASSOCIATES LTD</b>									
	6210	AP - TRADE	22831	2019-05-20				-20,541.15	-20,541.15
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-20,541.15</b>	<b>-20,541.15</b>

Triple 5 Intercontinental Group Ltd.

Installation: TSINTG  
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<b>SUN0002 -- SUNCHILD FIRST NATION</b>									
	6210	AP - TRADE	141218	2018-12-14				-14,175.00	-14,175.00
	6210	AP - TRADE	211218	2018-12-14				-19,425.00	-19,425.00
	6210	AP - TRADE	TLU001593	2018-12-04				-4,200.00	-4,200.00
	6210	AP - TRADE	TLU001626	2019-01-25				-4,200.00	-4,200.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-42,000.00</b>	<b>-42,000.00</b>
<b>SW0001 -- SW ENERGY FRONTIERS</b>									
	6210	AP - TRADE	6	2019-02-14				-6,699.00	-6,699.00
	6210	AP - TRADE	7	2019-02-27				-8,316.00	-8,316.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-15,015.00</b>	<b>-15,015.00</b>
<b>SYN0001 -- SYNERGY WELL SERVICING LTD.</b>									
	6210	AP - TRADE	R0032	2019-06-07				-2,572.50	-2,572.50
	6210	AP - TRADE	R0033	2019-06-07				-2,572.50	-2,572.50
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,145.00</b>	<b>-5,145.00</b>
<b>TAQ0001 -- TAQA NORTH LTD</b>									
	6210	AP - TRADE	RU00021234	2019-08-14			-924.00		-924.00
	6210	AP - TRADE	RU00021375	2019-09-19		-924.00			-924.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-924.00</b>	<b>-924.00</b>	<b>0.00</b>	<b>-1,848.00</b>
<b>TEN0001 -- TENARIS GLOBAL SERVICES CANADA INC.</b>									
	6210	AP - TRADE	000111838	2018-08-28				-220,938.82	-220,938.82
	6210	AP - TRADE	000120129	2019-04-09				-7,392.00	-7,392.00
	6210	AP - TRADE	000120266	2019-04-12				14,933.04	14,933.04
	6210	AP - TRADE	000120439	2019-04-17				1,506.71	1,506.71
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-211,891.07</b>	<b>-211,891.07</b>
<b>TER0001 -- TERVITA CORPORATION</b>									
	6210	AP - TRADE	20052000944	2019-05-14				-688.28	-688.28
	6210	AP - TRADE	20052000945	2019-05-14				-24.47	-24.47
	6210	AP - TRADE	20052000967	2019-05-14				-608.27	-608.27
	6210	AP - TRADE	20052001251	2019-06-10				-148.94	-148.94
	6210	AP - TRADE	20052001710	2019-07-30				-223.91	-223.91
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-1,693.87</b>	<b>-1,693.87</b>
<b>THE0002 -- THE SAFETY DEPOT</b>									
	6210	AP - TRADE	171003	2019-08-13			-293.90		-293.90
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>-293.90</b>	<b>0.00</b>	<b>-293.90</b>
<b>TOT0001 -- TOTAL OILFIELD RENTALS LP</b>									
	6210	AP - TRADE	DV341088	2019-09-26		-11,529.00			-11,529.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-11,529.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-11,529.00</b>
<b>TRI0001 -- TRICAN WELL SERVICE LTD.</b>									
	6210	AP - TRADE	FR-2001738-01	2018-10-31				-125,809.44	-125,809.44
	6210	AP - TRADE	FR-2001739-01	2018-10-31				-153,929.00	-153,929.00
	6210	AP - TRADE	FR-2001754-01	2018-10-31				-179,475.23	-179,475.23
	6210	AP - TRADE	FR-2001755-01	2018-10-31				-168,676.78	-168,676.78

Triple 5 Intercontinental Group Ltd.

Installation: T5INTG

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<b>TRI0001 - TRICAN WELL SERVICE LTD. cont...</b>									
	6210	AP - TRADE	FR-2001765-01	2018-11-07				-118,000.07	-118,000.07
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-745,890.52</b>	<b>-745,890.52</b>
<b>TRI0004 - TRIPLE FIVE LIMITED</b>									
	6210	AP - TRADE	2-390-49108	2019-06-04				-61.02	-61.02
	6210	AP - TRADE	2-393-72300	2019-07-04				-91.27	-91.27
	6210	AP - TRADE	2-397-29248	2019-08-06			-90.18		-90.18
	6210	AP - TRADE	2-400-37392	2019-09-04		-28.28			-28.28
	6210	AP - TRADE	AX2002JULY29	2019-08-21			-318.47		-318.47
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-28.28</b>	<b>-408.65</b>	<b>-152.29</b>	<b>-589.22</b>
<b>TYC0001 - TY-CO INDUSTRIES LTD</b>									
	6210	AP - TRADE	3133	2019-06-30				-12,045.60	-12,045.60
	6210	AP - TRADE	3140	2019-07-31				-12,045.60	-12,045.60
	6210	AP - TRADE	3147	2019-08-31			-12,045.60		-12,045.60
	6210	AP - TRADE	3154	2019-09-30		-12,045.60			-12,045.60
			<b>***Company Totals:</b>		<b>0.00</b>	<b>-12,045.60</b>	<b>-12,045.60</b>	<b>-24,091.20</b>	<b>-48,182.40</b>
<b>VER0003 - VERSATILE ENERGY SERVICES LTD.</b>									
	6210	AP - TRADE	19-0001-A	2019-01-31				-39,548.25	-39,548.25
	6210	AP - TRADE	19-0001-B	2019-03-01				-36,750.00	-36,750.00
	6210	AP - TRADE	19-0001-C	2019-03-31				-21,000.00	-21,000.00
	6210	AP - TRADE	19-0001-D	2019-04-30				-21,000.00	-21,000.00
	6210	AP - TRADE	19-0001-E	2019-05-31				-21,000.00	-21,000.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-139,298.25</b>	<b>-139,298.25</b>
<b>WEI0001 - WEIR SEABOARD OIL &amp; GAS</b>									
	6210	AP - TRADE	IN000019026	2018-10-17				-19,090.48	-19,090.48
	6210	AP - TRADE	IN000019027	2018-10-17				-19,090.48	-19,090.48
	6210	AP - TRADE	IN000019053	2018-10-19				-5,809.13	-5,809.13
	6210	AP - TRADE	IN000019054	2018-10-19				-5,964.00	-5,964.00
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-49,954.09</b>	<b>-49,954.09</b>
<b>WEY0001 - WEYERHAEUSER</b>									
	6210	AP - TRADE	PR0010045	2019-01-14				-920.90	-920.90
	6210	AP - TRADE	PR0010046	2019-01-14				-5,632.20	-5,632.20
	6210	AP - TRADE	PR0010063	2019-03-27				-861.87	-861.87
	6210	AP - TRADE	PR0010107	2019-03-27				-1,299.88	-1,299.88
	6210	AP - TRADE	PR0010155	2019-03-27				-1,299.88	-1,299.88
	6210	AP - TRADE	PR0010257	2019-05-28				-1,271.62	-1,271.62
	6210	AP - TRADE	PR0010340	2019-07-30				-1,285.75	-1,285.75
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-12,572.10</b>	<b>-12,572.10</b>
<b>WPW0001 - WPW PIPELINE AND FACILITY CONSTRUCTION</b>									
	6210	AP - TRADE	52450	2019-01-04				-75,045.50	-75,045.50
	6210	AP - TRADE	52452R	2019-01-16				-422,088.03	-422,088.03
	6210	AP - TRADE	53410	2019-04-05				-140,746.20	-140,746.20
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-637,879.73</b>	<b>-637,879.73</b>

Triple 5 Intercontinental Group Ltd.

Installation: TSINTG

**Aged AP / AR Summary. (Level: Invoice)**  
 Period: 2019-10. Aged from: 2019-10-31. Outstanding Only: Yes, Age by invoice date.  
 Companies: Beginning to End Account: 6210.

Company	Acct	Account Description	Invoice	Pay Date	< 31 days	31 to 60 days	61 to 90 days	Over 90 days	Grand Total
<b>WRA0001 -- WRAPEX INDUSTRIAL SERVICES INCORPORATED</b>									
	6210	AP - TRADE	6633800401	2019-03-26				-15,146.59	-15,146.59
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-15,146.59</b>	<b>-15,146.59</b>
<b>WSP0002 -- WSP CANADA</b>									
	6210	AP - TRADE	0804343	2019-01-03				-5,791.62	-5,791.62
			<b>***Company Totals:</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>-5,791.62</b>	<b>-5,791.62</b>
			<b>****Grand Total:</b>		<b>-24,473.40</b>	<b>-95,725.84</b>	<b>-114,144.69</b>	<b>-4,204,955.27</b>	<b>-4,439,299.20</b>

THIS IS CONFIDENTIAL EXHIBIT "R"  
TO THE AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read "Kaitlin H. Ward", is written above a solid horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

THIS IS CONFIDENTIAL EXHIBIT "S"  
TO THE AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

THIS IS EXHIBIT "T" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read "Kaitlin H. Ward", is written over a solid black horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**



August 18, 2020

**VIA EMAIL**

T5 SC Oil and Gas Limited Partnership  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 2W3  
Attention: Ryan Martin  
Email: ryan.martin@petroworldenergy.com

Triple Five Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, AB T2P 2W3  
Email: ryan.martin@petroworldenergy.com

T5 Energy Partners Ltd.  
3000, 8882 170 Street  
Edmonton, AB T5T 4M2  
Attention: David Ghermezian  
Email: David@triplefive.com

Dear Sirs:

**Re: Events of Default Under Loan Agreement**

We refer to the second amended and restated loan agreement dated October 31, 2019 (as amended, restated, supplemented or otherwise modified to the date hereof, the "**Loan Agreement**") between Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**we**" or the "**Lender**"), as lender, and T5 SC Oil and Gas Limited Partnership, as borrower (the "**Borrower**"), and guaranteed by Triple Five Intercontinental Group Ltd. (the "**General Partner**", together with the Borrower, the "**Obligors**") pursuant to a guarantee and indemnity agreement dated August 31, 2018, and guaranteed by each of T5 Energy Partners Ltd. and Nader Ghermezian (collectively, the "**LR Guarantors**") pursuant to limited recourse guarantee and indemnity agreements each dated August 31, 2018. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Loan Agreement.

This letter constitutes formal notice that certain Events of Default have occurred and are continuing under the Loan Agreement including, without limitation, the following Events of Default (*which is not intended to be an exhaustive list*):

- (a) the Borrower has failed to maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 in accordance with Section 9.1(y)(i) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement; and
- (b) the Borrower has failed to maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at March 31, 2020 in accordance with Section 9.1(y)(ii) of the Loan



Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement,

(collectively, the "**Specified Defaults**").

The Lender has not, and shall not be deemed to have, waived the Specified Defaults, or any Event of Default or Pending Event of Default that has now or may in the future occur under the Loan Agreement or other Loan Documents. The Lender hereby provides notice to the Obligors and LR Guarantors that the Lender reserves its right at any time to exercise any rights, remedies, powers and privileges afforded by law or under the Loan Agreement and the other Loan Documents with respect to the Specified Defaults. The Lender hereby reserves all of its rights, remedies, powers and privileges afforded by law or under the Loan Agreement and the other Loan Documents with respect to any other Event of Default or Pending Event of Default which may have occurred on or prior to the date hereof.

The Loan Documents provide for certain privileges of the Obligors and LR Guarantors which shall no longer be exercised by the Obligors or LR Guarantors during the continuance of either an Event of Default or Pending Event of Default (or if an Event of Default or Pending Event of Default would result therefrom). Please govern yourself accordingly with regard to the occurrence and continuance of the Specified Defaults.

Section 4.3 of the Loan Agreement provides that upon and after the occurrence of an Event of Default, and during the continuation thereof, the Principal Amount of the Loan and the other Obligations shall bear interest at a rate per annum equal to the interest rate otherwise payable pursuant to Section 4.1 of the Loan Agreement, plus two (2%) percent, and such interest shall be calculated in accordance with Section 4.4 of the Loan Agreement and shall be payable on demand by the Lender.

Due to the Specified Defaults, the Lender hereby confirms that the Principal Amount of the Loan and the outstanding amount of the other Obligations are subject to the default rate of interest provided in Section 4.3 of the Loan Agreement, effective from and after March 31, 2020 until the Specified Defaults (or any other Events of Default) are no longer continuing (and thereafter at the rate of interest otherwise specified in the Loan Agreement).

Sincerely,

Crown Capital Partner Funding, LP,  
by its general partner Crown Capital LP Partner Funding Inc.



Per: \_\_\_\_\_  
Tim Oldfield, Chief Investment Officer

*cc: Borden Ladner Gervais LLP (Bguinan@blg.com)*

THIS IS **EXHIBIT "U"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read 'Katlin H. Ward', is written above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KATLIN H. WARD**  
**BARRISTER & SOLICITOR**

## FORBEARANCE AND AMENDING AGREEMENT

**THIS FORBEARANCE AND AMENDING AGREEMENT (“Agreement”)** is made effective as of October 16, 2020 (the “**Effective Date**”).

**BY AND AMONG:**

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

**AND:**

**T5 SC OIL AND GAS LIMITED PARTNERSHIP**  
as borrower (the “**Borrower**”),

**AND:**

**TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** (the “**General Partner**”), **T5 ENERGY PARTNERS LTD.** (“**T5**”) and **NADER GHERMEZIAN** (“**Nader**”, together with T5, the “**LR Guarantors**”) as guarantors (collectively, the “**Guarantors**”)

**WHEREAS**, the Borrower, as borrower, the Lender (formerly Crown Capital Fund IV, LP by its general partner Crown Capital Fund IV Management Inc.), as lender, and the General Partner, as guarantor, are party to a second amended and restated loan agreement dated October 31, 2019 (as amended, restated, modified or supplemented, the “**Loan Agreement**”);

**AND WHEREAS** as security for the obligations of the Borrower under the Loan Agreement, the Borrower, through the General Partner, granted a fixed and floating charge demand debenture dated August 31, 2018 in favour of the Lender;

**AND WHEREAS** the General Partner is party to a guarantee and indemnity agreement dated August 31, 2018 (as amended, restated, modified or supplemented, the “**Guarantee**”) in favor of the Lender, whereby the General Partner, *inter alia*, guaranteed the payment and performance of the obligations of the Borrower under the Loan Agreement and other Loan Documents;

**AND WHEREAS** as security for the obligations of the General Partner under the Guarantee, the General Partner granted a fixed and floating charge demand debenture dated August 31, 2018 in favour of the Lender;

**AND WHEREAS** the LR Guarantors are each party to a limited recourse guarantee and indemnity agreement dated August 31, 2018 (as amended, restated, modified or supplemented, collectively, the “**LR Guarantees**”) in favor of the Lender, whereby each LR Guarantor, *inter alia*, guaranteed the payment and performance of the obligations of the Borrower under the Loan Agreement and other Loan Documents subject, in each case, to the limits imposed in the LR Guarantees;

**AND WHEREAS** as security for the obligations of the LR Guarantors under the LR Guarantees, each LR Guarantor executed a pledge agreement dated August 31, 2018 in favour of the Lender with respect to certain securities held by the LR Guarantors in the Borrower and General Partner (collectively, the “**Pledged Securities**”);

**AND WHEREAS** pursuant to the Loan Agreement, the Lender has advanced a term loan to the Borrower in the principal amount of \$27,000,000;

**AND WHEREAS** the following Events of Default have occurred and, as applicable, are continuing, under the Loan Documents (which list is not intended to be exhaustive): (a) the Borrower has failed to maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(i) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement; (b) the Borrower has failed to maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(ii) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement; (c) the Borrower has failed to make repayment of \$725,000 of the Principal Amount on September 1, 2020, in accordance with Section 3.1(a) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(a) of the Loan Agreement; and (d) the Borrower has failed to make payment of the Production Payment for the month of July 2020 which Production Payment was due on September 4, 2020, in accordance with Section 2.3(a) of the Production Payment Agreement, which failure is an Event of Default pursuant to Section 11.1(b) of the Loan Agreement (and which failure is also a default pursuant to Section 3.2(a)(i) of the Production Payment Agreement) (collectively, the “**Specified Defaults**”);

**AND WHEREAS** the Borrower acknowledges that as a result of the Specified Defaults, the Lender is presently entitled to, *inter alia*, issue a demand for repayment of the Obligations in full to the Borrower and Guarantors, pursuant to the terms and conditions of the Loan Documents;

**AND WHEREAS** the Lender has agreed to forbear from enforcement of the Loan Documents as a result of the Specified Defaults until April 15, 2021 (the “**Forbearance Term**”), subject to certain conditions as outlined in this Agreement;

**NOW THEREFORE**, in consideration of the foregoing and the covenants and the agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged between the parties, the parties agree as follows:

1. **Interpretation.**

- (a) Capitalized terms used in this Agreement, including in the recitals hereto, will have the meanings attributed to such terms in the Loan Agreement unless otherwise defined herein.
- (b) The recitals to this Agreement are expressly incorporated into and form part of this Agreement.
- (c) The Schedules to this Agreement are attached to and are an integral part of this Agreement. Except as otherwise expressly provided herein, if there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule, the provision of the body of this Agreement shall prevail to the extent of said conflict or inconsistency.

- (d) Any matter which is subject to the approval, discretion or consent of the Lender hereunder, except as otherwise expressly provided for herein, shall be determined in the sole, absolute and unfettered discretion of the Lender and be confirmed in writing to the Borrower and/or Guarantors.
- (e) In this Agreement: (i) the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; (ii) words in the singular include the plural and vice versa and words in a particular gender include all genders; and (iii) all monetary amounts stated herein shall be deemed to be stated in Canadian Dollars.

2. **Installment Payments.** Subject to the Approved Payables and any cash reserves to be maintained by the Borrower, as may be approved by the Lender from time to time, all remaining available cash of the Borrower received from and after the Effective Date, whether in the Blocked Account (as such term is defined in the BAA) or not, shall be applied in satisfaction of the Obligations through monthly installment payments (the “**Installment Payments**”) in accordance with this Section 2. The Installment Payments shall be applied against the Obligations in the following order:

- (a) first, against any fees, costs or other amounts due and payable by the Borrower or Guarantors under this Agreement or the Loan Documents;
- (b) second, as to the Production Payment;
- (c) third, as to accrued and unpaid interest on the Principal Amount in accordance with the Loan Agreement; and
- (d) fourth, as to the Principal Amount in an amount not to exceed \$725,000 in any one month without the prior consent of the Lender (provided that the Lender shall have discretion to apply all available cash in the Blocked Account, other than cash required for payment of the Approval Payables, towards repayment of the Principal Amount).

In connection with the foregoing, the Borrower and General Partner hereby irrevocably and unconditionally authorize and direct the Lender to transfer the Installment Payments from the Blocked Account at such times and in such amounts as the Lender may determine, subject to the terms and conditions set forth herein. For certainty, the foregoing payment terms shall govern to the extent of any inconsistency with Section 3.1(a) of the Loan Agreement.

3. **Prepayment Fee.** Notwithstanding anything in this Agreement to the contrary, the Prepayment Fee (as outlined in Section 3.2 of the Loan Agreement) shall be applicable to any and all repayments of the Principal Amount made prior to the Maturity Date (or repayments coming due prior to the Maturity Date which are paid after the Maturity Date), exempting only Installment Payments which are applied to the Principal Amount up to the Exempted Amount (as at the date of payment), where the “**Exempted Amount**” is the sum equal to the product of A \* B where:

A = \$725,000

B = the number of calendar months from September 1, 2020 to the date of the applicable repayment

4. **Blocked Account and Priority Payables.** The Borrower hereby agrees to enter into the blocked account agreement in the form appended hereto as Schedule “A” (the “**BAA**”) in respect to the Blocked Account (as defined therein). In accordance with the BAA, the Borrower and the General Partner covenant and agree to deposit all amounts received by the Borrower or the General Partner received from and after the Effective Date into the Blocked Account. The Borrower shall provide

Lender with a list of payables of the Borrower on the 1<sup>st</sup> and 15<sup>th</sup> day of each month which list shall be reviewed and approved, or rejected, as applicable, by the Lender in its entirety. If rejected, the list of payables shall be re-submitted to the Lender until ultimately approved (the approved payables, being the “**Approved Payables**”). Within five (5) days after the Approved Payables are established and confirmed in accordance with the procedure described above, the Lender will transfer an amount of funds sufficient to satisfy the Approved Payable from the Blocked Account to an account designated by the Borrower, provided that Lender shall have no liability or other obligation in the event the funds in the Blocked Account are insufficient to satisfy the Approved Payables. The Borrower covenants that any funds made available to it for the satisfaction of the Approved Payables shall promptly, and exclusively, be used for such purposes and for no other purpose. For certainty, pursuant to Section 2 hereof, and the BAA, all cash of the Borrower and General Partner shall be deposited into the Blocked Account and no payables of the Borrower or General Partner (excluding the Obligations) shall be paid or satisfied except in strict accordance with this Section 4 and the BAA.

5. **Reporting Requirements.** Without limiting the Borrower’s requirements under the Loan Agreement, the Borrower shall provide the following:
  - (a) a 13 week cash flow forecast (the “**Cashflow Forecast**”), with variances to the Cashflow Forecast provided within 5 days of the end of each month, unless waived by the Lender in its sole discretion;
  - (b) monthly confirmation and evidence to the Lender that all source deduction payments have been remitted to the Canada Revenue Agency, within 5 days of each month end, commencing on October 31, 2020;
  - (c) monthly confirmation and evidence to the Lender that all monthly GST filings have been filed and amounts owing have been remitted to the Canada Revenue Agency, within 5 days of each month end due date, commencing on October 31, 2020, and due on the last day of the month following the applicable reporting month; and
  - (d) regular updates on the Borrower’s progress or material developments with respect to the Sale Process (as defined below), material business initiatives and any capital raising activities, which updated shall be provided no less than bi-weekly or as otherwise determined by the Lender, acting reasonably.
  
6. **Milestones.** The Borrower covenants to satisfy and perform the following obligations within the time frames and in the manner set forth below:
  - (a) The Borrower will engage a sale advisor (the “**Sale Advisor**”) acceptable to the Lender to commence a sales process (the “**Sale Process**”) for all or substantially all of the assets of the Borrower (or in respect of a business combination or other similar transaction involving all or substantially all of the equity interests of the Borrower) by no later than December 15, 2020, which engagement shall be on terms acceptable to the Lender, acting reasonably, and shall include, that the Lender shall be entitled to be provided with information and updates directly from the Sale Advisor and the Borrower hereby confirms and agrees that the Sale Advisor is entitled to speak directly to the Lender regarding any offers, the identity of parties engaged in the Sale Process, activity in the data room or any information in respect of the status of the Sale Process, it being acknowledged by the Lender, that the Lender does not have any power or authority hereunder to issue instructions to the Sale Advisor.

- (b) The Sale Process shall have the following milestones associated with it which shall, in each case, be completed to the satisfaction of the Lender, acting reasonably:
- (i) data room, confidential information memorandum and teaser shall be prepared and issued by the Sale Advisor no later than January 15, 2021;
  - (ii) deadline for non-binding letters of intent (“**LOI**”) from prospective purchasers to be submitted by no later than February 21, 2021;
  - (iii) LOI to be executed by Borrower with a prospective purchaser no later than February 28, 2021;
  - (iv) definitive purchase and sale agreement to be executed by March 31, 2021; and
  - (v) closing of the Sale Process and the full repayment of the Obligations under the Loan Documents shall be completed prior to the end of the Forbearance Term (as defined below).

This Agreement shall terminate upon the full repayment of the Obligations under the Loan Documents.

7. **Operations.** Without limiting any covenants or obligations of the Borrower or General Partner in the Loan Agreement or any other Loan Document, the Borrower covenants and agrees that no Capital Expenditure in respect to its exploration, development and production activities may be made except for the Approved Payables and with the prior written consent of the Lender, which consent may be withheld or otherwise conditioned as the Lender may determine in its discretion.
8. **Payout of Obligations.** By no later than the end of the Forbearance Term, the Borrower shall have repaid in full the entire amount of the Obligations due and owing as of that date to the Lender, unless otherwise agreed or extended.
9. **Amendment to Loan Agreement.** As of the Effective Date, the Loan Agreement is amended as follows:
- (a) Section 1.1 of the Loan Agreement is hereby amended by adding the following definitions in their proper alphabetical order:
    - “**Cumulative EBITDA**” means, as applicable, the cumulative monthly EBITDA for the period commencing October 1, 2020 through until April 30, 2021;
    - “**Cumulative EBITDA to Cumulative Forecasted EBITDA Ratio**” means, for any period, determined on a Consolidated basis, the ratio of (i) Cumulative EBITDA for such period to (ii) Cumulative Forecasted EBITDA for such period.
    - “**Cumulative Forecasted EBITDA**” means the cumulative forecasted monthly EBITDA for the period commencing October 1, 2020 through until April 30, 2021 as set forth in Schedule 1.1 of this Agreement.
  - (b) Section 1.2 of the Loan Agreement is amended by adding a reference to “Schedule 1.1 Cumulative Forecasted EBITDA” in its proper alphabetical order.
  - (c) Section 8.1(a) of the Loan Agreement is hereby amended by deleting the existing Section 8.1(a) in its entirety and replacing it with the following:
    - (a) no later than 30 days after each calendar month end, copies of internally prepared Consolidated Financial Statements of the Borrower;

- (d) Section 9.1(y) of the Loan Agreement is hereby amended by deleting the existing Section 9.1(y) in its entirety and replacing it with the following:

(y) **Financial Covenants.**

- (i) Net Debt to Proved Reserve Value Ratio. The Borrower shall maintain a Net Debt to Proved Reserve Value Ratio equal to or less than 0.50:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.
- (ii) LLR/LMR. The Borrower shall maintain a LLR/LMR of not less than 2.5:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.
- (iii) Cumulative EBITDA to Cumulative Forecasted EBITDA Ratio. The Borrower shall maintain a Cumulative EBITDA to Cumulative Forecasted EBITDA Ratio of no less than 0.85:1 as at October 31, 2020 and as at each calendar month end thereafter.

All financial ratios shall be determined on a Consolidated basis in accordance with GAAP and shall each be tested and calculated monthly or quarterly (as applicable) as set forth above.

For greater certainty, the ratio in Section 9.1(y)(i) shall be determined with reference to the Proved Reserve Value, which is specified in the most-recently available Independent Engineering Report at the time such ratio is to be determined, provided that upon its availability, any new or updated Independent Engineering Report (and the figures therein) shall retroactively apply to the calculation of the ratio in Section 9.1(y)(i) which relate to a period of time on or after the effective date of such Independent Engineering Report.

- (e) Section 9.1(ff) of the Loan Agreement is hereby amended by deleting the existing Section 9.1(ff) in its entirety and replacing it with the following:

- (ff) **Hedging Threshold.** On or prior to November 1, 2020, the Obligors shall have hedges for the next 12 months in place with respect to 70% of boe production based on production volumes determined on a trailing twelve month average (the “**Hedging Threshold**”). The Obligors shall report to the Lender on their compliance with the Hedging Threshold, in a form satisfactory to the Lender, acting reasonably, on December 1, 2020 and on the first Business Day of each month thereafter.

- (f) Section 9.1 of the Loan Agreement is hereby amended by inserting the following new Section immediately after Section 9.1(ff):

- (gg) **Gas Sales.** Commencing in the month of October 2020, and each month thereafter until the Obligations are fully paid and satisfied, the Borrower shall complete monthly gas sales (“**Monthly Sales**”), on commercially reasonable terms, which meet or exceed the covenant threshold denoted in column D of the table set out in Schedule 9.1(gg) hereto. The Borrower shall report on its Monthly Sales in the Compliance Certificate delivered pursuant to Section 8.2(a) which reporting shall also include the provision of a monthly report to the Lender which outlines the Borrower’s gas sales for the preceding month (the “**Sales Report**”), which Sales Report shall be in a form and substance satisfactory to the Lender in its sole



discretion, acting reasonably, and appended as Exhibit II to the Compliance Certificate.

10. **Amendment to Schedules.** The Loan Agreement is amended as to (a) delete Schedule 8.2 “Form of Officer’s Compliance Certificate” attached thereto in its entirety and replace the same with Schedule 8.2 attached hereto; and (b) add a new Schedule 9.1(gg) immediately after Schedule 8.2 in the form attached hereto as Schedule 9.1(gg).
11. **Amendment Fee.** In consideration of the amendments and other agreements contained herein. Borrower agrees to pay Lender an amendment fee equal to \$270,000 (the “**Amendment Fee**”). The Amendment Fee will be added to and become part of the Principal Amount of the Loan owing to Lender under the Loan Agreement and will be fully earned effective as of the Effective Date and repayable on the earlier of the date on which all outstanding Obligations are repaid in full to Lender and the Maturity Date.
12. **Conditions Precedent to Agreement.** This Agreement is subject to the following conditions:
  - (a) Borrower shall have executed and delivered, or caused the execution and delivery, of any legal opinions, resolutions or certificates as may be requested by Lender.
  - (b) Borrower shall, within a reasonable time after the Effective Date, have amended its limited partnership agreement to include express confirmation that the units issuable thereunder are a “security” for the purposes of the *Securities Transfer Act* (Alberta).
  - (c) The General Partner shall have executed and delivered the BAA.
13. **Acknowledgements.**
  - (a) The Borrower and the Guarantors each acknowledge and confirm the occurrence and continuance of the Specified Defaults.
  - (b) Subject to the terms and conditions hereinafter set out, the Lender agrees to forbear from enforcement of its rights under the Loan Documents until the expiry of the Forbearance Term, unless extended by the Lender, following which the Obligations will become immediately due and payable.
  - (c) In consideration of the Lender’s forbearance, the Borrower and the Guarantors acknowledge and agree that, if they fail to comply with their obligations under the Loan Documents, except where such obligations have been expressly amended or waived by the Lender, or subject to the conditions as set forth herein, then the Lender will be entitled to immediately commence efforts to enforce its rights under the Loan Documents.
  - (d) The Borrower and the Guarantors acknowledge, confirm, and agree that the Security created in favour of the Lender under the Loan Documents has not been discharged, waived, or varied, that it is binding upon the Borrower and the Guarantors, as applicable, and is enforceable against the Borrower or Guarantors in accordance with its terms.
14. **Forbearance Terminating Event.** Notwithstanding anything contained herein, the following constitute terminating events under this Agreement:
  - (a) the Borrower or the Guarantors fail to comply with, or otherwise satisfy, their obligations under this Agreement, including the provisions and/or milestones contained in Sections 2 through 8 (inclusive);

- (b) the General Partner fails to comply with, or otherwise satisfy, its obligations under the BAA; or
- (c) any Pending Event of Default or Event of Default occurs under the Loan Agreement (excluding the Specified Defaults),

(each, a “**Forbearance Terminating Event**”).

Upon the occurrence of a Forbearance Terminating Event, the Lender will be entitled to immediately terminate this Agreement, all Obligations shall be and become immediately due and payable and the Lender shall be entitled to proceed to take such steps as it may deem appropriate to realize upon the Collateral and the Pledged Securities.

Notwithstanding anything else in this Agreement to the contrary, nothing herein contained shall in any way impact, preclude or otherwise affect the Lender’s right and entitlement to terminate the Production Payment in accordance with Section 3.2 of the Production Payment Agreement which right and entitlement, for certainty, shall be exercisable by the Lender in accordance with its terms, either before or after the occurrence of a Forbearance Terminating Event.

15. **No Waiver.** The Borrower and the Guarantors each acknowledge, confirm, and agree that the existence of the Specified Defaults entitle the Lender to exercise any and all of its rights and remedies provided to it in the Loan Documents, by law or otherwise, and:

- (a) the Lender has not waived, and does not intend to waive, any Pending Event of Default or Event of Default, including the Specified Defaults or any right, entitlement, privilege, benefit, or remedy which the Lender may have now or at any time in the future as a result of or in connection with any such Pending Event of Default or Event of Default, and nothing contained herein or the transactions contemplated thereby shall be deemed to constitute such waiver;
- (b) no waiver by the Lender of any default, breach, or non-compliance under this Agreement will be effective unless in writing. No waiver will be inferred from or implied by any failure to act or delay in acting by the Lender in respect of any default, breach, or non-observance or by anything done or omitted to be done by the Borrower or the Guarantors. No waiver by the Lender will operate as a waiver of any right of the Lender under this Agreement in respect of any subsequent default, breach, or non-observance (whether of the same or any other nature); and
- (c) the Lender hereby provides notice to the Borrower and the Guarantors that the Lender reserves its right at any time to exercise any rights, remedies, power and privileges afforded by law or under the Loan Documents with respect to any Pending Event of Default or Event of Default (excluding only the Specified Defaults during the Forbearance Term); and
- (d) without limiting the generality of the foregoing, with specific regard to the Specified Defaults, the Lender expressly reserves its right to require payment of interest on the Principal Amount and the other Obligations at the default rate provided in Section 4.3 of the Loan Agreement at any time, it being acknowledged and agreed by the Lender that no such interest shall be payable for the period up to April 15, 2020.

16. **Release.** In consideration of the Lender agreeing to forbear as set out in this Agreement, the Borrower and the Guarantors, on their own behalf and on behalf of their employees, agents, officers, directors, partners and each of their respective, executors, administrators, personal

representatives, successors and assigns (collectively, the “**Releasors**”), remise, releases, and forever discharges the Lender and its affiliates and their employees, agents, officers, directors, partners and each of their respective, executors, administrators, personal representatives, successors and assigns (collectively, the “**Releasees**”) from any and all actions, causes of action, claims, demands, damages, costs, and expenses whatsoever at law or in equity (collectively, “**Claims**”) in which the Releasors ever had, now have or which they shall have against the Releasees by reason of any manner, cause, or thing whatsoever (the “**Released Claims**”), provided that this release will not release any person for criminal acts, gross negligence, or willful misconduct. Neither the Borrower nor the Guarantors will make any Claims or take any proceedings against any other person, firm, corporation, or other legal entity who might claim contribution or indemnity against the Lender in respect of any cause, matter, or thing whatsoever arising out of, related to, or in any manner connected with the Released Claims.

17. **Fees.** The Borrower and the Guarantors acknowledge, confirm, and agree that they shall be solely responsible for all reasonable costs and fees of the Lender, including all solicitor and own client fees, incurred in relation to and arising from the preparation and/or enforcement of this Agreement. The Borrower and the Guarantors will reimburse the Lender, as applicable, for all such costs and fees immediately on demand by the Lender.
18. **Entire Agreement.** This Agreement and the other Loan Documents represent the entire agreement among the parties in respect of the matters provided for in this Agreement and the other Loan Documents, and any changes or variations made to this Agreement are only effective if made in writing and signed by all parties. This Agreement shall be a Loan Document.
19. **Conflicts.** The Lender, the Borrower and the Guarantors acknowledge and agree that if any provision of the Loan Documents, this Agreement, the BAA or any other agreement to which the Lender and the Borrower or the Guarantors are parties, conflicts with any provision herein contained, the provisions in this Agreement, to the extent of any such conflict, shall prevail. Notwithstanding the foregoing, any additional obligations and covenants imposed on the Borrower and Guarantors under the Loan Documents or the BAA shall not be considered in conflict with the provisions hereof unless such obligations and covenants are expressly addressed hereunder.
20. **Representations.** The Borrower and the Guarantors agree with and confirm to the Lender that each of the representations and warranties that were made in the Loan Documents were true and accurate as of the date of the Loan Documents (except where such representation or warranty was as of a specific date). The Borrower and the Guarantors hereby also jointly and severally represent and warrant to the Lender that:
  - (a) with respect to the Borrower, the General Partner and T5 the execution and delivery of this Agreement and the performance of its obligations hereunder: (i) are within its partnership or corporate powers, as applicable, (ii) have been duly authorized by all necessary partnership or corporate action, as applicable, (iii) have received all necessary governmental approval (if any required), and (iv) do not and will not contravene or conflict with any provision of any Applicable Law or of its constating documents or by-laws;
  - (b) this Agreement is a legal, valid, and binding obligation of the Borrower and the Guarantors, enforceable in accordance with its terms;
  - (c) the Borrower and the Guarantors fully understand the terms of this Agreement and the consequences of the execution and delivery of this Agreement;

- (d) the Borrower and the Guarantors have been given the opportunity to have this Agreement reviewed by independent legal counsel and have either obtained such independent legal advice or waived the opportunity to do so;
  - (e) the Borrower and the Guarantors have entered into this Agreement and executed the same of their own free will and without threat, duress, or other coercion of any kind by any person; and
  - (f) other than the Blocked Account and the account used to temporarily holds funds designated for payment of the Approved Payables being the existing account of the Borrower at The Toronto Dominion Bank, neither the Borrower nor General Partner has any other deposit account with any financial institution.
21. **Governing Law.** The parties agree that this Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of law or other rules which would result in any laws other than internal laws in force in the Province of Alberta applying to this Agreement. The parties hereto do hereby irrevocably 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 this Agreement, or any of the transactions contemplated hereby or by any thereof, without prejudice to the rights of the Lender to take proceedings in other jurisdictions.
22. **Invalidity.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof, and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.
23. **Further Assurances.** The Borrower and the Guarantors will from time to time forthwith at the Lender's request, and of the Borrower or Guarantors own cost and expense, make, execute, and deliver, or cause to be done, made, executed, and delivered, all such further documents, financing statements, security documents, assignments, acts, matters, and things which may be reasonably required by the Lender and as are consistent with the intention of the parties as evidenced herein, with respect to all matters arising under this Agreement.
24. **Time.** Time is of the essence with respect to this Agreement.
25. **Successors and Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective executors, administrators, personal representatives, successors and assigns.
26. **Confirmation.** The Borrower and Guarantors acknowledge and agree that the Loan Documents, and all other documents executed and delivered pursuant thereto or in connection therewith, will be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein; there being no novation or merger of the Loan Agreement nor any other Loan Documents nor any liabilities or obligations thereunder. Without limiting the foregoing, each of the Guarantors hereby expressly acknowledges and confirms that its liabilities and obligations created under or pursuant to the Loan Documents shall continue in full force and effect in accordance with their respective terms (except as expressly amended hereby) and that (a) the Guarantee secures and shall continue to secure the General Partner's liabilities and obligations in connection with the Guaranteed Obligations (as defined in the Guarantee) including, for greater certainty, any Guaranteed Obligations created under or resulting from this Agreement; and (b) the LR Guarantees secure and shall continue to secure the LR Guarantors' liabilities and obligations in

connection with the Guaranteed Obligations (as defined in the LR Guarantees) including, for greater certainty, any Guaranteed Obligations created under or resulting from this Agreement.

27. **Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by hand-delivery, courier or electronic communication as hereinafter provided. Any such notice, if delivered by hand or by courier shall be deemed to have been received at the time it is delivered to the applicable address noted below and, if sent by means of electronic communication, shall be deemed to have been received on the day of sending. Notices of change of address shall also be governed by this Section 27. Notices and other communications shall be addressed as follows:

(a) if to the Borrower or Guarantors:

c/o Triple Five Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, Alberta

Attention: Ryan Martin  
Email: [Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)

(b) with a copy to:

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 – 3<sup>rd</sup> Ave S W  
Calgary, AB, Canada T2P 0R3

Attention: William C. Guinan  
Email: [BGuinan@blg.com](mailto:BGuinan@blg.com)

(c) if to the Lender:

Crown Capital Partner Funding, LP, c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer  
Email: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

(d) with a copy to:

MLT Aikins LLP  
2100, 222 3<sup>rd</sup> Avenue SW  
Calgary, AB T2P 0B4

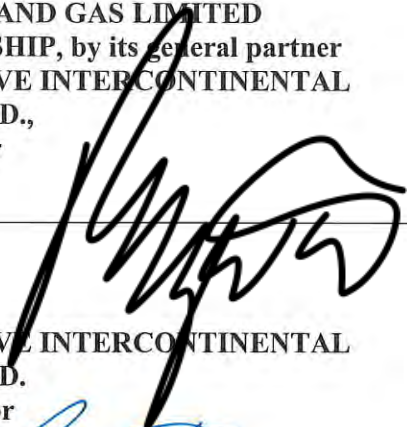
Attention: Chris Hahn  
Email: [CHahn@mltaikins.com](mailto:CHahn@mltaikins.com)

28. **Counterparts.** This Agreement may be executed in any number of counterparts, including by facsimile or other electronic transmission, each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this Agreement by signing any counterpart.

Each of the parties has signed this Agreement with effect as of the day and year first written above.

**T5 SC OIL AND GAS LIMITED  
PARTNERSHIP, by its general partner  
TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.,  
as Borrower**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title \_\_\_\_\_



**TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.  
as Guarantor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title \_\_\_\_\_

*Ryan Martin  
President*

**T5 ENERGY PARTNERS LTD.,  
as Guarantor**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
*(Witness)*  
Name:  
Occupation:

\_\_\_\_\_  
**NADER GHERMEZIAN  
as Guarantor**

Each of the parties has signed this Agreement with effect as of the day and year first written above.

**T5 SC OIL AND GAS LIMITED  
PARTNERSHIP, by its general partner  
TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.,  
as Borrower**

By: \_\_\_\_\_  
Name:  
Title

**TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.  
as Guarantor**

By: \_\_\_\_\_  
Name:  
Title

**T5 ENERGY PARTNERS LTD.,  
as Guarantor**

By:   
Name: David Ghermezian  
Title: President

\_\_\_\_\_  
(Witness)  
Name:  
Occupation:

\_\_\_\_\_  
**NADER GHERMEZIAN  
as Guarantor**

Each of the parties has signed this Agreement with effect as of the day and year first written above.


**T5 SC OIL AND GAS LIMITED**  
**PARTNERSHIP, by its general partner**  
**TRIPLE FIVE INTERCONTINENTAL**  
**GROUP LTD.,**  
as Borrower


By: \_\_\_\_\_  
Name:  
Title

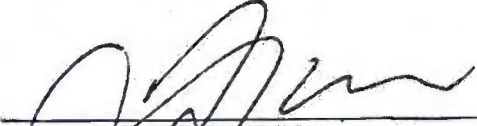
**TRIPLE FIVE INTERCONTINENTAL**  
**GROUP LTD.**  
as Guarantor

By: \_\_\_\_\_  
Name:  
Title

**T5 ENERGY PARTNERS LTD.,**  
as Guarantor


By:   
Name: Nader Ghermezian  
Title: President

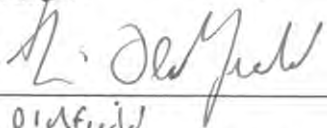
  
\_\_\_\_\_  
(Witness)  
Name: Ray Ghermezian  
Occupation: Leasing Agent

  
\_\_\_\_\_  
**NADER GHERMEZIAN**  
as Guarantor



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

By:   
Name: \_\_\_\_\_  
Title: C. Jordan  
CEO

By:   
Name: Tim Oldfield  
Title: Chief Investment Officer

**Schedule “A”**

*(see attached)*

**BLOCKED ACCOUNT AGREEMENT**  
(without a trigger)

THIS AGREEMENT is made as of the 15<sup>th</sup> day of October, 2020

**AMONG:** **BANK OF MONTREAL**, in its capacity as the provider of banking services  
(hereinafter called the "**Bank**")

**AND:** **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**,  
(hereinafter called the "**Debtor**")

**AND:** **CROWN CAPITAL PARTNER FUNDING, LP**, in its capacity as lender under the Loan Agreement (defined below)  
(hereinafter called the "**Lender**")

**WHEREAS** the Debtor, in its own capacity (as guarantor) and in its capacity as general partner of T5 SC Oil and Gas Limited Partnership (as borrower) (the "**Borrower**") has entered into a second amended and restated loan agreement dated October 31, 2019 with, *inter alios*, the Lender (as amended, restated, modified or supplemented, the "**Loan Agreement**") pursuant to which the Lender has made certain loans, and may from time to time provide other financial accommodations, to the Borrower secured by, among other things, all right, title and interest of the Debtor in and to all present and future accounts, contract rights, general intangibles, documents, instruments, chattel paper, deposit and other bank accounts and proceeds of the foregoing (collectively, the "**Collateral**");

**AND WHEREAS** the Debtor has established Canadian Dollar Account No. 0010 1925-862 (the "**Blocked Account**") with the Bank;

**NOW THEREFORE** in order for the Debtor to comply with the requirements of the Lender under the financing arrangements with the Borrower, and in consideration of the reciprocal obligations herein provided and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, each of the Bank, the Debtor and the Lender agree as follows:

1. **Establishment of Accounts.** The Bank will maintain the Blocked Account as long as the Debtor is in compliance with the terms of the Bank's account documentation with respect thereto. The Bank will maintain the Blocked Account until the date that the Loan Agreement has been terminated.
2. **Deposits to Blocked Account.** In connection with the Borrower's financing arrangements with the Lender, the Debtor has agreed to deposit all amounts received by the Debtor from time to time in connection with the operation of its business (including as received on behalf of the Borrower) into the Blocked Account.

3. **Security Interest of the Lender.** The Debtor has granted to the Lender a security interest in and lien upon, and pledged to the Lender, the Collateral, which includes cheques, drafts and other instruments received for deposit in the Blocked Account and all amounts at any time in or attributable to the Blocked Account, as security for all existing and hereafter arising obligations, liabilities and indebtedness of the Debtor to the Lender. The Lender acknowledges and agrees that it shall take whatever action it considers appropriate and necessary to protect and enforce its rights respecting the Blocked Account, including completion and registration of any documents or financing statements in order to perfect any security interests in the Blocked Account. The Bank makes no representations and assumes no liability respecting the validity or the enforceability of any security interest the Lender or any other party may have relating to the Blocked Account or the existence of any other liens or other interests respecting the Blocked Account. The Bank assumes no responsibility or liability for maintaining the perfection, registration or validity of the security interest of the Lender in the Blocked Account.
4. **Exclusive Authority.** None of the officers, agents or other representatives of the Debtor or any of their affiliates shall have any authority to withdraw any amounts from, to draw upon or otherwise exercise any authority or powers with respect to the Blocked Account and all amounts held therein. The Blocked Account shall be under the sole dominion and control of the Lender. Accordingly, the Debtor shall not give any instructions with respect to the Blocked Account other than those approved in writing by the Lender.
5. **No Duty to Inquire.** Subject to Section 11, the Bank will not have any duty to inquire whether or not the Lender is entitled to give, and has no duty to question, instructions, certificates or notices pursuant to any of the provisions of this Agreement or any other agreement. Any instructions, certificates or notices given by the Lender will be conclusive authority for the Bank to act in accordance with the instructions, certificates or notices whether or not the Lender is acting in good faith. The Bank is not obliged or required to monitor any requirements or obligations of the Lender or the Debtor pursuant to this Agreement or any other agreement.
6. **Account Transfers.** The parties agree that amounts in the Blocked Account from time to time may only be withdrawn from time to time:
  - a) upon the written direction from the Lender, given in substantially the form set out in Schedule "A" to this Agreement; or
  - b) upon the Lender withdrawing such amounts by way of the Bank's online banking platform.
7. **Reporting.** At such time or times as the Lender may request, the Bank will promptly report to the Lender the amounts deposited in the Blocked Account and will furnish to the Lender any copies of bank statements, deposit tickets, deposited items, debit and credit advices and other records maintained by the Bank under the terms of its arrangements with the Debtor (as in effect on the date hereof). The Debtor hereby expressly consents to the release of this information by the Bank to the Lender. The Debtor (and failing which, the Lender) will reimburse the Bank for its reasonable expenses in providing such items to the Lender.
8. **Charges and Limited Right of Set-Off.** The Debtor and the Lender shall be and at all times remain jointly and severally liable to the Bank for any and all fees and service charges relating to the Blocked Account and chargebacks for any cheques, drafts and other payment

items dishonoured or otherwise returned to the Bank, in whole or in part, with respect to the Blocked Account (all such fees, service charges and chargebacks being hereinafter referred to, collectively, as "Charges").

The Debtor and the Lender hereby acknowledge and agree that the Bank shall be entitled to recover any and all Charges from the Blocked Account and the Bank is hereby authorized to debit the Blocked Account or any account of the Debtor held at any branch of the Bank at any time to recover any and all Charges.

The Bank may exercise its rights of set-off, consolidation and banker's lien to the extent required to satisfy any Charges, provided that the Bank shall not exercise any such rights with respect to other liabilities owed to it by the Debtor.

If there are insufficient funds on deposit in the Blocked Account or in any account of the Debtor held at any branch of the Bank to cover any outstanding Charges, the Debtor shall promptly pay to the Bank the amount of such Charges upon demand by the Bank.

If the Debtor fails to pay such amount within ten (10) days of demand by the Bank, the Lender shall promptly pay to the Bank the amount of all such outstanding Charges upon written notification from the Bank.

9. **Compliance with Court Order.** Notwithstanding any other provision contained herein, the Bank shall have the right to freeze or automatically debit the Blocked Account in accordance with any court order or notice of garnishment received by it, or any other legal requirement with which the Bank reasonably determines it is required to comply.
10. **Indemnity.** The Debtor and the Lender shall jointly and severally indemnify and hold harmless the Bank, its employees, officers, directors from and against any and all loss, liability, damage, cost, claim and expense incurred (including, without limitation, reasonable legal fees and expenses) by the Bank, its employees, officers and directors with respect to the performance of this Agreement, including, without limitation, claims that the Bank was not properly authorized to transfer credit balances from the Blocked Account.
11. **Scope of Duty.** The Bank undertakes to perform only such duties as are expressly set forth in this Agreement and to deal with the Blocked Account with the degree of skill and care that the Bank accords to all accounts and funds maintained and held by it on behalf of its customers. Notwithstanding any other provision of this Agreement, the parties agree that the Bank shall not be liable for any action taken by it or any of its directors, officers or employees in accordance with this Agreement except for its or their own gross negligence or wilful misconduct. In no event shall the Bank be liable for losses or delays resulting from force majeure, computer malfunctions, interruption of communication facilities or other causes beyond the Bank's control or for indirect or consequential damages.
12. **Termination.** During such time as the Debtor has obligations, liabilities and indebtedness to the Lender under the Loan Agreement, the Debtor shall have no right to terminate this Agreement or the account agreements relating to the Blocked Account without the written consent of the Lender. If the Debtor has no obligations, liabilities or indebtedness to the Lender under the Loan Agreement, the Debtor may terminate this Agreement upon thirty (30) days prior notice to the Bank and Lender thereof. The Bank may terminate this Agreement and/or the account agreements relating to the Blocked Account upon thirty (30) days prior notice to the Lender thereof. The Lender may terminate this Agreement upon thirty (30) days prior notice to the Bank thereof. Upon any such termination, the Bank shall



remit the entire balance of the Blocked Account as provided to the Lender, save and except for the amount of any Charges owing to the Bank and subject to the rights and obligations of the Bank set out in Section 8 and Section **Error! Reference source not found.** hereof.

13. **Amendments.** No change or modification of this Agreement is binding upon the parties unless it is in writing and signed by all parties.
14. **Successors and Assigns.** This Agreement shall be binding upon each of the parties and their respective successors and permitted assigns and enure to the benefit of the Bank and the Lender and their respective successors and assigns.
15. **Notices.** Any notices or instructions permitted or required pursuant to this Agreement shall be in writing and shall be delivered to the party for which it is intended by registered mail (postage prepaid), prepaid courier, facsimile or e-mail to the address of such party indicated below, or at such other address as any party hereto may stipulate by notice to the other parties from time to time. Any notice sent by registered mail shall be deemed to be received by the party for which it is intended five (5) business days after mailing. Any notice delivered by prepaid courier shall be deemed to be received by the party for which it is intended on the date of actual delivery thereof if such delivery occurs prior to 5:00 p.m. on such business day and, otherwise, on the next following business day. Any notice sent by facsimile or e-mail shall be deemed to be received by the party for which it is intended on the next business day following transmission. The addresses for notice of the parties are as follows:

the Lender:

333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

Email: [tim.oldfield@crowncapital.ca](mailto:tim.oldfield@crowncapital.ca)

the Bank:

Bank of Montreal  
595 Burrard St., – 6th floor, Transit #8500  
Vancouver, BC V7X 1L7

Fax No.: 1-844-823-9023

Email: [TPS CAD Client Service TPSCAD.clients@bmo.com](mailto:TPS CAD Client Service TPSCAD.clients@bmo.com)

the Debtor:

c/o 3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, Alberta T2P 2W3


Email: [Ryan.Martin@petroworldenergy.com](mailto:Ryan.Martin@petroworldenergy.com)

16. **Severability.** If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision and the remainder of this Agreement shall continue in full force and effect.

17. **Further Assurances.** The parties agree that each of them shall, upon reasonable request of the other, do, execute, acknowledge and deliver such acts, deeds and agreements as may be necessary or desirable to give effect to the terms of this Agreement.
18. **Conflicts.** In the event of any inconsistency between this Agreement and the terms of any other agreement in respect of the Blocked Account, the terms of this Agreement shall prevail.
19. **Counterparts.** This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had all signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.
20. **Governing Law.** This Agreement shall be governed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
21. **Language.** It is the express wish of the parties that this Agreement and any related documents be drawn up and executed in English. *Les parties conviennent que la présente convention et tous les documents s'y rattachant soient rédigés et signés en anglais.*

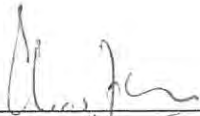
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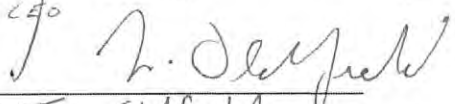
TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.,  
as Debtor

Per:   
Name: Ryan Martin  
Title: President

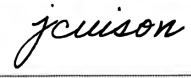
Name:  
Title:

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

Per:   
Name: Chris Johnson  
Title: CEO

  
Name: Tim Oldfield  
Title: Chief Investment Officer

BANK OF MONTREAL, as Bank

Per:   
Name: Janice Cuison  
Title: Manager, Documentation Team

Name:  
Title:



**SCHEDULE "A"**  
**FORM OF DIRECTION**

**TO:** Bank of Montreal (the "Bank")

**DATE:** [◆]

**RE:** Blocked Account Agreement dated October \_\_\_\_, 2020 (the "**Blocked Account Agreement**") made between the Bank, Crown Capital Partner Funding, LP (the "**Lender**") and Triple Five Intercontinental Group Ltd.

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The Lender hereby directs the Bank to release \$[◆] from the Blocked Account (as defined in the Blocked Account Agreement) to the following account:\_\_\_\_\_.

The amount authorized for release hereunder is in addition to all amounts in respect of which the Lender has previously consented to the release from the Blocked Account.

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

Per: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
Name:  
Title:

**Schedule 8.2**

**Form of Officer's Compliance Certificate**

**TO:** Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")  
c/o Crown Capital Partners Inc.  
333 Bay St., Suite 2730  
Toronto, Ontario M5H 2R2

**Attention:** Tim Oldfield, Chief Investment Officer  
**Email:** tim.oldfield@crowncapital.ca

**FROM:** T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.

**RE:** Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")

**DATE:** [◆]

The undersigned, the [◆] of the [◆], hereby certifies, in that capacity for and on behalf of the Obligors, and without personal liability, that:

1. I have read and am familiar with the provisions of the Loan Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Loan Agreement.
2. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Obligors with their covenants and obligations under the Loan Agreement and the other Loan Documents as of the date of this Certificate.
3. The representations and warranties contained in the Loan Agreement and each other Loan Document are true and correct in all material respects on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true in all material respects as of such date [except \_\_\_\_\_]. [NOTE: IF A REPRESENTATION OR WARRANTY IS NOT CORRECT OR COMPLETE, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]
4. All of the covenants required by the Loan Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except \_\_\_\_\_]. [NOTE: IF A COVENANT HAS NOT BEEN COMPLIED WITH, OR A PENDING EVENT OF DEFAULT OR EVENT OF

**DEFAULT EXISTS OR EXISTED, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]**

5. The attached financial statements for the [month/Fiscal Year] ending [insert date] fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

6. As of [◆]:

(a) The Net Debt to Proved Reserve Value Ratio was [◆]:1, calculated as follows:

(i) Net Debt [as further outlined in Exhibit I hereto] = \$◆

(ii) Proved Reserve Value = \$◆

(iii) (i) divided by (ii) ◆:◆

(b) The LLR/LMR was [◆]:1 as of [◆].

(c) Cumulative EBITDA to Cumulative Forecasted EBITDA Ratio was [◆]:1, calculated as follows:

(i) Cumulative EBITDA, calculated as follows:

A. Net Income of the Borrower = \$◆

B. increased by the sum of (without duplication),

a) Items in (i) of the definition of EBITDA = \$◆

b) Items in (ii) of the definition of EBITDA = \$◆

c) Items in (iii) of the definition of EBITDA = \$◆

d) Items in (iv) of the definition of EBITDA = \$◆

e) Items in (v) of the definition of EBITDA = \$◆

f) Items in (vi) of the definition of EBITDA = \$◆

= a) + b) + c) + d) + e) + f) = \$◆

C. decreased by the sum of (without duplication),

g) Items in (vii) of the definition of EBITDA = \$◆

h) Items in (viii) of the definition of EBITDA = \$◆

i) Items in (ix) of the definition of EBITDA = \$◆

- j) Items in (x) of the definition of EBITDA = \$◆
- = g) + h) + i) +j) = \$◆
- D. ((A) + (B) – (C)) = \$◆
- (ii) Cumulative Forecasted EBITDA = \$◆
- (iii) (i) divided by (ii) ◆:◆
- (d) Monthly Sales = ◆ mcf/d [as further outlined in the Sales Report appended as Exhibit II hereto].

7. [Specify and attach any Material Contracts or Material License entered into since the date of the last Compliance Certificate.]

Per: \_\_\_\_\_  
 Name:  
 Title:

Schedule 9.1(gg)

Sales Covenant

	A	B	C	D
1		<b>Company PDP Forecast</b>		<b>Covenant Threshold</b>
2		<b>Sales Gas mcf/d</b>		<b>Sales Gas mcf/d</b>
3	<b>Oct-20</b>	13,730		<b>12,357</b>
4	<b>Nov-20</b>	13,177		<b>11,859</b>
5	<b>Dec-20</b>	12,683		<b>11,415</b>
6	<b>Jan-21</b>	12,231		<b>11,008</b>
7	<b>Feb-21</b>	11,839		<b>10,655</b>
8	<b>Mar-21</b>	11,479		<b>10,331</b>
9	<b>Apr-21</b>	11,136		<b>10,022</b>

THIS IS EXHIBIT "V" TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read "Kaitlin H. Ward", is written above a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

## AMENDING AGREEMENT

THIS AMENDING AGREEMENT made as of February 5, 2021 (the “Effective Date”).

AMONG:

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

-and-

T5 SC OIL AND GAS LIMITED PARTNERSHIP  
as borrower (the “Borrower”),

-and-

TRIPLE FIVE INTERCONTINENTAL GROUP LTD., T5 ENERGY PARTNERS  
LTD. and NADER GHERMEZIAN, as guarantors (collectively, the “Guarantors”)

(each a “Party” and collectively the “Parties”)

WHEREAS:

- A. The Parties previously entered into a forbearance and amending agreement effective as of October 16, 2020 (the “Forbearance Agreement”); and
- B. The Parties have agreed to amend the Forbearance Agreement in accordance with the terms and conditions of this Amending Agreement.

NOW THEREFORE in consideration of the respective covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties hereby agree as follows:

1. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Forbearance Agreement (including definitions incorporated by reference therein).
2. The Forbearance Agreement is amended by inserting the following section 5.1 immediately after the current section 5 with effect as of the Effective Date:
  - 5.1 **Financial Adviser.** The Borrower and Guarantors acknowledge and consent to the engagement of FTI Consulting Canada Inc. (“FTI”) by the Lender, on the Borrower’s behalf, to, *inter alia*, act as financial adviser to the Borrower. The Borrower and Guarantors further covenant and agree: (a) to provide FTI with all necessary co-operation in connection with its engagement including, without limitation, through the provision of all information and access as may be requested from time to time by FTI; and (b) that they shall be responsible for all reasonable costs and expenses of FTI in connection with its engagement and, in the event the Lender elects to make payment of any such costs and expenses, the Borrower and Guarantors shall forthwith reimburse the Lender on demand, failing which, such amounts shall be added to the principal amount of the Obligations.
3. Section 6 of the Forbearance Agreement is amended by the deleting the existing wording in its entirety and replacing it with the following with effect as of the Effective Date:

6. ***Milestones.*** *The Borrower covenants to satisfy and perform the following obligations within the time frames and in the manner set forth below:*

- (a) *The Borrower has engaged a sale advisor (the “Sale Advisor”) acceptable to the Lender to commence a sales process (the “Sale Process”) for all or substantially all of the assets of the Borrower (or in respect of a business combination or other similar transaction involving all or substantially all of the equity interests of the Borrower), which engagement is on terms acceptable to the Lender, and include, that the Lender and its advisers (including FTI) are entitled to be provided with information and updates directly from the Sale Advisor and the Borrower hereby confirms and agrees that the Sale Advisor is entitled to speak directly to the Lender and its advisers (including FTI) regarding any offers, the identity of parties engaged in the Sale Process, activity in the data room or any information in respect of the status of the Sale Process, it being acknowledged by the Lender, that the Lender and its advisers (including FTI) do not have any power or authority hereunder to issue instructions to the Sale Advisor.*
- (b) *The Sale Process shall have the following milestones associated with it which shall, in each case, be completed to the satisfaction of the Lender, acting reasonably:*
  - (i) *data room, confidential information memorandum and teaser shall be prepared and issued by the Sale Advisor no later than February 3, 2021;*
  - (ii) *deadline for non-binding letters of intent (“LOIs”) from prospective purchasers to be submitted by no later than March 17, 2021;*
  - (iii) *LOI to be executed by Borrower with a prospective purchaser no later than April 1, 2021 (the “LOI Deadline”);*
  - (iv) *definitive purchase and sale agreement to be executed by April 15, 2021; and*
  - (v) *closing of the Sale Process and the full repayment of the Obligations under the Loan Documents shall be completed prior to the end of the Forbearance Term.*

*This Agreement shall terminate upon the full repayment of the Obligations under the Loan Documents.*

4. Section 14 of the Forbearance Agreement is amended by adding the following subsection immediately after subsection 14(c), together with all appropriate punctuation and grammatical amendments to such Section with effect as of the Effective Date:

- (d) *if the offers received by the Obligors as a result of the Sales Process, as evidenced by the LOIs, are not sufficient to repay the Obligations, in full, as determined by Lender in its sole discretion, acting reasonably (provided such determination, to constitute a Forbearance Terminating Event, shall be communicated to the Borrower in writing within 5 Business Days of the LOI Deadline),*

5. The Borrower and Guarantors irrevocably and unconditionally acknowledge and confirm Section 15 of the Forbearance Agreement effective as of the Effective Date. The Borrower and Guarantors further acknowledge and confirm that by entering into this Agreement, the Lender has not waived, and does not intend to waive, any default, breach, or non-compliance under the Forbearance Agreement, and nothing contained herein shall be deemed to constitute such waiver. No waiver by



the Lender of any default, breach, or non-compliance under the Forbearance Agreement will be effective unless in writing. No waiver will be inferred from or implied by any failure to act or delay in acting by the Lender in respect of any default, breach, or non-observance or by anything done or omitted to be done by the Borrower or the Guarantors. The Lender hereby reserves its right at any time to exercise any rights, remedies, power and privileges afforded by law or under the Forbearance Agreement.

6. This Amending Agreement amends the Forbearance Agreement. The Forbearance Agreement and this Amending Agreement shall be read together and shall have effect as though all the provisions of this Amending Agreement and the Forbearance Agreement were contained in one instrument. Each Party hereby affirms the Forbearance Agreement which is in full force and effect and affirms it is subject to the covenants, obligations and agreements set out in the Forbearance Agreement, as amended by this Amending Agreement.
7. This Amending Agreement may not be modified or amended except by instrument in writing signed by the Parties, and any such amending agreement shall only vary the terms hereof and shall not rescind, cancel or replace this Amending Agreement, which in all other respects shall continue in full force and effect.
8. This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.
9. The Parties agree to sign all such documents and do all such things as may be necessary and desirable to more completely and effectively carry out the terms and intent of this Amending Agreement.
10. All of the provisions of this Amending Agreement shall be treated as separate and distinct and if any provision hereof is declared invalid, the other provisions shall nevertheless remain in full force and effect.
11. Time is expressly declared to be of the essence of this Amending Agreement and each of the terms and conditions hereof.
12. This Amending Agreement may be executed and delivered in any number of counterparts, and may be delivered by facsimile, electronically or otherwise, each of which when executed and delivered is an original but all of which taken together shall constitute one and the same instrument.

**[Balance of page intentionally left blank. Execution pages to follow.]**

Each of the Parties has signed this Amending Agreement with effect as of the day and year first written above.

**T5 SC OIL AND GAS LIMITED  
PARTNERSHIP, by its general partner  
TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.,  
as Borrower**

By: \_\_\_\_\_  
Name:  
Title

**TRIPLE FIVE INTERCONTINENTAL  
GROUP LTD.  
as Guarantor**

By: \_\_\_\_\_  
Name:  
Title

**T5 ENERGY PARTNERS LTD.,  
as Guarantor**

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_  
*(Witness)*  
Name:  
Occupation:

\_\_\_\_\_  
**NADER GHERMEZIAN  
as Guarantor**

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

By: \_\_\_\_\_  
Name:  
Title

By: \_\_\_\_\_  
Name:  
Title

THIS IS **EXHIBIT "W"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read 'Kaitlin H. Ward', is written over a horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

February 8, 2021

**VIA EMAIL (ryan.martin@petroworldenergy.com)**

c/o T5 SC Oil and Gas Limited Partnership  
and Calgary Oil and Gas Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, Alberta

**Attention: Ryan Martin**

Dear Mr. Martin:

**Re:** Second amended and restated loan agreement, dated October 31, 2019, among Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), T5 SC Oil and Gas Limited Partnership, by its general partner, Calgary Oil and Gas Intercontinental Group Ltd. (*formerly Triple Five Intercontinental Group Ltd.*) (the "**Borrower**"), and Calgary Oil and Gas Intercontinental Group Ltd. (the "**General Partner**") (as amended, restated, modified or supplemented, the "**Loan Agreement**")

**And Re:** Forbearance and amending agreement effective October 16, 2020 (the "**Forbearance Agreement**"), among Crown Capital, the Borrower, the General Partner, Calgary Oil and Gas Intercontinental Group Ltd. (*formerly T5 Energy Partners Ltd.*) ("**Syndicate Partners**") and Nader Ghermezian (together with the General Partner and Syndicate Partners, the "**Guarantors**")

We are counsel to Crown Capital.

All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement and, failing which, the Forbearance Agreement.

Pursuant to the Forbearance Agreement, Crown Capital agreed to forbear from the enforcement of certain of its rights under the Loan Agreement and other Loan Documents during the Forbearance Term, subject to the terms of the Forbearance Agreement.

Crown Capital hereby provides notice to the Borrower that the following Forbearance Terminating Events have occurred pursuant to Section 14(c) of the Forbearance Agreement due to the occurrence of the following Events of Default (which are not otherwise Specified Defaults):

- (a) the Obligors have failed to perform, satisfy, keep or observe (as applicable) the covenants in Sections 9.1(f), 9.1(ff), 9.1(gg) and 9.2(i) of the Loan Agreement, which failures are, in each case, Events of Default under Section 11.1(c) of the Loan

Agreement and are therefore Forbearance Terminating Events pursuant to Section 14(c) of the Forbearance Agreement; and

- (b) in addition to the foregoing, the Obligors (as applicable) have committed Events of Default as follows:
- (i) pursuant section 11.1(f) by admitting their inability to pay their debts generally;
  - (ii) pursuant to section 11.1(i) by (A) becoming insolvent; and (B) by filing for relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-5; and
  - (iii) pursuant to sections 11.1(l) and (m) as a result of various claims, judgments and processes relating thereto having been initiated, determined and registered against or in respect to the Obligors,

which Events of Default are Forbearance Terminating Events pursuant to Section 14(c) of the Forbearance Agreement.

Pursuant to Section 14 of the Forbearance Agreement, as a result the above-listed Forbearance Terminating Events (which are themselves Events of Default), the Lender hereby confirms that the Forbearance Agreement is terminated.

Concurrent with the delivery of this notice, Crown Capital has issued demand letters to the Borrower and Guarantors, demanding immediate payment of the Obligations.

Please do not hesitate to contact the undersigned should you wish to discuss this further.

Yours truly,

**MLT Aikins LLP**



Ryan Zahara

FOR:

- c. Chris Johnson and Adam Jenkins (via email)  
William C. Guinan, Matti Lemmens, Tiffany Bennett, Borden Ladner Gervais LLP (via email)



February 8, 2021

**VIA EMAIL (ryan.martin@petroworldenergy.com)**

c/o T5 SC Oil and Gas Limited Partnership  
and Calgary Oil and Gas Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, Alberta

**Attention: Ryan Martin**

Dear Mr. Martin:

**Re:** Second amended and restated loan agreement, dated October 31, 2019, among Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), T5 SC Oil and Gas Limited Partnership, by its general partner, Calgary Oil and Gas Intercontinental Group Ltd. (*formerly Triple Five Intercontinental Group Ltd.*) (the "**Borrower**"), and Calgary Oil and Gas Intercontinental Group Ltd. (the "**General Partner**") (as amended, restated, modified or supplemented, the "**Loan Agreement**")

**And Re:** Forbearance and amending agreement effective October 16, 2020 (the "**Forbearance Agreement**"), among Crown Capital, the Borrower, the General Partner, Calgary Oil and Gas Intercontinental Group Ltd. (*formerly T5 Energy Partners Ltd.*) ("**Syndicate Partners**") and Nader Ghermezian (together with the General Partner and Syndicate Partners, the "**Guarantors**")

We are counsel to Crown Capital.

All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement and, failing which, the Forbearance Agreement.

Pursuant to the Forbearance Agreement, Crown Capital agreed to forbear from the enforcement of certain of its rights under the Loan Agreement and other Loan Documents during the Forbearance Term, subject to the terms of the Forbearance Agreement.

Crown Capital hereby provides notice to the Borrower that the following Forbearance Terminating Events have occurred pursuant to Section 14(c) of the Forbearance Agreement due to the occurrence of the following Events of Default (which are not otherwise Specified Defaults):

- (a) the Obligors have failed to perform, satisfy, keep or observe (as applicable) the covenants in Sections 9.1(f), 9.1(ff), 9.1(gg) and 9.2(i) of the Loan Agreement, which failures are, in each case, Events of Default under Section 11.1(c) of the Loan

- (b) the Borrower's failure to maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(ii) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (c) the Borrower's failure to make repayment of \$725,000 of the Principal Amount on September 1, 2020, in accordance with Section 3.1(a) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(a) of the Loan Agreement; and
- (d) the Borrower's failure to make payment of the Production Payment for the month of July 2020 which Production Payment was due on September 4, 2020, in accordance with Section 2.3(a) of the Production Payment Agreement, which failure is an Event of Default pursuant to Section 11.1(b) of the Loan Agreement (and which failure is also a default pursuant to Section 3.2(a)(i) of the Production Payment Agreement).

In addition to the foregoing Specified Defaults, the following Events of Default have occurred and are continuing (which list is not necessarily exhaustive):

- (a) the Obligors have failed to perform, satisfy, keep or observe (as applicable) the covenants in Sections 9.1(f), 9.1(ff), 9.1(gg) and 9.2(i) of the Loan Agreement, which failures are, in each case, Events of Default under Section 11.1(c) of the Loan Agreement; and
- (b) in addition to the foregoing, the Obligors (as applicable) have committed Events of Default as follows:
  - (i) pursuant section 11.1(f) by admitting their inability to pay their debts generally;
  - (ii) pursuant to section 11.1(i) by (A) becoming insolvent; and (B) by filing for relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-5; and
  - (iii) pursuant to sections 11.1(l) and (m) as a result of various claims, judgments and processes relating thereto having been initiated, determined and registered against or in respect to the Obligors,

which Events of Default are Forbearance Terminating Events pursuant to Section 14(c) of the Forbearance Agreement.

Pursuant to Section 14 of the Forbearance Agreement and Section 11.2 of the Loan Agreement, as a result of the above listed Events of Default, Crown Capital confirms that all Obligations are immediately due and payable to Crown Capital.

Pursuant to Section 3.2 of the PPA, Crown Capital hereby confirms its election to terminate the Production Payment pursuant to, *inter alia*, Section 3.2(a)(iii) of the PPA due to the above-described Events of Default under the Loan Agreement which have occurred and are continuing. Accordingly, the Prepayment Amount (as defined in the PPA) is now due and payable in accordance with the PPA.



Concurrent with the delivery of this notice and demand letter, Crown Capital has issued a notice and demand letter to each of the Guarantors, demanding immediate payment of the Obligations.

As of February 8, 2021, the aggregate Obligations owing to Crown Capital are \$30,168,624.60, excluding legal and consulting fees, as outlined in greater detail in **Schedule "A"** hereto (collectively, the "**Outstanding Amount**").

Accordingly, Crown Capital hereby demands from the Borrower payment of the Outstanding Amount, plus all accrued interest, expenses, and costs, including legal costs on a solicitor and own client (full-indemnity) basis. On behalf of Crown Capital, we enclose an executed copy of a Notice of Intention to Enforce Security issued by Crown Capital in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3.

Be advised that if payment of the Outstanding Amount is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in Trust, within 10 days of the date of this letter, Crown Capital shall exercise all remedies against the Borrower as are available to it pursuant to the terms of the Loan Agreement, the PPA, the Debenture, any other Loan Documents to which it is party to, and as at law and equity.

Please do not hesitate to contact the undersigned should you wish to discuss this further.

Yours truly,

**MLT Aikins LLP**



FOR: Ryan Zahara

c. Chris Johnson and Adam Jenkins (via email)  
William C. Guinan, Matti Lemmens, Tiffany Bennett, Borden Ladner Gervais LLP (via email)

Encl.

**SCHEDULE "A"**

Loan principal	\$27,270,000.00
Prepayment fee (4%)	1,090,800.00
Loan Interest (November 1, 2020 to February 8, 2021) <sup>1</sup>	910,455.45
January 1 through February 8, 2021 production payment ( <i>estimate</i> )	94,609.14
Prepayment Amount (PPA) - <i>estimate</i>	802,760.01
<b>Total Payout Amount</b>	<b>\$30,168,624.60</b>

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<sup>1</sup> Per diem interest of \$10,331.72 (effective until February 28, 2021).

**Notice of Intention to Enforce Security**

(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: T5 SC Oil and Gas Limited Partnership, by its general partner, Calgary Oil and Gas Intercontinental Group Ltd. (formerly *Triple Five Intercontinental Group Ltd.*) (the "**Debtor**"), an Insolvent Corporation.

**TAKE NOTICE THAT:**

1. Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), a secured creditor, intends to enforce its security on the property of the Debtor described below:
  - A. the Collateral (as such term is defined in the Debenture (as defined below)).
2. The security that is to be enforced is in the form of:
  - A. a Fixed and Floating Charge Demand Debenture made by the Debtor in favour of Crown Capital, and dated August 31, 2018 (as amended, restated, modified and supplemental, the "**Debenture**").
3. As of February 8, 2021, the amount of indebtedness secured by the security in favour of Crown Capital is \$30,168,624.60, plus interest to the date of payment, and all costs, charges and expenses incurred by Crown Capital, including, without limitation, legal fees on a solicitor and own client (full-indemnity) basis, respecting enforcement of same.
4. Crown Capital will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Debtor consents to an earlier enforcement.

Dated this 8th day of February, 2021.

**Crown Capital Partner Funding, LP, by  
its general partner Crown Capital LP  
Partner Funding Inc.,**

by its solicitors and agents, MLT Aikins LLP

Per: \_\_\_\_\_

*For:* Ryan Zahara - Barrister & Solicitor

# MLT A I K I N S

WESTERN CANADA'S LAW FIRM

The undersigned hereby consents to Crown Capital enforcing its security prior to the expiry of the above-noted 10-day period.

**T5 SC Oil and Gas Limited Partnership, by its general partner Calgary Oil and Gas Intercontinental Group Ltd. (formerly Triple Five Intercontinental Group Ltd.)**

Per: \_\_\_\_\_

THIS IS **EXHIBIT "X"** TO THE  
AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read 'K. Ward', is written over a solid black horizontal line.

A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**



February 8, 2021

**VIA EMAIL (ryan.martin@petroworldenergy.com)**

Calgary Oil and Gas Intercontinental Group Ltd.  
3600, 700 – 2<sup>nd</sup> Street SW  
Calgary, Alberta

**Attention: Ryan Martin**

Dear Mr. Martin:

**Re:** Second amended and restated loan agreement, dated October 31, 2019, among Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), Calgary Oil and Gas Intercontinental Group Ltd. (*formerly Triple Five Intercontinental Group Ltd.*) (the "**Guarantor**") and T5 SC Oil and Gas Limited Partnership, by its general partner, the Guarantor (the "**Borrower**") (as amended, restated, modified or supplemented, the "**Loan Agreement**")

**And Re:** Forbearance and amending agreement effective October 16, 2020 (the "**Forbearance Agreement**"), among Crown Capital, the Borrower, the Guarantor, Calgary Oil and Syndicate Partners Ltd. (*formerly T5 Energy Partners Ltd.*) ("**Syndicate Partners**") and Nader Ghermezian

**And Re:** Amended and restated production payment agreement made as of October 31, 2019 (the "**PPA**") among the Borrower, the Guarantor and Crown Capital

**And Re:** Fixed and Floating Charge and Demand Debenture dated August 31, 2018 (the "**Debenture**") granted by the Guarantor in favour of Crown Capital

We are counsel to Crown Capital.

All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement and, failing which, the Forbearance Agreement.

Pursuant to an unlimited guarantee and indemnity agreement dated August 31, 2018 (as amended, restated, modified or supplemented, the "**Guarantee**"), the Guarantor, *inter alia*, agreed to the pay to Crown Capital all existing and future indebtedness, liabilities and obligations of the Borrower owing to Crown Capital arising in connection with or pursuant to the Loan Agreement and the other Loan Documents.

As security for the Guarantee, the Guarantor executed the Debenture in favour of Crown Capital, dated August 31, 2018.

Concurrent with the issuance of this correspondence, Crown Capital issued notice to the Borrower that certain Forbearance Terminating events have occurred under the Forbearance Agreement and, as a result, the Forbearance Agreement has terminated (the "**Forbearance Termination Notice**"). As a result of the Forbearance Termination Notice, Crown Capital is no longer obligated to forbear in respect to the following Specified Defaults:

- (a) the Borrower's failure to maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(i) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (b) the Borrower's failure to maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(ii) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (c) the Borrower's failure to make repayment of \$725,000 of the Principal Amount on September 1, 2020, in accordance with Section 3.1(a) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(a) of the Loan Agreement; and
- (d) the Borrower's failure to make payment of the Production Payment for the month of July 2020 which Production Payment was due on September 4, 2020, in accordance with Section 2.3(a) of the Production Payment Agreement, which failure is an Event of Default pursuant to Section 11.1(b) of the Loan Agreement (and which failure is also a default pursuant to Section 3.2(a)(i) of the Production Payment Agreement).

In addition to the foregoing Specified Defaults, the following Events of Default have occurred and are continuing (which list is not necessarily exhaustive):

- (a) the Obligors have failed to perform, satisfy, keep or observe (as applicable) the covenants in Sections 9.1(f), 9.1(ff), 9.1(gg) and 9.2(i) of the Loan Agreement, which failures are, in each case, Events of Default under Section 11.1(c) of the Loan Agreement; and
- (b) in addition to the foregoing, the Obligors (as applicable) have committed Events of Default as follows:
  - (i) pursuant section 11.1(f) by admitting their inability to pay their debts generally;
  - (ii) pursuant to section 11.1(i) by (A) becoming insolvent; and (B) by filing for relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-5; and
  - (iii) pursuant to sections 11.1(l) and (m) as a result of various claims, judgments and processes relating thereto having been initiated, determined and registered against or in respect to the Obligors,

which Events of Default are Forbearance Terminating Events pursuant to Section 14(c) of the Forbearance Agreement.



Pursuant to Section 14 of the Forbearance Agreement and Section 11.2 of the Loan Agreement, as a result of the above listed Events of Default, Crown Capital confirms that all Obligations are immediately due and payable to Crown Capital.

Pursuant to Section 3.2 of the PPA, Crown Capital hereby confirms its election to terminate the Production Payment pursuant to, *inter alia*, Section 3.2(a)(iii) of the PPA due to the above-described Events of Default under the Loan Agreement which have occurred and are continuing. Accordingly, the Prepayment Amount (as defined in the PPA) is now due and payable in accordance with the PPA.

Concurrent with the delivery of this notice and demand letter, Crown Capital has issued a notice and demand letter to the Borrower and each of Syndicate Partners and Nader Ghermezian, demanding immediate payment of the Obligations.

As of February 8, 2021, the aggregate Obligations owing to Crown Capital are \$30,168,624.60, excluding legal and consulting fees, as outlined in greater detail in **Schedule "A"** hereto (collectively, the "**Outstanding Amount**").

Accordingly, Crown Capital hereby demands from the Guarantor payment of the Outstanding Amount, plus all accrued interest, expenses, and costs, including legal costs on a solicitor and own client (full-indemnity) basis. On behalf of Crown Capital, we enclose an executed copy of a Notice of Intention to Enforce Security issued by Crown Capital in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3.

Be advised that if payment of the Outstanding Amount is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in Trust, within 10 days of the date of this letter, Crown Capital shall exercise all remedies against the Guarantor as are available to it pursuant to the terms of the Loan Agreement, the Guarantee, the Debenture, any other Loan Documents to which it is party to, and at law and equity.

Please do not hesitate to contact the undersigned should you wish to discuss this further.

Yours truly,

**MLT Aikins LLP**



FOR: Ryan Zahara

c. Chris Johnson and Adam Jenkins (*via email*)  
William C. Guinan, Matti Lemmens, Tiffany Bennett, Borden Ladner Gervais LLP (*via email*)

Encl.



**SCHEDULE "A"**

Loan principal	\$27,270,000.00
Prepayment fee (4%)	1,090,800.00
Loan Interest (November 1, 2020 to February 8, 2021) <sup>1</sup>	910,455.45
January 1 through February 8, 2021 production payment ( <i>estimate</i> )	94,609.14
Prepayment Amount (PPA) - <i>estimate</i>	802,760.01
<b>Total Payout Amount</b>	<b>\$30,168,624.60</b>

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<sup>1</sup> Per diem interest of \$10,331.72 (effective until February 28, 2021).

**Notice of Intention to Enforce Security**

(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Calgary Oil and Gas Intercontinental Group Ltd. (formerly *Triple Five Intercontinental Group Ltd.*) (the "**Guarantor**"), an Insolvent Corporation

**TAKE NOTICE THAT:**

1. Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), a secured creditor, intends to enforce its security on the property of the Guarantor described below:
  - A. the Collateral (as such term is defined in the Debenture (as defined below))
2. The security that is to be enforced is in the form of:
  - A. a fixed and floating charge demand debenture made by the Guarantor in favour of Crown Capital and dated as of August 31, 2018 (as amended, restated, modified and supplemented, the "**Debenture**").
3. As of February 8, 2021, the amount of indebtedness secured by the security in favour of Crown Capital is \$30,168,624.60, plus interest to the date of payment, and all costs, charges and expenses incurred by Crown Capital, including, without limitation, legal fees on a solicitor and own client (full-indemnity) basis, respecting enforcement of same.
4. Crown Capital will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Guarantor consents to an earlier enforcement.

Dated this 8<sup>th</sup> day of February, 2021.

**Crown Capital Partner Funding, LP, by  
its general partner Crown Capital LP  
Partner Funding Inc.,**

by its solicitors and agents, MLT Aikins LLP

Per: 

**FOR:** Ryan Zahara - Barrister & Solicitor

# MLT AIKINS

WESTERN CANADA'S LAW FIRM

The undersigned hereby consents to Crown Capital enforcing its security prior to the expiry of the above-noted 10-day period.

**Calgary Oil and Gas Intercontinental Group Ltd. (formerly Triple Five Intercontinental Group Ltd.)**

Per: \_\_\_\_\_



February 8, 2021

**VIA EMAIL (david@triplefive.com)**Calgary Oil and Syndicate Partners Ltd.  
3000 8882 170 Street  
Edmonton, Alberta, T5T 4M2**Attention: David Ghermezian**

Dear Mr. Ghermezian:

- Re:** Second amended and restated loan agreement, dated October 31, 2019, among Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), T5 SC Oil and Gas Limited Partnership, by its general partner, Calgary Oil and Gas Intercontinental Group Ltd. (*formerly Triple Five Intercontinental Group Ltd.*) (the "**Borrower**"), and Calgary Oil and Gas Intercontinental Group Ltd. (the "**General Partner**") (as amended, restated, modified or supplemented, the "**Loan Agreement**")
- And Re:** Forbearance and amending agreement effective October 16, 2020 (the "**Forbearance Agreement**"), among Crown Capital, the Borrower, the General Partner, Calgary Oil and Syndicate Partners Ltd. (*formerly T5 Energy Partners Ltd.*) (the "**Guarantor**") and Nader Ghermezian
- And Re:** Pledge Agreement dated August 31, 2018 (the "**Pledge Agreement**") granted by the Guarantor in favour of Crown Capital

We are counsel to Crown Capital.

All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement and, failing which, the Forbearance Agreement.

Pursuant to a limited recourse guarantee and indemnity agreement dated August 31, 2018 (as amended, restated, modified or supplemented, the "**Guarantee**"), the Guarantor, *inter alia*, agreed to pay to Crown Capital all existing and future indebtedness, liabilities and obligations of the Borrower owing to Crown Capital arising in connection with or pursuant to the Loan Agreement and the other Loan Documents.

As security for the Guarantee, the Guarantor executed the Pledge Agreement in favour of Crown Capital, pursuant to which the Guarantor pledged certain limited partnership units in the capital of the Borrower as security for the Guarantee.

Concurrent with the issuance of this correspondence, Crown Capital issued notice to the Borrower that certain Forbearance Terminating Events have occurred under the Forbearance



Agreement and, as a result, the Forbearance Agreement has terminated (the "**Forbearance Termination Notice**"). As a result of the Forbearance Termination Notice, Crown Capital is no longer obligated to forbear in respect to the following Specified Defaults:

- (a) the Borrower's failure to maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(i) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (b) the Borrower's failure to maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(ii) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (c) the Borrower's failure to make repayment of \$725,000 of the Principal Amount on September 1, 2020, in accordance with Section 3.1(a) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(a) of the Loan Agreement; and
- (d) the Borrower's failure to make payment of the Production Payment for the month of July 2020 which Production Payment was due on September 4, 2020, in accordance with Section 2.3(a) of the Production Payment Agreement, which failure is an Event of Default pursuant to Section 11.1(b) of the Loan Agreement (and which failure is also a default pursuant to Section 3.2(a)(i) of the Production Payment Agreement).

In addition to the foregoing Specified Defaults, the following Events of Default have occurred and are continuing (which list is not necessarily exhaustive):

- (a) the Obligors have failed to perform, satisfy, keep or observe (as applicable) the covenants in Sections 9.1(f), 9.1(ff), 9.1(gg) and 9.2(i) of the Loan Agreement, which failures are, in each case, Events of Default under Section 11.1(c) of the Loan Agreement; and
- (b) in addition to the foregoing, the Obligors (as applicable) have committed Events of Default as follows:
  - (i) pursuant section 11.1(f) by admitting their inability to pay their debts generally;
  - (ii) pursuant to section 11.1(i) by (A) becoming insolvent; and (B) by filing for relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-5; and
  - (iii) pursuant to sections 11.1(l) and (m) as a result of various claims, judgments and processes relating thereto having been initiated, determined and registered against or in respect to the Obligors,

which Events of Default are Forbearance Terminating Events pursuant to Section 14(c) of the Forbearance Agreement.

Pursuant to Section 14 of the Forbearance Agreement and Section 11.2 of the Loan Agreement, as a result of the above listed Events of Default, Crown Capital confirms that all Obligations are immediately due and payable to Crown Capital.

Concurrent with the delivery of this notice and demand letter, Crown Capital has issued a notice and demand letter to the Borrower and each of the General Partner and Nader Ghermezian demanding immediate payment of the Obligations.

As of February 8, 2021, the aggregate Obligations owing to Crown Capital are \$30,168,624.60, excluding legal and consulting fees, as outlined in greater detail in **Schedule "A"** hereto (collectively, the "**Outstanding Amount**").

Accordingly, Crown Capital hereby demands from the Guarantor payment of the Outstanding Amount, plus all accrued interest, expenses, and costs, including legal costs on a solicitor and own client (full-indemnity) basis. On behalf of Crown Capital, we enclose an executed copy of a Notice of Intention to Enforce Security issued by Crown Capital in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3.

Be advised that if payment of the Outstanding Amount is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in Trust, within 10 days of the date of this letter, Crown Capital shall exercise all remedies against the Guarantor as are available to it pursuant to the terms of the Loan Agreement, the Guarantee, the Pledge Agreement, any other Loan Documents to which it is party to, and at law and equity.

Please do not hesitate to contact the undersigned should you wish to discuss this further.

Yours truly,

**MLT Aikins LLP**



Ryan Zahara

FOR:

c. Chris Johnson and Adam Jenkins (via email)  
William C. Guinan, Matti Lemmens, Tiffany Bennett, Borden Ladner Gervais LLP (via email)

Encl.



**SCHEDULE "A"**

Loan principal	\$27,270,000.00
Prepayment fee (4%)	1,090,800.00
Loan Interest (November 1, 2020 to February 8, 2021) <sup>1</sup>	910,455.45
January 1 through February 8, 2021 production payment ( <i>estimate</i> )	94,609.14
Prepayment Amount (Production Payment Agreement) - <i>estimate</i>	802,760.01
<b>Total Payout Amount</b>	<b>\$30,168,624.60</b>

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<sup>1</sup> Per diem interest of \$10,331.72 (effective until February 28, 2021).

**Notice of Intention to Enforce Security**

(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Calgary Oil and Syndicate Partners Ltd. (formerly T5 Energy Partners Ltd.) (the "Guarantor"), an Insolvent Corporation

**TAKE NOTICE THAT:**

1. Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), a secured creditor, intends to enforce its security on the property of the Guarantor described below:
  - A. 9,999 Class A Units in the capital of T5 SC Oil and Gas Limited Partnership registered in the name of the Guarantor and represented by unit certificate no. 2.
2. The security that is to be enforced is in the form of:
  - A. a Pledge Agreement by the Guarantor in favour of Crown Capital dated August 31, 2018.
3. As of February 8, 2021, the amount of indebtedness secured by the security in favour of Crown Capital is \$30,168,624.60, plus interest to the date of payment, and all costs, charges and expenses incurred by Crown Capital, including, without limitation, legal fees on a solicitor and own client (full-indemnity) basis, respecting enforcement of same.
4. Crown Capital will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Guarantor consents to an earlier enforcement.

Dated this 8<sup>th</sup> day of February, 2021.

**Crown Capital Partner Funding, LP, by  
its general partner Crown Capital LP  
Partner Funding Inc.,**

by its solicitors and agents, MLT Aikins LLP

Per: 

FOR: Ryan Zahara - Barrister & Solicitor





WESTERN CANADA'S LAW FIRM

The undersigned hereby consents to Crown Capital enforcing its security prior to the expiry of the above-noted 10-day period.

**Calgary Oil and Syndicate Partners Ltd. (formerly T5 Energy Partners Ltd.)**

Per: \_\_\_\_\_

**Ryan Zahara**Direct Line: (403) 693-5420  
Email: rzahara@mltaikins.com

Joy Mutuku

Legal Assistant

Direct Line: (403) 693-5403  
E-mail: jmutuku@mltaikins.com

February 8, 2021

**VIA EMAIL (nader@triplefive.com)**Nader Ghermezian  
3000 8882 170 Street  
Edmonton, Alberta, T5T 4M2**Attention: Nader Ghermezian**

Dear Mr. Ghermezian:

**Re:** Second amended and restated loan agreement, dated October 31, 2019, among Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), T5 SC Oil and Gas Limited Partnership, by its general partner, Calgary Oil and Gas Intercontinental Group Ltd. (*formerly Triple Five Intercontinental Group Ltd.*) (the "**Borrower**"), and Calgary Oil and Gas Intercontinental Group Ltd. (the "**General Partner**") (as amended, restated, modified or supplemented, the "**Loan Agreement**")

**And Re:** Forbearance and amending agreement effective October 16, 2020 (the "**Forbearance Agreement**"), among Crown Capital, the Borrower, the General Partner, Calgary Oil and Gas Syndicate Partners Ltd. (*formerly T5 Energy Partners Ltd.*) ("**Syndicate Partners**") and Nader Ghermezian (the "**Guarantor**")

**And Re:** Pledge Agreement dated August 31, 2018 (the "**Pledge Agreement**") granted by the Guarantor in favour of Crown Capital

We are counsel to Crown Capital.

All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement and, failing which, the Forbearance Agreement.

Pursuant to a limited recourse guarantee and indemnity agreement dated August 31, 2018 (as amended, restated, modified or supplemented, the "**Guarantee**"), the Guarantor, *inter alia*, agreed to pay to Crown Capital all existing and future indebtedness, liabilities and obligations of the Borrower owing to Crown Capital arising in connection with or pursuant to the Loan Agreement and the other Loan Documents.

As security for the Guarantee, the Guarantor executed the Pledge Agreement in favour of Crown Capital, pursuant to which the Guarantor pledged certain shares in the capital of the General Partner as security for the Guarantee.

Concurrent with the issuance of this correspondence, Crown Capital issued notice to the Borrower that certain Forbearance Terminating Events have occurred under the Forbearance



Agreement and, as a result, the Forbearance Agreement has terminated (the "**Forbearance Termination Notice**"). As a result of the Forbearance Termination Notice, Crown Capital is no longer obligated to forbear in respect to the following Specified Defaults:

- (a) the Borrower's failure to maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(i) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (b) the Borrower's failure to maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at March 31, 2020 and June 30, 2020, in accordance with Section 9.1(y)(ii) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(d) of the Loan Agreement;
- (c) the Borrower's failure to make repayment of \$725,000 of the Principal Amount on September 1, 2020, in accordance with Section 3.1(a) of the Loan Agreement, which failure is an Event of Default pursuant to Section 11.1(a) of the Loan Agreement; and
- (d) the Borrower's failure to make payment of the Production Payment for the month of July 2020 which Production Payment was due on September 4, 2020, in accordance with Section 2.3(a) of the Production Payment Agreement, which failure is an Event of Default pursuant to Section 11.1(b) of the Loan Agreement (and which failure is also a default pursuant to Section 3.2(a)(i) of the Production Payment Agreement).

In addition to the foregoing Specified Defaults, the following Events of Default have occurred and are continuing (which list is not necessarily exhaustive):

- (a) the Obligors have failed to perform, satisfy, keep or observe (as applicable) the covenants in Sections 9.1(f), 9.1(ff), 9.1(gg) and 9.2(i) of the Loan Agreement, which failures are, in each case, Events of Default under Section 11.1(c) of the Loan Agreement; and
- (b) in addition to the foregoing, the Obligors (as applicable) have committed Events of Default as follows:
  - (i) pursuant section 11.1(f) by admitting their inability to pay their debts generally;
  - (ii) pursuant to section 11.1(i) by (A) becoming insolvent; and (B) by filing for relief under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-5; and
  - (iii) pursuant to sections 11.1(l) and (m) as a result of various claims, judgments and processes relating thereto having been initiated, determined and registered against or in respect to the Obligors,

which Events of Default are Forbearance Terminating Events pursuant to Section 14(c) of the Forbearance Agreement.

Pursuant to Section 14 of the Forbearance Agreement and Section 11.2 of the Loan Agreement, as a result of the above listed Events of Default, Crown Capital confirms that all Obligations are immediately due and payable to Crown Capital.

# MLT AIKINS

WESTERN CANADA'S LAW FIRM

Concurrent with the delivery of this notice and demand letter, Crown Capital has issued a notice and demand letter to the Borrower and each of the General Partner and Syndicate Partners demanding immediate payment of the Obligations.

As of February 8, 2021, the aggregate Obligations owing to Crown Capital are \$30,168,624.60, excluding legal and consulting fees, as outlined in greater detail in **Schedule "A"** hereto (collectively, the "**Outstanding Amount**").

Accordingly, Crown Capital hereby demands from the Guarantor payment of the Outstanding Amount, plus all accrued interest, expenses, and costs, including legal costs on a solicitor and own client (full-indemnity) basis. On behalf of Crown Capital, we enclose an executed copy of a Notice of Intention to Enforce Security issued by Crown Capital in accordance with Section 244(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3.

Be advised that if payment of the Outstanding Amount is not delivered to our office in the form of a certified cheque or bank draft made payable to MLT Aikins LLP, in Trust, within 10 days of the date of this letter, Crown Capital shall exercise all remedies against the Guarantor as are available to it pursuant to the terms of the Loan Agreement, the Guarantee, the Pledge Agreement, any other Loan Documents to which it is party to, and at law and equity.

Please do not hesitate to contact the undersigned should you wish to discuss this further.

Yours truly,

**MLT Aikins LLP**



*FOR:* Ryan Zahara

- c. Chris Johnson and Adam Jenkins (via email)  
William C. Guinan, Matti Lemmens, Tiffany Bennett, Borden Ladner Gervais LLP (via email)

Encl.



**SCHEDULE "A"**

Loan principal	\$27,270,000.00
Prepayment fee (4%)	1,090,800.00
Loan Interest (November 1, 2020 to February 8, 2021) <sup>1</sup>	910,455.45
January 1 through February 8, 2021 production payment ( <i>estimate</i> )	94,609.14
Prepayment Amount (Production Payment Agreement) - <i>estimate</i>	802,760.01
<b>Total Payout Amount</b>	<b>\$30,168,624.60</b>

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<sup>1</sup> Per diem interest of \$10,331.72 (effective until February 28, 2021).

**Notice of Intention to Enforce Security**

(Subsection 244(1) of the *Bankruptcy and Insolvency Act*)

TO: Nader Ghermezian (the "**Guarantor**"), an Insolvent Individual

**TAKE NOTICE THAT:**

1. Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. ("**Crown Capital**"), a secured creditor, intends to enforce its security on the property of the Guarantor described below:
  - A. 100 Class A Shares in the capital of Calgary Oil and Gas Intercontinental Group Ltd. (*formerly Triple Five Intercontinental Group Ltd.*), registered in the name of Nader Ghermezian (in his capacity as the trustee for and on behalf of Calgary Oil and Syndicate Partners Ltd.) and represented by share certificate no. 1.
2. The security that is to be enforced is in the form of:
  - A. a Pledge Agreement by the Guarantor in favour of Crown Capital dated August 31, 2018.
3. As of February 8, 2021, the amount of indebtedness secured by the security in favour of Crown Capital is \$30,168,624.60, plus interest to the date of payment, and all costs, charges and expenses incurred by Crown Capital, including, without limitation, legal fees on a solicitor and own client (full-indemnity) basis, respecting enforcement of same.
4. Crown Capital will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice, unless the Guarantor consents to an earlier enforcement.

Dated this 8<sup>th</sup> day of February, 2021.

**Crown Capital Partner Funding, LP, by  
its general partner Crown Capital LP  
Partner Funding Inc.,**

by its solicitors and agents, MLT Aikins LLP

Per: 

**RZ**: Ryan Zahara - Barrister & Solicitor

# MLT AIKINS

WESTERN CANADA'S LAW FIRM

The undersigned hereby consents to Crown Capital enforcing its security prior to the expiry of the above-noted 10-day period.

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**Witness**

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**Nader Ghermezian**



THIS IS CONFIDENTIAL EXHIBIT "Y"  
TO THE AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



A Commissioner for Oaths in and for the Province of Alberta.

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

THIS IS **CONFIDENTIAL EXHIBIT "Z"**  
TO THE AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.

A handwritten signature in blue ink, appearing to read "Kaitlin H. Ward", is written above a solid horizontal line.

A Commissioner for Oaths in and for the Province of Alberta

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**

THIS IS **CONFIDENTIAL EXHIBIT "AA"**  
TO THE AFFIDAVIT OF ADAM JENKINS  
SWORN BEFORE ME AT CALGARY, ALBERTA,  
this 9<sup>th</sup> day of February, 2021.



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A Commissioner for Oaths in and for the Province of Alberta

**KAITLIN H. WARD**  
**BARRISTER & SOLICITOR**