

AMENDED AND RESTATED SUPPORT AGREEMENT

WHEREAS, reference is made to the Support Agreement dated as of July 12, 2016 (the “Original Support Agreement”) among (a) Lightstream Resources Ltd. (“Lightstream” or the “Company”), its subsidiaries, 9817158 Canada Ltd. (“ArrangeCo”), 1863359 Alberta Ltd. and 1863360 Alberta Ltd. (collectively, the “Subsidiaries”), and LTS Resources Partnership and Bakken Resources Partnership (collectively, the “Partnerships” and, together with Lightstream and the Subsidiaries, the “Lightstream Entities” and each a “Lightstream Entity”); and (b) each of the other signatories thereto (each an “Initial Consenting Noteholder” and collectively the “Initial Consenting Noteholders”), being a holder (a “Secured Noteholder”) of 9.875% Second Lien Secured Notes due June 15, 2019 (the “Secured Notes”) that are members of the Ad Hoc Committee. The Company and the Initial Consenting Noteholders agree to amend and restate the Original Support Agreement in its entirety on the terms set forth herein.

WHEREAS, this Amended and Restated Support Agreement dated as of August 26, 2016 (this “Agreement”) sets out the agreement among: (a) the Lightstream Entities; and (b) each of the other signatories hereto (each a “Consenting Noteholder” and collectively the “Consenting Noteholders”), whether as an original signatory or by executing a consent agreement in the form of Schedule C (a “Consent Agreement”), being a Secured Noteholder and/or a holder (an “Unsecured Noteholder”) of 8.625% Senior Unsecured Notes due February 1, 2020 (the “Unsecured Notes” and, collectively with the Secured Notes, the “Notes”), regarding the principal aspects of a series of transactions (collectively, the “Transaction”) involving the Lightstream Entities, all as more fully defined and described herein and in the restructuring term sheet attached hereto as Schedule B and forming a part of this Agreement (the “Term Sheet”, with the terms of the Transaction set out therein, the “Transaction Terms” and for greater certainty, all references herein to this Agreement shall include the Term Sheet), which Transaction Terms shall form the basis for the terms of, be set forth in, and be implemented pursuant to (i) a plan of arrangement (the “CBCA Plan”) to be filed in respect of the Company in proceedings (the “CBCA Proceedings”) under the *Canada Business Corporations Act* (the “CBCA”), (together with the continuance of Lightstream under the CBCA, the “CBCA Plan Transaction”), or (ii) subject to the terms and conditions hereof, a sale of all or substantially all of the Lightstream Entities’ business and assets (the “CCAA Sale Transaction”) as part of proceedings (the “CCAA Proceedings”) under the *Companies’ Creditors Arrangement Act* (the “CCAA”), as applicable and, for greater certainty, all references to “Transaction” shall refer to each of the CBCA Plan, the CBCA Plan Transaction, the CCAA Sale Transaction and the Secured Notes Credit Bid (as defined below), as the context so requires; and

WHEREAS, capitalized terms used but not otherwise defined in the main body of this Agreement have the meanings ascribed to such terms in Schedule A or in the Term Sheet.

NOW THEREFORE, the Lightstream Entities and the Consenting Noteholders (each, a “Party” and collectively, the “Parties”) hereby agree as follows:

1. Transaction

The Transaction Terms as agreed among the Parties are set forth in the Term Sheet, which is incorporated herein and made a part of this Agreement. In the case of a conflict between

the provisions contained in the main body of this Agreement and the Term Sheet, the provisions of the main body of this Agreement shall govern. In the case of a conflict between the provisions contained in the text of this Agreement (including the Schedules hereto) and the CBCA Plan, the terms of the CBCA Plan shall govern.

2. **Representations and Warranties of the Consenting Noteholders**

Each Consenting Noteholder hereby represents and warrants, severally and not jointly, to the Company (and acknowledges that the Lightstream Entities are relying upon such representations and warranties) that:

- (a) it is, as at the date of this Agreement (or in the case of a Consent Agreement, the date of the Consent Agreement), the sole legal and beneficial holder of (or has sole voting and investment discretion, including discretionary authority to manage or administer funds, with respect to):
  - (i) the Secured Notes and/or Unsecured Notes in the principal amount(s) set forth on its signature page hereto that it has elected to bind to this Agreement (or on its signature page to the Consent Agreement, as applicable) (the “**Relevant Notes**”; the Relevant Notes, together with the aggregate amount owing in respect of the Relevant Notes, including all fees, premiums, costs and expenses, accrued interest, and any other amounts owing in respect of the Relevant Notes, its “**Relevant Debt**”); and
  - (ii) that number of Existing Shares set forth on its signature page hereto that it has elected to bind to this Agreement (or on its signature page to the Consent Agreement, as applicable) (the “**Relevant Shares**”);
- (b) it has the sole authority to vote or direct the voting of its Relevant Debt and Relevant Shares;
- (c) each of the Relevant Debt and Relevant Shares are free and clear of any lien, charge, mortgage, hypothec or security interest of any kind whatsoever, that would adversely affect in any way such Consenting Noteholder’s performance of its obligations contained in this Agreement at the time such obligations are required to be performed;
- (d) this Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by the Lightstream Entities, this Agreement constitutes the legal, valid and binding obligation of such Consenting Noteholder, enforceable against such Consenting Noteholder in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors’ rights generally and general principles of equity;
- (e) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions and agreements contemplated hereby;

- (f) it is a sophisticated party with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement; it has conducted its own analysis and made its own decision to enter into this Agreement and has obtained such independent advice in this regard as it deemed appropriate; and it has not relied in such analysis or decision on any Person, including any of the Lightstream Entities or any of their advisors, other than its own independent advisors;
- (g) the execution and delivery of this Agreement by it and the completion by it of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any judgment, order, notice, decree, statute, law, ordinance, rule or regulation applicable to the Consenting Noteholder or any of its properties or assets;
- (h) the execution and delivery of this Agreement by it and the completion by it of its obligations hereunder and the consummation by it of the transactions contemplated herein do not and will not require any consent or approval or other action, with or by, any Governmental Entity, other than in respect of the CBCA Plan Transaction, the CBCA Plan, the CBCA Preliminary Interim Order, the Meetings Order, the Final Order, and the filing of articles of amalgamation or arrangement giving effect to the CBCA Plan under the CBCA, and in respect of the CCAA Sale Transaction, and in respect of the *Competition Act* (Canada) and the *Investment Canada Act*, as applicable, and as may be required by the CCAA including the Sales Order and court approval of a Sale and Investment Solicitation Process in respect of the Lightstream Entities' business and assets (the "SISP");
- (i) except as contemplated by this Agreement, it has not deposited any of its Relevant Debt or Relevant Shares into a voting trust, or granted (or permitted to be granted) any proxies or powers of attorney or attorney in fact, or entered into a voting agreement, understanding or arrangement, or granted (or permitted to be granted) any right or privilege (whether by law, pre-emptive or contractual) capable of becoming a voting trust or other agreement, with respect to the voting of its Relevant Debt or Relevant Shares where such trust, grant, agreement, understanding, arrangement, right or privilege would in any manner restrict the ability of the Consenting Noteholder to comply with its obligations under this Agreement, affecting the Relevant Debt or Relevant Shares or the ability of any holder thereof to exercise all ownership rights thereto; and
- (j) except as disclosed in the Disclosure Letter, to the best of its knowledge, there is not now pending or, to its knowledge, threatened against it or any of its properties, nor has it received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding before any court, regulatory body, tribunal, agency, Governmental Entity or legislative body that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the Consenting Noteholder's ability to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions and agreements contemplated by this Agreement.

3. **Representations and Warranties of the Lightstream Entities**

Each of the Lightstream Entities (except if the representation or warranty is applicable to one of them only) hereby represents and warrants to each Consenting Noteholder (and each of the Lightstream Entities acknowledges that each of the Consenting Noteholders is relying upon such representations and warranties) that:

- (a) all necessary corporate action has been taken by it to authorize this Agreement and the transactions and agreements contemplated hereby;
- (b) this Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by each of the other Parties hereto, this Agreement constitutes the legal, valid and binding obligation of it, enforceable against it in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;
- (c) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to conduct its business as currently being conducted, and to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions and agreements contemplated hereby;
- (d) the execution and delivery of this Agreement by it and the completion by it of its obligations hereunder and the consummation of the transactions and agreements contemplated hereby do not and will not violate or conflict with (i) any judgment, order, statute, law, ordinance, rule or regulation applicable to it or any of its properties or assets, (ii) its articles, bylaws and constating documents, or (iii) subject to the First Forbearance Agreement and any Further Forbearance Agreement entered into with the consent of the Initial Consenting Noteholders with the First Lien Lenders, and subject to any default that would be stayed by the Court in the CBCA Proceedings or the CCAA Proceedings, any Material Contract to which it is a party, except where such violation or conflict would not reasonably be expected to have a Material Adverse Effect;
- (e) the execution and delivery of this Agreement by it and the completion by it of its obligations hereunder and the consummation by it of the transactions contemplated herein does not require any consent or approval or other action, with or by, any Governmental Entity, other than in respect of the CBCA Plan Transaction, the CBCA Plan, the CBCA Preliminary Interim Order, the Meetings Order, the Final Order, and the filing of articles of amalgamation or arrangement giving effect to the CBCA Plan under the CBCA, and in respect of the CCAA Sale Transaction, and in respect of the *Competition Act* (Canada) and the *Investment Canada Act*, as applicable, and as may be required by the CCAA including the Sales Order and court approval of the SISP;
- (f) except as disclosed in the Disclosure Letter, there is no proceeding, claim or investigation pending before any Governmental Entity or, to its knowledge, threatened against it or any of its properties, nor has it received notice in respect of, any claim, potential claim, litigation, action, suit, arbitration, investigation or other proceeding

before any court, regulatory body, tribunal, agency, Governmental Entity or legislative body that, individually or in the aggregate, would reasonably be expected to cause a Material Adverse Change or to have a Material Adverse Effect on its ability to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions and agreements contemplated hereby;

- (g) except as disclosed in the Information or as otherwise disclosed in the Disclosure Letter, it does not have any Material Liabilities except (i) Liabilities which are reflected and properly reserved against in the Financial Statements, (ii) Liabilities incurred in the ordinary course of business and consistent with past practice since March 31, 2016, or (iii) Liabilities incurred in connection with this Agreement;
- (h) except as disclosed in the Information or as otherwise disclosed in the Disclosure Letter or contemplated by this Agreement and the transactions contemplated hereby, there has not been since March 31, 2016, (i) any Material Adverse Change, or (ii) any Material transaction to which the Company is a party outside the ordinary course of business;
- (i) as of the date of this Agreement, the authorized capital of Lightstream consists of (i) an unlimited number of common shares, of which 198,660,923 common shares are issued and outstanding as of the date hereof, and (ii) an unlimited number of preferred shares, of which no preferred shares are issued and outstanding, and Lightstream has no other class of shares or any other shares authorized or, as of the date of this Agreement, issued and outstanding. As of the date of this Agreement, 521,889 common shares are reserved for issuance under Lightstream's Deferred Share Compensation Plan, 7,877,219 common shares are reserved for issuance under Lightstream's Incentive Share Plan, and 616,035 common shares are reserved for issuance under Lightstream's stock option plan;
- (j) except as disclosed in the Information, other than any temporary halt which may be imposed in respect of the disclosure of this Agreement or the Transaction or a halt that may be imposed as a result of the commencement of the CBCA Proceedings or the CCAA Proceedings, no order halting or suspending trading in securities of Lightstream or prohibiting the sale of such securities has been issued to and is outstanding against Lightstream, and to the knowledge of Lightstream and the directors and officers of Lightstream, as applicable, and except as may be related to matters disclosed in the Information, no investigations or proceedings for such purpose are pending or threatened;
- (k) its Material assets and property have been operated, prior to the date of this Agreement, in a manner materially consistent with customary industry practices in Canada except as otherwise disclosed in the Disclosure Letter;
- (l) except as disclosed in the Information, to its knowledge, it has conducted its business in material compliance with all Laws and it has not received any notice to the effect that, or has otherwise been advised that, it is not in substantial compliance with such Laws, except where such non-compliance would not reasonably be expected to result in a Material Adverse Change;

- (m) except as disclosed in the Information, it has obtained all permits, licenses and other authorizations which are required under all Environmental Laws and, to its knowledge, it is in material compliance with all Environmental Laws and all terms and conditions of all such permits, licenses and authorizations, except where absence of such permits, licenses or other authorizations or such non-compliance would not reasonably be expected to result in a Material Adverse Change;
- (n) it has filed all tax returns which were required to be filed as of the date hereof, has paid or made provision for payment (in accordance with GAAP) of all Taxes which are due and payable as of the date hereof, and has provided adequate reserves (in accordance with GAAP) for the payment of any Tax, the payment of which is being contested as of the date hereof, except to the extent that any failure to make any such filing, payment, provision or reserves would not reasonably be expected to result in a Material Adverse Change;
- (o) true and complete copies of all written employment agreements for its senior officers and managers with earnings over \$275,000 (including all bonuses and other cash compensation) per annum have been provided to Goodmans and are listed in the Disclosure Letter;
- (p) it has no employees earning in excess of \$275,000 (including all bonuses and other cash compensation) per annum other than as disclosed in the Disclosure Letter;
- (q) as of the date of this Agreement, except as disclosed in the Information, from March 31, 2016, there has not been any resignation or termination of any of its officers or directors;
- (r) except as disclosed in the Information, from March 31, 2016, there has not been any increase in the rate of compensation payable or to become payable by it to any of its officers or directors (other than standard increases in connection with general, regularly-scheduled reviews consistent with past practice or as provided for in the KERP or the KEIP), including the making of any loan to, or the payment, grant or accrual of any Bonus Payment to, any such Person;
- (s) except as disclosed in the Disclosure Letter, there are no "change of control" payments or similar payments or compensation that would be payable to senior officers or to any other director, officer or employee of any of the Lightstream Entities, or under any contracts with any of the Lightstream Entities, in each case as a result of the implementation of the Transaction as contemplated by this Agreement;
- (t) since March 31, 2016, Lightstream has materially complied with its public reporting obligations under Securities Laws, and all documents filed with the relevant securities regulators by Lightstream, at the time filed, (i) complied in all material respects with all applicable Securities Laws and (ii) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and, since March 31, 2016, except as set forth in the Information, there has been no Material Adverse Change which has not been disclosed in the Information or in the Disclosure Letter;

- (u) all of the Material Contracts entered into prior to the date hereof to which it is a party are valid, binding and enforceable in accordance with their terms against it, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors or general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity); and except as disclosed in the Information or as otherwise disclosed in the Disclosure Letter, there is no existing (or threatened in writing) breach or default by it under, or dispute with respect to, nor has any event or circumstance occurred as of the date hereof which, but for the passage of time or the giving of notice, or both, would constitute a breach or default by it under, any of the Material Contracts to which it is a party that would reasonably be expected to result in a Material Adverse Change; and
- (v) as of the date of this Agreement, claims under the Revolving Facility, the Secured Notes, the Unsecured Notes and those other claims disclosed in the Information are the only Material claims against the Lightstream Entities, and there are no Material undisclosed potential unsecured, secured, contingent or other claims against the Lightstream Entities (or any of them) as of the date hereof.

4. **Acknowledgements, Agreements, Covenants and Consents of the Lightstream Entities**

- (a) Subject to the terms and conditions hereof, each of the Lightstream Entities consents and agrees to the terms of, and the transactions contemplated by, this Agreement (including, for greater certainty, the CBCA Plan, the CBCA Plan Transaction, the CCAA Sale Transaction and the Secured Notes Credit Bid, as applicable).
- (b) Each of the Lightstream Entities acknowledges, confirms and agrees that the Secured Notes Indenture, the Security Documents, the Note Documents and the Obligations (as each such term is defined in the Secured Notes Indenture) constitute legal, valid and binding obligations of the Lightstream Entities, enforceable against them in accordance with their respective terms, and the Secured Noteholders have and shall continue to have valid, enforceable and perfected second priority Liens (as defined in the Secured Notes Indenture) created pursuant to the Security Documents, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity;
- (c) On or before the date the Company enters into the Arrangement Agreement, the Lightstream Entities shall enter into support agreements with any directors and officers of the Company who hold Notes and/or Existing Shares whereby, subject to termination of this Agreement in accordance with its terms, such parties agree to vote any Notes and Existing Shares held by them in favour of the CBCA Plan Transaction, and shall provide copies of such support agreements to Goodmans not later than two (2) Business Days following the date of execution of such support agreements.
- (d) Upon the granting of the CBCA Preliminary Interim Order, the Company will, in a timely manner, cause to be issued a press release or other public disclosure that discloses the material provisions of this Agreement and the Term Sheet, subject to the terms of

Section 12 hereof, and that, subject to compliance with applicable Securities Laws, is acceptable to the Initial Consenting Noteholders, acting reasonably.

- (e) Except as may be otherwise permitted under this Agreement, the Lightstream Entities shall pursue the completion of the CBCA Plan Transaction in good faith by way of the CBCA Plan, which shall be in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement and the Term Sheet, and shall not take any action (or inaction) that is inconsistent with the terms of this Agreement.
- (f) Subject to the terms and conditions of this Agreement, the Lightstream Entities agree to use commercially reasonable efforts to achieve the following timeline (which timeline may be amended by agreement of the Lightstream Entities and the Initial Consenting Noteholders):
  - (i) the commencement of a SISP on terms acceptable to the Initial Consenting Noteholders on or before July 13, 2016, which shall be conducted in consultation with the Advisors and FTI Consulting Canada Inc. in its capacity as proposed CCAA monitor of the Lightstream Entities;
  - (ii) the initiation of the CBCA Proceedings on or before July 13, 2016, as evidenced by the filing of an originating application by the Company and ArrangeCo with the Court of Queen's Bench of Alberta (the "**Court**") for a stay of proceedings;
  - (iii) the entry of a preliminary interim order (the "**CBCA Preliminary Interim Order**") on or before July 13, 2016, by the Court granting Lightstream and ArrangeCo a stay of proceedings;
  - (iv) the execution of the New Revolving Facility Commitment Letters by the Company and the providers of the New Revolving Facility on or before August 26, 2016;
  - (v) the approval by the Court of a CBCA meetings order and of the mailing of the Management Information Circular (the "**Meetings Order**") on or before August 5, 2016;
  - (vi) the Company shall have entered into the Oppression Litigation Settlement on or before September 16, 2016;
  - (vii) meetings of securityholders entitled to vote on the CBCA Plan (the "**CBCA Meetings**") on or before September 30, 2016 (including any other votes of Existing Shareholders as required to approve all actions contemplated under this Agreement and the CBCA Plan, including the continuance of Lightstream as a CBCA company and any required votes pursuant to the rules of the TSX, the ABCA, the CBCA or pursuant to Canadian Securities Laws);



- (viii) approval of the CBCA Plan by the Court on or before October 7, 2016, or such other date as the Company and the Initial Consenting Noteholders may agree in writing, acting reasonably;
  - (ix) implementation of the CBCA Plan by October 31, 2016 (the “**CBCA Outside Date**”); provided that if on October 31, 2016 the CBCA Plan has not been implemented solely as a result of any required approval under the *Competition Act* (Canada) or the *Investment Canada Act* not having been obtained, the CBCA Outside Date shall be automatically extended to November 30, 2016; and
  - (x) if required, the commencement of the CCAA Proceedings in accordance with the terms and conditions of Section 6(a).
- (g) The Company shall provide draft copies of all motions or applications and other documents with respect to the CBCA Plan Transaction and the CBCA Plan that the Company or ArrangeCo intend to file with the Court to Goodmans at least three days prior to the date when the Company or ArrangeCo intends to file or otherwise disseminate such documents (or, where circumstances make it impracticable to allow for three days’ review, with as much opportunity for review and comment as is reasonably practicable in the circumstances), and all such filings shall be acceptable to the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement. Notwithstanding the foregoing, the CBCA Preliminary Interim Order, the Meetings Order, the final approval or sanction order in respect of the CBCA Plan (the “**Final Order**”), the CBCA Plan and any other order concerning or related to any of the foregoing shall only be submitted to the Court in a form mutually agreed to by the Company and the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement, and each such document shall be subject to any amendments that are required by the Court, provided that any such amendments are acceptable to the Company and the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement. For the avoidance of doubt, the Company and ArrangeCo shall not materially amend the terms of the CBCA Preliminary Interim Order, the Meetings Order, the Final Order or the CBCA Plan without the consent of the Initial Consenting Noteholders, acting reasonably. It is the Parties’ intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act, as amended (“**Section 3(a)(10)**”) to issue, based on the Court’s approval of the CBCA Plan (including the Court’s conclusion that the CBCA Plan is substantively and procedurally fair to securityholders), the New Common Shares and the New Warrants to securityholders in exchange for such holders’ Notes and/or Existing Common Shares, as applicable in accordance with the CBCA Plan without registration under the U.S. Securities Act.
- (h) The application for the CBCA Preliminary Interim Order under the CBCA shall include a description of the possibility of converting the CBCA Proceeding into a CCAA Proceeding if the support of the requisite majorities of the Secured Noteholders, Unsecured Noteholders and Existing Shareholders, as applicable, are not attained at the CBCA Meetings.

- (i) The application for the Final Order under the CBCA shall include a request for a provision in the Final Order under the CBCA providing for the release of each Consenting Noteholder, each trustee under the Indentures and the Lightstream Entities, and each of their respective present and former shareholders, members, partners, officers, directors, employees, auditors, financial advisors, legal counsel and agents (collectively, the **"Released Parties"**) from any and all demands, claims, liabilities, causes of action, debts, accounts, covenants, damages, executions and other recoveries based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time, relating to, arising out of or in connection with the Notes, the Indentures, the CBCA Plan Transaction and this Agreement; provided that nothing herein or in any such release shall release or discharge a Released Party if such Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed gross negligence, fraud or wilful misconduct; provided, however, that no Released Party will receive a release if such party, directly or indirectly, takes any action to frustrate or hinder the consummation of the CBCA Plan Transaction.
- (j) Each of the Lightstream Entities covenants and agrees to be liable to and to indemnify and save harmless each of the Initial Consenting Noteholders, and any assignees, together with their respective subsidiaries and affiliates and their respective present and former shareholders, members, partners, officers, directors, employees, auditors, advisors and agents (each an **"Indemnified Party"** and, collectively, the **"Indemnified Parties"**) from and against any and all liabilities, claims, actions, proceedings, losses, costs, damages and expenses of any kind, including the reasonable costs of defending against any of the foregoing (but excluding any and all liabilities, claims, actions, proceedings, losses, costs, damages and expenses of any kind that are attributable to the gross negligence, fraud, wilful misconduct or breach of this Agreement of or by any Indemnified Party) to which any Indemnified Party may become subject or may suffer or incur in any way in relation to or arising from this Agreement, the Term Sheet or the Transaction (including, for greater certainty, the CBCA Plan, CCAA Sale Transaction and the Secured Notes Credit Bid, as applicable), regardless of whether or not any such claim is ultimately successful, and in respect of any good faith judgment or settlement which is made in respect of any such claim in accordance with the terms hereof. If any matter or thing contemplated in the preceding sentence (any such matter or thing being a **"Claim"**) is asserted against any Indemnified Party or if any potential Claim contemplated hereby comes to the knowledge of any Indemnified Party, the Indemnified Party shall notify the Lightstream Entities as soon as reasonably possible of the nature and particulars of such Claim (provided that any failure to so notify the Lightstream Entities shall not affect the Lightstream Entities' liability hereunder except to the extent that the Lightstream Entities are prejudiced thereby and then only to the extent of any such prejudice) and the Lightstream Entities shall, subject as hereinafter provided, be entitled (but not required) to assume at their expense the defence of any suit brought to enforce such Claim; provided that the defence of such Claim shall be conducted through legal counsel reasonably acceptable to the Indemnified Party and that no admission of liability or settlement in respect of any such Claim may be made by the Lightstream Entities (or any of them) (other than a settlement that (i) includes a full and unconditional release of the Indemnified Parties without any admission or attribution of

fault or liability on their part, and (ii) does not require any Indemnified Party to pay any amount or agree to any ongoing covenants) or the Indemnified Party without, in each case, the prior written consent of the other, such consent not to be unreasonably withheld or delayed. In respect of any Claim, the Indemnified Party shall have the right to retain separate or additional counsel to act on its behalf in the defence thereof, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless (i) the Lightstream Entities fail to assume and diligently and actively prosecute the defence of the Claim on behalf of the Indemnified Party within ten Business Days after the Lightstream Entities have received notice of the Claim, (ii) the Lightstream Entities and the Indemnified Party shall have mutually agreed in writing to the retention of the separate or additional counsel, or (iii) the named parties to the Claim (including any added third or impleaded party) include both the Indemnified Party and any of the Lightstream Entities, and the Indemnified Party shall have been advised by its counsel that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, in which case the applicable Lightstream Entities shall not have the right to assume the exclusive defence of the Claim and the Lightstream Entities shall be liable to pay the reasonable fees and expenses of the separate or additional counsel for the Indemnified Party. Each of the Lightstream Entities, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Initial Consenting Noteholder that it will not sue (at law, in equity, in any regulatory proceeding or otherwise), and will not encourage or support, directly or indirectly, any other Lightstream Entity or other Person in suing, or commencing any proceedings or exercising or purporting to exercise rights or remedies against, any Initial Consenting Noteholder on the basis of any Claim. Notwithstanding the foregoing, the foregoing covenants not to sue shall not apply, as to any Initial Consenting Noteholder, to any Claim which is determined by a court of competent jurisdiction, in a final and non-appealable judgment, to have resulted from the gross negligence, fraud, willful misconduct or breach of this Agreement of or by such Initial Consenting Noteholder.

- (k) Subject to Section 4(bb), (cc), (dd) and (ee), the Company shall not, without the prior consent of Goodmans or the Initial Consenting Noteholders, acting reasonably, amend, modify, replace, terminate, repudiate, disclaim or waive any rights under or in respect of its Material Contracts at any time prior to the implementation of the CBCA Plan Transaction.
- (l) Simultaneously with the public announcement of the Transaction, and in any event by no later than 9:00 a.m. (Toronto time) on the Business Day following the granting of the CBCA Preliminary Interim Order, the Company shall issue a press release announcing the Transaction in form and substance acceptable to the Initial Consenting Noteholders. The Company shall not provide the Initial Consenting Noteholders with any Material non-public information regarding the Company without their prior written consent.
- (m) The Company may solicit, assist, initiate, encourage or facilitate inquiries or proposals regarding a transaction that is an alternative to the Transaction including pursuant to the SISP (an "Other Transaction") (including by way of furnishing information pursuant to the provisions of any confidentiality agreement); provided, however, that the Company shall not, directly or indirectly through any Representative, participate in any

substantive discussions or negotiations with any Person regarding any Other Transaction without the knowledge (but not consent) of and consultation with the Initial Consenting Noteholders, participate in any substantive discussions or negotiations with any Person regarding any Other Transaction. The Company shall not, directly or indirectly through any Representative, (i) accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any Other Transaction; or (ii) enter into, or publicly propose to enter into, any binding agreement in respect of any Other Transaction; provided, however, that notwithstanding anything to the contrary in this Agreement, Lightstream may accept, approve, endorse or recommend or propose publicly to accept, approve, endorse or recommend any Other Transaction; or enter into, or publicly propose to enter into, any binding agreement in respect of any Other Transaction if, (A) after receiving advice from its legal and financial advisors, Lightstream's board of directors determines that such action is necessary for such board of directors to discharge its fiduciary duties under applicable Law, (B) such Other Transaction, if implemented, would result in the payment of all amounts due in respect of the Secured Notes, including all fees, premiums, make-whole, costs and expenses, accrued interest, and any other amounts owing, in cash on or in connection with implementation of such Other Transaction, and (C) such Other Transaction (I) is reasonably capable of being completed taking into account the financial, legal, regulatory and other aspects of such Other Transaction and the Person proposing such Other Transaction (y) if the Company has not commenced CCAA Proceedings, on or before the CBCA Outside Date, and (z) if the Company has commenced CCAA Proceedings, on or before the Transaction Outside Date, (II) is not subject to a financing condition and in respect of which it has been demonstrated to the satisfaction of Lightstream's board of directors, acting in good faith (and after receipt of advice from its financial advisors and its outside legal counsel) that adequate arrangements have been made in respect of any financing required to complete such Other Transaction, and (III) is not subject to any due diligence and/or access condition.

- (n) The Company shall promptly (and in any event within one Business Day of receipt by the Company) notify the Initial Consenting Noteholders, at first orally and thereafter in writing, of any proposal in respect of any Other Transaction of which it or any of its Representatives are or become aware, any request for discussions or negotiations, any requests made or responses provided pursuant to the provisions of Section 4(m), or the execution of a confidentiality agreement with any person for the purposes of discussions or negotiations regarding a potential Other Transaction.
- (o) The Company shall provide the Advisors with access to the Company's financial advisors who are assisting with the SISP and shall provide the Advisors with updates on the status and progress of the SISP on a weekly basis and, in any case, promptly upon request of the Advisors, as follows:
  - (i) notification of the number of new parties that have signed non-disclosure agreements or have been given access to the data room in the previous week; and

- (ii) a summary of any material written or oral communication between each potential investor or purchaser with the Company or the Company's advisors with respect to:
    - (A) any bid, offer, term sheet, proposal or agreement (whether binding or non-binding) or changes thereto (including contemplated structure, sources of financing, timeline, and other relevant matters), but not including the identity of any such potential investor or purchaser;
    - (B) withdrawal of participation in the SISP; and
    - (C) feedback after any site visit.
- (p) The Company shall provide all material information to the extent reasonably requested, further to the due diligence request provided by the Initial Consenting Noteholders to the Company on July 26, 2016, which such material information shall be provided no later than September 30, 2016.
- (q) The Company shall provide draft copies of all press releases, disclosure documents and definitive agreements with respect to the Transaction (including, for greater certainty, the press release contemplated by 4(I), CBCA Plan, CCAA Sale Transaction and the Secured Notes Credit Bid, as applicable) to Goodmans for review and comment, and all such documents shall be acceptable to the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement and the Term Sheet.
- (r) The Company shall pay the reasonable fees and expenses of the Advisors incurred in connection with the Transaction, as more particularly set out in the Term Sheet.
- (s) The Lightstream Entities shall not materially increase compensation or severance entitlements or other benefits payable to directors, officers or employees, enter into any key employee retention plans subsequent to the date hereof or make any Bonus Payments whatsoever, except as contemplated by this Agreement or with the prior written consent of the Initial Consenting Noteholders, acting reasonably.
- (t) The Lightstream Entities shall not transfer, lease, license or otherwise dispose of all or any part of their property, assets or undertakings outside the ordinary course, except as contemplated by this Agreement and the transactions contemplated hereby or with the prior consent of the Initial Consenting Noteholders, which consent will not be unreasonably withheld.
- (u) Except with the consent of the Initial Consenting Noteholders, which consent shall not be unreasonably withheld, or as contemplated by this Agreement and the transactions contemplated hereby, or in respect of an Other Transaction, none of the Lightstream Entities shall amalgamate, consolidate with or merge into, or sell all or substantially all of its assets to, another entity, or change the nature of its business or its corporate or capital structure.

- (v) Except with the consent of the Initial Consenting Noteholders, which consent shall not be unreasonably withheld, or as contemplated by this Agreement and the transactions contemplated hereby, or in respect of an Other Transaction, none of the Lightstream Entities shall: (i) prepay, redeem prior to maturity, defease, refinance, repurchase or make other prepayments in respect of any funded indebtedness; (ii) make any other payments (other than interest payments as and when due in the ordinary course) or pay any fees of any kind in respect of any funded indebtedness for borrowed money including any consent, waiver or default fee other than any payments made or fees payable in respect of the First Forbearance Agreement or any Further Forbearance Agreement entered into with the consent of the Initial Consenting Noteholders; (iii) directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to any indebtedness of any kind whatsoever (except for indebtedness that is incurred in the ordinary course of business and that is not Material); (iv) create, incur, assume or otherwise cause or suffer to exist or become effective any new lien, charge, mortgage, hypothec or security interest of any kind whatsoever on, over or against any of its assets or property (except for any lien, charge, hypothec or security interest that is incurred in the ordinary course of business and that is not Material); or (v) make any other Material changes to its capital structure, including, by issuing any additional common shares except pursuant to existing Option grants, Deferred Compensation Share grants or Incentive Share grants or as contemplated by this Agreement.
- (w) The Lightstream Entities shall maintain and shall continue to maintain appropriate insurance coverage in amounts and on terms that are customary in the industry of the Lightstream Entities and in accordance with past practices.
- (x) The Lightstream Entities shall use commercially reasonable efforts to obtain, and assist the Initial Consenting Noteholders in obtaining, as applicable, all required regulatory approvals and to assist the Initial Consenting Noteholder in obtaining all material third-party consents and approvals as may be required in connection with the CBCA Plan Transaction, the CCAA Sale Transaction and the Secured Notes Credit Bid, as applicable.
- (y) The Company shall ensure that the Management Information Circular to be distributed to securityholders in connection with the approval of the CBCA Plan complies in all material respects with Canadian Securities Laws and other applicable Laws, and shall provide the securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the CBCA Meetings and to allow the Company to rely upon the exemption from registration provided under Section 3(a)(10) with respect to the issuance of the New Common Shares and New Warrants pursuant to the CBCA Plan.
- (z) Except as contemplated by this Agreement and the transactions contemplated hereby, including as may be provided in any order of the Court, or in connection with an Other Transaction undertaken in compliance with this Agreement each of the Lightstream Entities shall operate its business in the ordinary course, having regard to the Company's financial condition, and shall not enter into any Material agreement, except with the

prior consent of the Initial Consenting Noteholders, which consent shall not be unreasonably withheld.

- (aa) If the CBCA Plan Transaction is implemented pursuant to a CBCA Plan under the CBCA Proceedings, the terms of all employment agreements shall be modified to address Lightstream's restructured capital structure following the CBCA Plan Transaction, and specifically to confirm that no amounts shall be payable to any employee, officer or director in connection with any "change of control" that may arise solely in connection with or as a result from the implementation of the CBCA Plan Transaction; however, and for greater clarity, "change of control" payments shall be honoured for any employee who is terminated in connection with a "change of control".
- (bb) If the CBCA Plan Transaction is implemented pursuant to a CBCA Plan under the CBCA Proceedings, any "change of control" provisions contained in any of the Lightstream Entities' Material Contracts that may be triggered as a result of or in connection with the CBCA Plan Transaction shall have been dealt with in a manner acceptable to the Initial Consenting Noteholders.
- (cc) If the CBCA Plan Transaction is implemented pursuant to a CBCA Plan under the CBCA Proceedings, in connection with the CBCA Plan: (i) the outstanding Incentive Shares and Deferred Compensation Shares will be adjusted in accordance with the Term Sheet to reflect the capital reorganization of Lightstream under the CBCA Plan Transaction; (ii) the terms of such Incentive Shares and Deferred Compensation Shares (and/or, if required, the compensation plans applicable thereto) will be amended such that the Incentive Shares and Deferred Compensation Shares will have a maximum term of six months following completion of the capital reorganization of Lightstream under the CBCA Plan Transaction; and (iii) all outstanding Options, warrants, units or other rights to purchase, or entitlements to, Existing Shares of the Company will be repurchased for nominal consideration or terminated.
- (dd) The CBCA Plan will provide for the termination and cancellation of the Shareholder Rights Plan and any rights issued pursuant thereto without any consideration therefor in the event that the CBCA Plan Transaction is implemented.
- (ee) If the CBCA Plan Transaction is implemented pursuant to a CBCA Plan under the CBCA Proceedings, the Company shall use commercially reasonable efforts to remove (or cause any registrar and transfer agent to remove) any legend on a share certificate required by the U.S. Securities Act to permit sales made in reliance on Rule 904 of Regulation S upon delivery of a signed declaration in the form as set out on Schedule D (or such other form as the Company and the seller may agree) and the Company agrees to implement similar procedures for any shares held through the Canadian Depository for Securities (CDS) or the Depository Trust Company (DTC).
- (ff) The Company shall not enter into a Further Forbearance Agreement unless such Further Forbearance Agreement is on terms acceptable to the Initial Consenting Noteholders in their sole discretion.

**5. Acknowledgments, Covenants and Agreements of the Consenting Noteholders**

Subject to, and in consideration of, the matters set forth in Section 4 above, each Consenting Noteholder hereby acknowledges, covenants and agrees:

- (a) to the terms of, and the Transaction contemplated by, this Agreement;
- (b) to tender or vote (or cause to be tendered or voted) all of its Relevant Debt and any other Notes held by it on the voting record date for the CBCA Meetings, and if a shareholders' meeting is required, to tender or vote all of its Relevant Shares and any other Existing Shares held by it on the voting record date for the CBCA Meetings:
  - (i) in favour of the approval, consent, ratification and adoption of the CBCA Plan Transaction and the CBCA Plan, as applicable (and any resolutions or actions required in furtherance thereof); and
  - (ii) against the approval, consent, ratification and adoption of any matter or transaction that, if approved, consented to, ratified or adopted could reasonably be expected to delay, challenge, frustrate or hinder the consummation of the CBCA Plan Transaction or the CBCA Plan, as applicable (and any resolutions or actions required in furtherance thereof);and shall tender its proxy for any such vote in a timely manner in compliance with any deadlines set forth in the Meetings Order;
- (c) to support the approval of the CBCA Plan by the Court on terms consistent with this Agreement, as promptly as practicable, through Goodmans or otherwise;
- (d) to provide all necessary information concerning such Consenting Noteholders that is required by applicable Law to be included by the Company in the Management Information Circular or other related documents to the Company, in writing, and shall ensure that such information does not contain any "misrepresentation" (as defined in applicable Securities Laws);
- (e) not to take any action, or omit to take any action, with the intent of delaying, challenging, frustrating or hindering the consummation of the CBCA Plan Transaction or the CBCA Plan;
- (f) not to, directly or indirectly, sell, assign, lend, pledge, hypothecate (except with respect to security generally applying to its investments which does not adversely affect such Consenting Noteholder's ability to perform its obligations under this Agreement) or otherwise transfer any of its Relevant Debt or Relevant Shares or any interest therein (or permit any of the foregoing with respect to any of its Relevant Debt or Relevant Shares), or relinquish or restrict the Consenting Noteholder's right to vote any of the Relevant Debt or Relevant Shares (including by way of a voting trust or grant of proxy or power of attorney or other appointment of an attorney or attorney-in-fact), or enter into any agreement, arrangement or understanding in connection therewith, except that the Consenting Noteholder may transfer some or all of its Relevant Debt or Relevant Shares to (i) any other fund managed, advised or sub-advised by the Consenting Noteholder or



any investment manager, adviser or sub-adviser (or their affiliate) of the Consenting Noteholder for which the Consenting Noteholder has sole voting and investment discretion, including sole discretionary authority to manage or administer funds and continues to exercise sole investment and voting authority with respect to the transferred Relevant Debt, (ii) any other Consenting Noteholder, or (iii) any other Person provided such Person agrees to be bound by the terms of this Agreement with respect to the transferred Relevant Debt or Relevant Shares that are subject to such transfer and, contemporaneously with the transfer, delivers an executed Consent Agreement in the form appended hereto as Schedule C. Each Consenting Noteholder hereby agrees to provide the Company with written notice and, if applicable, a fully executed copy of the Consent Agreement, within five Business Days following any transfer to a transferee described in (ii) or (iii) of this Section 5(f). For greater certainty, any Notes or Existing Shares that may be acquired from time to time by such Consenting Noteholder after the date of this Agreement shall not be deemed to form part of its Relevant Debt or Relevant Shares, as the case may be, for the purposes of this Section 5(f);

- (g) to execute any and all documents and perform (or cause its agents and advisors to perform) any and all commercially reasonable acts required by this Agreement (it being understood and agreed that the Transaction Terms are deemed to be commercially reasonable for the purposes of this Agreement) to satisfy its obligations hereunder and in respect of the CBCA Plan Transaction, the CBCA Plan, the CCAA Sale Transaction and the Secured Notes Credit Bid;
- (h) to use commercially reasonable efforts to assist the Lightstream Entities to obtain all required regulatory approvals and to assist the Lightstream Entities in obtaining all material third-party consents and approvals as may be required in connection with the CBCA Plan Transaction and the CBCA Plan. For further clarity, in order to obtain the Investment Canada Act Approval, if required, the Consenting Noteholders agree to take all reasonable actions necessary, proper or advisable (including commercially reasonable written undertakings to Her Majesty in right of Canada related to the Consenting Noteholders' investment in the Lightstream Entities and the Canadian business carried on by those entities) to cause the expiration or termination of the review period and to obtain as soon as reasonably practicable notice from the relevant Minister stating that he is satisfied or deemed to be satisfied that the Transactions are likely to be of net benefit to Canada. The Consenting Noteholders will cooperate with and keep the Lightstream Entities fully informed as to the status of and the processes and proceedings relating to obtaining the Investment Canada Act Approval, including providing counsel for the Lightstream Entities the opportunity to attend any meetings or calls with any Governmental Entity and to comment on any submissions on an external counsel only basis;
- (i) subject at all times to Section 12, consent to the existence and factual details of this Agreement being set out in any public disclosure, including press releases, court materials and the Management Information Circular produced by the Company at the discretion of the Company in connection with the Transaction, the CBCA Proceedings, the CBCA Plan, the SISP and the CCAA Proceedings, as applicable (subject in each case to prior approval thereof by Goodmans or the Initial Consenting Noteholders,

acting reasonably, to the extent required in accordance with the provisions of this Agreement);

- (j) to consent to a stay of any existing and potential defaults under the Notes;
- (k) not to issue the notice required to initiate the "Standstill Period" under the Intercreditor Agreement dated July 2, 2015 with, *inter alia*, The Toronto-Dominion Bank, as administrative agent under the Revolving Facility; and
- (l) except as may be required in order to implement the Secured Notes Credit Bid, not to support any other holder of the Notes in taking any enforcement action in respect of the Notes, and to provide the trustees under the applicable Indenture or the Company with such directions, requests or consents as may reasonably be required to prevent or restrain any such enforcement action,

provided that, notwithstanding any term or provision of this Agreement, nothing in this Agreement obligates any of the Consenting Noteholders that are Secured Noteholders to support any proposed CCAA Sale Transaction that is in an amount less than the Secured Notes Credit Bid.

#### 6. Alternative CCAA Proceedings

- (a) In the event that (i) the CBCA Plan is not implemented on or before the CBCA Outside Date, (ii) the New Revolving Facility Commitment Letters are not executed, the Meetings Order is not granted, the Company has not entered into the Oppression Litigation Settlement or the Court has not approved the CBCA Plan, in each case on or before the applicable milestone date set forth in Section 4(f), (iii) the requisite votes or approvals are not obtained at the CBCA Meetings, or (iv) there shall have occurred a breach in any material respect by Consenting Noteholders holding, in the aggregate, not less than 50% of the total outstanding principal amount of the Unsecured Notes, of their covenants in this Agreement that are to be performed on or before the Implementation Date, the Company, with the consent of the Initial Consenting Noteholders, shall take all necessary steps to commence the CCAA Proceedings and seek an initial order (the "Initial Order") under the CCAA, in form and substance satisfactory to the Initial Consenting Noteholders, acting reasonably, all for the purposes of implementing the CCAA Sale Transaction.
- (b) Simultaneously with the commencement of the CCAA Proceedings, the Initial Consenting Noteholders shall direct the Secured Notes Trustee to make, through a newly formed corporation ("Creditbidco"), a credit bid (the "Secured Notes Credit Bid") of the full amount of the obligations owed under the Secured Notes, including all outstanding principal, accrued and unpaid interest, premium, make-whole, fees, costs and expenses (which, for clarity, shall be in an amount not less than U.S.\$650 million in respect of principal, U.S.\$48.2 million in respect of the make-whole, and all other accrued interest, fees, costs, expenses and other amounts owing in respect of the Secured Notes) for all of the business and assets of the Company, including its interests in each of the Subsidiaries and Partnerships. Lightstream agrees to seek Court approval of the Secured Notes Credit Bid, including as a stalking horse transaction in the SISF if the

Initial Consenting Noteholders so elect. Notwithstanding the foregoing, following the commencement of the CCAA Proceedings, the Transaction may be implemented pursuant to such alternative transaction structure as is acceptable to the Initial Consenting Noteholders and the Company, each acting reasonably.

- (c) In the event that the Company commences CCAA Proceedings in accordance with this Section 6 and Lightstream's board of directors determines it advisable and necessary to implement a key employee retention plan ("KERP") and/or a key employee incentive plan ("KEIP"), the Company and the Initial Consenting Noteholders shall support the Company in its application to the Court in the CCAA Proceedings for approval of a KERP and/or KEIP on reasonable terms and conditions in the CCAA Proceedings.
- (d) In the event that it is determined that a CCAA Sale Transaction shall be pursued in accordance with Section 6(a), (i) the Lightstream Entities and their advisors shall work with the Initial Consenting Noteholders and the Advisors in good faith to negotiate all definitive documents and to take all steps implementing, achieving and relating to the CCAA Sale Transaction and the Secured Notes Credit Bid, and (ii) the terms of this Agreement shall apply to the CCAA Sale Transaction with any necessary amendments as to the structure and implementation of the CCAA Sale Transaction as may be reasonably required.
- (e) The Company shall provide draft copies of all motions or applications and other documents with respect to the SISF, the CCAA Sale Transaction, the CCAA Proceedings and any other order concerning or related to any of the foregoing that the Company intends to file with the Court to Goodmans at least three days prior to the date when the Company intends to file or otherwise disseminate such documents (or, where circumstances make it impracticable to allow for three days' review, with as much opportunity for review and comment as is practically possible in the circumstances), and all such filings shall be acceptable to the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement. Notwithstanding the foregoing, the Initial Order, and any order related to the SISF, the Secured Note Credit Bid or the CCAA Sale Transaction (including, any approval and vesting order) (each a "Sale Order") shall only be submitted to the Court in a form mutually agreed by the Company and the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement, and each such document shall be subject to any amendments that are required by the Court, provided that any such amendments are acceptable to the Company and the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement. For the avoidance of doubt, the Company shall not materially amend the terms of the Initial Order or a Sale Order without the consent of Goodmans or the Initial Consenting Noteholders, which consent shall not be unreasonably withheld.
- (f) In the event that it is determined that a CCAA Sale Transaction shall be pursued in accordance with Section 6(a), each of the Consenting Noteholders that is a Secured Noteholder agrees to perform the covenants set out in paragraphs (i) and (ii) under the heading entitled "Sale Transaction" of the Term Sheet, to the extent applicable, in a timely manner whether within or immediately following the CCAA Proceedings, and to use good faith efforts structure the transaction contemplated by paragraph (i) under the

heading entitled "Sale Transaction" of the Term Sheet in a manner that is tax efficient to the shareholders of Lightstream and will permit the distribution of shares contemplated thereby in accordance with applicable Securities Law; provided, however, that the Consenting Noteholders that are Secured Noteholders shall have no such obligations in the event that the plaintiffs in the Oppression Litigation are successful in obtaining any remedy in respect of the matters at issue therein, which remedy would have a material adverse effect on the Company or would impact the priority or composition of the Secured Noteholders.

- (g) For greater certainty, none of the Lightstream Entities shall have any obligations under Section 6(a) as a result of (i) the New Revolving Facility Commitment Letters not having been executed on or before the date hereof, (ii) any termination or expiry of the First Forbearance Agreement, or (iii) the Second Forbearance Agreement (as such term is defined in the Original Support Agreement) not having been entered into on or before the date hereof.

#### **7. Negotiation of Documents**

Each of the Company and the Consenting Noteholders hereby covenants and agrees (i) to use its commercially reasonable efforts to negotiate the definitive documents implementing, achieving and relating to the Transaction, including the CBCA Plan, all ancillary documents relating thereto, and the draft order of the Court approving or sanctioning the CBCA Plan and all documents and draft orders implementing the CCAA Sale Transaction, and (ii) subject to the terms of this Agreement, to execute (to the extent they are a party thereto) and otherwise support such documents.

#### **8. Conditions Precedent to Seeking the CBCA Preliminary Interim Order**

The obligation of the Company to seek the approval of the CBCA Preliminary Interim Order and take the other steps as set forth in Sections 4(f)(i) - (iii) shall be subject to the satisfaction of the following conditions on or before July 12, 2016, each of which is for the mutual benefit of the Company, on the one hand, and the Initial Consenting Noteholders, on the other hand, each acting reasonably, and may be waived, in whole or in part, jointly by the Company and the Initial Consenting Noteholders:

- (a) the Lightstream Entities shall have entered into the First Forbearance Agreement with the Lenders and such First Forbearance Agreement shall be in form and substance acceptable to the Initial Consenting Noteholders, acting reasonably.

#### **9. Conditions Precedent to Seeking the Meetings Order**

The obligation of the Company to seek the approval of the Meetings Order and take the other steps as set forth in Section 4(f)(iv)-(ix) shall be subject to the satisfaction of the following conditions prior to July 28, 2016, each of which is for the mutual benefit of the Company, on the one hand, and the Initial Consenting Noteholders, on the other hand, each acting reasonably, and may be waived, in whole or in part, jointly by the Company and the Initial Consenting Noteholders (other than the condition set forth in Section 9(a), which shall be for the benefit of the Company and may be waived, in whole or in part, by the Company):

- (a) the draft Management Information Circular (including the written Fairness Opinion and the draft CBCA Plan) shall be in form and substance acceptable to the Company and the Initial Consenting Noteholders, acting reasonably;
- (b) Lightstream shall have obtained the Fairness Opinion;
- (c) the CBCA Preliminary Interim Order shall have been granted by the Court and shall not have been stayed, varied in a manner not acceptable to the Company and the Initial Consenting Noteholders, acting reasonably, or vacated; and
- (d) the Company and ArrangeCo shall have entered into the Arrangement Agreement in form and substance consistent with this Agreement and otherwise acceptable to the Company and the Initial Consenting Noteholders, acting reasonably.

10. **Conditions Precedent to Consenting Noteholder's Support Obligations**

In the event that the Transaction is to be implemented pursuant to a CBCA Plan, the obligation of the Consenting Noteholders to vote in favour of the CBCA Plan pursuant to Section 5(b)(i) shall be subject to the reasonable satisfaction of the following conditions prior to the Voting Deadline, each of which, if not satisfied prior to the Voting Deadline, can only be waived by the Initial Consenting Noteholders:

- (a) the CBCA Preliminary Interim Order, the Meetings Order, the CBCA Plan, and all other material filings by or on behalf of the Company in the CBCA Proceedings shall have been filed in a form acceptable to the Initial Consenting Noteholders, acting reasonably;
- (b) each of the Lightstream Entities shall have complied in all material respects with each covenant in this Agreement that is to be performed on or before the date that is three (3) Business Days prior to the Voting Deadline (as the same may have been amended with the consent of the Initial Consenting Noteholders, acting reasonably) and shall have provided Goodmans with a certificate signed by an officer of the Company certifying compliance with this Section 10(b) as of the date that is three (3) Business Days prior to the Voting Deadline;
- (c) on the date that is two (2) Business Days prior to the Voting Deadline, all of the reasonable fees and expenses of the Advisors in the case of BMO, in accordance with its engagement letter, a copy of which was provided to the Company prior to the date of this Agreement), for services rendered up to and including such date, shall have been paid; provided that the Advisors shall have provided the Company with invoices for all such fees and expenses incurred up to the date that is five (5) Business Days prior to the Voting Deadline;
- (d) the representations and warranties of each of the Lightstream Entities set forth in this Agreement shall continue to be true and correct (except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all respects as of such date) unless the failure to be true and correct would not have a Material Adverse Effect (and for this purpose, any reference to Material Adverse Change, Material

Adverse Effect, Material or other concept of materiality in such representations and warranties shall be disregarded) and except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement and each of the Lightstream Entities shall have provided Goodmans with a certificate signed by an officer of such Lightstream Entity certifying compliance with this Section 10(d) as of the date that is three (3) Business Days prior to the Voting Deadline;

- (e) there shall not exist or have occurred any Material Adverse Change, and, on the Business Day immediately preceding the Voting Deadline, the Company shall have provided Goodmans with a certificate of an officer of the Company certifying that no Material Adverse Change exists or has occurred pursuant to this Section 7(e);
- (f) the New Revolving Facility Commitment Letters shall have been executed by the Company and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders, acting reasonably; and
- (g) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity and no action shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that prohibits or materially restrains or impedes (or if granted could reasonably be expected to prohibit or materially restrain or impede) the Transaction or any material part thereof or requires or purports to require a material variation of the Transaction.

#### **11. Conditions to Transaction**

- (a) The Transaction shall be subject to the satisfaction of the following conditions prior to or at the time the Transaction is implemented (the “**Effective Time**”), each of which is for the mutual benefit of the Lightstream Entities, on the one hand, and the Consenting Noteholders, on the other hand, each acting reasonably, and may be waived, in whole or in part, jointly by the Company and the Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Company or the Consenting Noteholders, as the case may be, if any failure to satisfy such conditions results from an action, error or omission by or within the control of the Party seeking enforcement (or, in the case where the Party seeking enforcement is one or more of the Consenting Noteholders, an action, error or omission by or within the control of the Consenting Noteholder seeking enforcement)):
  - (i) in the event that the Transaction is to be implemented pursuant to a CBCA Plan under the CBCA Proceedings, (A) the CBCA Plan shall have been approved by the applicable stakeholders of the Company as and to the extent required by the Court or otherwise; (B) the CBCA Plan shall have been approved by the Court and the Final Order shall be in full force and effect; (C) the CBCA Plan that is approved by the applicable stakeholders and the Court shall be in a form consistent with this Agreement or otherwise acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably; (D) the Final Order shall have been

entered by the Court in a form consistent with this Agreement or otherwise acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably; (E) the terms of the New Common Shares and New Warrants to be issued pursuant to the CBCA Plan, shall be consistent with the Term Sheet and acceptable to the Company and the Initial Consenting Noteholders, acting reasonably; and (F) the issuance pursuant to the CBCA Plan of the New Common Shares and New Warrants shall be exempt from registration under the U.S. Securities Act pursuant to the exemption from registration provided by Section 3(a)(10).

- (ii) in the event that the Transaction is to be implemented pursuant to a Secured Notes Credit Bid, (A) the Secured Notes Credit Bid shall have been approved by the Court and all Sale Orders shall be in full force and effect; (B) the Secured Notes Credit Bid that is approved by the Court shall be in a form consistent with this Agreement or otherwise acceptable to the Company and the Initial Consenting Noteholders, each acting reasonably; (C) that the Sale Order approving the Secured Notes Credit Bid shall be in form and substance acceptable to the Initial Consenting Noteholders, and (D) any indemnity demanded by the Secured Notes Trustee in connection with the Secured Notes Credit Bid shall be reasonable in the circumstances and shall have been addressed by the Company through Court order entered in the CCAA Proceedings or such other means acceptable to the Company and the Initial Consenting Noteholders;
- (iii) all required stakeholder, regulatory, Court approvals, consents, waivers and filings, including, if necessary, the Investment Canada Act Approval, shall have been obtained or made, as applicable, on terms satisfactory to the Initial Consenting Noteholders and the Company, each acting reasonably, and copies of any and all such approvals, consents and/or waivers shall have been provided to Goodmans;
- (iv) all Material filings under applicable Laws shall have been made and any Material regulatory consents or approvals that are required in connection with the Transaction shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
- (v) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity and no action shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Transaction that prohibits or materially restrains or impedes (or if granted could reasonably be expected to prohibit or materially restrain or impede) the Transaction or any material part thereof or requires or purports to require a material variation of the Transaction.

- (b) In addition to the conditions set out in Section 11(a), the obligations of each of the Consenting Noteholders to complete the Transaction and the other transactions contemplated hereby are subject to the satisfaction of the following conditions prior to or at the Effective Time, each of which is for the benefit of each such Consenting Noteholder and may be waived, in whole or in part, by the Initial Consenting Noteholders (provided that such conditions shall not be enforceable by the Consenting Noteholders if any failure to satisfy such conditions results from an action, error or omission by or within the control of the Consenting Noteholder seeking enforcement):
- (i) all of the following shall have been acceptable to Goodmans or the Initial Consenting Noteholders, acting reasonably and in a manner consistent with the terms of this Agreement, at the time of their filing or issuance: (i) all materials filed by the Company with the Court or any court of competent jurisdiction in Canada or any other jurisdiction or any Governmental Entity that relate to the Transaction; (ii) the CBCA Preliminary Interim Order, the Meetings Order, the Final Order, the Initial Order, any Sales Order (but only if the Secured Notes Credit Bid is the successful bid in the SISP) and the SISP, as applicable and as submitted to the Court and as approved by the Court; (iii) if the Transaction proceeds by way of CCAA, the terms of any court-imposed charges on any of the assets, property or undertaking of the Company; and (iv) any other order or ruling granted in connection with the CBCA Plan Transaction by the Court, any other court of competent jurisdiction in Canada or any other jurisdiction, or any Governmental Entity (including any order or ruling amending any of the foregoing orders or documents);
  - (ii) each of the Lightstream Entities shall have complied with each covenant in this Agreement (as the same may have been amended or waived with the consent of the Initial Consenting Noteholders or Goodmans) unless the failure to comply with such covenant would not have a Material Adverse Effect, and shall have provided Goodmans with a certificate signed by an officer of the Company certifying compliance with this Section 11(b)(ii) as of the Implementation Date;
  - (iii) the representations and warranties of each of the Lightstream Entities set forth in this Agreement shall continue to be true and correct (except to the extent such representations and warranties are by their terms given as of a specified date, in which case, such representations and warranties shall be true and correct in all respects as of such date) unless the failure to be true and correct would not have a Material Adverse Effect (and for this purpose, any reference to Material Adverse Change, Material Adverse Effect, Material or other concept of materiality in such representations and warranties shall be disregarded) and except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement and each of the Lightstream Entities shall have provided Goodmans with a certificate signed by an officer of the Company certifying compliance with this Section 11(b)(iii) as of the Implementation Date; and



- (iv) on the Implementation Date, all of the reasonable fees and expenses of the Advisors at their standard rates and charges, for services rendered up to and including the such date, shall have been paid (in the case of BMO, in accordance with its engagement letter, a copy of which was provided to the Company prior to the date of this Agreement); provided that the Advisors shall have provided the Company with invoices for all such fees and expenses incurred up to the date that is five (5) Business Days prior to the anticipated Implementation Date;
- (v) if the Transaction is implemented pursuant to a CBCA Plan under the CBCA Proceedings:
  - (A) the Company shall have entered into the Oppression Litigation Settlement on or before September 16, 2016;
  - (B) the CBCA Plan shall have been approved by the applicable stakeholders of the Company as and to the extent required by the Court on or before September 30, 2016 (or such other date as Lightstream and the Initial Consenting Noteholders may agree in writing);
  - (C) the CBCA Plan shall have been approved by the Court on or prior to October 7, 2016 (or such other date as Lightstream and the Initial Consenting Noteholders may agree in writing);
  - (D) the Initial Consenting Noteholders shall be satisfied that, as of the Implementation Date, (i) the New Common Shares shall be freely tradable in Canada (provided that the trade is not a "control distribution" as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws), and (ii) the New Common Shares shall be freely transferable in the United States other than by "affiliates" of the Company as defined in Rule 144 under the U.S. Securities Act (or persons that have been "affiliates" of the Company (as so defined) within 90 days of the Implementation Date). The Company agrees to remove (and cause any registrar and transfer agent to remove) any legend on a share certificate required by the U.S. Securities Act to permit sales made in reliance on Rule 904 of Regulation S upon delivery of a signed declaration in the form as set out on Schedule D (or such other form as the Company and the seller may agree) and the Company agrees to implement similar procedures for any shares held through the Canadian Depository for Securities (CDS) or the Depository Trust Company (DTC);

- (E) the Company and any Initial Consenting Noteholder who (together with its affiliates and parties under the control of it or its affiliates) is expected to own 20% or more of the outstanding common shares of the Company following the implementation of the Transaction (a "**Significant Holder**") shall have entered into a registration rights agreement (the "**Registration Rights Agreement**") providing for a minimum of two Canadian demand registration prospectus qualification rights in aggregate and piggy-back Canadian registration rights, in respect of which the Company shall pay all reasonable expenses other than any underwriting discounts or selling commissions applicable to the registrable securities, and such registration rights agreement shall be in form and substance acceptable to the Significant Holder and the Company, acting reasonably, provided that, in any event, such registration rights agreement shall require the underwriter and/or other distribution participants for offerings thereunder to comply with Regulation S under the U.S. Securities Act for all offers and sales outside the United States and, in the case of any offers and sales within the United States, to comply with another available exemption from the registration requirements under the U.S. Securities Act, and, for greater certainty, the registration rights shall only apply to Canadian prospectus qualifications and in no event shall the Company be required to register, qualify or make any filings in respect of the United States, any state of the United States or any other jurisdiction outside of Canada;
- (F) the New Revolving Facility Commitment Letters shall have been executed by the Company and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders;
- (G) the composition and size of the board of directors for the Company effective as of the Implementation Date shall be satisfactory to the Initial Consenting Noteholders, acting in a manner consistent with this Agreement and provided that such composition complies with applicable Laws;
- (H) the Initial Consenting Noteholders shall be satisfied that the New Common Shares, when issued and delivered, shall be duly authorized, validly issued and fully paid and non-assessable and the issuance thereof shall be in compliance with applicable Securities Laws;
- (I) the issuance of the New Common Shares to be issued to Noteholders pursuant to the Transaction shall be exempt from the prospectus requirements of Securities Laws and, except as otherwise contemplated in this Agreement, no prospectus, registration statement or other document must be filed, proceedings taken or approval, permit, consent or authorization

obtained by Lightstream under such Securities Laws to permit such issuance;

- (J) the New Common Shares shall be conditionally approved for listing on the TSX, subject only to receipt of customary final documentation;
  - (K) the CBCA Plan shall contemplate that, except as otherwise set out in this Agreement, all options, warrants, rights, shareholder rights plans, performance share units or similar instruments derived from, relating to, or convertible or exchangeable therefor, will be cancelled and extinguished for no consideration pursuant to the terms of the CBCA Plan or otherwise;
  - (L) the CBCA Plan shall contemplate that the Shareholder Rights Plan and any rights issued pursuant thereto shall be terminated and cancelled and be void and of no further force or effect without any consideration therefor;
- (vi) if the Transaction is implemented pursuant to a Secured Notes Credit Bid under the CCAA Proceedings:
- (A) the New Revolving Facility Commitment Letters shall have been executed by Creditbidco and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders (and which, for greater certainty, shall be substantially the same terms as provided for in the New Revolving Facility Commitment Letters executed by the Company pursuant to Section 4(f)(iv));
  - (B) the SISP shall have been approved by the Court and shall be acceptable to the Initial Consenting Noteholders;
  - (C) the Oppression Litigation shall have no impact on the priority or composition of the Secured Noteholders, and any Oppression Litigation Settlement shall be on terms acceptable to the Initial Consenting Noteholders in their sole discretion;
  - (D) the Sale Order approving the Secured Notes Credit Bid (including as a stalking horse bid if the Initial Consenting Noteholders so elect) shall be acceptable to the Initial Consenting Noteholders and shall have become a final order, the implementation, operation or effect of which shall not have been stayed, varied in a manner not acceptable to the Initial Consenting Noteholders, vacated or subject to pending appeal and as to which order any appeal periods relating thereto shall have expired; and
  - (E) other standard terms and conditions for an acquisition of assets from a company in CCAA proceedings shall have been met, as

shall be set out in a definitive asset purchase agreement in respect of the Secured Notes Credit Bid;

- (c) In addition to the conditions set out in Section 11(a), the obligations of the Lightstream Entities to complete the Transaction and the other transactions contemplated hereby are subject to the satisfaction of the following conditions prior to or at the Effective Time, each of which is for the benefit of the Lightstream Entities and may be waived, in whole or in part, by the Lightstream Entities (provided that such conditions shall not be enforceable by a Lightstream Entity if any failure to satisfy such conditions results from an action, error or omission by or within the control of such Lightstream Entity):
- (i) the Initial Consenting Noteholders shall have complied in all material respects with each of their covenants in this Agreement that is to be performed on or before the Implementation Date; and
  - (ii) the representations and warranties of the Initial Consenting Noteholders set forth in this Agreement shall be true and correct in all material respects as of the Implementation Date with the same force and effect as if made at and as of such time, except that representations and warranties that are given as of a specified date shall be true and correct as of such date, except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement;

**12. Public Disclosure**

- (a) No press release or other public disclosure concerning the transactions contemplated herein shall be made by the Company without previously consulting with Goodmans, except as, and only to the extent that, the disclosure is required (as determined by the Company) by applicable Law or by the rules of any stock exchange on which the Company's securities are listed or traded, by any other regulatory authority having jurisdiction over the Company, or by any court of competent jurisdiction; provided, however, that the Company shall, to the extent practicable under the circumstances, provide Goodmans with a copy of such disclosure in advance of any release and an opportunity to consult with the Company or its counsel as to the contents and to provide comments thereon.
- (b) Notwithstanding the foregoing, no information with respect to the principal amount of Notes or Existing Shares held or managed by any individual Consenting Noteholder or the identity of any individual Consenting Noteholder shall be disclosed by the Company, except as may be required by applicable Law or by the rules of any stock exchange on which any of the Company's securities are listed or traded, by any other regulatory authority having jurisdiction over the Company, or by any court of competent jurisdiction; provided, however, that such information may be disclosed if it has become generally available to, and known by, the public (other than by a Lightstream Entity in violation of this Section 12(c)) and the aggregate amount of Relevant Shares and Relevant Notes held by the Consenting Noteholders collectively may be disclosed.

- (c) Each Consenting Noteholder agrees that, except as otherwise specified in this Agreement or in a confidentiality agreement between it and the Company, prior to making any public announcement or issuing any press release or any other public disclosure with respect to this Agreement, the Transaction, the CBCA Plan, the CCAA Sale Transaction or any negotiations, terms or other facts with respect thereto, it shall, to the extent practicable under the circumstances, provide the Company and Goodmans with a copy of such disclosure in advance of any release and an opportunity to consult with the Company and Goodmans as to the contents and to provide comments thereon. Notwithstanding the foregoing, subject to its obligations under any confidentiality agreement, nothing herein prohibits any Consenting Noteholder from disclosing its participation in this Transaction in client, marketing or conference materials in a manner consistent with ordinary past practice, provided such disclosure does not include any confidential information regarding the Company.

**13. Further Assurances**

Each Party shall do all such things in its control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other Party the benefits of this Agreement.

**14. Approval, Consent, Waiver, Amendment of or by Consenting Noteholders**

- (a) Except as may be otherwise specifically provided for under this Agreement, where this Agreement provides that a matter shall have been approved, agreed to, consented to, waived or amended by the Initial Consenting Noteholders or the Consenting Noteholders, or that a matter must be satisfactory or acceptable to the Initial Consenting Noteholders or the Consenting Noteholders, such approval, agreement, consent, waiver, amendment, satisfaction, acceptance or other action shall be effective or shall have been obtained or satisfied, as the case may be, for the purposes of this Agreement where at least two of the Initial Consenting Noteholders holding, collectively, at least the 66-2/3% in principal amount of Secured Notes held by all Initial Consenting Noteholders shall have confirmed their approval, consent, waiver, amendment, satisfaction or acceptance, as the case may be, to the Company or to Goodmans, in which case Goodmans shall communicate any such approval, agreement, consent, waiver, amendment, satisfaction, acceptance, or other action the Company for purposes of this Agreement and the terms and conditions hereof. The Company shall be entitled to rely on any such confirmation of approval, agreement, consent, waiver, amendment, satisfaction, acceptance, or other action communicated to the Company by Goodmans without any obligation to inquire into Goodmans' authority to do so on behalf of the Initial Consenting Noteholders, and such communication shall be effective for all purposes of this Agreement and the terms and conditions hereof. Notwithstanding the foregoing, this Section 14(a) shall not apply to a Consenting Noteholder's right to terminate this Agreement pursuant to Section 15 hereof.

- (b) Except as expressly set forth in this Agreement, no Consenting Noteholder shall enter into any agreement or understanding with any other Consenting Noteholder which requires any voting threshold higher than that which is set forth in Section 14(a). Each Consenting Noteholder represents and warrants to the Company that it has not entered into any such agreement or understanding.

**15. Consenting Noteholder Termination Events**

This Agreement may be terminated with respect to the obligations of a Consenting Noteholder hereunder by the delivery to the Company of a written notice in accordance with Section 21(o) hereof by that Consenting Noteholder in the exercise of its sole discretion, upon the occurrence and, if applicable, continuation of any of the following events:

- (a) the occurrence of a Material Adverse Change;
- (b) the Company enters into a binding definitive agreement with respect to an Other Transaction in accordance with Section 4(l);
- (c) the Company enters into an Oppression Litigation Settlement without the consent of the Initial Consenting Noteholders;
- (d) the Company enters into a Further Forbearance Agreement without the consent of the Initial Consenting Noteholders;
- (e) any Lightstream Entity takes any action inconsistent with this Agreement or fails to comply with, or defaults in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement, which inconsistency, failure or non-compliance would have a Material Adverse Effect, and which, if capable of being cured, is not cured within five (5) Business Days after the receipt of written notice of such failure or default and provided that, for greater certainty, no cure period shall apply with respect to any termination pursuant to Sections 15(g), (h), (k) and (m);
- (f) any representation, warranty or acknowledgement of any of the Lightstream Entities made in this Agreement shall prove untrue in any material respect as of the date when made, provided that the failure to be true and correct would have a Material Adverse Effect;
- (g) the issuance of any final decision, order or decree by a Governmental Entity, in consequence of or in connection with the Transaction, which restrains or impedes in any material respect or prohibits the Transaction or any material part thereof or requires or purports to require a material variation of the Transaction (for greater certainty, not including failure of the Company to obtain the Final Order);
- (h) the Implementation Date has not occurred on or before the Transaction Outside Date, unless the failure to meet the foregoing timelines is caused solely by the action or omission to take any action by such Consenting Noteholder;
- (i) the CCAA Proceedings are dismissed or a receiver, interim receiver, receiver and manager, trustee in bankruptcy, liquidator or administrator is appointed in respect of any

Lightstream Entity, unless such event occurs with the prior written consent of the Initial Consenting Noteholders;

- (j) the amendment, modification or filing of a pleading by any Lightstream Entity seeking to amend or modify the Transaction Terms, or any Material document or order relating thereto, if such amendment or modification is not acceptable to the Initial Consenting Noteholders, acting in a manner consistent with the terms of this Agreement;
- (k) if the Company fails to commence CCAA Proceedings in accordance with Section 6(a);
- (l) (i) the New Revolving Facility Commitment Letters shall not have been executed by Creditbidco and the providers of the New Revolving Facility on terms acceptable to the Initial Consenting Noteholders within 15 days of the commencement of the CCAA Proceedings, (ii) the SISP shall not have been approved by the Court on terms acceptable to the Initial Consenting Noteholders within 15 days of the commencement of the CCAA Proceedings; or (iii) the Sale Order approving the Secured Notes Credit Bid as a stalking horse bid, if applicable, shall not have been granted on terms acceptable to the Initial Consenting Noteholders within 30 days of the commencement of the CCAA Proceedings (subject to Court availability); or
- (m) the conditions set forth in Section 11 are not satisfied or waived by the Transaction Outside Date or the Initial Consenting Noteholders determine, after consultation with the Company and its advisors, that there is no reasonable prospect that the conditions set forth in Section 11 will be satisfied or waived by the Transaction Outside Date.

**16. Lightstream Entities' Termination Events**

- (a) This Agreement may be terminated by the Lightstream Entities by the delivery to the Consenting Noteholders (with a copy to Goodmans) of a written notice in accordance with Section 21(o) by the Company, in the exercise of its sole discretion, upon the occurrence and continuation of any of the following events:
  - (i) the Implementation Date has not occurred on or before the Transaction Outside Date, unless the failure to meet the foregoing timelines is caused solely by the action or omission to take any action by the Company;
  - (ii) the issuance of any final decision, order or decree by a Governmental Entity, in consequence of or in connection with the Transaction, in each case which restrains or impedes in any material respect or prohibits the Transaction or any material part thereof or requires or purports to require a material variation of the Transaction; or
  - (iii) if at any given time the Consenting Noteholders party to this Agreement (including by way of Consent Agreements) represent less than 66 2/3 % of the aggregate principal amount of outstanding Secured Notes;
  - (iv) if the successful bid chosen in the SISP is a Person other than the Secured Notes Credit Bid;

- (v) the Company enters into a binding definitive agreement with respect to an Other Transaction in accordance with Section 4(l); or
  - (vi) the conditions set forth in Section 8, 9 or 11 are not satisfied or waived by the Transaction Outside Date or the Lightstream Entities determine, after consultation with the Initial Consenting Noteholders and the Advisors, that there is no reasonable prospect that the conditions set forth in Section 8, 9 or 11 will be satisfied or waived by the Transaction Outside Date.
- (b) This Agreement may be terminated as to a Consenting Noteholder that has breached the terms of this Agreement (the “**Breaching Noteholder**”) only, by delivery to such Breaching Noteholder of a written notice in accordance with Section 21(o) by the Company, in exercise of its sole discretion and provided that the Lightstream Entities are not in default hereunder, upon the occurrence and continuation of any of the following events:
- (i) failure by the Breaching Noteholder to comply in all material respects with, or default by the Breaching Noteholder in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement which is not cured within five (5) Business Days after the receipt of written notice of such failure or default; or
  - (ii) if any representation, warranty or other statement of the Breaching Noteholder made or deemed to be made in this Agreement shall prove untrue in any material respect as of the date when made;

and the Breaching Noteholder shall, in accordance with Section 18, thereupon no longer be a Consenting Noteholder. For greater certainty, an Objecting Noteholder is not a Breaching Noteholder.

#### **17. Mutual Termination**

This Agreement, and the obligations of all Parties hereunder, may be terminated by mutual agreement between (a) the Company and (b) the Initial Consenting Noteholders.

#### **18. Effect of Termination**

- (a) Upon termination of this Agreement pursuant to Section 15, Section 16(a) or Section 17 hereof, this Agreement shall be of no further force and effect and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, and agreements under or related to this Agreement, except for the rights, agreements, commitments and obligations under Sections 4(j), 4(s), 6(f), 12(b), 20 and 21, all of which shall survive the termination, and each Party shall have the rights and remedies that it would have had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement.
- (b) Upon termination of this Agreement by the Company with respect to a Breaching Noteholder under Section 16(b), this Agreement shall be of no further force or effect



with respect to such Breaching Noteholder and, subject to the right of the Company to pursue any and all legal and equitable rights against a Breaching Noteholder in respect of the circumstances that resulted in them becoming a Breaching Noteholder, all rights, obligations, commitments, undertakings, and agreements under or related to this Agreement of or in respect of such Breaching Noteholder shall be of no further force or effect, except for the rights and obligations under Sections 6(f), 12(b), 20 and 21, all of which shall survive such termination, and such Breaching Noteholder shall have the rights and remedies that it would have had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement.

- (c) Upon termination by an Objecting Noteholder of its obligations under this Agreement pursuant to Section 21(m), this Agreement shall be of no further force or effect with respect to such Objecting Noteholder and all rights, obligations, commitments, undertakings, and agreements under or related to this Agreement of or in respect of such Objecting Noteholder shall be of no further force or effect, except for the rights and obligations under Sections 4(j), 6(f), 12(b), 20 and 21, all of which shall survive such termination, and such Objecting Noteholder shall have the rights and remedies that it would have had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement.
- (d) Upon the occurrence of any termination of this Agreement, any and all consents tendered prior to such termination by (i) the Consenting Noteholders in the case of termination pursuant to Section 15, Section 16(a) or Section 17 hereof, (ii) the Breaching Noteholder(s) in the case of a termination pursuant to Section 16(b) or (i) the Objecting Noteholder(s) in the case of termination pursuant to Section 21(m) shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by the Parties in connection with the Transaction and this Agreement or otherwise.

#### **19. Termination Upon the Implementation Date**

This Agreement shall terminate automatically without any further required action or notice on the Implementation Date (immediately following the Effective Time). For greater certainty, the representations, warranties and covenants herein shall not survive and shall be of no further force or effect from and after the Implementation Date, provided that the rights, agreements, commitments and obligations under Sections 4(j), 4(s), 6(f), 12(b), 20 and 21, shall survive the Implementation Date.

#### **20. Confidentiality**

The Lightstream Entities agree to use commercially reasonable efforts to maintain the confidentiality of the identity and holdings of the Consenting Noteholders; provided, however, that such information may be disclosed: (i) to the Company's respective directors, trustees, executives, officers, auditors, and employees and financial and legal advisors or other agents (collectively referred to herein as the "Representatives" and individually as a "Representative") provided that each such Representative is informed of and is directed to

comply with this confidentiality provision; (ii) to the Court or to Persons in response to, and to the extent required by, any subpoena or order of the court or any other compulsory legal proceedings; (iii) in the event that at the time of its disclosure, it has become generally available to, and known by, the public (other than by a Lightstream Entity in violation of this Section 20); and (iv) as may be required by applicable Law or applicable rules of the TSX. If any Lightstream Entity or its Representatives receive a subpoena or other legal proceeding for such information, or determine, on the advice of counsel, that disclosure of such information is required by applicable Law, if permitted by such subpoena, legal proceeding or applicable Law such Lightstream Entity shall provide Goodmans on behalf of the applicable Consenting Noteholder(s) with prompt written notice and a copy of the subpoena or other applicable legal proceeding so that the Consenting Noteholder(s) may seek a protective order or other appropriate remedy or waiver of compliance with the provisions of this Agreement. Notwithstanding the provisions of Section 12 or this Section 20, the Company may disclose the existence of and terms of this Agreement in any public disclosure (including press releases, material change reports and court materials and requirements under applicable Law to file a copy of this Agreement) produced by the Company at the discretion of the Company, provided that all such disclosures are (a) made in accordance with Section 12 and (b) in the context of any such public disclosure, if permitted by applicable Law only the aggregate holdings of the Consenting Noteholders, taken together, may be disclosed (but not their individual identities or holdings, provided that individual entities or holdings may be disclosed to the TSX on a confidential basis if required under the applicable rules of the TSX). Except as set forth in this Section 20, nothing in this Agreement shall obligate the Company to make any public disclosure of this Agreement.

## 21. Miscellaneous

- (a) Notwithstanding anything herein to the contrary, this Agreement applies only to each Consenting Noteholder's Relevant Debt and Relevant Shares (and, with respect to Section 5(b), to any Notes and Existing Shares held by such Consenting Noteholder on the voting record date for the CBCA Meetings) and to each Consenting Noteholder solely with respect to its legal and/or beneficial ownership of, or its investment and voting discretion over, its Relevant Debt and Relevant Shares (and not, for greater certainty, to any other securities, loans or obligations that may be held, acquired or sold by such Consenting Noteholder or any client of such Consenting Noteholder whose funds or accounts are managed by such Consenting Noteholder) and, without limiting the generality of the foregoing, shall not apply to:
  - (i) any securities, loans or other obligations (including Notes) that may be held, acquired or sold by, or any activities, services or businesses conducted or provided by, any group or business unit within or affiliate of a Consenting Noteholder (A) that has not been involved in and is not acting at the direction of or with knowledge of the Company's affairs provided by any person involved in the Transaction discussions or (B) is on the other side of an information firewall with respect to the officers, partners and employees of such Consenting Noteholder who have been working on the Transaction and is not acting at the direction of or with knowledge of the Company's affairs provided by any officers, partners and employees of such Consenting Noteholder who have been working on the Transaction;

- (ii) any securities, loans or other obligations that may be beneficially owned by clients of a Consenting Noteholder, including accounts or funds managed by the Consenting Noteholder, that are not Relevant Debt or Relevant Shares; or
  - (iii) any securities, loans or other obligations (including Notes) that may be beneficially owned by clients of a Consenting Noteholder that are not managed or administered by the Consenting Noteholder.
- (b) Subject to Section 21(a), nothing in this Agreement is intended to preclude a Consenting Noteholder from engaging in any securities transactions (including any securities transactions in respect of other securities of Lightstream (other than the Notes)), subject to the agreements set forth in Section 5 with respect to the Consenting Noteholder's Relevant Debt and Relevant Shares and compliance with applicable Securities Laws.
- (c) This Agreement shall in no way be construed to preclude any Consenting Noteholder from acquiring additional Notes or Existing Shares, or other securities of Lightstream, in each case subject to compliance with applicable Securities Laws.
- (d) At any time, a Noteholder that is not a Consenting Noteholder may become a Party to this Agreement by executing and delivering to the Company and the other Consenting Noteholders, with a copy to Goodmans, a Consent Agreement substantially in the form of Schedule C.
- (e) The headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.
- (f) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.
- (g) Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of Canada.
- (h) This Agreement and any other agreements contemplated by or entered into pursuant to this Agreement (which will include the CBCA Plan) constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof.
- (i) Each of the Lightstream Entities acknowledges and agrees that any waiver or consent that the Initial Consenting Noteholders may make on or after the date hereof has been made by the Initial Consenting Noteholders, as the case may be, in reliance upon, and in consideration for, the covenants, agreements, representations and warranties of the Lightstream Entities.
- (j) The agreements, representations and obligations of the Consenting Noteholders under this Agreement are, in all respects, several and not joint and several.
- (k) Any person signing this Agreement in a representative capacity (i) represents and warrants that he/she is authorized to sign this Agreement on behalf of the Party he/she

represents and that his/her signature upon this Agreement will bind the represented Party to the terms hereof, and (ii) acknowledges that the other Parties hereto have relied upon such representation and warranty.

- (l) No director, officer or employee of any Lightstream Entity or any of its legal, financial or other advisors shall have any personal liability to any of the Consenting Noteholders under this Agreement. No director, officer or employee of any of the Consenting Noteholders or the Advisors shall have any personal liability to the Company under this Agreement.
- (m) This Agreement may be modified, amended or supplemented as to any matter by an instrument in writing signed by the Company and the Initial Consenting Noteholders (as determined in accordance with Section 14 hereof). Notwithstanding the foregoing, if this Agreement is amended, modified or supplemented or any matter herein is approved, consented to or waived such that the Transaction Outside Date is extended, or the effect of any such amendment materially adversely changes the fundamental terms of the Transaction as they relate to Noteholders (including affecting the number of New Common Shares to be provided to the Secured Noteholders or the Unsecured Noteholders as a percentage of the New Common Shares to be issued), as set forth in the Term Sheet, then any Consenting Noteholder that objects to any such amendment, modification, supplement, approval, consent or waiver may, within five (5) Business Days of receiving notice of the amendment, modification, supplement, approval, consent or waiver, terminate its obligations under this Agreement upon five (5) Business Days' written notice to the other Parties hereto (each, an "Objecting Noteholder") and shall thereupon no longer be a Consenting Noteholder.
- (n) Any date, time or period referred to in this Agreement shall be of the essence except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.
- (o) All notices, consents and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by PDF/email transmission, in each case addressed to the particular Party:

- (i) If to the Lightstream Entities (or any of them):

Lightstream Resources Ltd.  
525 – 8<sup>th</sup> Avenue S.W., Suite 2800  
Calgary, AB T2P 1G1

Attention: John D. Wright  
Email: [wright@lightstreamres.com](mailto:wright@lightstreamres.com)

With a required copy (which shall not be deemed notice) to:

Blake, Cassels & Graydon LLP  
855 – 2<sup>nd</sup> Street S.W., Suite 3500

Calgary, AB T2P 4J8

Attention: Kelly Bourassa / Chad Schneider  
Email: [kelly.bourassa@blakes.com](mailto:kelly.bourassa@blakes.com) / [chad.schneider@blakes.com](mailto:chad.schneider@blakes.com)

(ii) If to the Consenting Noteholder, at:

the address set forth for the Consenting Noteholder at the address shown for it beside its signature, with a required copy (which shall not be deemed notice) to:

Goodmans LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Attention: Brendan O'Neill / Ryan Baulke  
Email: [boneill@goodmans.ca](mailto:boneill@goodmans.ca) / [rbaulke@goodmans.ca](mailto:rbaulke@goodmans.ca)

(iii) If to the Advisors, at:

Goodmans LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario M5H 2S7

Attention: Brendan O'Neill / Ryan Baulke  
Email: [boneill@goodmans.ca](mailto:boneill@goodmans.ca) / [rbaulke@goodmans.ca](mailto:rbaulke@goodmans.ca)

or at such other address of which any Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery or transmission thereof.

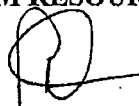
- (p) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.
- (q) The provisions of this Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties hereto,

except by a Consenting Noteholder as set forth and to the extent permitted in Section 5(f).


- (r) This Agreement is governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to principles of conflicts of law. Each Party submits to the jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating to this Agreement. The Parties shall not raise any objection to the venue of any proceedings in any such court, including the objection that the proceedings have been brought in an inconvenient forum.
- (s) It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to specific performance and injunctive or other equitable relief as a remedy of any such breach, including an order by a court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.
- (t) The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this provision with any court as written evidence of the knowing, voluntary and bargained for agreement between the Parties irrevocably to waive trial by jury, and that any proceeding whatsoever between them relating to this Agreement or any of the transactions contemplated by this Agreement shall instead be tried by a judge or judges sitting without a jury.
- (u) Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.
- (v) This Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

*[Signature pages follow]*


**LIGHTSTREAM RESOURCES LTD.**

Per:   
Name: Peter D. Scott  
Title: Senior Vice President  
and CFO

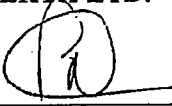
**9817158 CANADA LTD.**

Per:   
Name:  
Title:

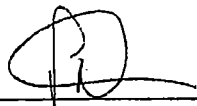
**1863359 ALBERTA LTD.**

Per:   
Name: Peter D. Scott  
Title: Senior Vice President  
and CFO

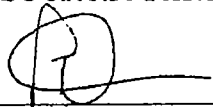
**1863360 ALBERTA LTD.**

Per:   
Name: Peter D. Scott  
Title: Senior Vice President  
and CFO

**LTS RESOURCES PARTNERSHIP**

Per:   
Name:  
Title:

**BAKKEN RESOURCES PARTNERSHIP**

Per:   
Name:  
Title:

*Signature Page to Amended and Restated Support Agreement*

**STRICTLY CONFIDENTIAL**

Name of Consenting Notcholder or  
Authorized Representative:

9 West 57<sup>th</sup> St., 37<sup>th</sup> Fl.  
New York, NY 10019

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

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

Name  
Title:

Relevant Notes and Relevant Shares are as listed on the Party's signature page to the Original Support Agreement.

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**SCHEDULE A**

**DEFINITIONS**

Definition	Section or Page Number
"Agreement"	Page 1 (2nd paragraph)
"ArrangeCo"	Page 1 (1st paragraph)
"Breaching Noteholder"	Section 16(b)
"CBCA"	Page 1 (2nd paragraph)
"CBCA Meetings"	Section 4(f)(vii)
"CBCA Outside Date"	Section 4(f)(ix)
"CBCA Plan"	Page 1 (2nd paragraph)
"CBCA Plan Transaction"	Page 1 (2nd paragraph)
"CBCA Preliminary Interim Order"	Section 4(f)(iii)
"CBCA Proceedings"	Page 1 (2nd paragraph)
"CCAA"	Page 1 (2nd paragraph)
"CCAA Proceedings"	Page 1 (2nd paragraph)
"CCAA Sale Transaction"	Page 1 (2nd paragraph)
"Claim"	Section 4(j)
"Company"	Page 1 (1st paragraph)
"Consent Agreement"	Page 1 (2nd paragraph)
"Consenting Noteholder(s)"	Page 1 (2nd paragraph)
"Court"	Section 4(f)(ii)
"Creditbidco"	Section 6(b)
"Effective Time"	Section 11(a)
"Final Order"	Section 4(g)
"Indemnified Parties" or "Indemnified Party"	Section 4(j)
"Initial Consenting Noteholder"	Page 1 (1st paragraph)
"Initial Order"	Section 6(a)
"KEIP"	Section 6(c)
"KERP"	Section 6(c)
"Lightstream"	Page 1 (1st paragraph)
"Lightstream Entities"	Page 1 (1st paragraph)
"Meetings Order"	Section 4(f)(v)
"Notes"	Page 1 (2nd paragraph)
"Objecting Noteholder"	Section 21(m)
"Original Support Agreement"	Page 1 (1st paragraph)
"Other Transaction"	Section 4(l)
"Party" or "Parties"	Page 1 (4th paragraph)
"Registration Rights Agreement"	Section 11(b)(v)(E)
"Released Parties"	Section 4(i)

"Relevant Debt"	Section 2(a)(i)
"Relevant Notes"	Section 2(a)(i)
"Relevant Shares"	Section 2(a)(ii)
"Representative(s)"	Section 20
"Sale Order"	Section 6(e)
"Section 3(a)(10)"	Section 4(g)
"Secured Noteholder"	Page 1 (1st paragraph)
"Secured Notes"	Page 1 (1st paragraph)
"Secured Notes Credit Bid"	Section 6(b)
"SISP"	Section 2(h)
"Subsidiaries"	Page 1 (1st paragraph)
"Significant Holder"	Section 11(b)(v)(E)
"Transaction"	Page 1 (2nd paragraph)
"Transaction Terms"	Page 1 (2nd paragraph)
"Term Sheet"	Page 1 (2nd paragraph)
"Unsecured Noteholder"	Page 1 (2nd paragraph)
"Unsecured Notes"	Page 1 (2nd paragraph)

In addition, the following terms used in this Agreement shall have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta).

"**Ad Hoc Committee**" means the Ad Hoc Committee of Secured Noteholders that represent, in the aggregate, approximately 91.5% of the aggregate outstanding principal amount of the Secured Notes as of the date hereof.

"**Advisors**" means Goodmans and BMO.

"**Arrangement Agreement**" means the arrangement agreement to be entered into between the Company and ArrangeCo providing for the CBCA Plan Transaction.

"**BMO**" means BMO Nesbitt Burns Inc.

"**Bonus Payments**" means all bonus payments, retention payments, incentive compensation payments or other similar payments payable by any Lightstream Entity to its current or past directors, officers, employees or senior managers.

"**Business Day**" means each day, other than a Saturday or Sunday or a statutory or civic holiday, that banks are open for business in Toronto, Calgary and New York.

"**Canadian Securities Commissions**" means, collectively, the applicable securities commissions or regulatory authorities in each of the provinces of Canada.



**“Canadian Securities Laws”** means, collectively, and, as the context may require, the applicable securities laws of each of the provinces of Canada, and the respective regulations and rules made under those securities laws together with all applicable published policy statements, instruments, blanket orders and rulings of the Canadian Securities Commissions and all discretionary orders or rulings, if any, of the Canadian Securities Commissions made in connection with the transactions contemplated by this Agreement together with applicable published policy statements of the Canadian Securities Administrators, as the context may require.

**“Contracts”** means all agreements, contracts, leases (whether for real or personal property), purchase orders, undertakings, covenants not to compete, employment agreements, confidentiality agreements, licenses, instruments, obligations and commitments to which a Person is a party or by which a Person or any of its assets are bound or affected, whether written or oral.

**“Deferred Compensation Shares”** means the deferred common shares of the Company issued under its Deferred Share Compensation Plan that are exercisable into common shares of Lightstream.

**“Disclosure Letter”** means a letter from the Company to Goodmans dated the date hereof, all or any portion of which Goodmans shall be entitled to share with BMO or one or more Consenting Noteholders.

**“Environmental Laws”** means all Laws regarding the environment or pursuant to which Environmental Liabilities would arise or have arisen, including relating to the Release or threatened Release of any contaminant or the generation, use, storage or transportation of any contaminant.

**“Environmental Liabilities”** means any and all Liabilities for any Release, any environmental damage, any contamination or any other environmental problem caused to any Person, property or the environment as a result of any Release or the condition of any property or asset, whether or not caused by a breach of applicable Laws, including all Liabilities arising from or related to: any surface, underground, air, groundwater, or surface water contamination; the abandonment or plugging of any well; restorations and reclamations; the removal of or failure to remove any foundations, structures or equipment; the cleaning up or reclamation of storage sites; any Release; violation of pollution standards; and personal injury (including sickness, disease or death) and property damage arising from the foregoing.

**“Existing Shareholders”** means holders of Existing Shares.

**“Existing Shares”** shall mean the common shares of Lightstream outstanding on the date hereof.

**“Fairness Opinion”** shall mean a fairness opinion in connection with the CBCA Plan Transaction, in form and substance acceptable to the board of the Company and the Initial Consenting Noteholders.

**“Financial Statements”** means (i) the audited consolidated balance sheet of Lightstream as at December 31, 2015 and the related audited consolidated statement of earnings (loss) and other

comprehensive income, retained earnings and cash flows for the fiscal year then ended, together with the report thereon of independent auditors, and (ii) the unaudited quarterly financial statements of Lightstream for the three month period ended March 31, 2016, each prepared in accordance with GAAP consistently applied throughout the periods covered.

**"First Forbearance Agreement"** means that forbearance agreement dated July 12, 2016 among the Company and certain of the Lightstream Entities and the Lenders, among others, as amended from time to time.

**"Further Forbearance Agreement"** means any forbearance agreement entered into among the Company, certain of the other Lightstream Entities and the Lenders on or after the date hereof, including any amendment or extension to the First Forbearance Agreement on or after the date hereof.

**"GAAP"** means generally accepted accounting principles (including IFRS) as applied in the relevant jurisdiction.

**"Goodmans"** means Goodmans LLP, acting in its role as counsel to the Ad Hoc Committee.

**"Governmental Entity"** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

**"IFRS"** means the International Financial Reporting Standards.

**"Implementation Date"** means the date on which the Transaction is implemented pursuant to either the CBCA Plan under the CBCA Proceedings or the CCAA Sale Transaction under the CCAA Proceedings, as the case may be.

**"including"** means "including, without limitation" and **"includes"** shall have a corresponding meaning.

**"Incentive Shares"** means the incentive shares of the Company issued under its Incentive Share Plan that are exercisable into common shares of Lightstream.

**"Indentures"** means, collectively, the Secured Notes Indenture and the Unsecured Notes Indenture.

**"Information"** means information set forth or incorporated in Lightstream's public disclosure documents filed with the applicable Canadian securities regulators under Securities Laws, as

**"Investment Canada Act Approval"** means the Consenting Noteholders shall have received notification from the responsible Minister under the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.), that the Minister is satisfied or is deemed to be satisfied that the Transactions contemplated by this Agreement are likely to be of net benefit to Canada.

**“Law”** or **“Laws”** means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity.

**“Lenders”** means the Persons who are lenders from time to time under the Revolving Facility.

**“Liability”** or **“Liabilities”** means any direct or indirect liability, indebtedness, obligation, commitment, expense, claim, deficiency, guarantee or endorsement of or by any Person of any type, whether accrued, absolute, contingent, matured, unmatured, liquidated, unliquidated, known or unknown.

**“Management Information Circular”** means the notice of the CBCA Meetings and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Company securityholders in connection with the CBCA Meetings, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement and the Arrangement Agreement.

**“Material”** means a fact, circumstance, change, effect, matter, action, condition, event, occurrence or development that, individually or in the aggregate, is, or would reasonably be expected to be, material to the business, affairs, results of operations or financial condition of the Lightstream Entities, taken as a whole.

**“Material Adverse Change”** or **“Material Adverse Effect”** means any change, development, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, developments, effects, events, circumstances, facts or occurrences, (A) is material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (including any contingent liabilities), operations or results of operations of the Lightstream Entities, taken as a whole, or (B) prevents or materially adversely affects the ability of any of the Lightstream Entities to timely perform its obligations under this Agreement, except, any change, development, effect, event, circumstance, fact or occurrence resulting from or relating to: (a) any change in GAAP; (b) any matter which has, prior to the date hereof, been disclosed in the Information or disclosed in writing to the Initial Consenting Noteholders; (c) conditions affecting the oil and gas exploration, exploitation, development and production industry as a whole; (d) any change in commodity prices or in currency exchange rates; (e) any adoption, proposal, implementation or change in applicable laws or any interpretation thereof by any Governmental Entity; (provided that in the case of (c); (d) and (e) above, such conditions do not have a materially disproportionate effect on the applicable Lightstream Entity relative to other companies in its industry); (f) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets; (g) any natural disaster; (h) the execution, announcement or performance of this Agreement and the Term Sheet or any other related agreement and the completion of the transactions contemplated thereby or the failure to implement any CBCA Plan Transaction for any reason; (i) the failure, in and of itself, of any Lightstream Entity to meet any internal or public projections, forecasts or estimates of revenues, production or earnings; (j) any action taken (or omitted to be taken) by the Lightstream Entities or any of them which is contemplated in this Agreement or is consented to

or requested by the Initial Consenting Noteholders; or (k) any change in the market price or trading volume of any securities of Lightstream (it being understood that the causes underlying such change in market price or trading volume (other than those in items (a) to (k) above) may be taken into account in determining whether a Material Adverse Change has occurred).

**“Material Contract”** means each Contract and other instrument or document (including any amendment to any of the foregoing) of a Lightstream Entity:

- (i) with any director, officer or Affiliate of a Lightstream Entity;
- (ii) that in any way purports to materially restrict the business activity of the Lightstream Entities (or any of them) or to limit the freedom of the Lightstream Entities (or any of them) to engage in any line of business or to compete with any Person or in any geographic area or to hire or retain any Person;
- (iii) that could reasonably be expected to have a material effect on the business, condition, capitalization, assets, liabilities, operations or financial performance of the Lightstream Entities (or any of them), or on the Transaction; and
- (iv) any other Contract, if a breach of such Contract could reasonably be expected to result in a Material Adverse Change.

**“New Revolving Facility Commitment Letters”** means commitment letters pursuant to which the providers of the New Revolving Facility agree to provide the New Revolving Facility to the Company or to Credibidco, as applicable, on terms and conditions acceptable to the Company and the Initial Consenting Noteholders.

**“New Warrants”** means, collectively, the New Series 1 Warrants and the New Series 2 Warrants, as each term is defined in the Term Sheet.

**“Oppression Litigation”** means the actions pending against the Company in the Court commenced by certain Unsecured Noteholders claiming, *inter alia*, oppression, misrepresentation and breach of contract, bearing Court File No. 1501-08782 and Court File No. 1507-07813.

**“Oppression Litigation Settlement”** means a comprehensive settlement among the Company and those Unsecured Noteholders party to the Oppression Litigation settling all claims related to the Oppression Litigation and providing for the withdrawal of such Oppression Litigation, which Oppression Litigation Settlement shall be on terms acceptable to the Initial Consenting Noteholders in their sole discretion.

**“Option”** means and option to purchase common shares of Lightstream issued under the Company’s stock option plan.

**“Person”** means an individual, a corporation, a partnership, a limited liability company, a trust, an unincorporated association, a Governmental Entity or any agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body.

**“Regulation S”** means Regulation S as promulgated by the U.S. Securities Commission under the U.S. Securities Act.

**“Release”** means any presence, release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leeching or migration of any element or compound in or into the indoor or outdoor environment (including the abandonment or disposal of any barrels, tanks, containers or receptacles containing any contaminant), or in, into or out of any vessel or facility, including the movement of any contaminant through the air, soil, subsoil, surface, water, groundwater, rock formation or otherwise which is or may be (under any circumstances, whether or not they have not occurred).

**“Revolving Facility”** means the \$550 million revolving credit facility among Lightstream, as borrower, the lenders party thereto, and The Toronto-Dominion Bank, as administration agent.

**“Secured Note Indenture”** means the Indenture dated as of July 2, 2015 among Lightstream as issuer, the Subsidiaries and the Partnerships, as guarantors, U.S. Bank National Association, as Trustee and Computershare Trust Company of Canada as Canadian trustee and collateral agent, pursuant to which Lightstream issued the Secured Notes.

**“Secured Notes Trustee”** means, collectively, U.S. Bank National Association in its capacity as Trustee under the Secured Note Indenture and Computershare Trust Company of Canada in its capacity as Canadian Trustee under the Secured Notes Indenture.

**“Securities Laws”** means, collectively, Canadian Securities Laws and U.S. Securities Laws.

**“Shareholder Rights Plan”** means the shareholder rights Plan of the Company dated November 19, 2012 and effective January 1, 2013.

**“Tax”** means all present and future taxes, rates, levies, imposts, assessments, dues, government fees, stamp taxes, deductions, charges or withholdings, and all liabilities with respect thereto, and any interest, additions to tax and penalties imposed with respect thereto, excluding, with respect to a lender, taxes imposed on its income or capital and franchise taxes imposed on it by any taxation authority.

**“Transaction Outside Date”** means December 31, 2016.

**“TSX”** means Toronto Stock Exchange.

**“U.S. Securities Act”** means the *United States Securities Act of 1933*, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute.

**“U.S. Securities Exchange Act”** means the *United States Securities Exchange Act of 1934*, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute.

**“U.S. Securities Commission”** means the United States Securities and Exchange Commission.

**“U.S. Securities Laws”** means, collectively, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations of the U.S. Securities Commission.

**“Unsecured Note Indenture”** means the Indenture dated as of January 30, 2012, among Petrobakken Energy Ltd., as Issuer, Petrobakken Capital Ltd. and PBN Partnership, as guarantors, U.S. Bank National Association, as Trustee, and Computershare Trust Company of Canada as Canadian trustee, pursuant to which Lightstream issued the Unsecured Notes

**“Voting Deadline”** means the date on which votes are due in respect of the CBCA Plan, as established by the Meetings Order, as the same may be amended by Order of the Court or with the consent of the Company and the Consenting Noteholders, each acting reasonably.

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**SCHEDULE B**

**TERM SHEET**

## LIGHTSTREAM RESOURCES LTD.

### RESTRUCTURING TERM SHEET

#### SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

This term sheet dated as of August 26, 2016 describes the principal terms on which Lightstream Resources Ltd. ("**Lightstream**" or the "**Company**") will complete a series of transactions under which Lightstream's (i) CDN\$550 million revolving facility (the "**Revolving Facility**"), (ii) US\$650 million of 9.875% Second Lien Secured Notes due June 15, 2019 (the "**Secured Notes**"), (iii) US\$254 million of 8.625% Senior Unsecured Notes due February 1, 2020 (the "**Unsecured Notes**") and (iv) existing common shares (the "**Existing Common Shares**"), will be restructured pursuant to a recapitalization and restructuring plan (the "**CBCA Plan**") to be filed in proceedings to be commenced under the *Canada Business Corporations Act* before July 15, 2016 (the "**CBCA**" and the "**CBCA Proceedings**") on the terms and conditions set out herein (the "**CBCA Plan Transaction**"), or in the event that the requisite amount of relevant stakeholders do not approve the CBCA Plan at the meetings of creditors and shareholders to be convened for voting on the CBCA Plan, pursuant to a sale transaction to be implemented through proceedings to be commenced under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**" and the "**CCAA Sale Transaction**").<sup>1</sup>

The Company, in consultation with the Ad Hoc Committee (as defined below) and its advisors, will begin preparation for a robust sale and investment solicitation process in respect of its business and assets (the "**SISP**") on the principal terms set forth herein to identify the best available CCAA Sale Transaction.

This term sheet is strictly private and confidential and is not to be disclosed in any manner whatsoever beyond the Company, the ad hoc committee of Secured Noteholders (the "**Ad Hoc Committee**") and their respective advisors without the prior written consent of counsel to the Company and counsel to the Ad Hoc Committee; provided however, (a) that this term sheet may be disclosed by the Company to any of its lenders under the Revolving Facility or its Unsecured Noteholders (as defined below) and their representatives and advisors; and (b) that it is intended that this term sheet will be appended to a definitive Support Agreement in respect of the CBCA Plan Transaction and CCAA Sale Transaction to be executed by the Company, the members of the Ad Hoc Committee, which hold approximately 91.5% of the aggregate outstanding principal amount of the Secured Notes, and certain holders of the Unsecured Notes (the "**Unsecured Noteholders**"), and that the Company will, upon entering into the Support Agreement, announce the material terms of the Support Agreement (including this term sheet) and file the Support Agreement (including this term sheet) pursuant to its continuous disclosure obligations under

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<sup>1</sup> *This Summary of Principal Terms and Conditions does not purport to summarize all the terms, conditions, representations, warranties and other provisions with respect to the transactions referred to herein, which transactions will be entered into on the basis of mutually satisfactory definitive documentation after, among other things, satisfactory completion of due diligence (including without limitation financial, operational, technical, legal and tax due diligence) and receipt of necessary internal and external approvals. References to CCAA Sale Transaction herein include pursuant to any alternative transaction structure as contemplated by section 6(b) of the Support Agreement, as the case may be.*



applicable securities laws or the rules of the Toronto Stock Exchange, and in the CBCA Proceedings.

**Summary of Principal Terms of CBCA Plan Transaction**

**I. CBCA Plan Transaction**

**Secured Notes**

**“Secured Notes Claims”** shall consist of all outstanding obligations, liabilities and indebtedness owed to the Secured Noteholders, including, without limitation, any and all outstanding principal, all accrued and unpaid interest, premium, fees, costs and expenses owing under the documents governing the Secured Notes.

All Secured Notes Claims shall be placed in one voting class for purposes of voting on the CBCA Plan. The members of the Ad Hoc Committee will execute the Support Agreement.

Pursuant to the CBCA Plan, each holder of a Secured Notes Claim shall receive, on the date on which the CBCA Plan Transaction is implemented (the **“CBCA Effective Date”**), its pro rata share (based on its Secured Notes Claim as of a record date to be agreed upon (the **“CBCA Record Date”**) divided by the total Secured Notes Claims as at the CBCA Record Date) of the Secured Noteholder Consideration Shares (as defined below), in full and final satisfaction of the Secured Notes Claims and in exchange therefor.

**“Secured Noteholder Consideration Shares”** means 95,000,000 New Common Shares (as defined below) to be issued upon implementation of the CBCA Plan.

**Unsecured Notes**

**“Unsecured Notes Claims”** shall consist of all outstanding obligations, liabilities and indebtedness owed to the Unsecured Noteholders, including, without limitation, any and all outstanding principal and all accrued and unpaid interest thereon at the applicable contract rate.

All Unsecured Notes Claims shall be placed in one voting class for purposes of voting on the CBCA Plan.

Pursuant to the CBCA Plan, each holder of an Unsecured Notes Claim shall receive, on the CBCA Effective Date, its pro rata share (based on its Unsecured Notes Claim as of the CBCA Record Date divided by the total Unsecured Notes Claims as at the CBCA Record Date) of the Unsecured Noteholder Consideration (as defined below), in full and final satisfaction of the Unsecured Notes Claims and in exchange therefor.

**“Unsecured Noteholder Consideration”** means 2,750,000 New Common Shares and 5,000,000 New Series 1 Warrants (as defined below) to be issued upon implementation of the CBCA Plan.

**Existing Shareholders**

**“Existing Shares”** is defined as the existing common shares of the Company currently outstanding.

Pursuant to the CBCA Plan, each holder of Existing Shares shall, on the CBCA Effective Date, hold its pro rata share of 2,250,000 New Common Shares and 7,750,000 of the New Series 2 Warrants (as defined below), in full and final satisfaction of all Existing Shares and in exchange thereof.

As of the CBCA Effective Date, except as otherwise set out herein, the Existing Shares and all options, warrants, rights, shareholder rights plans, performance share units or similar instruments derived from, relating to, or convertible or exchangeable therefor, will be cancelled and extinguished.

**New Common Shares,  
Series 1 Warrants and  
Series 2 Warrants**

Approximately 100,000,000 new common shares of the Company (the **“New Common Shares”**) will be issued on implementation of the CBCA Plan Transaction as outlined above.

Approximately 5,000,000 Series 1 Warrants of the Company (the **“New Series 1 Warrants”**) and approximately 7,750,000 Series 2 Warrants of the Company (the **“New Series 2 Warrants”**) will be issued on implementation of the CBCA Plan Transaction.

No fractional New Common Shares, New Series 1 Warrants or New Series 2 Warrants shall be issued. Any fractional New Common Shares, New Series 1 Warrants or New Series 2 Warrants that would have otherwise been issued shall be rounded down to the nearest whole number.

No other equity or equity derivative securities will be issued on implementation of the CBCA Plan Transaction, other than pursuant to the New Employee Incentive Plan (as defined below).

**New Series 1 Warrants**

**Term** – The New Series 1 Warrants will expire 5 years from the CBCA Effective Date. If during that term there shall be a reclassification or redesignation of the New Common Shares at any time outstanding or a change of the New Common Shares into other shares or into other securities, or a consolidation, amalgamation, take-over bid, compulsory acquisition, plan of arrangement or merger of the Company with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement, take-over bid, compulsory acquisition, plan of arrangement or merger which does not result in

any reclassification of the outstanding New Common Shares or a change of the New Common Shares into other shares), a change, exchange or conversion of the New Common Shares into or for other shares or securities or property, or a transfer, sale or conveyance of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or other entity in which the holders of New Common Shares are entitled to receive shares, other securities or other property (any of such events being herein called a “**Capital Reorganization**”), any holder of the New Series 1 Warrants who exercises his or her right to purchase New Common Shares pursuant to New Series 1 Warrant(s) then held after the effective date of such Capital Reorganization shall be entitled to receive, and shall accept for the same aggregate consideration in lieu of the number of New Common Shares to which such holder was theretofore entitled upon such exercise the aggregate number of shares, other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the holder of the New Series 1 Warrant(s) had been the registered holder of the number of New Common Shares to which such holder was theretofore entitled upon exercise of the New Series 1 Warrant(s). The New Series 1 Warrants will contain standard anti-dilution provisions.

**Exercise Price** – Each New Series 1 Warrant will be exercisable to purchase one New Common Share by paying, in cash (CDN\$), the exercise price in effect based on the table listed below (the “**New Warrant Series 1 Exercise Price**”):

Issue Date	\$10.25
1-Jun-2017	\$10.69
1-Dec-2017	\$10.90
1-Jun-2018	\$11.34
1-Dec-2018	\$11.34
1-Jun-2019	\$11.77

**New Series 2 Warrants**

**Term** – The New Series 2 Warrants will expire 5 years from the CBCA Effective Date. If during that term there shall be a Capital Reorganization, any holder of the New Series 2 Warrants who exercises his or her right to purchase New Common Shares pursuant to New Series 2 Warrant(s) then held after the effective date of such Capital Reorganization shall be entitled to receive, and shall accept for the same aggregate consideration in lieu of the

number of New Common Shares to which such holder was theretofore entitled upon such exercise the aggregate number of shares, other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the holder of the New Series 2 Warrant(s) had been the registered holder of the number of New Common Shares to which such holder was theretofore entitled upon exercise of the New Series 2 Warrant(s). The New Series 2 Warrants will contain standard anti-dilution provisions.

**Exercise Price** – Each New Series 2 Warrant will be exercisable to purchase one New Common Share by paying, in cash (CDN\$), the exercise price in effect based on the table listed below (the “**New Warrant Series 2 Exercise Price**”):

Issue Date	\$12.88
1-Jun-2017	\$13.41
1-Dec-2017	\$13.75
1-Jun-2018	\$14.29
1-Dec-2018	\$14.42
1-Jun-2019	\$14.96

## **II. Implementation**

### **CBCA Timeline**

- Submission of draft materials for initial CBCA application to the CBCA Director on or before July 6, 2016
- Support Agreement to be settled and signed among the Company and the Ad Hoc Committee on or before July 12, 2016
- Commencement of SISP on or before July 13, 2016
- File and commence CBCA Proceedings on or before July 13, 2016 for CBCA preliminary interim order, including stay protection (the “**CBCA Preliminary Interim Order**”)
- Submission of draft materials for CBCA Interim Order (as defined below) application to the CBCA Director on or before July 28, 2016
- CBCA interim order approving the calling, holding and

conduct of the shareholders' and creditors' meetings and approving the mailing of CBCA information circular and CBCA Plan (the "**CBCA Interim Order**") on or before August 5, 2016

- Commitment letter to be settled and signed among the Company and providers of the New Revolving Facility (defined below) on or before August 26, 2016;
- Entry into the Oppression Litigation Settlement (as defined in the Support Agreement) on or before September 16, 2016 (failing which the members of the Ad Hoc Committee shall have the right to cause the Company to commence the CCAA Proceedings)
- CBCA creditors' and shareholders' meeting on or before September 30, 2016
- Court approval of CBCA Plan on or before October 7, 2016
- Completion of CBCA Plan Transaction on or before October 31, 2016, provided that if on October 31, 2016 the CBCA Plan Transaction has not been implemented solely as a result of any required approval under the *Competition Act* (Canada) or the *Investment Canada Act* not having been obtained, this date shall be automatically extended to November 30, 2016
- Prompt commencement of the CCAA Proceedings in the event that the requisite amount of relevant stakeholders fail to approve the CBCA Plan at the meetings of creditors and shareholders to be convened for voting on the CBCA Plan, or in the event that the court does not approve the CBCA Plan at the hearing convened to consider approval of the CBCA Plan or in the event that the Oppression Litigation Settlement is not entered into on or before September 16, 2016
- The CBCA Plan Transaction and the Creditbidco Transaction (as defined below) shall be subject to standard conditions precedent in favour of the Company, the Ad Hoc Committee and Creditbidco, as applicable.

**Conditions to  
Implementation**

### III. Other Claims and Interests

**Priority Claims** Any priority claims (taxes, unpaid wages, etc.) required to be satisfied in accordance with Canadian law shall be left unaffected under the CBCA Plan Transaction.

**Non-Priority Unsecured Claims** All non-priority, pre-CBCA Effective Date unsecured claims, leases and executory contracts (other than the Unsecured Notes) will either be unaffected under the CBCA Plan Transaction and remain in place under their existing terms or will be treated in a manner acceptable to the Company, the Ad Hoc Committee and the holder of any such unsecured claim, lease or executory contract.

### IV. Other Conditions

**Revolving Credit Facility** The Revolving Facility shall be replaced with a new revolving credit facility (the "**New Revolving Facility**") on terms and conditions acceptable to the Company and the Ad Hoc Committee. The New Revolving Facility shall be available to the Company following implementation of the CBCA Plan Transaction, or Creditbidco (as defined below) following implementation of the Creditbidco Transaction (as defined below).

**Listing of New Common Shares** The Company and the Ad Hoc Committee (and their respective advisors) shall engage in good faith discussions regarding listing, reporting, registration rights and the public nature of reorganized Lightstream going forward, following implementation of the CBCA Plan. For greater certainty, the parties intend that the Company would remain a listed company on the TSX.

**Company Advisors** The Company's legal, financial and other advisors shall receive their fees and disbursements pursuant to their respective engagement letters with the Company, and in the case of the Company's legal advisors (and any of their financial advisors) or other advisors at their standard rates and charges.

**Ad Hoc Committee Professionals** BMO, the financial advisor to the Ad Hoc Committee, shall be paid in accordance with its engagement letter, a copy of which has been provided to the Company, and the Ad Hoc Committee's legal advisors (Goodmans LLP (Canada); Paul Weiss, Rifkind, Wharton & Garrison LLP (United States) and Dentons Canada (Calgary/Saskatchewan)). The Company shall not be responsible for the payment of any other financial or legal advisors to the Ad Hoc Committee.

**Unsecured Noteholder** The legal advisor to the ad hoc committee of Unsecured Noteholders shall be paid in accordance with its existing

**Advisors**

engagement letter. In the event that the members of the ad hoc committee of Unsecured Noteholders holding in excess of 66.67% of the outstanding principal amount of the Unsecured Notes have executed the Support Agreement on or prior to September 10, 2016, the Company shall pay the reasonable fees and expenses of the financial advisors (if applicable) to this ad hoc committee of Unsecured Noteholders incurred in connection with the CBCA Plan Transaction.

**Definitive Documents**

Definitive agreements, court materials and other documents (the “**Definitive Documents**”) in connection with the CBCA Plan Transaction (and the CCAA Sale Transaction, as the case may be), shall be consistent in all respects with the terms of this term sheet and otherwise reasonably acceptable to the Company and the Ad Hoc Committee. The Definitive Documents shall implement the CBCA Plan Transaction (and the CCAA Sale Transaction, as the case may be) in a tax efficient manner acceptable to the Company and the Ad Hoc Committee.

**Change of Control Provisions**

Any change of control provisions contained in any contracts with the Company that may be triggered as a result of or in connection with the CBCA Plan Transaction or CCAA Sale Transaction shall have been dealt with in a manner acceptable to the Company and the Ad Hoc Committee.

**Employment Agreements and Employee Incentive Plan**

The terms of the employment agreements shall be modified, as a condition to the CBCA Plan Transaction (and the CCAA Sale Transaction, as the case may be) to address Lightstream’s restructured capital structure and specifically to confirm that no amounts shall be payable to any employee, officer or director in connection with any change of control that may arise solely in connection with or result from the implementation of the CBCA Plan Transaction (or the CCAA Sale Transaction to the extent implemented pursuant to the Secured Notes Credit Bid or an alternative transaction structure as contemplated by section 6(b) of the Support Agreement, as the case may be). For clarity, change of control payments shall be honoured for any employee who is terminated in connection with a change of control, including implementation of the CBCA Plan Transaction or the CCAA Sale Transaction).

The CBCA Plan Transaction shall provide for the adjustment of outstanding grants of Incentive Shares and Deferred Compensation Shares to reflect the treatment of the Existing Common Shares in the capital reorganization contemplated by this term sheet (but not the issuance of any Series 2 Warrants to holders of Existing Common Shares). Outstanding stock options and grants of Incentive Shares and Deferred Compensation Shares will vest in

connection with the completion of the CBCA Plan Transaction, and outstanding grants of Incentive Shares and Deferred Compensation Shares will be exercisable until the earlier of their existing expiry dates and six months following completion of the capital reorganization. Outstanding stock options will be repurchased for nominal consideration or be terminated.

The existing employee incentive programs will remain in place and any grants made thereunder following the implementation of the CBCA Plan Transaction shall be made at the discretion of the post-recapitalization Board of Directors. In the event the post-recapitalization Board of Directors determines to terminate the existing employee incentive program and replace it, after the CBCA Effective Date (or the closing of the CCAA Sale Transaction, as the case may be), with a new employee incentive program, such program shall be on terms acceptable to the post-recapitalization Board of Directors (the "**New Employee Incentive Plan**").

A maximum of 8,000,000 New Common Shares or stock options shall be reserved for issuance pursuant to the New Employee Incentive Plan at the discretion of the post-recapitalization Board of Directors.

#### **Corporate Governance**

The Ad Hoc Committee will work with either the Chairman of the existing board or the Chairman of the Governance Committee of the existing board to establish the membership of the post-recapitalization board based on the following:

- the Board will consist of (i) the Chief Executive Officer of the Company, (ii) one or more existing directors of the Company acceptable to the Ad Hoc Committee, and (iii) other new individuals acceptable to the Ad Hoc Committee.

#### **Other Approvals and Conditions**

The CBCA Plan Transaction (and the CCAA Sale Transaction, as the case may be) shall be subject to court, stock exchange, regulatory, lender and other approvals and conditions precedent as may be required for a transaction of this nature, including without limitation, that there shall be no material adverse change in the Company's business operations. For greater certainty, the transactions shall not be subject to any due diligence condition.

#### **Sales and Investment Solicitation Process**

FTI Consulting Canada Inc. has been retained to serve as the proposed CCAA monitor (the "**Proposed Monitor**"), including for the purposes of overseeing the SISP and reporting to the Court on the SISP, if applicable.



The Company will commence the SISP on or before July 13, 2016. The SISP shall be conducted in consultation with the legal and financial advisors to the Ad Hoc Committee and the Proposed Monitor, and shall continue until such date as the Company and the Ad Hoc Committee agree.

### Sale Transaction

In the event that the requisite amount of Unsecured Noteholders or Existing Shareholders do not vote in favour of the CBCA Plan at the creditors' and shareholders' meetings in respect of the CBCA Plan, then the Company will abandon the CBCA Plan Transaction and convert the CBCA Proceedings to CCAA Proceedings in order to implement the best available CCAA Sale Transaction. As part of a CCAA Proceeding, the members of the Ad Hoc Committee will make (or direct) a credit bid of the full amount of the Secured Notes Claims through a newly formed entity ("**Creditbidco**"), which credit bid (the "**Secured Notes Credit Bid**") may serve as a stalking horse transaction in the SISP. In addition, Creditbidco and Initial Consenting Noteholders, as applicable, will commit to:

(i) in the event that the Secured Notes Credit Bid is the successful bid (the "**Creditbidco Transaction**"), replicate any consideration that was offered to the Unsecured Noteholders or the Existing Shareholders in the CBCA Plan Transaction as part of its credit bid (which Creditbidco shall be entitled to do in a tax efficient manner and in accordance with applicable corporate and securities laws), provided that the Unsecured Noteholders or the Existing Shareholders, as the case may be, shall have approved the CBCA Plan at the requisite levels at the creditors' and shareholders' meetings held in respect of the CBCA Plan; and

(ii) in the event that the Secured Notes Credit Bid is not the successful bid that is approved in the CCAA Proceedings, and the Secured Noteholders are repaid the full amount of their Secured Notes Claims (including, without limitation, the make whole payments), then upon receipt of such repayment, the members of the Ad Hoc Committee shall make CDN\$20,000,000 available to the Existing Shareholders (in a tax efficient manner and in accordance with applicable corporate and securities laws), provided that (i) the Existing Shareholders shall have approved the CBCA Plan at the requisite levels at the shareholders' meetings held in respect of the CBCA Plan and (ii) no other consideration shall be made available to the Existing Shareholders from the members of the Ad Hoc Committee or otherwise,

provided that the obligations set forth in (i) and (ii) above shall have no application in the event that the plaintiffs in the Oppression Litigation (as defined in the Support Agreement) are successful in obtaining any remedy in respect of the matters at issue therein, which remedy would have a material adverse effect on the Company or would impact the priority or composition of the Secured Noteholders. Notwithstanding the foregoing, following the commencement of the CCAA Proceedings, the Transaction may be implemented pursuant to such alternative transaction structure as is acceptable to the Initial Consenting Noteholders and the Company, each acting reasonably.

In the event that (i) the CBCA Proceedings are converted to CCAA Proceedings in the circumstances outlined above and (ii) the Board of Directors determines that it is advisable or necessary to implement a key employee retention plan (“KERP”) and a key employee incentive plan (“KEIP”), the Company and the Ad Hoc Committee shall develop and seek court approval of a KERP and/or a KEIP on reasonable terms and conditions in the CCAA Proceedings.

## SCHEDULE C

### FORM OF CONSENT AGREEMENT

This Consent Agreement is made as of the date below (the “**Consent Agreement**”) by the undersigned (the “**Consenting Party**”) in connection with the amended and restated support agreement dated as of August 26, 2016 (the “**Support Agreement**”) among Lightstream Resources Ltd., its subsidiaries, 9817158 Canada Ltd., 1863359 Alberta Ltd. and 1863360 Alberta Ltd., and LTS Resources Partnership and Bakken Resources Partnership, and the Consenting Noteholders party thereto. Capitalized terms used herein have the meanings assigned in the Support Agreement unless otherwise defined herein.

#### RECITALS:

- A. Section 21(d) of the Support Agreement allows Noteholders to become a party thereto by executing a Consent Agreement.
- B. Section 5(f) of the Support Agreement requires that, contemporaneously with a transfer of Notes by a Consenting Noteholder to a transferee who is not also already a Consenting Noteholder, such transferee shall execute and deliver this Consent Agreement.
- C. The Consenting Party wishes to be bound by the terms of the Support Agreement pursuant to either Section 21(d) or 5(f) of the Support Agreement on the terms and subject to the conditions set forth in this Consent Agreement.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Consenting Party agrees as follows:

- 1. The Consenting Party hereby agrees to be fully bound as a Consenting Noteholder under the Support Agreement in respect of the Notes and Existing Shares that are identified on the signature page.
- 2. The Consenting Party hereby represents and warrants to each of the other Parties that the representations and warranties set forth in Section 2 of the Support Agreement are true and correct with respect to such Consenting Party as if given on the date hereof.
- 3. Except as expressly modified hereby, the Support Agreement shall remain in full force and effect, in accordance with its terms.
- 4. This Consent Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to principles of conflicts of law. Each Party submits to the jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating to this Agreement. The Parties shall not raise any objection to the venue of any proceedings in any such court, including the objection that the proceedings have been brought in an inconvenient forum.

5. This Consent Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

*[Remainder of this page intentionally left blank; next page is signature page]*

DATED as of \_\_\_\_\_.

Name of Consenting Noteholder or Authorized Representative:

[HOLDER'S ADDRESS]

[HOLDER NAME]

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

Securities subject to this agreement:	9.875% Second Lien Secured Notes due June 15, 2019 (Secured Notes)	8.625% Senior Unsecured Notes due February 1, 2020 (Unsecured Notes)	Existing Shares
Original Face Amount of Notes / Number of Shares Represented			
Name of DTC/CDS Participant Who Holds the Security			
DTC/CDS Number for Participant Who Holds the Security			
Name of Beneficial Holder			

**STRICTLY CONFIDENTIAL**