

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH OF
ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

NATIONAL BANK OF CANADA

DEFENDANT

WALDRON ENERGY CORPORATION

DOCUMENT

**AFFIDAVIT of Karen Koury
sworn August 14, 2015**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
3700 Devon Tower
400 Third Avenue SW
Calgary, Alberta T2P 4H2
Phone: 403-267-8222
Fax: 403-264-5973
Attention: Howard A. Gorman, Q.C. / Randal S. Van de Mosselaer
File No. 01124572-0581

I, Karen Koury, of the City of Toronto, in the Province of Ontario, swear and say that:

INTRODUCTION

1. I am the Senior Manager, Special Loans for the National Bank of Canada (the "**Bank**") and as such have personal knowledge of the facts and matters hereinafter deposed to except where stated to be based on information and belief and where so stated I do verily believe the same to be true.
2. I have been directly involved with the Waldron Energy Corporation ("**Waldron**") account since approximately November, 2013 and have also had the opportunity to review the business records of the Bank relevant to the Waldron account and the within proceedings and Application and have satisfied myself that I am possessed of sufficient information and knowledge to swear this Affidavit on behalf of the Bank.

BUSINESS OF WALDRON

3. Waldron is a corporation registered to carry on business in the Province of Alberta with its head office in the City of Calgary, in the Province of Alberta, and is the successor by amalgamation to 971021 Alberta Ltd. and Triton Energy Corp.
4. The common shares of Waldron are listed on the Toronto Stock Exchange under the trading symbol "WDN."

LOAN INDEBTEDNESS

5. The Bank, as Lender, provided various secured loan facilities to Waldron as Borrower, under a series of loan agreements, including amendments, as follows:
 - (a) Offering Letter dated February 16, 2010 as amended or restated May 31, 2010, October 25, 2010, April 14, 2011, September 19, 2011, April 19, 2012, June 20, 2012, October 26, 2012, March 28, 2013, August 8, 2013, October 8, 2013, November 13, 2013, April 10, 2014, September 23, 2014, and December 24, 2014, providing for a Revolving Operating Demand Loan, a Risk Management Facility, and a MasterCard Facility (collectively, the "**Loan Agreements**"); and
 - (b) Loan Amending and Extension Agreements, dated February 19, 2014, March 7, 2014, March 18, 2014, June 16, 2014 and April 27th, 2015 (collectively, the "**Extension Agreements**").
6. The Loan Agreements, collectively, are attached and marked as **Exhibit "A"** to this my Affidavit.
7. The Extension Agreements, collectively, are attached and marked as **Exhibit "B"** to this my Affidavit.
8. Pursuant to the Loan Agreements, the Bank advanced various loans to Waldron. As at August 6, 2015 and continuing to this date, the total indebtedness of Waldron to the Bank under various credit facilities is in excess of \$7,738,541.66.
9. It is an express term of the Loan Agreements that the total indebtedness owing by Waldron was repayable on either demand by the Bank or upon an event of default by Waldron.

GRANTING OF SECURITY

10. As security for the amounts advanced pursuant to the Loan Agreements, Waldron granted various security to the Bank, which security includes:
 - (a) Floating Charge Debenture dated February 22, 2010, a true copy of which is attached hereto and marked as **Exhibit "C"** to this my Affidavit;
 - (b) General Security Agreement, dated February 22, 2010, a true copy of which is attached hereto and marked as **Exhibit "D"** to this my Affidavit;
 - (c) General Assignment of Book Debts, dated February 22, 2010, a true copy of which is attached hereto and marked as **Exhibit "E"** to this my Affidavit;
 - (d) Pledge Agreement dated February 22, 2010, a true as **Exhibit "F"** to this my Affidavit;
 - (e) First Supplemental Debenture dated January 24, 2014, a true copy of which is attached and marked as **Exhibit "G"** to this my Affidavit; and
 - (f) First Supplemental Pledge Agreement dated January 24, 2014, a true copy of which is attached and marked as **Exhibit "H"** to this my Affidavit.

(collectively, the "**Security**")

11. The Agreements and documents referred to herein as the Security have been attached without their respective appendices or attachments, but any such appendices or attachments are available upon request to the Bank.
12. The Loan Agreements and the Security, collectively, provide that the following events, without limitation, are Events of Default entitling the Bank to take steps to enforce its security, including the appointment of a receiver, where:
 - (a) Waldron fails to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable to the Bank when such payment is due;
 - (b) Waldron is in default of its obligations to any third party under any material agreement, or if an Event of Default under any material agreement occurs; and
 - (c) any Material Adverse Effect, as defined in the Loan Agreements, occurs.
13. Attached hereto and marked as **Exhibit "I"** to this my Affidavit is a true copy of an Alberta Personal Property Registry search for Waldron dated August 12, 2015.

WALDRON'S INDEBTEDNESS TO TOSCANA

14. In addition to the amounts currently owing under the Loan Agreements, Waldron is indebted to Toscana Capital Corporation ("**Toscana**") under a term loan and operating line of credit facility dated November 12, 2014 (the "**Toscana Facility**")
15. Waldron's indebtedness under the Toscana Facility ranks subordinate to its indebtedness to the Bank under the Loan Agreements, pursuant to a Subordination Agreement between the Bank, Toscana, and Waldron dated February 28th, 2014, as amended and restated June 18th, 2014, and April 29th, 2015. Attached hereto and marked collectively as **Exhibit "J"** to this my Affidavit is a true copy of the Subordination Agreement.

EVENTS OF DEFAULT

16. Waldron has failed to make its payments under the Loan Agreements to the Bank when due.
17. In addition, the Bank has learned that Waldron is currently in default under the Toscana Facility, and that Toscana has issued a demand for immediate payment thereunder.
18. Attached hereto and marked as **Exhibit "K"** to this my Affidavit is a true copy of a letter from Toscana to Waldron, detailing Waldron's defaults and making demand for repayment in full of all amounts owing under the Toscana Facility before close of business on Monday, August 17, 2015.
19. As a result, Waldron is in default of its covenants and commitments under the Loan Agreements. Waldron's defaults include, without limitation, that:
 - (a) Waldron has failed to make payments to the Bank when due, an Event of Default under the Loan Agreements and Security; and
 - (b) Waldron is in default of its obligations under the Toscana Facility.(together, the "**Defaults**")

DEMAND AND NOTICE

- 20. On August 7, 2015, the Bank, through its solicitors, issued a Demand and a Notice pursuant to Section 244(1) of the *Bankruptcy and Insolvency Act* and Notice of Intention to Enforce Security (the "Demand and Notice"), true copies of which are attached hereto and marked as **Exhibit "L"** to this my Affidavit.
- 21. In its Demand and Notice, the Bank notes that Waldron is in default under the Loan Agreements, and demands payment in full of all outstanding indebtedness under the Loan Agreements by August 17, 2015, failing which the Bank intends to take all available steps to enforce its security.
- 22. Despite the Demand and Notice, Waldron has failed to repay the total indebtedness owing by August 17, 2015, and has failed to remedy the Defaults, or any of them.
- 23. The Defaults, including Waldron's refusal or failure to repay the amounts owing under the Loan Agreements on demand, entitle the Bank to exercise various remedies under the Loan Agreements and the Security, one of which is to apply to this Court for the appointment of a Receiver.


FTI CONSULTING CANADA INC.

- 24. In all of the circumstances, I do verily believe that the appointment of a Receiver and Manager or, alternatively, a Receiver of the undertakings, property and assets of Waldron, is necessary to protect the interests of the Bank and to preserve and realize upon the Security.
- 25. It is further my belief that the Security of the Bank in respect of Waldron is at risk in light of the current Waldron financial predicament and that such Security may be further eroded unless a Receiver and Manager or, in the alternative, a Receiver, is appointed over the property, assets and undertakings of Waldron.
- 26. I do verily believe that FTI is prepared to act and has consented to be appointed as Receiver and Manager or, alternatively, as Receiver of Waldron. Attached hereto and marked as **Exhibit "M"** to this my Affidavit is a true copy of the Consent to Act as Receiver executed by FTI.

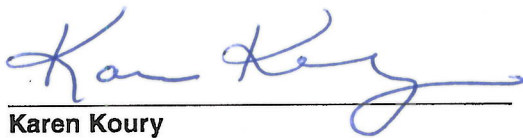
CONCLUSION

- 27. I am authorized to swear this Affidavit on behalf of the Bank.
- 28. I make this Affidavit in support of an Application to this Court to appoint FTI as Receiver and Manager over the undertakings, property and assets of Waldron and for such further and other related relief as may be sought.

SWORN BEFORE ME at Calgary, Alberta, this)
14 day of August, 2015.)



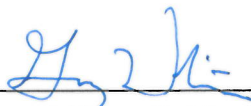
A Notary Public in and for the)
Province of Ontario)



Karen Koury

TAB A

This is **Exhibit "A"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

December 24, 2014

BY E-MAIL AND MAIL

Waldron Energy Corporation
510 - 5 Street SW, Suite 600
Calgary, AB T2P 3S2

**ATTENTION: Mr. Ernie Sapiela
President & CEO**

**Mr. Jeff Kearn
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated September 23, 2014 ("Offering Letter"), which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$20,600,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.
Bankers' acceptances ("BAs") in Canadian dollars.
Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000 in any currency acceptable to the Bank.
Availability shall reduce by \$650,000 per month (the "Reduction Amount") on January 1, 2015 and February 1, 2015. In the event the outstanding principal amount is in excess of the reduced maximum amount at any time, the Borrower shall repay the outstanding principal of the Credit Facility A by the amount of the excess. There is no obligation for further advances to be made during this period and failure to effect a remedy satisfactory to the Bank during the period shall entitle the Bank to demand repayment of all amounts outstanding under the Credit Facility A. Nothing in the above shall detract from the demand nature of the Credit Facility A.

REPAYMENT:

Interest only but always subject to Availability, Review, and the Bank's right of demand.

SECURITY:

The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Letter dated December 24, 2014.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. No Default or Event of Default shall exist.
3. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
4. Copy of engagement letter between the Borrower and Cormark Securities Inc. ("Cormark") wherein the Borrower has engaged Cormark to act as its exclusive financial advisor in connection with a review of potential sale or other strategic alternatives available to the Borrower (received).
5. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**CONDITION
SUBSEQUENT:**

On or before February 23, 2015, the Borrower shall provide written confirmation satisfactory to the Bank that the current maturity date of February 28, 2015 under the \$6,000,000 subordinated debt provided by Toscana Capital Corporation has been extended to allow the Borrower sufficient time to conclude a transaction under the Cornark strategic alternatives process.

**REPORTING
REQUIREMENTS:**

In addition to the Reporting Requirements outlined in the Offering Letter, the Borrower shall submit to the Bank:

1. Commencing on January 30, 2015, weekly written reports on the Borrower's progress relating to the following:
 - a. Strategic alternatives pursuant to the Cornark engagement letter dated December 1, 2014 including, but not limited to, the details of the signed confidentiality agreements and letters of intent received by the Borrower;
 - b. Borrower's definitive plan in respect of the drilling of Falher 2 Well pursuant to the Royalty Purchase and Sale Agreement dated June 9, 2014 between the Borrower and Maple Leaf 2013 Oil & Gas Income Limited Partnership ("Maple Leaf"); and.
 - c. Update on the status of discussions with Maple Leaf relative to the Falher 2 Well.
2. Any other information the Bank may reasonably require from time to time.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Letter as a "Review"). The next Review is scheduled on or before April 1, 2015, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

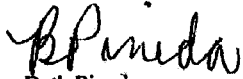
This Amending Letter is open for acceptance until January 5, 2015 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Letter and return one copy to the Bank by the Expiry Date. This Amending Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Letter shall be deemed to be valid execution and delivery of this Amending Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Amending Letter to Waldron Energy Corporation. We look forward to a continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



Beth Pineda
Manager

For: 

Karen Koury
Senior Manager

AGREED AND ACCEPTED this 30 day of December, 2014

WALDRON ENERGY CORPORATION

Per: 

Per: 

September 23, 2014

BY E-MAIL AND MAIL

Waldron Energy Corporation
510 - 5 Street SW, Suite 600
Calgary, AB T2P 3S2

**ATTENTION: Mr. Ernie Sapielha
President & CEO**

**Mr. Jeff Kearn
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following renewed Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$20,600,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.

Bankers' acceptances ("BAs") in Canadian dollars.

Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000 in any currency acceptable to the Bank.

REPAYMENT: Interest only but always subject to Availability, Review, and the Bank's right of demand.

INTEREST RATE:

Prime Rate Loans

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus the Applicable Margin as per the Pricing Grid below. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

Canadian Dollar BAs

Subject to market availability, in multiples of \$100,000 and minimum draws of \$1,000,000, BAs at a Stamping Fee per annum as per the Pricing Grid below and calculated on the basis of the number of days elapsed in a 365 day year, payable at time of acceptance by the Bank. BAs shall have a minimum term of 30 days and maximum term of 90 days, and shall not include any days of grace. The BAs shall remain in effect until the maturity of the term selected. If the Bank does not receive instructions from the Borrower concerning renewal of the BAs, then Prime Rate Loans shall be automatically utilized until written instructions are received from the Borrower.

STANDBY FEE:

The Applicable Margin as per the Pricing Grid below on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

L/C/G FEE:

The Applicable Margin as per the Pricing Grid below of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

PRICING GRID:

The Applicable Margin, Stamping Fee, L/C/G Fee or Standby Fee, as applicable, for Advances shall be adjusted quarterly (based upon unaudited preceding quarterly consolidated financial statements of the Borrower) in accordance with the Net Debt to Cash Flow Ratio in the following table (the "Pricing Grid"):

Type of Advance	Net Debt to Cash Flow Ratio					
	≤ 1.00	>1.00 ≤ 1.50	>1.50 ≤ 2.00	>2.00 ≤ 2.50	>2.50 ≤ 3.00	>3.00*
Prime Rate Loans	50 bps	75 bps	100 bps	150 bps	200 bps	250 bps
BAs (Stamping Fee)	175 bps	200 bps	225 bps	275 bps	325 bps	375 bps
L/C/G Fees	175 bps	200 bps	225 bps	275 bps	325 bps	375 bps
Standby Fees	20 bps	25 bps	30 bps	35 bps	40 bps	45 bps

* Current tier

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that

interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the case of any outstanding BAs, the Borrower and the Bank agree that the Stamping Fee shall be adjusted between them to reflect the change in the Stamping Fee to the end of the remaining term of each outstanding BA. The Bank is hereby authorized to make such adjustments in such manner and at such time as the Bank determines is practicable.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was >3.0.

**DRAWDOWN,
NOTIFICATION,
AND CONVERSION:**

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

Prime Rate Loans

As required.

Canadian Dollar BAs

The Borrower shall provide two Business Days written notice to the Bank for Advances of BAs, notice to be received no later than 9:00 a.m. Mountain Time. The Borrower shall also provide two Business Days written notice for conversion of BAs at maturity to Prime Rate Loans.

EVIDENCE OF DEBT:

Revolving Demand Credit Agreement, Power of Attorney Form and Acknowledgement for Bankers' Acceptances, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B:

MASTERCARD FACILITY (the "Credit Facility B").

MAXIMUM AMOUNT:

\$50,000.

PURPOSE:

Credit Facility B shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

REPAYMENT:

Payment in full, monthly.

INTEREST RATE:

Standard rates as established from time to time by MasterCard.

EVIDENCE OF DEBT:

MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

RISK MANAGEMENT FACILITY (the "Risk Management Facility")

PURPOSE:

Risk Management Facility shall be used by the Borrower for Financial Instruments.

AVAILABILITY:

Various Financial Instruments. Maximum term 24 months. Subject to Bank availability and including a cross default limit of \$500,000. Notwithstanding the foregoing, Availability is limited under and subject to the terms of the Subordination Agreement between the Bank, the Borrower and Toscana Capital Corporation dated February 28, 2014 as amended on June 18, 2014.

SETTLEMENT:

Settlement as per contract maturities.

EVIDENCE OF USAGE:

Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

DEFINITIONS:

In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.

INTERPRETATION:

In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

FEES:

\$50,000. payable upon provision of this Offering Letter. Non-refundable.

SECURITY:

The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

Held:

1. Accepted Offering Letter dated March 28, 2013 as amended on August 8, 2013, October 8, 2013, November 13, 2013, and April 10, 2014.

2. Accepted Loan Amending and Extension Agreement dated February 19, 2014 as amended on March 7, 2014, March 18, 2014, and June 16, 2014.
3. General Security Agreement.
4. General Assignment of Book Debts.
5. \$75,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
6. Fixed charges against certain of the Borrower's major producing petroleum and natural gas properties. The Bank reserves the right to register additional fixed charges against any of the Borrower's petroleum and natural gas properties as deemed appropriate in its sole and exclusive discretion.
7. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
8. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides).
9. Assignment of revenues and monies under material contracts, as applicable.
10. Legal Opinion of the Bank's counsel.
11. Subordination Agreement between the Bank, the Borrower and Toscana Capital Corporation dated February 28, 2014 as amended on June 18, 2014.

To Be Obtained:

1. Accepted Offering Letter dated September 23, 2014.
2. Executed Acknowledgement of Debt Revolving Demand Credit in the amount of \$20,600,000.
3. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**REPRESENTATIONS
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.
2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto,

enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.

3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.
5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated June 30, 2014, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.
6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries.
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.
11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to

have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. All fees due and payable to the Bank shall have been paid.
3. No Default or Event of Default shall exist.
4. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
5. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;
3. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.
4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.
7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.
11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.
13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party, and (b) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.
15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect.

17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.
2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such distribution, dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.
4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.
6. Sell or dispose of any assets subject to the Bank's Security. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 60% of actual production volumes in year 1 and 50% thereafter in all cases subject to Availability under the Risk Management Facility.
8. Monetize or effect an early termination of any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.
10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.
13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.
14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

**ENVIRONMENTAL
OBLIGATIONS:**

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "Environmental Requirements") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.
3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.
4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("Events of Default"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.
3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).
4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.
5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.

6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.
8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.
9. If any Loan Party is in default under the terms of any other contracts, agreements (including, but not limited to, the February 20, 2014 commitment letter among, *inter alios*, the Borrower, Toscana L.P. and Toscana Capital Corporation, and any other security documents and agreements contemplated thereunder, as same may be amended or otherwise modified from time to time) or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.
12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral secured by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in

Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

**FOREIGN EXCHANGE
FLUCTUATIONS:**

If the amount of outstanding Advances under any Credit Facility is on any day, due to exchange rate fluctuations, in excess of the maximum amount with respect to such Credit Facility, the Borrower shall within five (5) Business Days after receiving notice thereof repay such excess or otherwise reduce a portion of such Advances under the particular Credit Facility to the extent of the amount of the excess.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY
SECURITY ACT (ALBERTA)
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

**ACCESS TO
INFORMATION:**

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to

have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

**ANTI-MONEY
LAUNDERING
LEGISLATION:**

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted electronically or by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing, electronic or facsimile addresses as such Loan Party may from to time may notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing, electronic or facsimile addresses as the Bank may from to time may notify the Borrower as aforesaid.

**AUTHORIZATION
REGARDING
INSTRUCTIONS SENT
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank of anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF:

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY:

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

RIGHTS AND REMEDIES

CUMULATIVE:

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

**WAIVERS AND
AMENDMENTS:**

No term, provision or condition of this Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

**INTEREST ACT
(CANADA):**

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

GAAP / IFRS:

All financial statements required to be furnished by the Borrower to the Bank hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP. If there occurs a change in GAAP (an "Accounting Change"), including as a result of a conversion to International Financial Reporting Standards ("IFRS"), and such change would result in a change (other than an immaterial change) in the calculation of any financial covenant, standard or term used hereunder, then at the request of the Borrower or the Bank, the Borrower and the Bank shall enter into negotiations to amend such provisions so as to reflect such Accounting Change with the result that the criteria for evaluating the financial

condition of the Borrower or any other party, as applicable, shall be the same after such Accounting Change, as if such Accounting Change had not occurred. If, however, within 30 days of the foregoing request by the Borrower or the Bank, the Borrower and the Bank have not reached agreement on such amendment, the method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

GOVERNING LAW:

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before December 1, 2014, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

This Offering Letter is open for acceptance until September 29, 2014 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Offering Letter to Waldron Energy Corporation. We look forward to a continuing and mutually beneficial relationship.

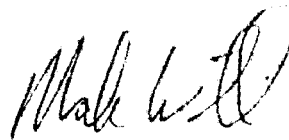
Yours truly,

NATIONAL BANK OF CANADA



Beth Pineda
Manager

for


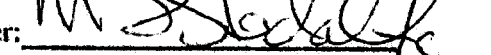


Karen Koury
Senior Manager

Enclosure

AGREED AND ACCEPTED this 28 day of Sept, 2014.

WALDRON ENERGY CORPORATION

Per: 
Per: 

APPENDIX A

COMPLIANCE CERTIFICATE

To: National Bank of Canada
311 – 6 Avenue SW, Suite 1800
Calgary, AB

I _____, of the City of _____, in the Province of _____, hereby certify as at the date of this Certificate as follows:

1. I am the _____ of _____ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended _____, _____;
3. I am familiar with and have examined the provisions of the Offering Letter dated _____, _____ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties.
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
8. As required, I have calculated the Net Debt to Cash Flow Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
9. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____, in the Province of _____ this _____ day of _____, 20__.

Yours truly,

WALDRON ENERGY CORPORATION

Per: _____
Name:
Title:

WALDRON ENERGY CORPORATION
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	\$	
Less: Unrealized Hedging Gains	()
Add: Undrawn Availability under Credit Facility A		<u> </u>
	\$	<u> </u> (A)

Current Liabilities

Current liabilities	\$	
Less: Unrealized Hedging Losses	()
Less: Current Portion of Bank Debt	()
Less: Toscana L.P. Subordinated Debt	(<u> </u>)
	\$	<u> </u> (B)

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

Calculation of Net Debt to Cash Flow Ratio

Net Debt

Debt	\$	
+ Working Capital Deficit (any positive working capital deducted)		\$
		<u> </u>
Net Debt		<u> </u>

Quarterly Cash Flow

Net earnings for the fiscal quarter ending	\$	
+ Depletion, depreciation, accretion, and amortization	\$	
+ Deferred income taxes		\$
+ Other charges to operations not requiring a current cash payment	\$	
- Non-cash income	\$	
- Unrealized mark to market gains	\$	
- Capital Lease payments	\$	
- Abandonment costs paid in cash	\$	
- Stock based compensation	\$	
- Extraordinary or nonrecurring earnings, gains, and losses	\$	
+/- Such other amounts as reasonably requested by the Bank.	\$	
Quarterly Cash Flow		<u> </u>

Quarterly Cash Flow (annualized) \$ x 4 = \$

Net Debt to Cash Flow Ratio calculated as follows:

$$\frac{\text{Net Debt}}{\text{Annualized Cash Flow}} =$$

APPENDIX B

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"**Adjusted Working Capital Ratio**" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"**Advance**" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

"**Appendix**" means an appendix to the Offering Letter.

"**Applicable Margin**" means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans, Base Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

"**Availability**" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"**bps**" means one one-hundredth of one percent.

"**Business Day**" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"**Calgary Branch of the Bank**" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

"**Canadian Dollars**", "**Cdn Dollars**", "**Cdn\$**", "**CAS**" and "**\$**" mean the lawful money of Canada.

"**Capital Lease**" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

"**Cash Flow**" means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) exploration and evaluation expenses to the extent deducted from Net Income;
- (d) future income taxes; and
- (e) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

"Change of Control" means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"Compliance Certificate" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"Credit Facilities" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"Current Assets" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses, and (iii) subordinated debt with Toscana L.P. pursuant to a commitment letter dated February 20, 2014 between Toscana Capital Corporation as Agent, Toscana L.P. as Lender and the Borrower.

"Current Portion of Bank Debt" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"Debt" means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;
- (h) any distributions declared but not yet paid; and

- (i) all mark to market losses under any Financial Instruments that are due and owing.

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

"Face Amount" means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

"Federal Funds Effective Rate" means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

"Financial Instrument" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"Generally Accepted Accounting Principles" or "GAAP" means generally accepted accounting principles consistently applied which are in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants and other primary sources recognized from time to time by the Canadian Institute of Chartered Accountants.

"ISDA Master Agreement" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;
- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and

- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"Net Debt" means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt .

"Net Debt to Cash Flow Ratio" means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

"Offering Letter" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"Permitted Contest" means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

"Permitted Encumbrance" means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;
- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;

- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;
- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest.

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

"Prime Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers' acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"Retractable Preferred Shares" means preferred shares of the Borrower which are retractable at the option of the holder.

"Stamping Fee" means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

"Unrealized Hedging Gains" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"Unrealized Hedging Losses" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"U.S. Base Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"U.S. Dollar" and the symbol **"U.S.\$"** each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"Voting Shares" means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;provided that subparagraph (ii) above shall not include voting rights created solely by statute, such as those rights created pursuant to section 183(4) of the Business Corporations Act (Alberta) as in effect on the date of the Offering Letter;
- (b) in respect of a trust, trust units of the trust:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

"Working Capital Deficit" means Current Liabilities minus Current Assets.

**NATIONAL
BANK**
FINANCIAL GROUP

April 10, 2014

VIA E-MAIL

Waldron Energy Corporation
600, 510 - 5th Street SW
Calgary, AB T2P 3S2

ATTENTION: Mr. Ernie Sapieha
President & CEO

Mr. Jeff Keenl
VP Finance & CFO

Dear Sirs:

RE: CREDIT FACILITIES - NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

Reference is made to the commitment letter dated March 28, 2013 between National Bank of Canada (the "Bank") and Waldron Energy Corporation (the "Borrower"), as amended on August 8, 2013, October 8, 2013, November 13, 2013, (the "Offer of Financing"), on February 19, 2014, March 7, 2014 and March 18, 2014 by way of loan amending and extension agreements (collectively the "Loan Amending and Extension Agreements").

The Bank is prepared to amend the Offer of Financing effective March 31, 2014 as follows:

(i) The definition of Current Liabilities in Appendix C is amended as follows:

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; (ii) the impact of any Unrealized Hedging Losses, and (iii) subordinated debt with Toscana L.P. pursuant to a commitment letter dated February 20, 2014 between Toscana Capital Corporation as Agent, Toscana L.P. as Lender, Waldron Energy Corporation as Borrower and 1530429 Alberta Ltd. as Guarantor (dissolved effective March 13, 2014).

All other terms and conditions of the Offer of Financing and the Loan Amending and Extension Agreements shall remain unchanged.

Please signify your acceptance of the foregoing terms and conditions by signing and returning the attached copy of this Amending Letter to the Bank on or before April 16, 2014. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Letter shall be deemed to be valid execution and delivery of this Amending Letter.

Yours truly,

NATIONAL BANK OF CANADA

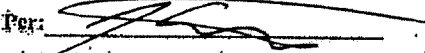

Beth Pineda
Manager


Karen Koury
Senior Manager

AGREED AND ACCEPTED this 10 day of April, 2014.

WALDRON ENERGY CORPORATION



Per: 

National Bank Financial Group
311 - 6 Avenue SW, Suite 600
Calgary (Alberta) T2P 3H2

☎ 403 294-4954
☎ 403 610-2884

November 13, 2013

BY E-MAIL

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, Alberta T2P 0R3

**ATTENTION: Mr. Ernie Sapielha
President & CEO**

**Mr. Jeff Kearn
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated March 28, 2013, as amended August 8, 2013, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$34,500,000.

FOR ALL CREDIT FACILITIES

INTERPRETATION: In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as

continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated November 13, 2013.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "**Conditions Precedent**"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "**Review**"). The next Review is scheduled on or before December 1, 2013, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

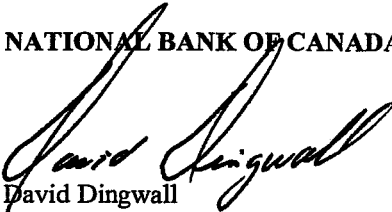
This Amending Offering Letter is open for acceptance until November 14, 2013, (as may be extended from time to time as follows, the "**Expiry Date**") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to a continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA


David Dingwall
Director
Energy Group


David K. Forsyth
Managing Director
Energy Group

.mab
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AGREED AND ACCEPTED this ____ day of _____, 2013.

WALDRON ENERGY CORPORATION

Per: _____

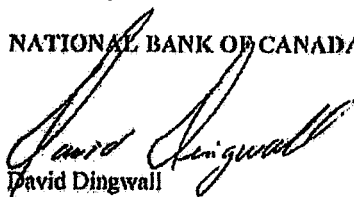
Per: _____

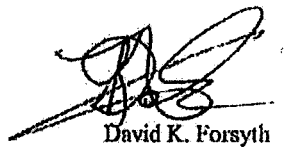
If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

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Yours truly,

NATIONAL BANK OF CANADA

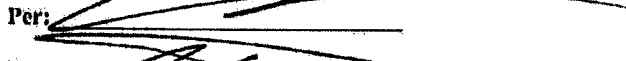
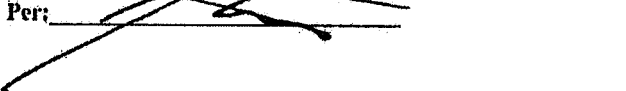

David Dingwall
Director
Energy Group


David K. Forsyth
Managing Director
Energy Group

amab
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AGREED AND ACCEPTED this 13 day of November, 2013.

WALDRON ENERGY CORPORATION

Per: 
Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 311 – 6 Avenue SW, Suite 1800 Calgary, AB T2P 3H2	Director: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbc.ca
		Associate: Telephone: Facsimile: E-mail:	Mr. Andrew Field (403) 355-6646 (403) 294-3078 andrew.field@nbc.ca
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan/Account Balances; CAD/USD Money Orders/Bank Drafts; Bank Confirmations; Investments; General Inquiries	Account Representative: Telephone: Facsimile: E-mail:	Mrs. Marj Brown (403) 294-4956 (403) 294-3078 marj.brown@nbc.ca
		Senior Secretary: Telephone: Facsimile: E-mail:	Ms. Yelaina May (403) 355-3584 (403) 294-3078 yelaina.may@nbc.ca
<u>BRANCH:</u>	Calgary Downtown Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
	Calgary MacLeod Trail Branch National Bank of Canada 430 - 7337 MacLeod Trail South Calgary, AB T2H 0L8	Telephone: Facsimile:	(403) 592-8515 (403) 265-0831
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Internet Banking	Manager, Global Cash Management: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 476-1000 kathy.holland@nbc.ca
	Foreign Exchange & Interest Rates National Bank of Canada 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Director, Risk Management Solutions: Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4923 george.androulidakis@tres.bnc.ca
	Commodity Derivatives 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4923 energy@nbcenergy.com



RECEIVED
OCT 10 2013

Writer's Direct Line
(403) 294-4983

October 8, 2013

BY COURIER

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, Alberta T2P 0R3

ATTENTION: **Mr. Ernie Sapielha**
President & CEO

Mr. Jeff Kearn
VP Finance & CFO

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated March 28, 2013, as amended August 8, 2013, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

FOR ALL CREDIT FACILITIES

INTERPRETATION: In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including

without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated October 8, 2013.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "Review"). The next Review is scheduled on or before October 31, 2013, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

This Amending Offering Letter is open for acceptance until October 15, 2013, (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

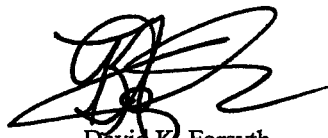
National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to a continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



David Dingwall
Director
Energy Group

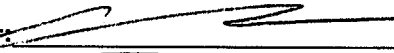



David K. Forsyth
Managing Director
Energy Group

/mab
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AGREED AND ACCEPTED this 10 day of October, 2013.

WALDRON ENERGY CORPORATION

Per: _____


Per: _____


APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 311 – 6 Avenue SW, Suite 1800 Calgary, AB T2P 3H2	Director: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbc.ca
		Associate: Telephone: Facsimile: E-mail:	Mr. Andrew Field (403) 355-6646 (403) 294-3078 andrew.field@nbc.ca
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan/Account Balances; CAD/USD Money Orders/Bank Drafts; Bank Confirmations; Investments; General Inquiries	Account Representative: Telephone: Facsimile: E-mail:	Mrs. Marj Brown (403) 294-4956 (403) 294-3078 marj.brown@nbc.ca
		Senior Secretary: Telephone: Facsimile: E-mail:	Ms. Yelaina May (403) 355-3584 (403) 294-3078 yelaina.may@nbc.ca
<u>BRANCH:</u>	Calgary Downtown Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
	Calgary MacLeod Trail Branch National Bank of Canada 430 - 7337 MacLeod Trail South Calgary, AB T2H 0L8	Telephone: Facsimile:	(403) 592-8515 (403) 265-0831
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Internet Banking	Manager, Global Cash Management: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 476-1000 kathy.holland@nbc.ca
	Foreign Exchange & Interest Rates National Bank of Canada 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Director, Risk Management Solutions: Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4923 george.androulidakis@tres.bnc.ca
	Commodity Derivatives 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4923 energy@nbcenergy.com



RECEIVED
AUG 13 2013

Writer's Direct Line
(403) 294-4983

August 8, 2013

BY COURIER

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, Alberta T2P 0R3

ATTENTION: Mr. Ernie Sapiha
President & CEO

Mr. Jeff Kearl
VP Finance & CFO

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated March 28, 2013, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

FOR ALL CREDIT FACILITIES

INTERPRETATION: In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis

and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated August 8, 2013.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "Review"). The next Review is scheduled on or before October 1, 2013, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

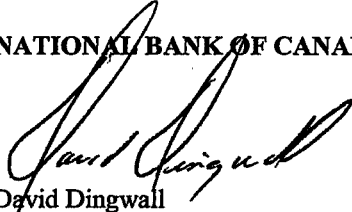
This Amending Offering Letter is open for acceptance until August 15, 2013, (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

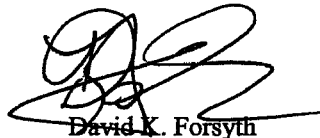
If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to a continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA


David Dingwall
Director
Energy Group


David K. Forsyth
Managing Director
Energy Group

/mab
Enclosure
P:\Data\CLIENTS\X2E - Dingwall D\Waldron Energy Corporation\Credit\2013\Offering Letter - Amending 0813.docx

AGREED AND ACCEPTED this 12 day of August, 2013.

WALDRON ENERGY CORPORATION

Per: 

Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group	Director:	Mr. David Dingwall
	National Bank of Canada	Telephone:	(403) 294-4983
	311 – 6 Avenue SW, Suite 1800	Facsimile:	(403) 294-3078
	Calgary, AB T2P 3H2	E-mail:	david.dingwall@nbc.ca
		Associate:	Mr. Andrew Field
		Telephone:	(403) 355-6646
		Facsimile:	(403) 294-3078
		E-mail:	andrew.field@nbc.ca
<u>ADMINISTRATION:</u>	BA Administration; Current	Account Representative:	Mrs. Marj Brown
	Account Documents; L/C/Gs;	Telephone:	(403) 294-4956
	MasterCard; Loan/Account	Facsimile:	(403) 294-3078
	Balances; CAD/USD Money	E-mail:	marj.brown@nbc.ca
	Orders/Bank Drafts; Bank		
	Confirmations; Investments;	Senior Secretary:	Ms. Yelaina May
	General Inquiries	Telephone:	(403) 355-3584
		Facsimile:	(403) 294-3078
		E-mail:	yelaina.may@nbc.ca
<u>BRANCH:</u>	Calgary Downtown Branch	Telephone:	(403) 294-4900
	National Bank of Canada	Facsimile:	(403) 294-4965
	301 – 6 Avenue SW		
	Calgary, AB T2P 4M9		
	Calgary MacLeod Trail Branch	Telephone:	(403) 592-8515
	National Bank of Canada	Facsimile:	(403) 265-0831
	430 - 7337 MacLeod Trail South		
	Calgary, AB T2H 0L8		
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account	Website:	www.nbc.ca
	Balances; Traces; Stop	Telephone:	(888) 483-5628
	Payments, List of Current		
	Account Transactions; Pay Bills;		
	Transfer Between Accounts		
<u>OTHER:</u>	Internet Banking	Manager,	
		Global Cash Management:	Ms. Kathy Holland
		Telephone:	(403) 294-4948
		Facsimile:	(403) 476-1000
		E-mail:	kathy.holland@nbc.ca
	Foreign Exchange & Interest	Director, Risk	
	Rates	Management Solutions:	Mr. George Androulidakis
	National Bank of Canada	Telephone:	(403) 440-1126
	311 – 6 Avenue SW, 6 th Floor	Facsimile:	(403) 294-4923
	Calgary, AB T2P 3H2	E-mail:	george.androulidakis@tres.bnc.ca
	Commodity Derivatives	Telephone:	(403) 294-4935
	311 – 6 Avenue SW, 6 th Floor	Facsimile:	(403) 294-4923
	Calgary, AB T2P 3H2	E-mail:	energy@nbcenergy.com

APR 01 2013

**NATIONAL
BANK**Writer's Direct Line
(403) 294-4983

March 28, 2013

COURIERWaldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, AB T2P 0R3**ATTENTION: Mr. Ernie Sapieha
President & CEO****Mr. Jeff Kearl
VP Finance & CFO**

Dear Sirs

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following renewed Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$36,000,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.
Bankers' acceptances ("BAs") in Canadian dollars.
Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000 in any currency acceptable to the Bank.

REPAYMENT: Interest only but always subject to Availability, Review, and the Bank's right of demand.

INTEREST RATE:

Prime Rate Loans

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus the Applicable Margin as per the Pricing Grid below. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

Canadian Dollar BAs

Subject to market availability, in multiples of \$100,000 and minimum draws of \$1,000,000, BAs at a Stamping Fee per annum as per the Pricing Grid below and calculated on the basis of the number of days elapsed in a 365 day year, payable at time of acceptance by the Bank. BAs shall have a minimum term of 30 days and maximum term of 90 days, and shall not include any days of grace. The BAs shall remain in effect until the maturity of the term selected. If the Bank does not receive instructions from the Borrower concerning renewal of the BAs, then Prime Rate Loans shall be automatically utilized until written instructions are received from the Borrower.

STANDBY FEE:

The Applicable Margin as per the Pricing Grid below on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

L/C/G FEE:

The Applicable Margin as per the Pricing Grid below of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

PRICING GRID:

The Applicable Margin, Stamping Fee, L/C/G Fee or Standby Fee, as applicable, for Advances shall be adjusted quarterly (based upon unaudited preceding quarterly consolidated financial statements of the Borrower) in accordance with the Net Debt to Cash Flow Ratio in the following table (the "Pricing Grid"):

Type of Advance	Net Debt to Cash Flow Ratio					
	≤ 1.00	>1.00 ≤ 1.50	>1.50 ≤ 2.00	>2.00 ≤ 2.50	>2.50 ≤ 3.00	> 3.00*
Prime Rate Loans	50 bps	75 bps	100 bps	150 bps	200 bps	250 bps
BAs (Stamping Fee)	175 bps	200 bps	225 bps	275 bps	325 bps	375 bps
L/C/G Fees	175 bps	200 bps	225 bps	275 bps	325 bps	375 bps
Standby Fees	20 bps	25 bps	30 bps	35 bps	40 bps	45 bps

* Current tier

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that

interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the case of any outstanding BAs, the Borrower and the Bank agree that the Stamping Fee shall be adjusted between them to reflect the change in the Stamping Fee to the end of the remaining term of each outstanding BA. The Bank is hereby authorized to make such adjustments in such manner and at such time as the Bank determines is practicable.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0.

**DRAWDOWN,
NOTIFICATION,
AND CONVERSION:**

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

Prime Rate Loans
As required.

Canadian Dollar BAs

The Borrower shall provide two Business Days written notice to the Bank for Advances of BAs, notice to be received no later than 9:00 a.m. Mountain Time. The Borrower shall also provide two Business Days written notice for conversion of BAs at maturity to Prime Rate Loans.

EVIDENCE OF DEBT:

Revolving Demand Credit Agreement, Power of Attorney Form and Acknowledgement for Bankers' Acceptances, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B:

ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

Cancelled.

CREDIT FACILITY C:

MASTERCARD FACILITY (the "Credit Facility C").

MAXIMUM AMOUNT:

\$50,000.

PURPOSE:

Credit Facility C shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

REPAYMENT:

Payment in full, monthly.

INTEREST RATE:

Standard rates as established from time to time by MasterCard.

EVIDENCE OF DEBT:

MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

RISK MANAGEMENT FACILITY (the "Risk Management Facility")

- PURPOSE:** Risk Management Facility shall be used by the Borrower for Financial Instruments.
- AVAILABILITY:** Various Financial Instruments. Maximum term 24 months. Subject to Bank availability and including a cross default limit of \$500,000.
- SETTLEMENT:** Settlement as per contract maturities.
- EVIDENCE OF USAGE:** Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

- DEFINITIONS:** In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.
- INTERPRETATION:** In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.
- SECURITY:** The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

Held:

1. Accepted Offering Letter dated April 19, 2012.
2. Accepted Amending Offering Letter dated June 20, 2012.
3. Accepted Amending Offering Letter dated October 26, 2012.
4. General Security Agreement.

5. General Assignment of Book Debts.
6. \$75,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
7. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
8. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides).
9. Assignment of revenues and monies under material contracts, as applicable.
10. Legal Opinion of the Bank's counsel.

To Be Obtained:

1. Accepted Offering Letter dated March 28, 2013.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**REPRESENTATIONS
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.
2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.
3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.
5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated September 30, 2012, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.

6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries.
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.
11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. All fees due and payable to the Bank shall have been paid.
3. No Default or Event of Default shall exist.

4. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
5. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;
3. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.
4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.

7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.
11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.
13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party if an adverse decision therein would require it to pay more than the Basket Amount or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance), and (b) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.
15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect.
17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.
2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such distribution, dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the

Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.

4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.
6. Sell or dispose of any assets subject to the Bank's Security in the aggregate of greater than the Basket Amount between each Review. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 60% of actual production volumes in year 1 and 50% thereafter.
8. Monetize or effect an early termination of any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.
10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.
13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.
14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

**ENVIRONMENTAL
OBLIGATIONS:**

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "Environmental Requirements") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.
3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and

property comply with the Environmental Requirements within a period acceptable to the Bank.

4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("Events of Default"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.
3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).
4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.
5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.
6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than the Basket Amount, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.
8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.

9. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.
12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral secured by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

FOREIGN EXCHANGE FLUCTUATIONS:

If the amount of outstanding Advances under any Credit Facility is on any day, due to exchange rate fluctuations, in excess of the maximum amount with respect to such Credit Facility, the Borrower shall within five (5) Business Days after receiving notice thereof repay such excess or otherwise reduce a portion of such Advances under the particular Credit Facility to the extent of the amount of the excess.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank

set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY
SECURITY ACT (ALBERTA)
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

**ACCESS TO
INFORMATION:**

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

**ANTI-MONEY
LAUNDERING
LEGISLATION:**

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders

thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from time to time notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from time to time may notify the Borrower as aforesaid.

**AUTHORIZATION
REGARDING
INSTRUCTIONS SENT
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank of anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF:

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan

Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY:

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

RIGHTS AND REMEDIES

CUMULATIVE:

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

WAIVERS AND AMENDMENTS:

No term, provision or condition of this Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

INTEREST ACT (CANADA):

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

GAAP / IFRS:

All financial statements required to be furnished by the Borrower to the Bank hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP. If there occurs a change in GAAP (an "Accounting Change"), including as a result of a conversion to International Financial Reporting Standards ("IFRS"), and such change would result in a change (other than an immaterial change) in the calculation of any financial covenant, standard or term used hereunder, then at the request of the Borrower or the Bank, the Borrower and the Bank shall enter into negotiations to amend such provisions so as to reflect such Accounting Change with the result that the criteria for evaluating the financial condition of the Borrower or any other party, as applicable, shall be the same after such Accounting Change, as if such Accounting Change had not occurred. If, however, within 30 days of the foregoing request by the Borrower or the Bank, the Borrower and the Bank have not reached agreement on such amendment, the method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

GOVERNING LAW:

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before July 31, 2013, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

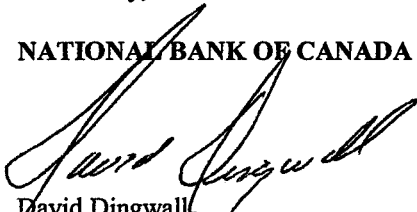
This Offering Letter is open for acceptance until April 4, 2013 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

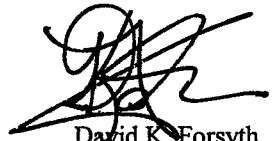
National Bank of Canada appreciates the opportunity of providing this Offering Letter to Waldron Energy Corporation. We look forward to a continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



David Dingwall
Director
Energy Group

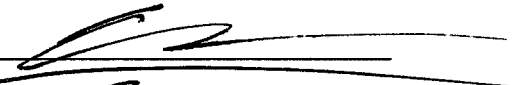



David K. Forsyth
Managing Director
Energy Group

/mab
Enclosure
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AGREED AND ACCEPTED this 1 day of April, 2013.

WALDRON ENERGY CORPORATION

Per: 
Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 311 – 6 Avenue SW, Suite 1800 Calgary, AB T2P 3H2	Director: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbc.ca
		Associate: Telephone: Facsimile: E-mail:	Mr. Andrew Field (403) 355-6646 (403) 294-3078 andrew.field@nbc.ca
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan/Account Balances; CAD/USD Money Orders/Bank Drafts; Bank Confirmations; Investments; General Inquiries	Account Representative: Telephone: Facsimile: E-mail:	Mrs. Marj Brown (403) 294-4956 (403) 294-3078 marj.brown@nbc.ca
		Senior Secretary: Telephone: Facsimile: E-mail:	Ms. Yelaina May (403) 355-3584 (403) 294-3078 yelaina.may@nbc.ca
<u>BRANCH:</u>	Calgary Downtown Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
	Calgary MacLeod Trail Branch National Bank of Canada 430 - 7337 MacLeod Trail South Calgary, AB T2H 0L8	Telephone: Facsimile:	(403) 592-8515 (403) 265-0831
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Internet Banking	Manager, Global Cash Management: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 476-1000 kathy.holland@nbc.ca
	Foreign Exchange & Interest Rates National Bank of Canada 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Director, Risk Management Solutions: Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4923 george.androulidakis@tres.bnc.ca
	Commodity Derivatives 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4923 energy@nbcenergy.com

APPENDIX B

COMPLIANCE CERTIFICATE

To: National Bank of Canada
311 – 6 Avenue SW, Suite 1800
Calgary, AB

I _____, of the City of _____, in the Province of _____, hereby certify as at the date of this Certificate as follows:

1. I am the _____ of _____ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended _____, _____;
3. I am familiar with and have examined the provisions of the Offering Letter dated _____, _____ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties.
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
8. As required, I have calculated the Net Debt to Cash Flow Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
9. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____, in the Province of _____ this _____ day of _____, 20__.

Yours truly,

WALDRON ENERGY CORPORATION

Per: _____
Name: _____
Title: _____

WALDRON ENERGY CORPORATION
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	\$
Less: Unrealized Hedging Gains	()
Add: Undrawn Availability under Credit Facility A	<u> </u>
	<u>\$ (A)</u>

Current Liabilities

Current liabilities	\$
Less: Unrealized Hedging Losses	()
Less: Current Portion of Bank Debt	()
	<u> </u>
	<u>\$ (B)</u>

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

Calculation of Net Debt to Cash Flow Ratio

Net Debt

Debt	\$
+ Working Capital Deficit (any positive working capital deducted)	\$
	<u> </u>
Net Debt	<u>\$</u>

Quarterly Cash Flow

Net earnings for the fiscal quarter ending	\$
+ Depletion, depreciation, accretion, and amortization	\$
+ Deferred income taxes	\$
+ Other charges to operations not requiring a current cash payment	\$
- Non-cash income	\$
- Unrealized mark to market gains	\$
- Capital Lease payments	\$
- Abandonment costs paid in cash	\$
- Stock based compensation	\$
- Extraordinary or nonrecurring earnings, gains, and losses	\$
+/- Such other amounts as reasonably requested by the Bank.	<u> </u>
Quarterly Cash Flow	<u>\$</u>

Quarterly Cash Flow (annualized)	\$	x 4 =	<u>\$</u>
----------------------------------	----	-------	-----------

Net Debt to Cash Flow Ratio calculated as follows:

$$\frac{\text{Net Debt}}{\text{Annualized Cash Flow}} =$$

APPENDIX C

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"Adjusted Working Capital Ratio" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"Advance" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

"Appendix" means an appendix to the Offering Letter.

"Applicable Margin" means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans, Base Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

"Availability" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"Basket Amount" means, at any time, the amount equal to 5% of the then Maximum Loan amount of Credit Facility A.

"bps" means one one-hundredth of one percent.

"Business Day" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"Calgary Branch of the Bank" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

"Canadian Dollars", "Cdn Dollars", "Cdn\$", "CA\$" and "\$" mean the lawful money of Canada.

"Capital Lease" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

"Cash Flow" means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) exploration and evaluation expenses to the extent deducted from Net Income;
- (d) future income taxes; and
- (e) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

"Change of Control" means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"Compliance Certificate" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"Credit Facilities" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"Current Assets" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

"Current Portion of Bank Debt" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"Debt" means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;
- (h) any distributions declared but not yet paid; and
- (i) all mark to market losses under any Financial Instruments that are due and owing.

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

"**Face Amount**" means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

"**Federal Funds Effective Rate**" means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

"**Financial Instrument**" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"**Generally Accepted Accounting Principles**" or "**GAAP**" means generally accepted accounting principles consistently applied which are in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants and other primary sources recognized from time to time by the Canadian Institute of Chartered Accountants.

"**ISDA Master Agreement**" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;
- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and

- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"Net Debt" means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt .

"Net Debt to Cash Flow Ratio" means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

"Offering Letter" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"Permitted Contest" means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

"Permitted Encumbrance" means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;
- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;
- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;

- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest.

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

"Prime Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers' acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"Retractable Preferred Shares" means preferred shares of the Borrower which are retractable at the option of the holder.

"Stamping Fee" means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

"Unrealized Hedging Gains" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"Unrealized Hedging Losses" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"U.S. Base Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"U.S. Dollar" and the symbol "U.S.\$" each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"Voting Shares" means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

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

- (b) in respect of a trust, trust units of the trust:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

"Working Capital Deficit" means Current Liabilities minus Current Assets.



RECEIVED

OCT 30 2012

Writer's Direct Line
(403) 294-4983

October 26, 2012

BY COURIER

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, AB T2P 0R3

**ATTENTION: Mr. Ernie Sapiha
President & CEO**

**Ms. Pamela Orr
VP Finance & CFO**

Dear Sir/Madam:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated April 19, 2012, as amended June 20, 2012, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$36,000,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures and to pay out existing Advances on the Credit Facility B.

CREDIT FACILITY B: ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

MAXIMUM AMOUNT: \$5,000,000.

CREDIT FACILITY C: MASTERCARD FACILITY (the "Credit Facility C").

MAXIMUM AMOUNT: \$50,000.

FOR ALL CREDIT FACILITIES

INTERPRETATION:

In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

SECURITY:

The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated October 26, 2012.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "Review"). The next Review is scheduled on or before January 1, 2013, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

This Amending Offering Letter is open for acceptance until November 2, 2012 (as may be extended from time to time as follows, the "**Expiry Date**") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



David Dingwall
Director
Energy Group



David Forsyth
Managing Director
Energy Group

/s/
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AGREED AND ACCEPTED this 29 day of October, 2012.

WALDRON ENERGY CORPORATION

Per: 

Per: 

APPENDIX A

CREDIT:

Energy Group
National Bank of Canada
311 – 6 Avenue SW, Suite 1800
Calgary, AB T2P 3H2

Director:
Telephone:
Facsimile:
E-mail:

Mr. David Dingwall
(403) 294-4983
(403) 294-3078
david.dingwall@nbc.ca

Associate:
Telephone:
Facsimile:
E-mail:

Mr. Andrew Field
(403) 355-6646
(403) 294-3078
andrew.field@nbc.ca

ADMINISTRATION:

BA Administration; Current
Account Documents; L/C/Gs;
MasterCard; Loan/Account
Balances; CAD/USD Money
Orders/Bank Drafts; Bank
Confirmations; Investments;
General Inquiries

Account Representative:
Telephone:
Facsimile:
E-mail:

Ms. Marj Brown
(403) 294-4956
(403) 294-3078
marj.brown@nbc.ca

BRANCH:

Calgary Downtown Branch
National Bank of Canada
301 – 6 Avenue SW
Calgary, AB T2P 4M9

Telephone:
Facsimile:

(403) 294-4900
(403) 294-4965

Calgary MacLeod Trail Branch
National Bank of Canada
430 - 7337 MacLeod Trail South
Calgary, AB T2H 0L8

Telephone:
Facsimile:

(403) 592-8515
(403) 265-0831

INTERNET/ TELEPHONE BANKING

Order Cheques, Loan/Account
Balances; Traces; Stop
Payments, List of Current
Account Transactions; Pay Bills;
Transfer Between Accounts

Website:
Telephone:

www.nbc.ca
(888) 483-5628

OTHER:

Internet Banking

Manager,
Global Cash Management:
Telephone:
Facsimile:
E-mail:

Ms. Kathy Holland
(403) 294-4948
(403) 476-1000
kathy.holland@nbc.ca

Foreign Exchange & Interest
Rates
National Bank of Canada
311 – 6 Avenue SW, 6th Floor
Calgary, AB T2P 3H2

Director, Risk
Management Solutions:
Telephone:
Facsimile:
E-mail:

Mr. George Androulidakis
(403) 440-1126
(403) 294-4923
george.androulidakis@tres.bnc.ca

Commodity Derivatives
311 – 6 Avenue SW, 6th Floor
Calgary, AB T2P 3H2

Telephone:
Facsimile:
E-mail:

(403) 294-4935
(403) 294-4923
energy@nbcenergy.com

June 20, 2012

BY COURIERWaldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, AB T2P 0R3**ATTENTION: Mr. Ernie Sapiha
President & CEO****Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated April 19, 2012, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").**LENDER:** NATIONAL BANK OF CANADA (the "Bank").**CREDIT FACILITY B:** ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").**DRAWDOWN AMOUNT:** \$1,200,000.**PURPOSE:** To assist in development capital expenditures at Westeros South, Alberta.**REPAYMENT:** Principal repayments of \$400,000/month commencing October 1, 2012.**CREDIT FACILITY FEE:** \$6,000, payable at drawdown commitment.**CONDITIONS PRECEDENT
TO FUNDING:**

In addition to all other Conditions Precedent set out in this Amending Offering Letter, prior to advances under the Credit Facility B, the Borrower shall provide:

1. Variable Rate Demand Promissory Note in the face amount to be drawn;
2. Engineering report of the petroleum reserves to be purchased or developed (received); and
3. A detailed capital expenditure budget for approved developments of proven non-producing/undeveloped petroleum and natural gas reserves along with evidence of specific capital expenditures, as applicable.

EVIDENCE OF DEBT:

Variable Rate Demand Promissory Note and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Amending Offering Letter.

FOR ALL CREDIT FACILITIES

INTERPRETATION:

In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

SECURITY:

The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated June 20, 2012.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. All fees due and payable to the Bank shall have been paid.
3. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "**Review**"). The next Review is scheduled on or before September 1, 2012, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

This Amending Offering Letter is open for acceptance until June 28, 2012 (as may be extended from time to time as follows, the "**Expiry Date**") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

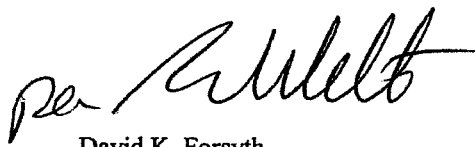
National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA

For 

David Dingwall
Director
Energy Group

per 

David K. Forsyth
Managing Director
Energy Group

/s/
Enclosure
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AGREED AND ACCEPTED this 21 day of June, 2012.

WALDRON ENERGY CORPORATION

Per: 

Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group	Director:	Mr. David Dingwall
	National Bank of Canada	Telephone:	(403) 294-4983
	311 – 6 Avenue SW, Suite 1800	Facsimile:	(403) 294-3078
	Calgary, AB T2P 3H2	E-mail:	david.dingwall@nbc.ca
		Associate:	Mr. Nathan McAdam
		Telephone:	(403) 294-4982
		Facsimile:	(403) 294-3078
		E-mail:	nathan.mcadam@nbc.ca
<u>ADMINISTRATION:</u>	BA Administration; Current	Account Representative:	Ms. Tara Yates
	Account Documents; L/C/Gs;	Telephone:	(403) 294-4987
	MasterCard; Loan/Account	Facsimile:	(403) 294-3078
	Balances; CAD/USD Money	E-mail:	tara.yates@nbc.ca
	Orders/Bank Drafts; Bank		
	Confirmations; Investments;	Senior Secretary:	Ms. Lisa Gough
	General Inquiries	Telephone:	(403) 294-4956
		Facsimile:	(403) 294-3078
		E-mail:	lisa.gough@nbc.ca
<u>BRANCH:</u>	Calgary Downtown Branch	Telephone:	(403) 294-4900
	National Bank of Canada	Facsimile:	(403) 294-4965
	301 – 6 Avenue SW		
	Calgary, AB T2P 4M9		
	Calgary MacLeod Trail Branch	Telephone:	(403) 592-8515
	National Bank of Canada	Facsimile:	(403) 265-0831
	430 - 7337 MacLeod Trail South		
	Calgary, AB T2H 0L8		
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account	Website:	www.nbc.ca
	Balances; Traces; Stop	Telephone:	(888) 483-5628
	Payments, List of Current		
	Account Transactions; Pay Bills;		
	Transfer Between Accounts		
<u>OTHER:</u>	Internet Banking	Manager,	
		Global Cash Management:	Ms. Kathy Holland
		Telephone:	(403) 294-4948
		Facsimile:	(403) 476-1000
		E-mail:	kathy.holland@nbc.ca
	Foreign Exchange & Interest	Director, Risk	
	Rates	Management Solutions:	Mr. George Androulidakis
	National Bank of Canada	Telephone:	(403) 440-1126
	311 – 6 Avenue SW, 6 th Floor	Facsimile:	(403) 294-4923
	Calgary, AB T2P 3H2	E-mail:	george.androulidakis@tres.bnc.ca
	Commodity Derivatives	Telephone:	(403) 294-4935
	311 – 6 Avenue SW, 6 th Floor	Facsimile:	(403) 294-4923
	Calgary, AB T2P 3H2	E-mail:	energy@nbcenergy.com



DELIVERED BY COURIER

March 29, 2012

Waldron Energy Corporation
 2410, 520 – 3rd Avenue SW
 Calgary, Alberta
 T2P 0R3
 Attention: Land Manager

RE: Independent Operation Notice dated March 29, 2012 (the "Notice")
 INCEPTION EXP WROSES 1-32-44-3
 Farmout and Overriding Agreement dated April 29, 2004 (the "Agreement")
 Westerose, Alberta
 Company Name File #: C003882

Pursuant to Article X of the 1990 CAPL Operating Procedure attached to the Agreement (the "Operating Procedure"), Inception Exploration Ltd. hereby serves notice of its intention to conduct the following operation (the "Proposed Operation"):

1.	Nature of Operation:	To drill a well to evaluate the Glauconite formation for potential petroleum substances to an estimated total measured depth of 3360metres with a TVD of 1920 metres.
2.	Location:	INCEPTION EXP WROSES 1-32-44-3 Surface: 1-5-45-3W5 Projected Bottom Hole: 1-32-44-3W5
3.	Anticipated Commencement:	June 15, 2012
4.	Estimated Duration:	30 days
5.	Estimated Cost:	\$1,858,930.00 drill and case cost, subject to Article IX of the Operating Procedure.
6.	Attached AFE #:	D120002
7.	Well Classification:	Development Well
8.	Penalty for Non-Participation:	300% Penalty
9.	Response Period	30 days

Inception Exploration Ltd, the proposing party, are prepared to participate in the Proposed Operation for our proportionate share of all available participating interests in the Proposed Operation up to a total participating interest of 100%.

Pursuant to this Notice, each receiving party has the right to elect within the response period prescribed above, to participate in the Proposed Operation. If you do not respond within the aforementioned timeframe or respond negatively, the consequences of non-participation described herein will apply to your interests, subject in all respects to the terms of the Operating Procedure.

Please respond to this Notice by indicating your election below and signing and returning one copy of this Notice letter to the attention of the undersigned by mail or courier. If you are responding affirmatively to this

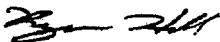
Notice, please also sign and return one copy of the enclosed AFE and a copy of your well information requirement sheet. Notwithstanding an affirmative election to participate in the Proposed Operation, your participation is subject to your election rights under Article IX of the Operating Procedure.

We accept that a response to this Notice delivered to our address for service under the Agreement or to the attention of the undersigned satisfies the notice requirements of the Agreement for the purpose of this Notice.

In the event that one or more of the receiving parties elects not to participate in the Proposed Operation, the proposing party will advise all the receiving parties of the revised participating interests. A revised AFE may be circulated to the participating parties for informational purposes.

Inquiries regarding this Notice should be directed to Ryan Hall at (403) 263-8336 X304.

Yours truly,
Inception Exploration Ltd.


Ryan Hall
VP Land

Receiving Party Company Name: WALDRON ENERGY CORPORATION

Participation Election: (Select only one of the Participation options if participating in the Proposed Operation)	
<input type="checkbox"/>	Elects to participate in the Proposed Operation only to the extent of its current working interest of ____%.
<input checked="" type="checkbox"/>	Elects to participate in the Proposed Operation and to pick up its proportionate share of all available interest.
<input type="checkbox"/>	Elects to participate in the Proposed Operation to the extent of its current working interest and to pick up its proportionate share of available interest up to a maximum total participating interest of ____%.
Non-Participation Election:	
<input type="checkbox"/>	Elects not to participate in the Proposed Operation, subject to the consequences for non-participation prescribed by the Agreement, as identified herein.

Per: 

Print Name: ROB OKUBO

Title: CONSULTING LANDMAN

Date: APR 25/12



AUTHORIZATION FOR EXPENDITURE

Well Name: INCEPTION EXP WROSES 1-32-44-3
 Location: 102/1-32-44-3W5/00 (surface 1-5-45-3W5)
 Operator: INCEPTION EXPLORATION LTD.
 Province: Alberta
 Est. Start Date: 15-May-12
 Est. Comp. Date: 30-Jun-12

AFE #: DR12004
 License #: 445129
 Cost Centre: W290159
 Date: 4-Jun-12
 Area Name: WRoses
 Property/Area #:

TYPE OF EXPENDITURE:

<input type="checkbox"/> Exploratory	<input checked="" type="checkbox"/> Development
<input type="checkbox"/> Geological and Geophysical <input type="checkbox"/> Seismic <input checked="" type="checkbox"/> Drilling <input type="checkbox"/> Re-Completion / Workover <input type="checkbox"/> Facilities <input type="checkbox"/> Abandonment	<input type="checkbox"/> Acquisition / Disposition <input type="checkbox"/> Land and Lease <input type="checkbox"/> Completion <input type="checkbox"/> Well Equip & Tie-In <input type="checkbox"/> Pipelines / Gathering Systems <input type="checkbox"/> Other

DESCRIPTION AND PURPOSE OF PROPOSED EXPENDITURE:

Funds are hereby requested to drill a sweet horizontal Glauconitic gas well. Inception served Waldron and Independent Operations Notice dated March 29, 2012 to drill a well to evaluate the Glauconitic formation for potential petroleum substance to an estimated total depth of 3360 meters with a TVD of 1920 m. Waldron elected to participate in the well. Waldron owns 60% of the Drill costs in the well.

COST ESTIMATE SUMMARY:

	D&A	\$1,858,930
	Drill & Case	\$1,858,930
	Supplement	\$0
	TOTAL DRILL & CASE COST	\$1,858,930

PROJECT PARTICIPANTS

	WI %	COSTS \$
Waldron Energy Corp	60.00%	\$ 1,115,358.00
		\$ -
		\$ -
AFE Prepared by: E. Englot	Date: 4-Jun-12	TOTAL 60.00% \$ 1,115,358.00

INTERNAL APPROVAL

PARTNER APPROVAL

LAND:	X	DATE:	COMPANY:	
EXPLORATION:	X	DATE:	APPROVED BY:	X
OPERATIONS:	X	DATE: June 4/12	TITLE:	
ENGINEERING:	X	DATE:	DATE:	
ACCOUNTING:	X	DATE:		
FINANCE:	X	DATE: June 4/12		
CEO:	X	DATE: June 4/12		

Insurance Election (Drilling/Completion/Workover Only):
 NOTE: Triton Energy Corp. will have sufficient Liability Insurance to insure your Working Interest for the purposes of this capital expenditure.

PLEASE SIGN AND RETURN ONE (1) COPY FOR OUR FILES

**INCEPTION EXPLORATION LTD.
DRILLING AUTHORITY FOR EXPENDITURE**

AFE Number: D120002
Operator: Inception Exploration Ltd.
Area: Westeros South
UWI: 102013204403W500
Depth: Approx. 1920 m TVD, 3360m Measured Depth

Project Title: Horizontal Glauconitic Drill 102/01-32-044-03W5/00

Description: Funds in the amount of \$1,858,930 are required for surveying, lease construction, and drilling of the proposed 102/01-32-044-03W5/00 horizontal Glauconitic gas well. The well will be drilled from a surface location at LSD 1-5-45-3W5 to 1920 meters TVD with a 1200 meter horizontal section. Follow up completion costs are estimated at \$1.6 MM for a multi-stage fracture stimulation and \$260,000 for pipeline tie in and well site equipping.

Inception Exploration Ltd.	40.0%	\$743,572
Waldron Energy Corporation.	60.0%	\$1,115,358
TOTAL	100.0%	\$1,858,930

Company: *Waldron Energy Corporation* Development Well
Per: *[Signature]* Est. Start Date: June 15th 2012
Title: *Pres.* Est. Complete Date: July 15th 2012
Date: *April 25, 2012*

Comments:

Geoff Uptis, President	<i>[Signature]</i>
Ryan Hall, VP Land	<i>[Signature]</i>
Noal Swanson, Operations Manager	<i>[Signature]</i>
Date:	March 29th, 2012

In executing this AFE, the parties hereto authorize the Operator to file an election pursuant to Subsection 273(1) of The Excise Act concerning the Goods & Service Tax, and the parties hereto agree to be bound by such election.

**INCEPTION EXPLORATION LTD.
DRILLING COST ESTIMATE**

AFE Number D120002

Operator Inception Exploration Ltd.

Area Westrose South

UWI 102013204403W500

Depth Approx. 1920 m TVD, 3360m Measured Depth

Project Title: Horizontal Glauconitic Drill 102/01-32-044-03W5/00

Description: Funds in the amount of \$1,858,930 are required for surveying, lease construction, and drilling of the proposed 102/01-32-044-03W5/00 horizontal Glauconitic gas well. The well will be drilled from a surface location at LBD 1-5-46-3W5 to 1920 meters TVD with a 1200 meter horizontal section. Follow up completion costs are estimated at \$1.5 MM for a multi-stage fracture stimulation and \$250,000 for pipeline tie in and well site equipping.

ACCT NO.	COST DESCRIPTION	ORIGINAL AUTHORIZED AMOUNT
9310.300	LEASE RENTALS, FEES AND DAMAGES	\$2,500
9310.301	ENVIRONMENTAL RELATED COSTS	\$2,000
9310.302	SURVEYING	\$3,500
9310.303	ROAD AND LEASE PREP/MAINTENANCE	\$60,000
9310.304	ROAD USE RENTAL/AGREEMENT	\$0
9310.305	CONDUCTOR/RATHOLE	\$10,000
9310.306	PERMITS, TAXES, WELL LICENCE	\$5,000
9310.307	LAND SERVICES	\$2,000
9310.308	RIG & CAMP MOVE	\$60,000
9310.310	DIRECTIONAL DRILLING	\$150,000
9310.312	METERAGE	\$0
9310.319	DAYWORK	\$330,000
9310.315	CREW SUBSISTANCE/TRAVEL	\$0
9310.316	CAMP/ATERING	\$40,000
9310.317	FUEL, WATER, POWER AND BOILER	\$100,000
9310.319	BITS	\$40,000
9310.320	RENTAL EQUIPMENT	\$45,000
9310.329	SURFACE CASING	\$38,500
9310.327	DRILLING FLUIDS AND ADDITIVES	\$40,000
9310.329	RIG WATER	\$0
9310.330	WATER HAULING	\$0
9310.331	BORING AND ANALYSIS	\$0
9310.332	DRILL STEM TEST AND ANALYSIS	\$0
9310.333	OPENHOLE LOGGING	\$0
9310.334	MUD LOGGING	\$0
9310.335	OIL, GAS AND WATER ANALYSIS	\$0
9310.336	WELDER	\$0
9310.338	DRILLING MUD	\$70,000
9310.339	VACUUM TRUCK AND FLUID HAULING	\$17,500
9310.343	LEASE CLEANUP/RESTORATION	\$7,000
9310.344	PIPING/SUPERVISION/WIRELINE/EQUIPMENT	\$20,000
9310.346	COMMUNICATION/VEHICLES	\$15,000
9310.347	SAFETY AND SECURITY	\$5,000
9310.348	ENGINEERING AND DESIGN	\$30,830
9310.349	SUPERVISION	\$67,000
9310.351	GEOLOGICAL EXPENSES	\$16,000
9310.352	RE-ENTRY - WELL PREPARATION	\$0
9310.353	CASING BOWL AND WELLHEAD EQUIPMENT	\$20,000
9310.354	POWER TONGS	\$16,000
9310.355	TRUCKING	\$130,000
9310.356	PRODUCTION CASING	\$312,500
9310.359	LINER	\$84,000
9310.360	INSURANCE	\$18,000
9310.362	ESTIMATE CONTINGENCY	\$30,500
9310.363	OVERHEAD	\$2,000
9310.364	ABANDONMENT/PLUGS/PACKERS/WIRELINE	\$15,000
9310.395	MISCELLANEOUS DRILLING COSTS	\$20,000
9310.398	NON-OPERATED DRILLING COSTS	\$0
9310.399	DRILLING ACCRUAL	\$0
9310.327	DRILLING FLUIDS DISPOSAL/LANDSPREADING	\$35,000
TOTAL		\$1,858,930

Date: 29-Mar-12



311 - 6 Avenue SW, Suite 1800
 Calgary, AB T2P 3H2
 Branch address

2012 06 22
 Date (YYYY MM DD)

\$ 1 200 000,00
 Amount

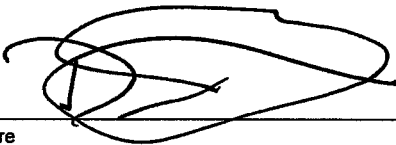
ON DEMAND, I promise to pay to the order of NATIONAL BANK OF CANADA the sum of One Million Two Hundred Thousand--
---xx /100 dollars with interest payable monthly at the Bank's prime rate* plus 1.75** per cent per annum up to and after
 maturity, until fully paid, plus minimum charges of \$10, at the above National Bank of Canada branch. The prime rate as at the
 date of this note is 3.00 per cent per annum.

I acknowledge that value has been received as consideration for this note.

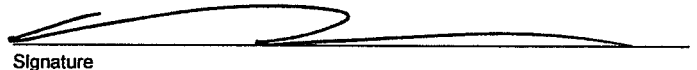
** or at such other interest rate as calculated in accordance with the Pricing Grid provision of the April 14, 2011 Offering Letter, as amended from time to time between
 the Bank and the Customer.

* **Prime rate:** The annual variable interest rate posted by National
 Bank of Canada from time to time, which is used to determine
 the interest rate on loans in Canadian dollars made in Canada.

WALDRON ENERGY CORPORATION



Signature



Signature

April 19, 2012

BY COURIERWaldron Energy Corporation
520 - 3 Avenue SW, Suite 2410
Calgary, AB T2P 0R3**ATTENTION: Mr. Ernie Sapieha
President & CEO****Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following renewed Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").**LENDER: NATIONAL BANK OF CANADA (the "Bank").****CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").****MAXIMUM AMOUNT: \$36,000,000.****PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.****AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.**

Bankers' acceptances ("BAs") in Canadian dollars.

Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000 in any currency acceptable to the Bank.

REPAYMENT: Interest only but always subject to Availability, Review, and the Bank's right of demand.

INTEREST RATE:

Prime Rate Loans

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus the Applicable Margin as per the Pricing Grid below. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

Canadian Dollar BAs

Subject to market availability, in multiples of \$100,000 and minimum draws of \$1,000,000, BAs at a Stamping Fee per annum as per the Pricing Grid below and calculated on the basis of the number of days elapsed in a 365 day year, payable at time of acceptance by the Bank. BAs shall have a minimum term of 30 days and maximum term of 90 days, and shall not include any days of grace. The BAs shall remain in effect until the maturity of the term selected. If the Bank does not receive instructions from the Borrower concerning renewal of the BAs, then Prime Rate Loans shall be automatically utilized until written instructions are received from the Borrower.

STANDBY FEE:

The Applicable Margin as per the Pricing Grid below on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

L/C/G FEE:

The Applicable Margin as per the Pricing Grid below of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

PRICING GRID:

The Applicable Margin, Stamping Fee, L/C/G Fee or Standby Fee, as applicable, for Advances shall be adjusted quarterly (based upon unaudited preceding quarterly consolidated financial statements of the Borrower) in accordance with the Net Debt to Cash Flow Ratio in the following table (the "Pricing Grid"):

Type of Advance	Net Debt to Cash Flow Ratio					
	≤ 1.00	>1.00 ≤ 1.50	>1.50 ≤ 2.00	>2.00 ≤ 2.50	>2.50 ≤ 3.00	> 3.00
Prime Rate Loans	50 bps	75 bps	100 bps	150 bps	200 bps	250 bps
BAs (Stamping Fee)	175 bps	200 bps	225 bps	275 bps	325 bps	375 bps
L/C/G Fees	175 bps	200 bps	225 bps	275 bps	325 bps	375 bps
Standby Fees	20 bps	25 bps	30 bps	35 bps	40 bps	45 bps

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the case of any outstanding BAs, the Borrower and the Bank agree that the Stamping Fee shall be adjusted between them to reflect the change in the Stamping Fee to the end of the remaining term of each outstanding BA. The Bank is hereby authorized to make such adjustments in such manner and at such time as the Bank determines is practicable.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0 .

**DRAWDOWN,
NOTIFICATION,
AND CONVERSION:**

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.
Prime Rate Loans
As required.

Canadian Dollar BAs

The Borrower shall provide two Business Days written notice to the Bank for Advances of BAs, notice to be received no later than 9:00 a.m. Mountain Time. The Borrower shall also provide two Business Days written notice for conversion of BAs at maturity to Prime Rate Loans.

EVIDENCE OF DEBT:

Revolving Demand Credit Agreement, Power of Attorney Form and Acknowledgement for Bankers' Acceptances, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B:

ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

MAXIMUM AMOUNT:

\$5,000,000.

PURPOSE:

Credit Facility B shall only be used by the Borrower to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves.

AVAILABILITY:

Prime Rate loans ("**Prime Rate Loans**") in Canadian dollars, available by way of multiple draws subject to prior engineering review by the Bank utilizing the Bank's normal lending parameters accorded to the proved producing petroleum and natural gas reserves being acquired and/or evidence of capital expenditures on approved development of proved non-producing/undeveloped reserves.

REPAYMENT:

Subject to Availability, Review, and the Bank's right of demand, monthly principal repayments over the half-life of the reserves being financed, as determined by the Bank. Repayment to commence the month following drawdown.

INTEREST RATE:

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility B at a rate per annum equal to the Prime Rate as designated from time to time by the Bank, plus 50 bps over the Applicable Margin as per the Pricing Grid stipulated under Credit Facility A. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank. As of this date, the Bank's Prime Rate is 3.00% per annum.

CREDIT FACILITY FEE: One-half percent (0.50%) on the amount of each Advance drawn on the Credit Facility B, due and payable at the commitment for such Advance. Non-refundable.

STANDBY FEE: The Standby Fee as per the Pricing Grid for Credit Facility A on the undrawn portion of the Credit Facility B (the "Standby Fee"), payable monthly on the first Business Day of each month.

CHANGE IN MARGIN AND STANDBY FEES: Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0.

CONDITIONS PRECEDENT TO FUNDING: In addition to all other Conditions Precedent set out in this Offering Letter, prior to advances under the Credit Facility B, the Borrower shall provide:

1. Copy of the executed purchase and sale agreement and any related conveyance, as applicable;
2. Variable Rate Demand Promissory Note in the face amount to be drawn;
3. Engineering report of the petroleum reserves to be purchased or developed;
4. Satisfactory evidence of title to petroleum and natural gas properties subject to the Security;
5. A detailed capital expenditure budget for approved developments of proven non-producing/undeveloped petroleum and natural gas reserves along with evidence of specific capital expenditures, as applicable; and
6. Corporate projections of balance sheet and income statement for the contemplated acquisition, as applicable.

EVIDENCE OF DEBT: Variable Rate Demand Promissory Note and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY C: MASTERCARD FACILITY (the "Credit Facility C").

MAXIMUM AMOUNT: \$50,000.

PURPOSE: Credit Facility C shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

REPAYMENT: Payment in full, monthly.

INTEREST RATE: Standard rates as established from time to time by MasterCard.

EVIDENCE OF DEBT: MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

RISK MANAGEMENT FACILITY (the "Risk Management Facility")

PURPOSE: Risk Management Facility shall be used by the Borrower for Financial Instruments.

AVAILABILITY: Various Financial Instruments. Maximum term 24 months. Subject to Bank availability and including a cross default limit of \$500,000.

SETTLEMENT: Settlement as per contract maturities.

EVIDENCE OF USAGE: Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

DEFINITIONS: In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.

INTERPRETATION: In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

FEES: \$54,000 payable upon provision of this Offering Letter. Non-refundable. This fee includes the Bank's engineering expenses incurred for this Review. This fee is in addition to and not in substitution for any other fees due and payable under this Offering Letter.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation

swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

Held:

1. Accepted Offering Letter dated April 14, 2011.
2. Accepted Amending Offering Letter dated September 19, 2011.
3. General Security Agreement.
4. General Assignment of Book Debts.
5. \$75,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
6. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
7. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides).
8. Assignment of revenues and monies under material contracts, as applicable.
9. Legal Opinion of the Bank's counsel.

The Security has been registered in the Province of Alberta, in a first priority position, subject only to Permitted Encumbrances.

To Be Obtained:

1. Accepted Offering Letter dated April 19, 2012.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**REPRESENTATIONS
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.

2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.
3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.
5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated December 31, 2011, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.
6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries.
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.
11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the

date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. All fees due and payable to the Bank shall have been paid.
3. No Default or Event of Default shall exist.
4. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
5. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;
3. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.
4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.
7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.
11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.
13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party if an adverse decision therein would require it to pay more than \$2,000,000 or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance), and (b) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.

15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect.
17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.
2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such distribution, dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably be expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.
4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.
6. Sell or dispose of any assets subject to the Bank's Security in the aggregate of greater than \$2,000,000 each calendar year. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 60% of actual production volumes in year 1 and 50% thereafter.
8. Monetize or effect an early termination of any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.
10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.
13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.

14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

**ENVIRONMENTAL
OBLIGATIONS:**

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "Environmental Requirements") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.
3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.
4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("Events of Default"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.
3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).
4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.

5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.
6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than \$2,000,000, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.
8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.
9. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.
12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral secured by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in

Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

**FOREIGN EXCHANGE
FLUCTUATIONS:**

If the amount of outstanding Advances under any Credit Facility is on any day, due to exchange rate fluctuations, in excess of the maximum amount with respect to such Credit Facility, the Borrower shall within five (5) Business Days after receiving notice thereof repay such excess or otherwise reduce a portion of such Advances under the particular Credit Facility to the extent of the amount of the excess.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY
SECURITY ACT (ALBERTA)
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

**ACCESS TO
INFORMATION:**

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to

have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

**ANTI-MONEY
LAUNDERING
LEGISLATION:**

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from to time may notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from to time may notify the Borrower as aforesaid.

**AUTHORIZATION
REGARDING
INSTRUCTIONS SENT
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank of anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF:

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY:

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

**RIGHTS AND REMEDIES
CUMULATIVE:**

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

**WAIVERS AND
AMENDMENTS:**

No term, provision or condition of this Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

**INTEREST ACT
(CANADA):**

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

GAAP / IFRS:

All financial statements required to be furnished by the Borrower to the Bank hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP. If there occurs a change in GAAP (an "Accounting Change"), including as a result of a conversion to International Financial Reporting Standards ("IFRS"), and such change would result in a change (other than an immaterial change) in the calculation of any financial covenant, standard or term used hereunder, then at the request of the Borrower or the Bank, the Borrower and the Bank shall enter into negotiations to amend such provisions so as to reflect such Accounting Change with the result that the criteria for evaluating the financial condition of the Borrower or any other party, as applicable, shall be the same after such

Accounting Change, as if such Accounting Change had not occurred. If, however, within 30 days of the foregoing request by the Borrower or the Bank, the Borrower and the Bank have not reached agreement on such amendment, the method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

GOVERNING LAW:

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before September 1, 2012, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

This Offering Letter is open for acceptance until April 26, 2012 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Offering Letter to Waldron Energy Corporation. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



David Dingwall
Director
Energy Group




David K. Forsyth
Managing Director
Energy Group

/s/
P:\Data\CLIENTS\X2E - Dingwall D\Waldron Energy Corporation (formerly Triton Energy Corp.)\Credit\2012\Commitment 0412.DOC

AGREED AND ACCEPTED this 23 day of April, 2012.

WALDRON ENERGY CORPORATION

Per: 

Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 311 – 6 Avenue SW, Suite 1800 Calgary, AB T2P 3H2	Director: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbc.ca
		Associate: Telephone: Facsimile: E-mail:	Mr. Nathan McAdam (403) 294-4982 (403) 294-3078 nathan.mcadam@nbc.ca
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan/Account Balances; CAD/USD Money Orders/Bank Drafts; Bank Confirmations; Investments; General Inquiries	Account Representative: Telephone: Facsimile: E-mail: Senior Secretary: Telephone: Facsimile: E-mail:	Ms. Tara Yates (403) 294-4987 (403) 294-3078 tara.yates@nbc.ca Ms. Lisa Gough (403) 294-4956 (403) 294-3078 lisa.gough@nbc.ca
<u>BRANCH:</u>	Calgary Downtown Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
	Calgary MacLeod Trail Branch National Bank of Canada 430 - 7337 MacLeod Trail South Calgary, AB T2H 0L8	Telephone: Facsimile:	(403) 592-8515 (403) 265-0831
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Internet Banking	Manager, Global Cash Management: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 476-1000 kathy.holland@nbc.ca
	Foreign Exchange & Interest Rates National Bank of Canada 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Director, Risk Management Solutions: Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4923 george.androulidakis@tres.bnc.ca
	Commodity Derivatives 311 – 6 Avenue SW, 6 th Floor Calgary, AB T2P 3H2	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4923 energy@nbcenergy.com

APPENDIX B

COMPLIANCE CERTIFICATE

To: National Bank of Canada
450 – 1st Street SW, Suite 2801
Calgary, AB

I _____, of the City of _____, in the Province of _____, hereby certify as at the date of this Certificate as follows:

1. I am the _____ of _____ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended _____, _____;
3. I am familiar with and have examined the provisions of the Offering Letter dated _____, _____ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties.
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:
_____ : 1.00;
8. As required, I have calculated the Net Debt to Cash Flow Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
9. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____, in the Province of _____ this _____ day of _____, 20__.

Yours truly,

WALDRON ENERGY CORPORATION

Per: _____
Name:
Title:

WALDRON ENERGY CORPORATION
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	\$	
Less: Unrealized Hedging Gains	()
Add: Undrawn Availability under Credit Facility A		
	<u>\$</u>	<u>(A)</u>

Current Liabilities

Current liabilities	\$	
Less: Unrealized Hedging Losses	()
Less: Current Portion of Bank Debt	()
	<u>\$</u>	<u>(B)</u>

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

Calculation of Net Debt to Cash Flow Ratio

Net Debt

Debt	\$	
+ Working Capital Deficit (any positive working capital deducted)	\$	
		<u>\$</u>
		<u>\$</u>

Quarterly Cash Flow

Net earnings for the fiscal quarter ending	\$	
+ Depletion, depreciation, accretion, and amortization	\$	
+ Future income taxes		
+ Other charges to operations not requiring a current cash payment	\$	
- Non-cash income	\$	
- Unrealized mark to market gains	\$	
- Capital Lease payments	\$	
- Abandonment costs paid in cash	\$	
- Extraordinary or nonrecurring earnings, gains, and losses	\$	
+/- Such other amounts as reasonably requested by the Bank.	\$	
Quarterly Cash Flow		<u>\$</u>

Quarterly Cash Flow (annualized)	\$	_____ x 4 =	\$	<u>_____</u>
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Net Debt to Cash Flow Ratio calculated as follows:

$$\frac{\text{Net Debt}}{\text{Annualized Cash Flow}} =$$

APPENDIX C

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"Adjusted Working Capital Ratio" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"Advance" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

"Appendix" means an appendix to the Offering Letter.

"Applicable Margin" means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans, Base Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

"Availability" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"bps" means one one-hundredth of one percent.

"Business Day" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"Calgary Branch of the Bank" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

"Canadian Dollars", "Cdn Dollars", "Cdn\$", "CA\$" and "\$" mean the lawful money of Canada.

"Capital Lease" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

"Cash Flow" means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) exploration and evaluation expenses to the extent deducted from Net Income;
- (d) future income taxes; and
- (e) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

"Change of Control" means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"Compliance Certificate" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"Credit Facilities" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"Current Assets" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

"Current Portion of Bank Debt" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates, or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"Debt" means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;
- (h) any distributions declared but not yet paid; and
- (i) all mark to market losses under any Financial Instruments that are due and owing.

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

"Face Amount" means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

"Federal Funds Effective Rate" means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

"Financial Instrument" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"Generally Accepted Accounting Principles" or **"GAAP"** means generally accepted accounting principles consistently applied which are in effect from time to time, as published in the Handbook of the Canadian Institute of Chartered Accountants and other primary sources recognized from time to time by the Canadian Institute of Chartered Accountants.

"ISDA Master Agreement" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;
- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and

- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"Net Debt" means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt.

"Net Debt to Cash Flow Ratio" means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

"Offering Letter" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"Permitted Contest" means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

"Permitted Encumbrance" means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;
- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;
- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;

- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest.

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

"Prime Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers' acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"Retractable Preferred Shares" means preferred shares of the Borrower which are retractable at the option of the holder.

"**Stamping Fee**" means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

"**Unrealized Hedging Gains**" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"**Unrealized Hedging Losses**" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"**U.S. Base Rate**" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"**U.S. Dollar**" and the symbol "U.S.\$" each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"**Voting Shares**" means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

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

- (b) in respect of a trust, trust units of the trust:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

"**Working Capital Deficit**" means Current Liabilities minus Current Assets.

SEP 27 2011

Writer's Direct Line
(403) 294-4983

September 19, 2011

BY COURIER

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, AB T2P 0R3

**ATTENTION: Mr. Ernie Sapiha
President & CEO**

**Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated April 14, 2011, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$36,000,000.

CREDIT FACILITY B: ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

MAXIMUM AMOUNT: \$5,000,000.

CREDIT FACILITY C: MASTERCARD PREMIA CARD (the "Credit Facility C").

MAXIMUM AMOUNT: \$50,000.

FOR ALL CREDIT FACILITIES

INTERPRETATION:

In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

FEES: \$18,000 payable upon provision of this Amending Offering Letter. Non-refundable. This fee includes the Bank's engineering expenses incurred for this Review.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated September 19, 2011.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

CONDITIONS PRECEDENT:

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "Conditions Precedent"):

1. A Revolving Demand Credit Agreement in the face amount of \$36,000,000 duly executed and delivered to the Bank by the Borrower.
2. All Security To Be Obtained shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
3. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW: Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "Review"). The next Review is scheduled on or before April 30, 2012, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE: This Amending Offering Letter is open for acceptance until September 27, 2011 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

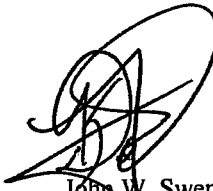
National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



for
David Dingwall
Director
Energy Group



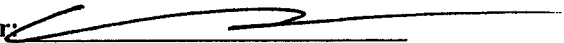
for
John W. Swendsen
Vice President & Managing Director
Energy Group

/gm
Enclosure
P:\Data\CLIENTS\X2E - Dingwall D\Waldron Energy Corporation (formerly Triton Energy Corp.)\Credit\2011\Commitment Amend 0911.docx

AGREED AND ACCEPTED this 26th day of September, 2011.

WALDRON ENERGY CORPORATION

Per: 

Per: 

April 14, 2011

BY COURIER

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, Alberta T2P 0R3

**ATTENTION: Mr. Ernie Sapiiha
President & CEO**

**Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following revised Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$30,000,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.

Bankers' acceptances ("BAs") in Canadian dollars.

Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000.

REPAYMENT: Interest only but always subject to Availability, Review, and the Bank's right of demand.

INTEREST RATE:

Prime Rate Loans

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus the Applicable Margin as per the Pricing Grid below. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

Canadian Dollar BAs

Subject to market availability, in multiples of \$100,000 and minimum draws of \$1,000,000, BAs at a Stamping Fee per annum as per the Pricing Grid below and calculated on the basis of the number of days elapsed in a 365 day year, payable at time of acceptance by the Bank. BAs shall have a minimum term of 30 days and maximum term of 90 days, and shall not include any days of grace. The BAs shall remain in effect until the maturity of the term selected. If the Bank does not receive instructions from the Borrower concerning renewal of the BAs, then Prime Rate Loans shall be automatically utilized until written instructions are received from the Borrower.

STANDBY FEE:

The Applicable Margin as per the Pricing Grid below on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

L/C/G FEE:

The Applicable Margin as per the Pricing Grid below of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

PRICING GRID:

The Applicable Margin, Stamping Fee, L/C/G Fee or Standby Fee, as applicable, for Advances shall be adjusted quarterly (based upon unaudited preceding quarterly consolidated financial statements of the Borrower) in accordance with the Net Debt to Cash Flow Ratio in the following table (the "Pricing Grid"):

Type of Advance	Net Debt to Cash Flow Ratio					
	≤ 1.00	>1.00 ≤ 1.50*	>1.50 ≤ 2.00	>2.00 ≤ 2.50	>2.50 ≤ 3.00	> 3.00
Prime Rate Loans	50 bps	75 bps	100 bps	150 bps	200 bps	250 bps
BAs (Stamping Fee)	175 bps	200 bps	225 bps	275 bps	325 bps	400 bps
L/C/G Fees	175 bps	200 bps	225 bps	275 bps	325 bps	400 bps
Standby Fees	20 bps	25 bps	30 bps	35 bps	40 bps	45 bps

* Initial Rate

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the case of any outstanding BAs, the Borrower and the Bank agree that the Stamping Fee shall be adjusted between them to reflect the change in the Stamping Fee to the end of the remaining term of each outstanding BA. The Bank is hereby authorized to make such adjustments in such manner and at such time as the Bank determines is practicable.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0 .

**DRAWDOWN,
NOTIFICATION,
AND CONVERSION:**

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

Prime Rate Loans

As required.

Canadian Dollar BAs

The Borrower shall provide two Business Days written notice to the Bank for Advances of BAs, notice to be received no later than 9:00 a.m. Mountain Time. The Borrower shall also provide two Business Days written notice for conversion of BAs at maturity to Prime Rate Loans.

EVIDENCE OF DEBT:

Revolving Demand Credit Agreement, Power of Attorney Form and Acknowledgement for Bankers' Acceptances, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B:

ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

MAXIMUM AMOUNT:

\$5,000,000.

PURPOSE:

Credit Facility B shall only be used by the Borrower to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves.

AVAILABILITY:

Prime Rate loans ("Prime Rate Loans") in Canadian dollars, available by way of multiple draws subject to prior engineering review by the Bank utilizing the Bank's normal lending parameters accorded to the proved producing petroleum and natural gas reserves being acquired and/or evidence of capital expenditures on approved development of proved non-producing/undeveloped reserves.

REPAYMENT:

Subject to Availability, Review, and the Bank's right of demand, monthly principal repayments over the half-life of the reserves being financed, as determined by the Bank. Repayment to commence the month following drawdown.

INTEREST RATE:

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loan(s) drawn under the Credit Facility B at a rate per annum equal to the Prime Rate as designated from time to time by the Bank, plus 25 bps over the Applicable Margin as per the Pricing Grid stipulated under Credit Facility A. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

CREDIT FACILITY FEE:

One-half percent (0.50%) on the amount of [each] Advance drawn on the Credit Facility B, due and payable at the commitment for such Advance. Non-refundable.

STANDBY FEE:

The Standby Fee as per the Pricing Grid for Credit Facility A on the undrawn portion of the Credit Facility B (the "**Standby Fee**"), payable monthly on the first Business Day of each month.

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0.

CONDITIONS PRECEDENT TO FUNDING:

In addition to all other Conditions Precedent set out in this Offering Letter, prior to advances under the Credit Facility B, the Borrower shall provide:

1. Copy of the executed purchase and sale agreement and any related conveyance, as applicable;
2. Variable Rate Demand Promissory Note in the face amount to be drawn;
3. Engineering report of the petroleum reserves to be purchased or developed;
4. Satisfactory evidence of title to petroleum and natural gas properties subject to the Security;
5. A detailed capital expenditure budget for approved developments of proven non-producing/undeveloped petroleum and natural gas reserves along with evidence of specific capital expenditures, as applicable; and
6. Corporate projections of balance sheet and income statement for the contemplated acquisition, as applicable.

EVIDENCE OF DEBT:

Variable Rate Demand Promissory Note and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY C:

MASTERCARD PREMIA CARD (the "**Credit Facility C**").

MAXIMUM AMOUNT:

\$50,000.

PURPOSE:

Credit Facility C shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

REPAYMENT: Payment in full, monthly.

INTEREST RATE: Standard rates as established from time to time by MasterCard.

EVIDENCE OF DEBT: MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

RISK MANAGEMENT FACILITY (the "Risk Management Facility")

PURPOSE: Risk Management Facility shall be used by the Borrower for Financial Instruments.

AVAILABILITY: Various Financial Instruments. Maximum term 24 months. Subject to Bank availability and including a cross default limit of \$500,000.

SETTLEMENT: Settlement as per contract maturities.

EVIDENCE OF USAGE: Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

DEFINITIONS: In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.

INTERPRETATION: In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

FEES: \$52,500 payable upon provision of this Offering Letter. Non-refundable. This fee includes the Bank's engineering expenses incurred for this. This fee is in addition to and not in substitution for any other fees due and payable under this Offering Letter.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation

swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

Held:

1. Accepted Offering Letter dated May 31, 2010.
2. Accepted Amending Offering Letter dated October 25, 2010.
3. General Assignment of Book Debts.
4. \$75,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
5. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
6. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major producing petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides); (or, at the request of the Bank, title opinion satisfactory to the Bank and its counsel).
7. Alberta Land Titles Office Name Search Consent from each Loan Party.
8. Assignment of revenues and monies under material contracts, as applicable.
9. Legal Opinion of the Bank's counsel.

The Security has been registered in the Province of Alberta, in a first priority position, subject only to Permitted Encumbrances.

To Be Obtained:

1. Accepted Offering Letter dated April 14, 2011.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**REPRESENTATIONS
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.

2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.
3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.
5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated December 31, 2010, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.
6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries.
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.
11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the

date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. A Revolving Demand Credit Agreement in the face amount of \$30,000,000 duly executed and delivered to the Bank by the Borrower.
2. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
3. All fees due and payable to the Bank shall have been paid.
4. No Default or Event of Default shall exist.
5. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
6. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;
3. Annual audited consolidated financial statements and Compliance Certificate within 90 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.
4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.
7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.
11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.
13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party if an adverse decision therein would require it to pay more than \$1,500,000 or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance), and (b) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.

15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect.
17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.
2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such distribution, dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably be expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.
4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.
6. Sell or dispose of any assets subject to the Bank's Security in the aggregate of greater than \$1,500,000 each calendar year. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 50% of actual production volumes, provided for fiscal 2011 up to 60% of actual production volumes shall be permitted.
8. Monetize or settle any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.
10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.

13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.
14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

ENVIRONMENTAL OBLIGATIONS:

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "**Environmental Requirements**") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.
3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.
4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("**Events of Default**"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.
3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).

4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.
5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.
6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than \$1,500,000, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.
8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.
9. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.
12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral secured by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last

Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

**FOREIGN EXCHANGE
FLUCTUATIONS:**

If the amount of outstanding Advances under any Credit Facility is on any day, due to exchange rate fluctuations, in excess of the maximum amount with respect to such Credit Facility, the Borrower shall within five (5) Business Days after receiving notice thereof repay such excess or otherwise reduce a portion of such Advances under the particular Credit Facility to the extent of the amount of the excess.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY
SECURITY ACT (ALBERTA)
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

**ACCESS TO
INFORMATION:**

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

**ANTI-MONEY
LAUNDERING
LEGISLATION:**

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from to time may notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from to time may notify the Borrower as aforesaid.

**AUTHORIZATION
REGARDING
INSTRUCTIONS SENT
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank of anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF:

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY:

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

**RIGHTS AND REMEDIES
CUMULATIVE:**

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and in equity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

**WAIVERS AND
AMENDMENTS:**

No term, provision or condition of this Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

**INTEREST ACT
(CANADA):**

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

**GENERALLY ACCEPTED
ACCOUNTING
PRINCIPLES:**

All financial statements required to be furnished by the Borrower to the Lender hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP.

GOVERNING LAW:

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before September 30, 2011, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

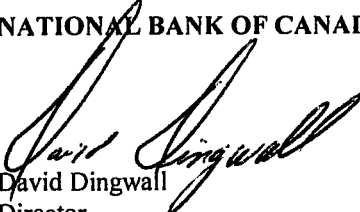
This Offering Letter is open for acceptance until April 21, 2011 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

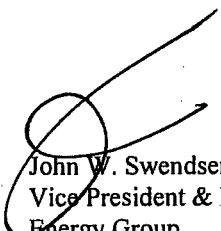
If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Offering Letter to Waldron Energy Corporation. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA

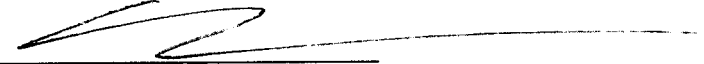
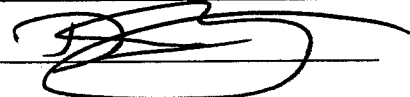

David Dingwall
Director
Energy Group


John W. Swendsen
Vice President & Managing Director
Energy Group

/ty
Enclosure
P:\Data\CLIENTS\X2E - Dingwall D\Waldron Energy Corporation (formerly Triton Energy Corp.)\Credit\2011\Commitment 0411.doc

AGREED AND ACCEPTED this 21 day of April, 2011.

WALDRON ENERGY CORPORATION

Per: 
Per: 

APPENDIX A

CREDIT:

Energy Group
National Bank of Canada
530 – 8 Avenue SW, Suite 2700
Calgary, AB T2P 3S8

Director:
Telephone:
Facsimile:
E-mail:

Mr. David Dingwall
(403) 294-4983
(403) 294-3078
david.dingwall@nbcenergy.com

Associate:
Telephone:
Facsimile:
E-mail:

Ms. Audrey Ng
(403) 294-4966
(403) 294-3078
audrey.ng@nbcenergy.com

ADMINISTRATION:

BA Administration; Current
Account Documents; L/C/Gs;
MasterCard; Loan/Account
Balances; CAD/USD Money
Orders; / Bank Drafts; Bank
Confirmations; Investments;
General Inquiries

Account Representative:
Telephone:
Facsimile:
E-mail:

Ms. Tara Yates
(403) 294-4987
(403) 294-3078
tara.yates@nbcenergy.com

BRANCH:

Calgary Branch
National Bank of Canada
301 – 6 Avenue SW
Calgary, AB T2P 4M9

Telephone:
Facsimile:

(403) 294-4900
(403) 294-4965

INTERNET/ TELEPHONE BANKING

Order Cheques, Loan/Account
Balances; Traces; Stop
Payments, List of Current
Account Transactions; Pay Bills;
Transfer Between Accounts

Website:
Telephone:

www.nbc.ca
(888) 483-5628

OTHER:

Internet Banking /

Manager,
Global Cash Management:
Telephone:
Facsimile:
E-mail:

Ms. Kathy Holland
(403) 294-4948
(403) 294-4993
kholland@nbc.ca

Foreign Exchange & Interest
Rates
National Bank of Canada
530 – 8 Avenue SW, Suite 2700
Calgary, AB T2P 3S8

Director – FX
Telephone:
Facsimile:
E-mail:

Mr. George Androulidakis
(403) 440-1126
(403) 294-4993
george.androulidakis@tres.bnc.ca

Commodity Derivatives
530 – 8 Avenue SW, Suite 2700
Calgary, AB T2P 3S8

Telephone:
Facsimile:
E-mail:

(403) 294-4935
(403) 294-4993
energy@nbcenergy.com

APPENDIX B

COMPLIANCE CERTIFICATE

To: National Bank of Canada
530 – 8th Ave SW, Suite 2700
Calgary, AB

I _____, of the City of _____, in the Province of _____, hereby certify as at the date of this Certificate as follows:

1. I am the _____ of _____ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended _____, _____;
3. I am familiar with and have examined the provisions of the Offering Letter dated _____, _____ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties.
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:
_____ : 1.00;
8. As required, I have calculated the Net Debt to Cash Flow Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
9. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____, in the Province of _____ this _____ day of _____, 20__.

Yours truly,

WALDRON ENERGY CORPORATION

Per: _____
Name:
Title:

WALDRON ENERGY CORPORATION
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	\$
Less: Unrealized Hedging Gains	()
Add: Undrawn Availability under Credit Facility A	<u> </u>
	<u>\$ (A)</u>

Current Liabilities

Current liabilities	\$
Less: Unrealized Hedging Losses	()
Less: Current Portion of Bank Debt	()
	<u>\$ (B)</u>

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

Calculation of Net Debt to Cash Flow Ratio

Net Debt

Debt	\$
+ Working Capital Deficit (any positive working capital deducted)	\$
	<u> </u>
Net Debt	<u>\$ </u>

Quarterly Cash Flow

Net earnings for the fiscal quarter ending	\$
+ Depletion, depreciation, accretion, and amortization	\$
+ Future income taxes	\$
+ Other charges to operations not requiring a current cash payment	\$
- Non-cash income	\$
- Unrealized mark to market gains	\$
- Capital Lease payments	\$
- Abandonment costs paid in cash	\$
- Extraordinary or nonrecurring earnings, gains, and losses	\$
+/- Such other amounts as reasonably requested by the Bank.	<u>\$ </u>
Quarterly Cash Flow	<u>\$ </u>

Quarterly Cash Flow (annualized) \$ x 4 = \$

Net Debt to Cash Flow Ratio calculated as follows:

$$\frac{\text{Net Debt}}{\text{Annualized Cash Flow}} =$$

APPENDIX C

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"Adjusted Working Capital Ratio" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"Advance" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

"Appendix" means an appendix to the Offering Letter.

"Applicable Margin" means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

"Availability" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"bps" means one one-hundredth of one percent.

"Business Day" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"Calgary Branch of the Bank" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

"Canadian Dollars", "Cdn Dollars", "Cdn\$", "CAD" and "\$" mean the lawful money of Canada.

"Capital Lease" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

"Cash Flow" means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) future income taxes; and
- (d) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

"Change of Control" means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"Compliance Certificate" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"Credit Facilities" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"Current Assets" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

"Current Portion of Bank Debt" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates, or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"Debt" means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;

- (h) any distributions declared but not yet paid; and
- (i) all mark to market losses under any Financial Instruments that are due and owing.

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

"Face Amount" means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

"Federal Funds Effective Rate" means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

"Financial Instrument" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"Generally Accepted Accounting Principles" or **"GAAP"** means generally accepted accounting principles consistently applied which are in effect from time to time in Canada, as published in the Handbook of the Canadian Institute of Chartered Accountants.

"ISDA Master Agreement" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;

- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and
- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"**Net Debt**" means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt .

"**Net Debt to Cash Flow Ratio**" means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

"**Offering Letter**" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"**Permitted Contest**" means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

"**Permitted Encumbrance**" means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;
- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;

- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;
- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest.

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

"Prime Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers' acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"**Retractable Preferred Shares**" means preferred shares of the Borrower which are retractable at the option of the holder.

"**Stamping Fee**" means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

"**Unrealized Hedging Gains**" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"**Unrealized Hedging Losses**" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"**U.S. Base Rate**" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"**U.S. Dollar**" and the symbol "**U.S.\$**" each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"**Voting Shares**" means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

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

- (b) in respect of a trust, trust units of the trust:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

"**Working Capital Deficit**" means Current Liabilities minus Current Assets.

OCT 27 2010

Writer's Direct Line
(403) 294-4983

October 25, 2010

BY COURIER

Waldron Energy Corporation
520 – 3 Avenue SW, Suite 2410
Calgary, Alberta T2P 0R3

**ATTENTION: Mr. Ernie Sapiha
President & CEO**

**Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / WALDRON ENERGY CORPORATION

We are pleased to advise that National Bank of Canada has approved the following amendments to the Credit Facilities for Waldron Energy Corporation, subject to the terms and conditions of the accepted Offering Letter dated May 31, 2010, which shall remain in full force and effect unless superseded below.

BORROWER: WALDRON ENERGY CORPORATION (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$25,000,000.

CREDIT FACILITY B: ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

MAXIMUM AMOUNT: \$3,000,000.

INTEREST RATE: The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loan drawn under the Credit Facility B at a rate per annum equal to the Prime Rate as designated from time to time by the Bank, plus 25 bps over the Applicable Margin as per the Pricing Grid stipulated under Credit Facility A. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 3.00% per annum.

CREDIT FACILITY C: **MASTERCARD PREMIA CARD** (the "Credit Facility C").

MAXIMUM AMOUNT: \$50,000.

FOR ALL CREDIT FACILITIES

INTERPRETATION: In this Amending Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

SECURITY: The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Amending Offering Letter dated October 25, 2010.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Amending Offering Letter, the "Conditions Precedent"):

1. All Security To Be Obtained shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
2. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank in its sole discretion (each such review is referred to in this Amending Offering Letter as a "Review"). The next Review is scheduled on or before April 30, 2011, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

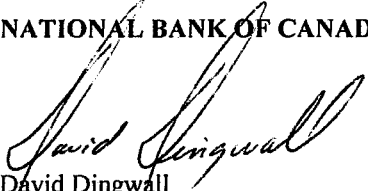
This Amending Offering Letter is open for acceptance until November 6, 2010 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

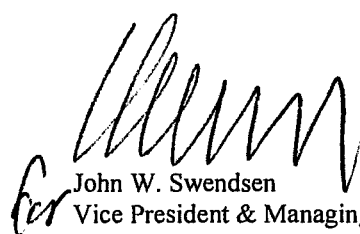
If the foregoing terms and conditions are acceptable, please sign two copies of this Amending Offering Letter and return one copy to the Bank by the Expiry Date. This Amending Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Amending Offering Letter shall be deemed to be valid execution and delivery of this Amending Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Amending Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

National Bank of Canada appreciates the opportunity of providing this Amending Offering Letter to Waldron Energy Corporation. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA

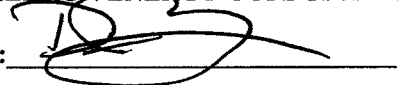

David Dingwall
Senior Manager
Energy Group

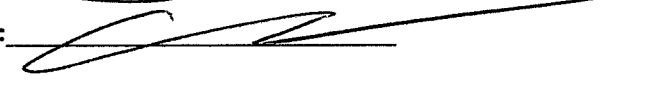

John W. Swendsen
Vice President & Managing Director
Energy Group

/avm
Enclosure
P:\Data\CLIENTS\X2E - Dingwall D\Waldron Energy Corporation (formerly Triton Energy Corp.)\Credit\2010\Commitment Amend 1010.doc

AGREED AND ACCEPTED this 26 day of OCTOBER, 2010.

WALDRON ENERGY CORPORATION

Per: 

Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Senior Manager: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbcenergy.com
		Associate: Telephone: Facsimile: E-mail:	Ms. Audrey Ng (403) 294-4966 (403) 294-3078 audrey.ng@nbcenergy.com
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan / Account Balances; Canadian Money Orders; / Bank Drafts; Bank Confirmations; General	Account Representative: Telephone: Facsimile: E-mail:	Ms. Angie Migliano (403) 294-4970 (403) 294-3078 angela.migliano@nbcenergy.com
<u>BRANCH:</u>	Calgary Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts; Foreign Currency Money Orders/Bank Drafts; Obtain Exchange Rates; Investment Information	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Global Cash Management 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Manager: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 294-4993 kholland@nbc.ca
	Treasury & Financial Markets National Bank of Canada 1155 Metcalfe Street, 1 st Floor Montreal, QC H3B 5G2	Telephone: Facsimile:	(514) 238-0164 (800) 238-0164 (514) 514-394-4095
	Treasury & Financial Markets National Bank of Canada 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Director – Foreign Exchange Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4993 george.androulidakis@tres.bnc.ca
	Global Risk Management Energy Client Coverage 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4993 energy@nbcenergy.com

JUN 08 2010

Writer's Direct Line
(403) 294-4983

May 31, 2010

BY COURIER

Triton Energy Corp.
734 – 7 Avenue SW, Suite 600
Calgary Alberta T2P 3P8

**ATTENTION: Mr. Ernie Sapiha
President & CEO**

**Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / TRITON ENERGY CORP.

We are pleased to advise that National Bank of Canada has approved the following revised Credit Facilities for Triton Energy Corp., subject to the terms and conditions set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada and as a result it amends, incorporates, and restates the terms and conditions of all existing and new commitments.

BORROWER: TRITON ENERGY CORP. (the "Borrower" or "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$25,000,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes including capital expenditures.

**AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.
Bankers' acceptances in Canadian dollars ("BAs").**

Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000 in any currency acceptable to the Bank.

REPAYMENT: Interest only but always subject to Availability, Review, and the Bank's right of demand.

INTEREST RATE:

Prime Rate Loans

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loans drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank plus the Applicable Margin as per the Pricing Grid below. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 2.25% per annum.

Canadian Dollar BAs

Subject to market availability, in multiples of \$100,000 and minimum draws of \$1,000,000, BAs at a Stamping Fee per annum as per the Pricing Grid below and calculated on the basis of the number of days elapsed in a 365 day year, payable at time of acceptance by the Bank. BAs shall have a minimum term of 30 days and maximum term of 90 days, and shall not include any days of grace. The BAs shall remain in effect until the maturity of the term selected. If the Bank does not receive instructions from the Borrower concerning renewal of the BAs, then Prime Rate Loans shall be automatically utilized until written instructions are received from the Borrower.

STANDBY FEE:

The Applicable Margin as per the Pricing Grid below on the undrawn portion of the Credit Facility A (the "Standby Fee"), payable monthly on the first Business Day of each month.

L/C/G FEE:

The Applicable Margin as per the Pricing Grid below of the issue amount, payable at issue (the "L/C/G Fee"). This non-refundable, upfront fee is to be based on the number of months the L/C/G is to be outstanding with any portion of 31 days to be considered a complete month.

PRICING GRID:

The Applicable Margin, Stamping Fee, L/C/G Fee or Standby Fee, as applicable, for Advances shall be adjusted quarterly (based upon unaudited preceding quarterly consolidated financial statements of the Borrower) in accordance with the Net Debt to Cash Flow Ratio in the following table (the "Pricing Grid"):

Type of Advance	Net Debt to Cash Flow Ratio					
	≤ 1.00	>1.00 ≤ 1.50	>1.50 ≤ 2.00	>2.00 ≤ 2.50	>2.50 ≤ 3.00 *	> 3.00
Prime Rate Loans	75 bps	100 bps	125 bps	150 bps	175 bps	250 bps
BAs (Stamping Fee)	225 bps	250 bps	275 bps	300 bps	325 bps	400 bps
L/C/G Fees	150 bps	175 bps	200 bps	250 bps	300 bps	300 bps
Standby Fees	20 bps	25 bps	30 bps	35 bps	40 bps	50 bps

* Current Rate

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans, and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the case of any outstanding BAs, the Borrower and the Bank agree that the Stamping Fee shall be adjusted between them to reflect the change in the Stamping Fee to the end of the remaining term of each outstanding BA. The Bank is hereby authorized to make such adjustments in such manner and at such time as the Bank determines is practicable.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0.

**DRAWDOWN,
NOTIFICATION,
AND CONVERSION:**

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

Prime Rate Loans

As required.

Canadian Dollar BAs

The Borrower shall provide two Business Days written notice to the Bank for Advances of BAs, notice to be received no later than 9:00 a.m. Mountain Time. The Borrower shall also provide two Business Days written notice for conversion of BAs at maturity to Prime Rate Loans.

EVIDENCE OF DEBT:

Revolving Demand Credit Agreement, Power of Attorney Form and Acknowledgement for Bankers' Acceptances, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B:

ACQUISITION/DEVELOPMENT DEMAND LOAN (the "Credit Facility B").

DRAWDOWN AMOUNT:

\$3,000,000.

PURPOSE:

Credit Facility B shall only be used by the Borrower to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves.

AVAILABILITY:

Prime Rate loans ("Prime Rate Loans") in Canadian dollars, available by way of multiple draws subject to prior engineering review by the Bank utilizing the Bank's normal lending parameters accorded to the proved producing petroleum and natural gas reserves being acquired and/or evidence of capital expenditures on approved development of proved non-producing/undeveloped reserves.

REPAYMENT:

Subject to Availability, Review, and the Bank's right of demand, monthly principal repayments over the half-life of the reserves being financed, as determined by the Bank, plus repayment of interest. Repayment of principal and interest to commence the month following drawdown and shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. The Bank shall notify the Borrower of the required principal monthly repayments upon drawdown.

INTEREST RATE:

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loan(s) drawn under the Credit Facility B at a rate per annum equal to the Prime Rate as designated from time to time by the Bank, plus 50 bps over the Applicable Margin as per the Pricing Grid stipulated under Credit Facility A. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 2.25% per annum.

CREDIT FACILITY FEE:

One-half percent (0.50%) on the amount of [each] Advance drawn on the Credit Facility B, due and payable at the commitment for such Advance. Non-refundable.

STANDBY FEE:

The Standby Fee as per the Pricing Grid for Credit Facility A on the undrawn portion of the Credit Facility B (the "Standby Fee"), payable monthly on the first Business Day of each month.

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0.

CONDITIONS PRECEDENT TO FUNDING:

In addition to all other Conditions Precedent set out in this Offering Letter, prior to advances under the Credit Facility B, the Borrower shall provide:

1. Copy of the executed purchase and sale agreement and any related conveyance, as applicable;
2. Variable Rate Demand Promissory Note in the face amount to be drawn;
3. Engineering report of the petroleum reserves to be purchased or developed;
4. Satisfactory evidence of title to petroleum and natural gas properties subject to the Security;
5. A detailed capital expenditure budget for approved developments of proven non-producing/undeveloped petroleum and natural gas reserves along with evidence of specific capital expenditures, as applicable; and
6. Corporate projections of balance sheet and income statement for the contemplated acquisition, as applicable.

EVIDENCE OF DEBT:

Variable Rate Demand Promissory Note and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY C: **MASTERCARD PREMIA CARD** (the "Credit Facility C").

MAXIMUM AMOUNT: \$50,000.

PURPOSE: Credit Facility C shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

REPAYMENT: Payment in full, monthly.

INTEREST RATE: Standard rates as established from time to time by MasterCard.

EVIDENCE OF DEBT: MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

RISK MANAGEMENT FACILITY (the "Risk Management Facility")

PURPOSE: Risk Management Facility shall be used by the Borrower for Financial Instruments.

AVAILABILITY: Various Financial Instruments. Maximum term 24 months. Subject to Bank availability and including a cross default limit of \$500,000.

SETTLEMENT: Settlement as per contract maturities.

EVIDENCE OF USAGE: Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

DEFINITIONS: In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.

INTERPRETATION: In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.

RENEWAL AND COMMITMENT FEES: \$40,000 payable upon provision of this Offering Letter. Non-refundable.

This fee includes the Bank's engineering expenses incurred for this Review and renewal fee at initial Review.

This fee is in addition to and not in substitution for any other fees due and payable under this Offering Letter.

SECURITY:

The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

Held:

1. Accepted Offering Letter dated February 16, 2010.
2. General Assignment of Book Debts.
3. \$75,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
4. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
5. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major producing petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides); or, at the request of the Bank, title opinion satisfactory to the Bank and its counsel.
6. Alberta Land Titles Office Name Search Consent.
7. Assignment of revenues and monies under material contracts, as applicable.
8. Legal Opinion of the Bank's counsel.

The Security has been registered in the Province of Alberta, in a first priority position, subject only to Permitted Encumbrances.

To Be Obtained:

1. Accepted Offering Letter dated May 31, 2010.
2. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

**REPRESENTATIONS
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.
2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.
3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.
5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated December 31, 2009, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.
6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries.
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.

11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS
PRECEDENT:**

Prior to any additional advances under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "**Conditions Precedent**"):

1. A Revolving Demand Credit Agreement in the face amount of \$25,000,000 duly executed and delivered to the Bank by the Borrower.
2. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
3. All fees due and payable to the Bank shall have been paid.
4. No Default or Event of Default shall exist.
5. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
6. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;
3. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.
4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.
7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.

11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.
13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party if an adverse decision therein would require it to pay more than \$1,250,000 or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance), and (ii) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.
15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect
17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.
2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably be expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.
4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.

6. Sell or dispose of any assets subject to the Bank's Security in the aggregate of greater than \$1,250,000 each calendar year. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 50% of actual production volumes.
8. Monetize or settle any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.
10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.
13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.
14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

**ENVIRONMENTAL
OBLIGATIONS:**

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "Environmental Requirements") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.
3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.
4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("**Events of Default**"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.
3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).
4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.
5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.
6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than \$1,250,000, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.
8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.
9. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.

12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral security by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit

Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

**FOREIGN EXCHANGE
FLUCTUATIONS:**

If the amount of outstanding Advances under any Credit Facility is on any day, due to exchange rate fluctuations, in excess of the maximum amount with respect to such Credit Facility, the Borrower shall within five (5) Business Days after receiving notice thereof repay such excess or otherwise reduce a portion of such Advances under the particular Credit Facility to the extent of the amount of the excess.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY
SECURITY ACT (ALBERTA)
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the

Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

ACCESS TO INFORMATION:

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

ANTI-MONEY LAUNDERING LEGISLATION:

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from time to time notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from time to time notify the Borrower as aforesaid.

**AUTHORIZATION
REGARDING
INSTRUCTIONS SENT
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank of anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF:

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY:

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

**RIGHTS AND REMEDIES
CUMULATIVE:**

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and inequity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

**WAIVERS AND
AMENDMENTS:**

No term, provision or condition of this Offering Letter or any of the Security, nor the Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

**INTEREST ACT
(CANADA):**

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

**GENERALLY ACCEPTED
ACCOUNTING
PRINCIPLES:**

All financial statements required to be furnished by the Borrower to the Lender hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP.

GOVERNING LAW:

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank periodically in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before October 1, 2010, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

This Offering Letter is open for acceptance until June 7, 2010 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

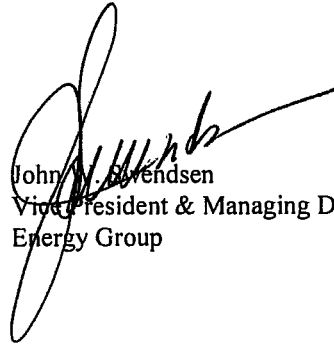
National Bank of Canada appreciates the opportunity of providing this Offering Letter to Triton Energy Corp. We look forward to our continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



David Dingwall
Senior Manager
Energy Group




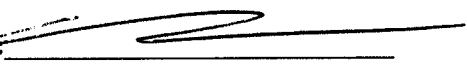
John W. Svendsen
Vice President & Managing Director
Energy Group

/pb
Enclosure
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AGREED AND ACCEPTED this 7 day of June, 2010.

TRITON ENERGY CORP

Per: 

Per: 

APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Manager: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbcenergy.com
		Associate: Telephone: Facsimile: E-mail:	Ms. Audrey Ng (403) 294-4966 (403) 294-3078 audrey.ng@nbcenergy.com
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan / Account Balances; Canadian Money Orders; / Bank Drafts; Bank Confirmations; General	Account Representative: Telephone: Facsimile: E-mail:	Mrs. Patricia Becker (403) 294-4970 (403) 294-3078 patricia.becker@nbcenergy.com
<u>BRANCH:</u>	Calgary Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts; Foreign Currency Money Orders/Bank Drafts; Obtain Exchange Rates; Investment Information	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Global Cash Management 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Manager: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 294-4993 kholland@nbc.ca
	Treasury & Financial Markets National Bank of Canada 1155 Metcalfe Street, 1 st Floor Montreal, QC H3B 5G2	Telephone: Facsimile:	(514) 238-0164 (800) 238-0164 (514) 514-394-4095
	Treasury & Financial Markets National Bank of Canada 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Director – Foreign Exchange Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4993 george.androulidakis@tres.bnc.ca
	Global Risk Management Energy Client Coverage 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4993 energy@nbcenergy.com

APPENDIX B

COMPLIANCE CERTIFICATE

To: National Bank of Canada
530 – 8th Ave SW, Suite 2700
Calgary, AB

I _____, of the City of _____, in the Province of _____, hereby certify as at the date of this Certificate as follows:

1. I am the _____ of _____ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended _____, _____;
3. I am familiar with and have examined the provisions of the Offering Letter dated _____, _____ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. As of the date hereof, the Borrower confirms that all of its subsidiaries (if any) are Loan Parties.
5. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
6. No Default or Event of Default has occurred and is continuing of which we are aware;
7. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:
_____ : 1.00;
8. As required, I have calculated the Net Debt to Cash Flow Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
9. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____, in the Province of _____ this _____ day of _____, 20__.

Yours truly,

TRITON ENERGY CORP.

Per: _____
Name:
Title:

TRITON ENERGY CORP.
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	\$
Less: Unrealized Hedging Gains	()
Add: Undrawn Availability under Credit Facility A	<u> </u>
	<u><u> </u></u> (A)

Current Liabilities

Current liabilities	\$
Less: Unrealized Hedging Losses	()
Less: Current Portion of Bank Debt	()
	<u> </u>
	<u><u> </u></u> (B)

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

Calculation of Net Debt to Cash Flow Ratio

Net Debt

Debt	\$
+ Working Capital Deficit (any positive working capital deducted)	\$
	<u> </u>
Net Debt	<u><u> </u></u>

Quarterly Cash Flow

Net earnings for the fiscal quarter ending	\$
+ Depletion, depreciation, accretion, and amortization	\$
+ Future income taxes	\$
+ Other charges to operations not requiring a current cash payment	\$
- Non-cash income	\$
- Unrealized mark to market gains	\$
- Capital Lease payments	\$
- Abandonment costs paid in cash	\$
- Extraordinary or nonrecurring earnings, gains, and losses	\$
+/- Such other amounts as reasonably requested by the Bank.	<u> </u>
Quarterly Cash Flow	<u><u> </u></u>

Quarterly Cash Flow (annualized) \$ _____ x 4 =

Net Debt to Cash Flow Ratio calculated as follows:

$$\frac{\text{Net Debt}}{\text{Annualized Cash Flow}} =$$

APPENDIX C

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"Adjusted Working Capital Ratio" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"Advance" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

"Appendix" means an appendix to the Offering Letter.

"Applicable Margin" means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans, Base Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

"Availability" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"bps" means one one-hundredth of one percent.

"Business Day" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"Calgary Branch of the Bank" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4965, or such other address as the Bank may notify the Borrower from time to time.

"Canadian Dollars", "Cdn Dollars", "Cdn\$", "CA\$" and "\$" mean the lawful money of Canada.

"Capital Lease" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

"Cash Flow" means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) future income taxes; and
- (d) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

"Change of Control" means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"Compliance Certificate" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"Credit Facilities" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"Current Assets" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

"Current Portion of Bank Debt" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates, or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"Debt" means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;

- (h) any distributions declared but not yet paid; and
- (i) all mark to market losses under any Financial Instruments that are due and owing.

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

"**Face Amount**" means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

"**Federal Funds Effective Rate**" means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

"**Financial Instrument**" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"**Generally Accepted Accounting Principles**" or "**GAAP**" means generally accepted accounting principles consistently applied which are in effect from time to time in Canada, as published in the Handbook of the Canadian Institute of Chartered Accountants.

"**ISDA Master Agreement**" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;

- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and
- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"**Net Debt**" means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt.

"**Net Debt to Cash Flow Ratio**" means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

"**Offering Letter**" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"**Permitted Contest**" means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

"**Permitted Encumbrance**" means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;

- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;
- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;
- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest;

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

"Prime Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers'

acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"Retractable Preferred Shares" means preferred shares of the Borrower which are retractable at the option of the holder.

"Stamping Fee" means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

"Unrealized Hedging Gains" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"Unrealized Hedging Losses" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"U.S. Base Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"U.S. Dollar" and the symbol **"U.S.\$"** each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"Voting Shares" means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

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

- (b) in respect of a trust, trust units of the trust:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

"Working Capital Deficit" means Current Liabilities minus Current Assets.

FEB 16 2010

Writer's Direct Line
(403) 294-4983

February 16, 2010

BY COURIER

Triton Energy Corp.
440 - 2 Avenue SW, Suite 2380
Calgary AB T2P 5E9

**ATTENTION: Mr. Ernie Sapiha
President & CEO**

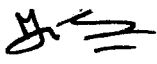
**Mr. Dean Schultz
VP Finance & CFO**

Dear Sirs:

RE: CREDIT FACILITIES – NATIONAL BANK OF CANADA / TRITON ENERGY CORP.

We are pleased to advise that National Bank of Canada has approved the following Credit Facilities for Triton Energy Corp., subject to the terms and condition set out herein. This Offering Letter contains all the terms and conditions pertaining to the availability of Credit Facilities from National Bank of Canada.

BORROWER: TRITON ENERGY CORP. (the "Borrower" or "Loan Party").

GUARANTOR: ~~WALDRON ENERGY CORPORATION (the "Guarantor")~~ 

(the Borrower and the Guarantor are collectively referred to as "Loan Parties", and each, a "Loan Party").

LENDER: NATIONAL BANK OF CANADA (the "Bank").

CREDIT FACILITY A: REVOLVING OPERATING DEMAND LOAN (the "Credit Facility A").

MAXIMUM AMOUNT: \$22,500,000.

PURPOSE: Credit Facility A shall only be used for the Borrower's general corporate purposes, including capital expenditures, to assist in financing the acquisition of producing petroleum and natural gas reserves at Ferrybank, Alberta ("Ferrybank Acquisition"), from Petrobakken Energy Ltd. ("Petrobakken") closing February 22, 2010, and to pay out existing credit facilities at ATB Financial.

AVAILABILITY: Prime Rate loans ("Prime Rate Loans"). Revolving in whole multiples of Cdn\$50,000.

Bankers' acceptances in Canadian dollars ("BAs").

Letters of credit and/or letters of guarantee ("L/C/Gs") (maximum term one year). The aggregate Face Amount of L/C/Gs issued and outstanding at any time limited to \$1,700,000 in any currency acceptable to the Bank.

Total Advances under Credit Facility A restricted to \$4,000,000 pending completion of the Ferrybank Acquisition.

PRICING GRID:

The Applicable Margin, Stamping Fee, L/C/G Fee or Standby Fee, as applicable, for Advances shall be adjusted quarterly (based upon unaudited preceding quarterly consolidated financial statements of the Borrower) in accordance with the Net Debt to Cash Flow Ratio in the following table (the "Pricing Grid"):

Type of Advance	Net Debt to Cash Flow Ratio					
	≤ 1.00	>1.00 ≤ 1.50	>1.50 ≤ 2.00	>2.00 ≤ 2.50	>2.50 ≤ 3.00 *	> 3.00
Prime Rate Loans	75 bps	100 bps	125 bps	150 bps	175 bps	250 bps
BAs (Stamping Fee)	225 bps	250 bps	275 bps	300 bps	325 bps	400 bps
L/C/G Fees	150 bps	175 bps	200 bps	250 bps	300 bps	300 bps
Standby Fees	30 bps	35 bps	40 bps	45 bps	50 bps	55 bps

* Initial Rate

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the case of any outstanding BAs, the Borrower and the Bank agree that the Stamping Fee shall be adjusted between them to reflect the change in the Stamping Fee to the end of the remaining term of each outstanding BA. The Bank is hereby authorized to make such adjustments in such manner and at such time as the Bank determines is practicable.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0.

DRAWDOWN, NOTIFICATION, AND CONVERSION:

All Advances under Credit Facility A may only be drawn on a day that is a Business Day.

Prime Rate Loans

As required.

Canadian Dollar BAs

The Borrower shall provide two Business Days written notice to the Bank for Advances of BAs, notice to be received no later than 9:00 a.m. Mountain Time. The Borrower shall also provide two Business Days written notice for conversion of BAs at maturity to Prime Rate Loans.

EVIDENCE OF DEBT:

Revolving Demand Credit Agreement, Power of Attorney Form and Acknowledgement for Bankers' Acceptances, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY B:

ACQUISITION/DEVELOPMENT DEMAND LOAN (the "**Credit Facility B**").

MAXIMUM AMOUNT:

\$2,500,000.

PURPOSE:

Credit Facility B shall only be used by the Borrower to assist in the acquisition of producing petroleum and natural gas reserves and/or development of proved non-producing/undeveloped petroleum and natural gas reserves.

AVAILABILITY:

Prime Rate loan(s) ("**Prime Rate Loan(s)**") in Canadian dollars, available by way of multiple draws subject to prior engineering review by the Bank utilizing the Bank's normal lending parameters accorded to the proved producing petroleum and natural gas reserves being acquired and/or evidence of capital expenditures on approved development of proved non-producing/undeveloped reserves.

REPAYMENT:

Subject to Availability, Review, and the Bank's right of demand, monthly principal repayments over the half-life of the reserves being financed, as determined by the Bank, plus repayment of interest. Repayment of principal and interest to commence the month following drawdown and shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. The Bank shall notify the Borrower of the required principal monthly repayments upon drawdown.

INTEREST RATE:

The Borrower shall pay interest calculated daily and payable monthly, not in advance, on the outstanding principal amount of Prime Rate Loan(s) drawn under the Credit Facility A at a rate per annum equal to the Prime Rate as designated from time to time by the Bank, plus 25 bps over the Applicable Margin as per the Pricing Grid stipulated under Credit Facility A. Interest at the aforesaid rate shall be due and payable on the 26th day of each and every month until all amounts owing to the Bank are paid in full. Interest shall be paid via automatic debit to the Borrower's account at the Calgary Branch of the Bank.

As of this date, the Bank's Prime Rate is 2.25% per annum.

CREDIT FACILITY FEE:

One-half percent (0.50%) on the amount of each Advance drawn on the Credit Facility B, due and payable at the commitment for such Advance. Non-refundable.

STANDBY FEE:

The Standby Fee as per the Pricing Grid for Credit Facility A on the undrawn portion of the Credit Facility B (the "**Standby Fee**"), payable monthly on the first Business Day of each month.

CHANGE IN MARGIN AND STANDBY FEES:

Whenever this Offering Letter calls for a change in Margin or Fees by reason of a change in the Net Debt to Cash Flow Ratio, each such change shall be effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided.

In respect of Prime Rate Loans and Standby Fees, the Borrower shall pay interest at the new Applicable Margin and Standby Fees effective on the first day of the fourth month following the end of the fiscal quarter for which the Compliance Certificate was provided, notwithstanding that any Advance was made prior to such date and notwithstanding that

interest and Standby Fees prior to delivery of the Compliance Certificate were calculated and paid based upon the Applicable Margins and Standby Fee previously in effect.

In the event that the Borrower should fail to provide a Compliance Certificate as and when required, then, at the discretion of the Bank, the Applicable Margin and Fees in all cases shall automatically be changed as if the Net Debt to Cash Flow Ratio was > 3.0 .

CONDITIONS PRECEDENT TO FUNDING:

In addition to all other Conditions Precedent set out in this Offering Letter, prior to advances under the Credit Facility B, the Borrower shall provide:

1. Copy of the executed purchase and sale agreement and any related conveyance, as applicable;
2. Variable Rate Demand Promissory Note in the face amount to be drawn;
3. Engineering report of the petroleum reserves to be purchased or developed;
4. Satisfactory evidence of title to petroleum and natural gas properties subject to the Security;
5. A detailed capital expenditure budget for approved developments of proven non-producing/undeveloped petroleum and natural gas reserves along with evidence of specific capital expenditures, as applicable; and
6. Corporate projections of balance sheet and income statement for the contemplated acquisition, as applicable.

EVIDENCE OF DEBT:

Variable Rate Demand Promissory Note and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

CREDIT FACILITY C:

MASTERCARD PREMIA CARD (the "Credit Facility C").

MAXIMUM AMOUNT:

\$50,000.

PURPOSE:

Credit Facility C shall only be used by the Borrower to facilitate travel, entertainment, and supplier expenses for company officers.

REPAYMENT:

Payment in full, monthly.

INTEREST RATE:

Standard rates as established from time to time by MasterCard.

EVIDENCE OF DEBT:

MasterCard monthly statements and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

RISK MANAGEMENT FACILITY (the "Risk Management Facility")

- PURPOSE:** Risk Management Facility shall be used by the Borrower for Financial Instruments.
- AVAILABILITY:** Various Financial Instruments. Maximum term 26 months. Subject to Bank availability and including a cross default limit of \$500,000.
- SETTLEMENT:** Settlement as per contract maturities.
- EVIDENCE OF USAGE:** Executed treasury contracts, executed ISDA Master Agreement with appropriate annexes, other documentation acceptable to the Bank, and the records of the Bank. Such records maintained by the Bank shall constitute in the absence of manifest error prima facie evidence of the obligations of the Borrower to the Bank in respect of Advances made. The failure by the Bank to correctly record any such amount or date shall not adversely affect the obligations of the Borrower to pay amounts due hereunder to the Bank in accordance with this Offering Letter.

FOR ALL CREDIT FACILITIES

- DEFINITIONS:** In this Offering Letter, including the Appendices hereto and in all notices given pursuant to this Offering Letter, capitalized words and phrases shall have the meanings given to them in this Offering Letter in their proper context, and words and phrases not otherwise defined in this Offering Letter but defined in Appendix C to this Offering Letter shall have the meanings given to them in Appendix C to this Offering Letter.
- INTERPRETATION:** In this Offering Letter, unless otherwise specifically provided, words importing the singular will include the plural and vice versa, words importing gender shall include the masculine, the feminine and the neuter, and "in writing" or "written" includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including by facsimile.
- COMMITMENT FEES:** \$86,000 payable upon provision of this Offering Letter. Non-refundable. This fee includes the Bank's engineering expenses incurred for this Review (and renewal fee at initial Review). This fee is in addition to and not in substitution for any other fees due and payable under this Offering Letter.
- SECURITY:** The following security shall be completed, duly executed, delivered, and registered, where necessary, to the entire satisfaction of the Bank and its counsel. All present and future security (the "Security") and the terms thereof shall be held by the Bank as continuing security for all present and future debts, obligations and liabilities (whether direct or indirect, absolute or contingent) of the Loan Parties to the Bank including without limitation for the repayment of all loans and advances made hereunder and for other loans and advances that may be made from time to time in the future whether hereunder or otherwise. For greater certainty, all Financial Instruments, including without limitation swaps and forwards, entered into at any time with the Bank (or any of its subsidiaries or affiliates from time to time) are deemed to be debts, obligations and liabilities of the Borrower and are secured by the Security on a pari passu basis and shall rank pari passu with all other indebtedness under the Credit Facilities. Where applicable, the Security will be in the Bank's standard form.

To Be Obtained:

1. Accepted Offering Letter dated February 16, 2010.
2. General Assignment of Book Debts.

3. General Security Agreement.
4. \$75,000,000 Debenture with a floating charge over all assets of the Borrower with a negative pledge and undertaking to provide fixed charges on the Borrower's producing petroleum and natural gas properties at the request of the Bank, and pledge of such Debenture.
5. Evidence of insurance coverage in accordance with industry standards designating the Bank as first loss payee in respect of the proceeds of the insurance.
6. Appropriate title representation (Officer's Certificate as to Title) including a schedule of major producing petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (Working Interest or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides; or, at the request of the Bank, title opinion satisfactory to the Bank and its counsel.
7. Alberta Land Titles Office Name Search Consent from each Loan Party.
8. Assignment of revenues and monies under material contracts, as applicable.
- ~~9. Unlimited Guarantee of the Borrower from Waldron Energy Corporation supported by Debenture security.~~
10. Legal Opinion of the Bank's counsel.
11. Such other security, documents, and agreements that the Bank or its legal counsel may reasonably request.

The Security shall be registered in the Province of Alberta in a first priority position, subject only to Permitted Encumbrances.

**REPRESENTATIONS
AND WARRANTIES:**

Each Loan Party represents and warrants to the Bank (all of which representations and warranties each Loan Party hereby acknowledges are being relied upon by the Bank in entering into this Offering Letter) that:

1. Each Loan Party has been duly incorporated or formed, as applicable, and is in good standing under the legislation governing it, and it has the powers, permits, and licenses required to operate its business or enterprise and to own, manage, and administer its property.
2. This Offering Letter constitutes, and the Security and related agreements shall constitute, legal, valid, and binding obligations of each Loan Party party thereto, enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, or similar laws affecting creditors' rights generally and to the availability of equitable remedies.
3. Each Loan Party has the right to pledge, charge, mortgage, or lien its assets in accordance with the Security contemplated by this Offering Letter.
4. Each Loan Party is presently in good standing under, and shall duly perform and observe, all material terms of all documents, agreements, and instruments affecting or relating to the petroleum assets of such Loan Party.

5. There has been no adverse material change in the financial position of any Loan Party since the date of its most recent consolidated financial statements dated September 30, 2009, which were furnished to the Bank. Such consolidated financial statements fairly present the financial position of each Loan Party at the date that they were drawn up. No Loan Party foresees incurring any major liability which it has not already disclosed to the Bank.
6. No Loan Party is involved in any dispute or legal or regulatory proceedings likely to materially affect its financial position or its capacity to operate its business.
7. No Loan Party is in default under the contracts to which it is a party or under the applicable legislation and regulations governing the operation of its business or its property, including, without limitation, all Environmental Requirements subsequently stated in Environmental Obligations.
8. The Borrower has no subsidiaries
9. The chief executive office (for the purposes of the PPSA) of each Loan Party is located in Alberta.
10. Each Loan Party has all the requisite power, authority and capacity to execute and deliver this Offering Letter and the Security (to which it is a party) and to perform its obligations hereunder and thereunder.
11. The execution and delivery of this Offering Letter and the Security (to which it is a party) and the performance of the terms of this Offering Letter and such Security do not violate the provisions of any Loan Party's constating documents or its by-laws or any law, order, rule or regulation applicable to it and have been validly authorized by it.
12. The execution, delivery and performance of the terms of this Offering Letter and the Security (to which it is a party) will not constitute a breach of any agreement to which any Loan Party or its property, assets or undertaking are bound or affected.
13. No Loan Party has incurred any indebtedness or obligations for borrowed money (other than as contemplated hereby or payables incurred in the ordinary course of business or as previously disclosed in writing to the Bank) and has not granted any security ranking equal with or in priority to the Security (other than Permitted Encumbrances).

Unless expressly stated to be made as of a specific date, the representations and warranties made in this Offering Letter shall survive the execution of this Offering Letter and all Security, and shall be deemed to be repeated as of the date of each Advance and as of the date of delivery of each Compliance Certificate, subject to modifications made by the Borrower to the Bank in writing and accepted by the Bank. The Bank shall be deemed to have relied upon such representations and warranties at each such time as a condition of making an Advance hereunder or continuing to extend the Credit Facilities hereunder.

**CONDITIONS
PRECEDENT:**

Prior to any drawdown under the Credit Facilities, the Borrower shall have provided, executed or satisfied the following, to the Bank's satisfaction (collectively with all other conditions precedent set out in this Offering Letter, the "Conditions Precedent"):

1. A Revolving Demand Credit Agreement in the face amount of \$22,500,000 duly executed and delivered to the Bank by the Borrower.

2. Power of Attorney Form and Acknowledgement for Bankers' Acceptances duly executed and delivered to the Bank by the Borrower.
3. All Security shall be duly completed, authorized, executed, delivered by each Loan Party which is a party thereto, and registered, all to the satisfaction of the Bank and its counsel.
4. A legal opinion from the Borrower's counsel, in form and substance satisfactory to the Bank and its counsel, that each Loan Party has been duly incorporated (or formed, as applicable), is validly subsisting, and is in good standing, that the Security has been duly authorized and executed, and that each Loan Party has the corporate power and capacity to enter into and perform the obligations contemplated by this Offering Letter and the Security.
5. Satisfactory evidence to the Bank and its counsel that the Borrower has proper title to its major petroleum and natural gas interests and that no prior charges, liens, encumbrances, or claims exist against such interests.
6. Evidence of closing of the Ferrybank Acquisition from Petrobakken, including a copy of the executed purchase and sale agreement and any related conveyance.
7. Evidence of repayment of credit facilities at ATB Financial, including a No Interest Letter.
8. True copy of constating documents, including all amendments thereto, of each Loan Party.
9. True copy of the resolutions of the board of directors of each Loan Party authorizing the execution and delivery of this Offering Letter and the Security.
10. All fees due and payable to the Bank shall have been paid.
11. No Default or Event of Default shall exist.
12. No Material Adverse Effect has occurred with respect to any Loan Party or the Security.
13. Any other document that may be reasonably requested by the Bank.

The above conditions are inserted for the sole benefit of the Bank, and may be waived by the Bank in whole or in part (with or without terms or conditions) in respect of any particular Advance, provided that any waiver shall not be binding unless given in writing and shall not derogate from the right of the Bank to insist on the satisfaction of any condition not expressly waived in writing or to insist on the satisfaction of any condition waived in writing which may be requested in the future.

**REPORTING
REQUIREMENTS:**

The Borrower shall submit to the Bank:

1. Monthly production and revenue reports in form and substance satisfactory to the Bank within 60 calendar days of each month end;
2. Quarterly unaudited consolidated financial statements and Compliance Certificate within 60 calendar days of each fiscal quarter end for the first three fiscal quarters of each fiscal year;

3. Annual audited consolidated financial statements and Compliance Certificate within 120 calendar days of each fiscal year end;
4. Annual independent engineering report in form and substance satisfactory to the Bank on the petroleum and natural gas reserves of the Borrower within 120 calendar days of each fiscal year end, prepared by a firm acceptable to the Bank;
5. Annual consolidated budget for the following fiscal year, including production, cash flow and capital expenditures forecasts, within 120 days of each fiscal year end; and
6. Any other information the Bank may reasonably require from time to time.

**AFFIRMATIVE
COVENANTS:**

Each Loan Party shall (each of the below being an "Affirmative Covenant"):

1. Carry on business and operate its petroleum and natural gas reserves in accordance with good practices consistent with accepted industry standards and pursuant to applicable agreements, regulations, and laws.
2. Maintain its corporate existence and comply with all applicable laws.
3. Pay, when due, all taxes, assessments, deductions at source, crown royalties, income tax or levies for which the payment is guaranteed by legal privilege, prior claim, or legal hypothec, without subrogation or consolidations.
4. Comply with all regulatory bodies and provisions regarding environmental procedures and controls.
5. Upon reasonable notice, allow the Bank access to its books and records, and take excerpts therefrom or make copies thereof, and to visit and inspect its assets and place(s) of business.
6. Maintain adequate and appropriate insurance on its assets including protection against public liability, blow-outs, and "all-risk" perils.
7. Inform the Bank of any event or action which would have a Material Adverse Effect on its operational or financial affairs, including but not limited to the sale of assets, guarantees, funded debt from other lenders, or alteration of type of business.
8. Keep and maintain books of account and other accounting records in accordance with GAAP.
9. Maintain an Adjusted Working Capital Ratio of not less than 1.00:1.00 at all times.
10. Pay all amounts due and payable hereunder and pursuant to the Security in accordance with the respective terms hereof and thereof.
11. As soon as practicable following receipt by such Loan Party of a request by the Bank to provide fixed charge security over the producing petroleum and natural gas properties of such Loan Party (and in any event not more than 5 Business Days following such request), furnish or cause to be furnished to the Bank, at the sole cost and expense of such Loan Party, fixed charge security over such producing and natural gas properties of such Loan Party as are specified by the Bank, in the form of a supplemental instrument to the Security.
12. Observe the terms of and perform its obligations under this Offering Letter and the Security, and under any other agreements now or hereafter made with the Bank.

13. Utilize the Advances only for the applicable purposes stipulated herein.
14. Notify the Bank, without delay, of (a) any litigation or proceeding in which it is a party if an adverse decision therein would require it to pay more than \$1,000,000 or deliver assets the value of which exceeds such sum (whether or not the claim is considered to be covered by insurance), and (ii) the institution of any other suit or proceeding involving it that might materially and adversely affect its property, assets or undertaking, or its operations, financial conditions or business.
15. Notify the Bank, without delay, of any Default or Event of Default.
16. Obtain and maintain the licenses and permits required to operate its business unless failure to obtain such licenses and permits could not reasonably be expected to result in a Material Adverse Effect
17. Provide the Bank with any information or document that it may reasonably require from time to time.

**NEGATIVE
COVENANTS:**

No Loan Party shall, without the prior approval of the Bank (each of the below being a "Negative Covenant"):

1. Allow a Change of Control.
2. Merge, amalgamate, consolidate, or wind up its assets, unless (i) such merger, amalgamation, consolidation or winding up is with another Loan Party and (ii) it has notified the Bank, without delay, of such merger, amalgamation, consolidation or winding up.
3. Reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares, unless such dividends, redemptions, and repurchases do not impair the capacity of such Loan Party to fulfil its obligations with respect to the Credit Facilities, including the repayment of all Credit Facilities; notwithstanding the foregoing, no Loan Party shall reduce or distribute capital or pay dividends or redeem or repurchase common or preferred shares when a Default or an Event of Default has occurred and is continuing or shall reasonably expected to occur as a result of reducing or distributing capital or paying dividends or redeeming or repurchasing common or preferred shares, as the case may be.
4. Incur further secured indebtedness, pledge or encumber assets, or guarantee the obligations of others.
5. Make loans or investments, except to or in another Loan Party.
6. Sell or dispose of any assets subject to the Bank's Security in the aggregate of greater than \$1,000,000 in each calendar year. This shall include sale/leaseback transactions on facilities.
7. Hedge or contract crude oil, natural gas liquids, or natural gas, on a fixed price basis, exceeding 50% of actual production volumes.
8. Monetize or settle any fixed price financial hedge or contract.
9. Make any material change in the nature of its business as carried on at the date hereof.

10. Utilize Advances to finance a hostile takeover.
11. Move its property, assets or undertaking outside the jurisdictions in which the Security is registered.
12. Move its chief executive office from Alberta.
13. Create, acquire or suffer to exist any subsidiary unless such subsidiary provides a guarantee and such other Security required by the Bank, in its sole discretion.
14. Experience a change in its executive management which, in the opinion of the Bank, acting in its sole discretion, has or may have a Material Adverse Effect.

ENVIRONMENTAL OBLIGATIONS:

1. Each Loan Party shall comply with the requirements of all legislative and regulatory environmental provisions (the "**Environmental Requirements**") and shall at all times maintain the authorizations, permits, and certificates required under these provisions.
2. Each Loan Party shall immediately notify the Bank in the event a contaminant spill or emission occurs or is discovered with respect to its property, operations, or those of any neighbouring property. In addition, it shall report to the Bank forthwith any notice, order, decree, or fine that it may receive or be ordered to pay with respect to the Environmental Requirements relating to its business or property.
3. At the request of and in accordance with the conditions set forth by the Bank, each Loan Party shall, at its own cost, provide any information or document which the Bank may require with respect to its environmental situation, including any study or report prepared by a firm acceptable to the Bank. In the event that such studies or reports reveal that any Environmental Requirements are not being respected, the applicable Loan Party shall effect the necessary work to ensure that its business and property comply with the Environmental Requirements within a period acceptable to the Bank.
4. Each Loan Party undertakes to indemnify the Bank for any damage which the Bank may suffer or any liability which it may incur as a result of any non-compliance with the Environmental Requirements.
5. The provisions, undertakings, and indemnification set out in this section shall survive the satisfaction and release of the Security and payment and satisfaction of the indebtedness and liability of the Borrower to the Bank pursuant to the terms hereof.

EVENTS OF DEFAULT:

Notwithstanding that the Credit Facilities are on a demand basis, and without prejudice to the Bank's rights thereby, the following shall be considered events of default ("**Events of Default**"), upon the occurrence of which, or of a Default, the Bank may choose, in its sole discretion, to cancel all credit availability and to demand repayment of the Credit Facilities in full, together with outstanding accrued interest, fees and any other obligations of the Borrower to the Bank, and, without prejudice to the Bank's other rights and remedies, the Bank's Security shall become enforceable:

1. Immediately upon failure by any Loan Party to pay any instalment of principal, interest, fees, costs, incidental charges or any other amount payable hereunder or under any of the Security when due.
2. Any material representation or warranty contained in this Offering Letter, the Security, any certificate or any opinion delivered hereunder proves to be untrue.

3. Failure by any Loan Party to observe or comply with any Affirmative Covenant, Negative Covenant, Environmental Obligation, condition, or term as outlined herein, or in any Security document or underlying agreements delivered pursuant hereto (not otherwise specifically dealt with in this Events of Default Section).
4. In the opinion of the Bank, acting reasonably, a Material Adverse Effect in the financial condition of any Loan Party or to the operation of any Loan Party's assets has occurred.
5. If a petition is filed, an order is made or a resolution passed, or any other proceeding is taken for the winding up, dissolution, or liquidation of any Loan Party.
6. If proceedings are taken to enforce any encumbrance on the assets of any Loan Party having a value in the aggregate greater than \$1,000,000, excepting as long as such proceedings are being contested in good faith by such Loan Party and security satisfactory to the Bank has been provided to the Bank.
7. If any Loan Party ceases or threatens to cease to carry on its business, or if proceedings are commenced for the suspension of the business of any Loan Party, or if any proceedings are commenced under the Companies Creditors Arrangements Act (Canada) or under the Bankruptcy and Insolvency Act (Canada) (including filing a proposal or notice of intention) with respect to any Loan Party, or if any Loan Party commits or threatens to commit an act of bankruptcy, or if any Loan Party becomes insolvent or bankrupt or makes an authorized assignment pursuant to the Bankruptcy and Insolvency Act (Canada), or a bankruptcy petition is filed by or presented against any Loan Party.
8. If proceedings are commenced to appoint a receiver, receiver/manager, or trustee in respect of the assets of any Loan Party by a court or pursuant to any other agreement.
9. If any Loan Party is in default under the terms of any other contracts, agreements or writings with any other creditor having liens on the property of such Loan Party and such default could reasonably be expected to result in a Material Adverse Effect.
10. If the validity, enforceability or, where applicable, priority of this Offering Letter or any of the Security is prejudiced or endangered.
11. If an event of default under any of the Security occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any of the Security occurs.
12. If any event of default under any material agreement to which a Loan Party is a party occurs and is continuing, or any other event which constitutes or which with the giving of notice or lapse of time or otherwise would constitute an event of default under any material agreement to which a Loan Party is a party occurs.
13. If the Bank in good faith believes and has commercially reasonable grounds to believe that the prospect of repayment of any Advance is or is about to be impaired or that the collateral security by the Security is or is about to be placed in jeopardy.
14. If any Material Adverse Effect occurs.

**INTEREST ON
OVERDUE AMOUNTS:**

Notwithstanding any other provision of this Offering Letter, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Bank interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 10:00 a.m. at the place of payment on the date of such payment), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Advance on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to: (i) the rate of interest then being charged on Prime Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in Canadian Dollars under such Credit Facility; and (ii) the rate of interest then being charged on Base Rate Loans under the applicable Credit Facility plus 2.00% per annum, for overdue amounts in U.S. Dollars under such Credit Facility. The Borrower hereby waives, to the fullest extent it may do so under applicable law, any provisions of applicable law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

COSTS:

All reasonable third party expenses incurred by the Bank in connection with the Credit Facilities or this Offering Letter are for the account of the Borrower including, but not limited to, legal fees (on a solicitor and own client basis) and future engineering fees.

CHANGE OF LAWS:

Notwithstanding anything contained in this letter to the contrary, in the event that:

1. changes to any existing law or regulation or the introduction of any new law or regulation, or taxes other than income taxes, including, without limitation, a sales tax on loan transactions, or in the interpretation or administration thereof; or
2. compliance by the Bank with any request from or requirement of any central bank or other fiscal or monetary authority having jurisdiction over Canadian banks general (whether or not such request has the force of law);

cause the Bank to:

- a. incur any cost as a result of having entered into and/or performed its obligations hereunder and/or as a result of obligations or options remaining outstanding hereunder including, without limitation, any reserve or special deposit requirement or any payment on or calculated by reference to the amount of the Credit Facilities hereunder; or
- b. suffer a reduction in the rate of return on that part of its overall capital (not due to the rates of tax payable on their overall profits or net income) as a result of a requirement to attribute or allocate capital to the Credit Facilities or a Credit Facility provided hereunder in respect of that part of such Credit Facilities or Credit Facility which is for the time being undrawn as a result of a change in the manner in which the Bank is required to allocate resources to its obligations hereunder,

then the Bank reserves the right to increase the charges for the Credit Facilities or such Credit Facility provided hereunder by the amount of such additional cost of liability as determined by the Bank and the Borrower agrees that it will forthwith on demand pay to the Bank amounts sufficient to reimburse the Bank against such costs or liabilities.

CURRENT ACCOUNTS:

Each Loan Party shall open and maintain its current accounts at the Calgary Branch of the Bank through which it shall conduct all of its banking activities.

Regular Bank service charges shall apply in the day-to-day operations of each Loan Party's accounts.

GENERAL:

Time is of the essence.

The terms and conditions of this Offering Letter between the Bank and each Loan Party are confidential and shall be treated accordingly.

Each Loan Party shall do all things and execute all documents deemed necessary or appropriate by the Bank for the purposes of giving full force and effect to the terms, conditions, undertakings, and security granted or to be granted hereunder.

When a conflict or inconsistency exists between the Security and this Offering Letter, this Offering Letter shall govern to the extent necessary to remove such conflict or inconsistency. Notwithstanding the foregoing, if there is any right or remedy of the Bank set out in any of the Security or any part of which is not set out or provided for in this Offering Letter, such additional right shall not constitute a conflict or inconsistency.

ACCOUNT DEBITS:

Each Loan Party hereby irrevocably authorizes the Bank to debit periodically or from time to time, any bank account it may maintain at the Bank in order to pay all or part of the amounts any Loan Party may owe to the Bank hereunder.

**PERSONAL PROPERTY
SECURITY ACT (ALBERTA)
REQUIREMENTS:**

Each Loan Party hereby waives the requirement for the Bank to provide copies of Personal Property Security Act (Alberta) (collectively with the equivalent legislation in other jurisdictions, the "PPSA") registrations, verification statements, or financing statements undertaken by the Bank.

Each Loan Party hereby agrees to provide to the Bank written notice of a change in its name or address immediately.

ASSIGNMENT:

No rights or obligations of any Loan Party hereunder and no amount of the Credit Facilities may be transferred or assigned by any Loan Party, any such transfer or assignment being null and void insofar as the Bank is concerned and rendering any balance then outstanding of the loan immediately due and payable at the option of the Bank and releasing the Bank from any and all obligations of making any further advances hereunder.

DEMAND:

Notwithstanding any of the terms of this Offering Letter, all obligations of any Loan Party hereunder are repayable to the Bank at any time upon its demand.

ADJUSTMENTS:

Notwithstanding any maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee quoted herein, the Bank shall have the right to adjust such maximum amount, Availability, Reduction Amount, Pricing Grid, interest rate, margin calculation, Applicable Margin, Standby Fee, Stamping Fee, L/C/G Fee or other fee, at the Bank's sole discretion.

NO OBLIGATION:

Upon the Bank's demand for repayment or upon the occurrence of a Default or an Event of Default, the Bank shall have no obligation or liability to make further advances under the Credit Facilities.

**ACCESS TO
INFORMATION:**

Each Loan Party hereby authorizes the Bank to use the necessary information pertaining to it which the Bank has or may have for the purpose of granting credit and insurance products (where permitted by law) and further authorize(s) the Bank to disclose such information to its affiliates and subsidiaries for this same purpose. Moreover, it hereby authorizes the Bank to obtain personal information pertaining to it from any party likely to have such information (credit or information bureau, financial institution, creditor, employer, tax authority, public entity, Persons with whom they might have business relations, and affiliates or Bank subsidiaries) in order to verify the accuracy of all information provided to the Bank and to ensure the solvency of each Loan Party at all times.

**ANTI-MONEY
LAUNDERING
LEGISLATION:**

Each Loan Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti money laundering, anti terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Bank may be required to obtain, verify and record information regarding any Loan Party, its directors, authorized signing officers, direct or indirect shareholders or other Persons in control of such Loan Party, and the transactions contemplated hereby. Each Loan Party shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Bank, or any prospective assign or participant of the Bank, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

NOTICE:

Notices to be given under this Offering Letter, the Security or any other document in respect thereto any of Loan Party or the Bank shall, except as otherwise specifically provided, be in writing addressed to the party for whom it is intended. Notices shall be given by personal delivery or transmitted by facsimile and shall be deemed to be received on the Business Day of receipt (unless such delivery or transmission is received after 1:00 p.m. Mountain Time, in which case it shall be deemed to have been received on the following Business Day) unless the law deems a particular notice to be received earlier. The address for each Loan Party shall be the addresses currently recorded on the records of the Bank for such Loan Party, or such other mailing or facsimile addresses as such Loan Party may from time to time may notify the Bank as aforesaid. The address for the Bank shall be the Calgary Branch of the Bank or such other mailing or facsimile addresses as the Bank may from time to time may notify the Borrower as aforesaid.

**AUTHORIZATION
REGARDING
INSTRUCTIONS SENT
ELECTRONICALLY:**

Each Loan Party authorizes the Bank to do all things as authorized by such Loan Party even if such authorization is sent by fax or by e-mail and the Bank may deem such authorization valid and sufficient and the aforementioned presumption of accuracy shall apply to the authorization, whether it is required for transmitting information, a debit, issuing drafts or certified cheques or for any other purpose. Moreover, the Bank will not be held liable for any fees or delays which may be caused when an instruction is sent whether due to a technical problem attributable to the systems in use at the Bank or otherwise.

PAYMENTS:

Unless otherwise indicated herein, the obligation of each Loan Party to make all payments under this Offering Letter and the Security shall be absolute and unconditional and shall not be limited or affected by any circumstance, including, without limitation:

1. Any set-off, compensation, counterclaim, recoupment, defence or other right which such Loan Party may have against the Bank of anyone else for any reason whatsoever; or
2. Any insolvency, bankruptcy, reorganization or similar proceedings by or against such Loan Party.

All payments to be made under this Offering Letter shall be made in Canadian Dollars.

All payments made under this Offering Letter shall be made on or prior to 1:00 p.m. Mountain Time on the day such payment is due. Any payment received after 1:00 p.m. Mountain Time shall be deemed to have been received on the following day. Whenever a payment is due on a day which is not a Business Day, such due day shall be extended to the next Business Day and such extension of time shall be included in the computation of any interest payable.

SET-OFF:

The Bank shall have the right to set-off and apply any funds of any Loan Party deposited with or held by the Bank from time to time, and any other indebtedness owing to any Loan Party by the Bank, against any of the amounts outstanding under this Offering Letter from time to time.

JUDGMENT CURRENCY:

If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Offering Letter it is necessary to convert into the currency of such jurisdiction (the "Judgment Currency") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which the Bank would, on the relevant day, be prepared to sell a similar amount of such currency against the Judgment Currency.

**RIGHTS AND REMEDIES
CUMULATIVE:**

The rights, remedies and powers of the Bank under this Offering Letter, the Security, at law and inequity are cumulative and not alternative and are not in substitution for any other remedies, rights or powers of the Bank, and no delay or omission in exercise of any such right, remedy or power shall exhaust such rights, remedies and powers to be construed as a waiver of any of them.

**WAIVERS AND
AMENDMENTS:**

No term, provision or condition of this Offering Letter or any of the Security, nor the Offering Letter or any of the Security, may be waived, varied or amended unless in writing and signed by a duly authorized officer of the Bank.

**INTEREST ACT
(CANADA):**

Any interest rate set forth in this Offering Letter based on a period less than a year expressed as an annual rate for the purposes of the Interest Act (Canada) is equivalent to such interest rate multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period upon which it was based. The Borrower hereby waives, to the fullest extent it may do so under law, any provisions of law, including specifically the Interest Act (Canada) or the Judgment Interest Act (Alberta), which may be inconsistent with this Offering Letter.

**GENERALLY ACCEPTED
ACCOUNTING
PRINCIPLES:**

All financial statements required to be furnished by the Borrower to the Lender hereunder shall be prepared in accordance with GAAP. Each accounting term used in this Offering Letter, unless otherwise defined herein, has the meaning assigned to it under GAAP and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with GAAP.

GOVERNING LAW:

This Offering Letter shall be construed and governed in accordance with the laws of the Province of Alberta. Each Loan Party irrevocably and unconditionally attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and all courts competent to hear appeals therefrom.

**OFFERING LETTER
LAPSING DATE:**

Unless all Conditions Precedent have been met prior to February 26, 2010 the Bank's commitment to fund shall, at the Bank's option, expire. Notwithstanding any such expiration, all fees paid to the Bank hereunder shall be considered earned by the Bank.

REVIEW:

Without detracting from the demand nature of the Credit Facilities, the Credit Facilities are subject to periodic review by the Bank periodically in its sole discretion (each such review is referred to in this Offering Letter as a "Review"). The next Review is scheduled on or before April 30, 2010, but may be set at an earlier or later date at the sole discretion of the Bank.

EXPIRY DATE:

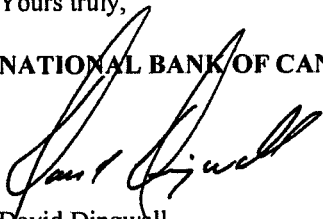
This Offering Letter is open for acceptance until February 17, 2010 (as may be extended from time to time as follows, the "Expiry Date") at which time it shall expire unless extended by mutual consent in writing. We reserve the right to cancel our offer at any time prior to acceptance.

If the foregoing terms and conditions are acceptable, please sign two copies of this Offering Letter and return one copy to the Bank by the Expiry Date. This Offering Letter may be executed in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same agreement. The delivery of a facsimile or other electronic copy of an executed counterpart of this Offering Letter shall be deemed to be valid execution and delivery of this Offering Letter, but the party delivering a facsimile or other electronic copy shall deliver an original copy of this Offering Letter as soon as possible after delivering the facsimile or other electronic copy.

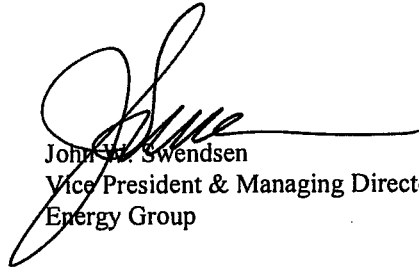
National Bank of Canada appreciates the opportunity of providing this Offering Letter to Triton Energy Corp. We look forward to a continuing and mutually beneficial relationship.

Yours truly,

NATIONAL BANK OF CANADA



David Dingwall
Senior Manager
Energy Group

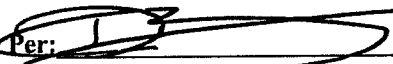
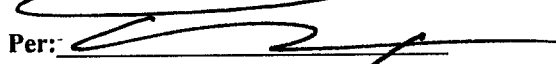


John M. Swendsen
Vice President & Managing Director
Energy Group

Enclosure
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AGREED AND ACCEPTED this 16 day of February, 2010.

TRITON ENERGY CORP.

Per: 
Per: 

~~WALDRON ENERGY CORPORATION, as Guarantor~~

Per: _____
Per: _____



APPENDIX A

<u>CREDIT:</u>	Energy Group National Bank of Canada 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Senior Manager: Telephone: Facsimile: E-mail:	Mr. David Dingwall (403) 294-4983 (403) 294-3078 david.dingwall@nbcenergy.com
<u>ADMINISTRATION:</u>	BA Administration; Current Account Documents; L/C/Gs; MasterCard; Loan / Account Balances; Canadian Money Orders; / Bank Drafts; Bank Confirmations; General	Account Representative: Telephone: Facsimile: E-mail:	Ms. Gerry McLean (403) 294-4922 (403) 294-3078 gerry.mclean@nbcenergy.com
<u>BRANCH:</u>	Calgary Branch National Bank of Canada 301 – 6 Avenue SW Calgary, AB T2P 4M9	Telephone: Facsimile:	(403) 294-4900 (403) 294-4965
<u>INTERNET/ TELEPHONE BANKING</u>	Order Cheques, Loan/Account Balances; Traces; Stop Payments, List of Current Account Transactions; Pay Bills; Transfer Between Accounts; Foreign Currency Money Orders/Bank Drafts; Obtain Exchange Rates; Investment Information	Website: Telephone:	www.nbc.ca (888) 483-5628
<u>OTHER:</u>	Global Cash Management 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Manager: Telephone: Facsimile: E-mail:	Ms. Kathy Holland (403) 294-4948 (403) 294-4993 kholland@nbc.ca
	Treasury & Financial Markets National Bank of Canada 1155 Metcalfe Street, 1 st Floor Montreal, QC H3B 5G2	Telephone: Facsimile:	(514) 238-0164 (800) 238-0164 (514) 514-394-4095
	Treasury & Financial Markets National Bank of Canada 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Director – Foreign Exchange Telephone: Facsimile: E-mail:	Mr. George Androulidakis (403) 440-1126 (403) 294-4993 george.androulidakis@tres.bnc.ca
	Global Risk Management Energy Client Coverage 530 – 8 Avenue SW, Suite 2700 Calgary, AB T2P 3S8	Telephone: Facsimile: E-mail:	(403) 294-4935 (403) 294-4993 energy@nbcenergy.com

APPENDIX B

COMPLIANCE CERTIFICATE

To: National Bank of Canada
530 – 8th Ave SW, Suite 2700
Calgary, AB

I _____, of the City of _____, in the Province of _____, hereby certify as at the date of this Certificate as follows:

1. I am the _____ of _____ (the "Borrower") and I am authorized to provide this Certificate to you for and on behalf of the Borrower;
2. This Certificate applies to the fiscal quarter ended _____, _____;
3. I am familiar with and have examined the provisions of the Offering Letter dated _____, _____ between the Borrower and National Bank of Canada and I have made such investigations of corporate records and inquiries of other officers and senior personnel of each Loan Party as I have deemed reasonably necessary for purposes of the Certificate;
4. The representations and warranties set forth in the Offering Letter are in all material respects true and correct on the date hereof;
5. No Default or Event of Default has occurred and is continuing of which we are aware;
6. As required, I have calculated the Adjusted Working Capital Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
7. As required, I have calculated the Net Debt to Cash Flow Ratio for the fiscal quarter ended as follows:
_____ : 1.00; and
8. All relevant calculations and financial statements are attached.

Except where the context otherwise requires, all capitalized terms used herein have the same meanings as given thereto in the Offering Letter.

This Certificate is given by the undersigned officer in their capacity as an officer of the Borrower without any personal liability on the part of such officer.

Executed at the City of _____, in the Province of _____ this _____ day of _____, 20__.

Yours truly,

TRITON ENERGY CORP.

Per: _____
Name:
Title:

TRITON ENERGY CORP.
COMPLIANCE CERTIFICATE

Calculation of Adjusted Working Capital Ratio

Current Assets

Current assets	\$	
Less: Unrealized Hedging Gains	()
Add: Undrawn Availability under Credit Facility A		
	<u>\$</u>	<u>(A)</u>

Current Liabilities

Current liabilities	\$	
Less: Unrealized Hedging Losses	()
Less: Current Portion of Bank Debt	()
	<u>\$</u>	<u>(B)</u>

Adjusted Working Capital Ratio calculated as follows:

$$\frac{A}{B} =$$

Calculation of Net Debt to Cash Flow Ratio

Net Debt

Debt	\$	
+ Working Capital Deficit (any positive working capital deducted)	\$	
Net Debt	<u>\$</u>	<u></u>

Quarterly Cash Flow

Net earnings for the fiscal quarter ending	\$	
+ Depletion, depreciation, accretion, and amortization	\$	
+ Future income taxes		
+ Other charges to operations not requiring a current cash payment	\$	
- Non-cash income	\$	
- Unrealized mark to market gains	\$	
- Capital Lease payments	\$	
- Abandonment costs paid in cash	\$	
- Extraordinary or nonrecurring earnings, gains, and losses	\$	
+/- Such other amounts as reasonably requested by the Bank.	\$	
Quarterly Cash Flow	<u>\$</u>	<u></u>

Quarterly Cash Flow (annualized) \$ _____ x 4 = \$ _____

Net Debt to Cash Flow Ratio calculated as follows:

$$\frac{\text{Net Debt}}{\text{Annualized Cash Flow}} =$$

APPENDIX C

DEFINITIONS

In the Offering Letter, including all Appendices to the Offering Letter, and in all notices given pursuant to the Offering Letter, unless something in the subject matter or context is inconsistent therewith, capitalized words and phrases shall have the meanings given to them in the Offering Letter in their proper context, and capitalized words and phrases not otherwise defined in the Offering Letter shall have the following meanings:

"Adjusted Working Capital Ratio" means the ratio of (i) Current Assets plus undrawn Availability under Credit Facility A to (ii) Current Liabilities.

"Advance" means an advance of funds made by the Bank under a Credit Facility to the Borrower, or if the context so requires, an advance of funds under one or more of the Credit Facilities or under one or more of the availability options of one or more of the Credit Facilities, and any reference relating to the amount of Advances shall mean the sum of the principal amount of all outstanding Prime Rate Loans and Base Rate Loans, plus the Face Amount of all outstanding BAs and the stated amount of all L/C/Gs as applicable.

"Appendix" means an appendix to the Offering Letter.

"Applicable Margin" means, at any time, a margin, expressed as a rate per annum based on a 365 or 366 day period, as the case may be, for Prime Rate Loans, Base Rate Loans and payment of Standby Fees and L/C/G Fees, or based on a 365 day period in the case of Stamping Fees, and in any case payable to the Bank, as set out in the Pricing Grid for Facility A under the then Net Debt to Cash Flow Ratio applicable to the type of Advance.

"Availability" has the meaning ascribed to such term under the section heading "Availability", with respect to the applicable Credit Facility.

"bps" means one one-hundredth of one percent.

"Business Day" means a day on which banks are open for business in Calgary, Alberta, Montreal, Quebec and Toronto, Ontario; but does not, in any event, include a Saturday or Sunday.

"Calgary Branch of the Bank" means the branch of the Bank at 301 – 6 Avenue SW, Calgary, AB T2P 4M9, fax (403) 294-4951, or such other address as the Bank may notify the Borrower from time to time.

"Canadian Dollars", "Cdn Dollars", "Cdn\$", "CAD" and "\$" mean the lawful money of Canada.

"Capital Lease" means, with respect to any Person, any lease or other arrangement relating to real or personal property which should, in accordance with GAAP, be accounted for as a capital lease on a balance sheet of such Person but excluding any lease that would in accordance with GAAP be determined to be an operating lease.

"Cash Flow" means, at any time, the annualized cash flow of the Borrower on a consolidated basis for the most recent fiscal quarter as determined from its quarterly financial statements for that fiscal quarter, which for certainty means an annualized aggregate amount expressed in Canadian Dollars of the sum, without duplication, of its:

- (a) net earnings (but excluding from the determination of net earnings, non-cash income, unrealized mark to market gains, Capital Lease payments, any abandonment costs paid in cash, cash taxes and any extraordinary or nonrecurring earnings, gains, and losses);
- (b) depletion, depreciation, accretion and amortization;
- (c) future income taxes; and
- (d) other charges to operations not requiring a current cash payment,

it being acknowledged that such annualized cash flow shall be adjusted for such other amounts as reasonably requested by the Bank during such fiscal quarter.

"Change of Control" means the occurrence of any of the following events, with respect to any Loan Party:

- (a) any Person or Persons acting jointly or in concert (within the meaning of the Securities Act (Alberta)), shall beneficially, directly or indirectly, hold or exercise control or direction over and/or has the right to acquire or control or exercise direction over (whether such right is exercisable immediately or only after the passage of time) more than 20% of the issued and outstanding Voting Shares of such Loan Party; or
- (b) during any period of two consecutive years, individuals who at the beginning of such period constitute the board of directors of such Loan Party cease, for any reason, to constitute at least a majority of the board of directors of such Loan Party unless the election or nomination for election of each new director was approved by a vote of at least two-thirds of the directors then still in office who were directors at the beginning of the period (the "Incumbent Directors") and in particular, any new director who assumes office in connection with or as a result of any actual or threatened proxy or other election contest of the board of directors of the Borrower shall never be an Incumbent Director; or
- (c) such Loan Party ceases to own, control or direct 100% of the Voting Shares of a subsidiary.

"Compliance Certificate" means a certificate of an officer of the Borrower signed on its behalf by the president, chief executive officer, chief operating officer, chief financial officer or any vice president of the Borrower, substantially in the form annexed hereto as Appendix B, to be given to the Bank by the Borrower from time to time pursuant to the Offering Letter.

"Credit Facilities" means the credit facility(ies) (and the risk management facility) to be made available to the Borrower by the Bank in accordance with the provisions of the Offering Letter.

"Current Assets" means, as at any date of determination, the current assets of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding the impact of any Unrealized Hedging Gains.

"Current Liabilities" means, as at any date of determination, the current liabilities of the Borrower on a consolidated basis for such date as determined in accordance with generally accepted accounting principles but excluding: (i) Current Portion of Bank Debt; and (ii) the impact of any Unrealized Hedging Losses.

"Current Portion of Bank Debt" means any current liabilities under the Credit Facilities other than those that arise due to total advances under a Credit Facility exceeding the maximum amount of such Credit Facility, whether by reduction of maximum amount, fluctuations in exchange rates, reduction in any Reduction Amount, or due to mandatory repayments, or due to the occurrence of a Default or an Event of Default, or due to the Bank's demand for repayment.

"Debt" means, as at any date of determination, all obligations, liabilities and indebtedness of the Borrower which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of the Borrower for such date as indebtedness for borrowed money and, without limiting the generality of the foregoing, whether or not so classified, shall include (without duplication):

- (a) obligations under BAs;
- (b) issued and drawn L/C/Gs;
- (c) obligations under guarantees, indemnities, or such other agreements providing financial assistance;
- (d) Capital Leases or sales/lease-backs;
- (e) obligations under deferred purchase price agreements;
- (f) deferred revenues relating to third party obligations;
- (g) the redemption amount of any capital where the holder of such capital has the option to require the redemption of such capital for cash or property and payment of the redemption amounts;

- (h) any distributions declared but not yet paid; and
- (i) all mark to market losses under any Financial Instruments that are due and owing.

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

"Face Amount" means (i) in respect of a BA, the amount payable to the holder thereof on its maturity, and (ii) in respect of a L/C/G, the maximum amount payable to the beneficiary specified therein or any other Person to whom payments may be required to be made pursuant to such L/C/G.

"Federal Funds Effective Rate" means, on any day, the rate of interest per annum for that day set forth in the weekly statistical release designated as H.15(519), or any successor publication, published by the Federal Reserve Board (the "H.15(519)") opposite the caption "Federal Funds (Effective)" and, if on any day such rate is not yet published in H. 15(519), the rate for such day will be the rate set forth in the Composite 3:30 p.m. Quotations for US Government Securities, or any successor publication, for such day published by the Federal Reserve Board (the "Composite 3:30 p.m. Quotations") under the caption "Federal Funds Effective Rate"; provided that if such rate is not yet published in either H.15(519) or the Composite 3:30 p.m. Quotations, such rate will be the average of the interest rates per annum quoted for such day on overnight Federal funds (such words to have the meaning generally given to them by money market brokers of recognized standing doing business in the United States of America) transactions received by the Bank from three Federal funds brokers of recognized standing selected by the Bank;

"Financial Instrument" means any currency swap agreement, cross-currency agreement, interest swap agreement, agreement for the making or taking of delivery of any commodity, commodity swap agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar risk management agreement or arrangement, or any combination thereof, to be entered into by the Borrower where (i) the subject matter of the same is interest rates or the price, value or amount payable thereunder is dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt) (ii) the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time, or (iii) the subject matter of the same is any commodity or the price, value or amount payable thereunder is dependent or based upon the price of any commodity or fluctuations in the price of any commodity.

"Generally Accepted Accounting Principles" or **"GAAP"** means generally accepted accounting principles consistently applied which are in effect from time to time in Canada, as published in the Handbook of the Canadian Institute of Chartered Accountants.

"ISDA Master Agreement" means an International Swap and Derivatives Association, Inc. Master Agreement (Multi Currency - Cross-Border) as from time to time amended, restated or replaced by the International Swap and Derivatives Association, Inc., including the schedule thereto and any confirmation thereunder as entered into by the Borrower with any counterparty thereto.

"Material Adverse Effect" means a material adverse effect on:

- (a) the business, financial condition, operations, assets or capitalization of the Borrower on a consolidated basis and taken as a whole;
- (b) the ability of any Loan Party to pay or perform the obligations under this Offering Letter or the ability of any Loan Party to pay or perform any of its obligations or contingent obligations under any Security or any underlying agreements or document delivered pursuant to this Offering Letter or the Security;
- (c) the ability of any Loan Party to perform its obligations under any material contract, if it would also have a material adverse effect on the ability of such Loan Party to pay or perform its obligations under this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security;

- (d) the validity or enforceability of this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security; and
- (e) the priority ranking of any security interests granted by this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security, or the rights or remedies intended or purported to be granted to the Bank under or pursuant to this Offering Letter, the Security, or any underlying agreements or documents delivered pursuant to this Offering Letter or the Security.

"**Net Debt**" means at any time, on a consolidated basis, the aggregate amount (without duplication) expressed in Canadian Dollars of (a) Working Capital Deficit plus (b) Debt.

"**Net Debt to Cash Flow Ratio**" means at any time, the ratio of (i) Net Debt to (ii) Cash Flow.

"**Offering Letter**" means the offering letter to which this appendix is appended, and any appendices thereto, as amended, supplemented, modified, restated or replaced from time to time.

"**Permitted Contest**" means action taken by a Loan Party in good faith by the appropriate proceedings diligently pursued to contest a tax, claim or security interest, provided that:

- (a) such Loan Party has established reasonable reserves therefor in accordance with GAAP;
- (b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and
- (c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of the property, assets or undertaking of any Loan Party.

"**Permitted Encumbrance**" means at any particular time any of the following encumbrances on the property or any part of the property of any Loan Party:

- (a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (b) liens under or pursuant to any judgment rendered, or claim filed, against a Loan Party, which such Loan Party shall be contesting at the time by a Permitted Contest;
- (c) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against any Loan Party or which relate to obligations not due or delinquent, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (d) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other Persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of any Loan Party;
- (e) security given by any Loan Party to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of such Loan Party, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of any Loan Party;

- (f) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;
- (g) security interests in favour of the Bank securing the obligations of any Loan Party under the Offering Letter or the Security;
- (h) the Security;
- (i) liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests, related production or processing facilities in which such Person has an interest or the transmission of petroleum or natural gas as security in favour of any other Person conducting the exploration, development, operation or transmission of the property to which such liens relate, for any Loan Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided that such costs or expenses are not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (j) liens for penalties arising under non-participation or independent operations provisions of operating or similar agreements in respect of any Loan Party's petroleum or natural gas interests, provided that such liens do not materially detract from the value of any material part of the property of any Loan Party;
- (k) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the petroleum or natural gas interests of any Loan Party;
- (l) any encumbrance or agreement entered into in the ordinary course of business relating to pooling or a plan of unitization affecting the property of any Loan Party, or any part thereof;
- (m) the right reserved or vested in any municipality or governmental or other public authority by the terms of any petroleum or natural gas leases or similar agreements in which any Loan Party has any interest or by any statutory provision to terminate petroleum or natural gas leases or similar agreements in which any Loan Party has any interest, or to require annual or other periodic payments as a condition of the continuance thereof;
- (n) obligations of any Loan Party to deliver petroleum, natural gas, chemicals, minerals or other products to buyers thereof in the ordinary course of business; and
- (o) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under petroleum or natural gas leases or similar agreements in which any Loan Party has any interest.

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

"Prime Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in Canadian Dollars made by the Bank in Canada; and
- (b) the average annual rate (rounded upwards, if necessary, to 0.01%) as determined by the Bank as being the average of the "BA 1 month" CDOR Rate applicable to bankers' acceptances in Canadian Dollars displayed and identified as such on the "Reuters Screen CDOR Page" (as defined in the International Swap and Derivatives Association, Inc. definitions, as modified and amended from time to time) plus 1.00%; provided that if such rates do not appear on the Reuters Screen CDOR Page as contemplated, then the CDOR Rate on any day shall be calculated as the arithmetic average of the 30-day discount rates applicable to bankers'

acceptances in Canadian Dollars quoted by three major Canadian Schedule I chartered banks chosen by the Bank as of approximately 10:00 a.m. on such day, or if such day is not a Business Day, then on the immediately preceding Business Day.

"Retractable Preferred Shares" means preferred shares of the Borrower which are retractable at the option of the holder.

"Stamping Fee" means, at any time, a margin, expressed as a rate per annum based on a 365 day period, charged by the Bank for accepting and stamping BAs.

"Unrealized Hedging Gains" means mark to market unrealized gains in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"Unrealized Hedging Losses" means mark to market unrealized losses in respect of Financial Instruments or other risk management products recorded in accordance with generally accepted accounting principles.

"U.S. Base Rate" means the rate of interest per annum, based on a 365 or 366 day period, as the case may be, in effect from time to time that is equal to the greater of:

- (a) the rate of interest publicly announced by the Bank from time to time as being its reference rate then in effect for determining interest rates for commercial loans in U.S.\$ made by the Bank in Canada; and
- (b) the Federal Funds Effective Rate in effect from time to time multiplied by 365/366, plus a margin on one half (1/2) of one (1) percent (0.50%).

"U.S. Dollar" and the symbol **"U.S.\$"** each means lawful money of the United States of America in same day immediately available funds and, if such funds are not available, the form of money of the United States of America that is customarily used in the settlement of international banking transactions on the day payment is due.

"Voting Shares" means:

- (a) in respect of a corporation or limited liability company, shares of any class or equity ownership interests of such entity:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;

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

- (b) in respect of a trust, trust units of the trust:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and be continuing;
- (c) in respect of a partnership, the partnership interests or partnership units:
 - (i) carrying voting rights in all circumstances; or
 - (ii) which carry the right to vote conditional on the happening of an event if such event shall have occurred and is continuing.

"Working Capital Deficit" means Current Liabilities minus Current Assets.

TAB B

This is **Exhibit "B"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

SECOND LOAN AMENDING AND EXTENSION AGREEMENT

THIS AGREEMENT effective as of the 7 day of March, 2014.

BETWEEN:

NATIONAL BANK OF CANADA (the "Lender")

-and-

WALDRON ENERGY CORPORATION ("Waldron")

WHEREAS Waldron is, as at February 13, 2014 indebted to the Lender, in the approximate sum of \$29,395,276.00, exclusive of all fees and interest (including, but not limited to, outstanding and accrued professional fees), which fees and interest shall be added thereto (collectively, the "Debt");

AND WHEREAS the Lender holds certain valid security for the Debt upon the assets of Waldron, including a General Security Agreement, certain Fixed and Floating Charge Debentures, a Pledge Agreement and a General Assignment of Book Debts (collectively with any other security the "Security");

AND WHEREAS Waldron has experienced and continues to experience financial challenges;

AND WHEREAS Waldron has previously requested the indulgence and patience of the Lender to allow Waldron an opportunity to cure all loan defaults to the Lender and to enter into various agreements with other third parties;

AND WHEREAS Waldron has, in particular, requested the Lender to amend the terms of the offer of financing dated March 28, 2013 as amended August 8, 2013, October 8, 2013 and November 13, 2013 (as may be further amended from time to time, the "Offer of Financing") and to provide an extension of the Offer of Financing, subject to the terms and conditions contained herein;

AND WHEREAS on December 27, 2013 the Lender provided Waldron a reservation of rights letter confirming Waldron's intention to conclude certain transactions to repay the Debt to the Lender by January 31, 2014; and

AND WHEREAS the Parties entered into a Loan Amending and Extension Agreement dated February 19, 2014 (the "Loan Extension");

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained in this Second Loan Amending and Extension Agreement (the "Agreement") and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, THE PARTIES HERETO COVENANT AND AGREE AS FOLLOWS:

ARTICLE I
ACKNOWLEDGEMENTS

- 1.1 Waldron acknowledges and agrees that the recitals to this Agreement are true and accurate.
- 1.2 The maximum loan authorization for Credit Facility "A" is immediately and permanently further reduced from a Maximum Amount of \$30,000,000.00 to a Maximum Amount of \$27,000,000.00.

ARTICLE II
MISCELLANEOUS

AMENDMENT

- 2.1 This Agreement may only be amended by further written agreement executed and delivered by all parties hereto. No termination or waiver of any provision of this Agreement is effective unless made in writing and signed by the appropriate parties hereto, and then only in the specific terms provided for therein.

INVALID IN PART

- 2.2 If any one or more of the provisions of this Agreement, or any application of a provision of this Agreement, is void, invalid or unenforceable in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction, and the validity, legality and enforceability of the remaining provisions of this Agreement or any application of the provisions of this Agreement, shall remain intact and not in any way affected or impaired thereby.

RELEASE

- 2.3 In consideration for entering into this Agreement and other consideration, the receipt and sufficiency of which is hereby acknowledged, Waldron does for itself and its agents, successors and

assigns, hereby release the Lender and its directors, officers, employees, agents and assigns from any and all actions, causes of action, claims, damages and demands, of every nature and kind whatsoever in relation to the Offer of Financing or otherwise arising from any action or matter or otherwise existing as at the date of this Agreement.

HEADINGS NOT PART OF AGREEMENT

2.4 The headings to the provisions of this Agreement are inserted solely for the convenience of reference, and are not intended to affect the interpretation of the provisions hereof.

BINDING

2.5 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

TIME OF THE ESSENCE

2.6 Time shall be of the essence in this Agreement.

EXECUTION

2.7 This Agreement and any agreement or document to be delivered hereunder may be executed by any party hereto by the signing of a counterpart hereof or thereof, as the case may be, each of which counterpart so executed shall be deemed to be an original, and such counterparts together shall constitute a single instrument. Faxed or electronic copies of such counterparts shall have the same force and effect as the original copies hereof or thereof, as the case may be.

LAWS OF ALBERTA

2.8 This Agreement is and shall be governed by, and construed in accordance with, the laws of the Province of Alberta, and the parties hereto hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

APPLICATION

2.9 The singular of any plural and vice versa, and the use any term is generally applicable to any gender and, where applicable, a corporation. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity.

LEGAL ADVICE

2.10 Waldron does hereby confirm that it has retained, consulted and had the benefit of independent legal advice.

LENDER'S COSTS

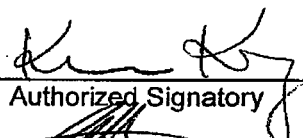
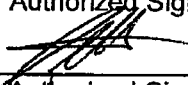
2.11 Notwithstanding any other provision of this Agreement, Waldron does hereby agree to pay to the Lender any fees of the Consultant and any reasonable solicitor and client costs incurred in the preparation of this Agreement or reviewing the security documents held by the Lender in respect of the Debt, or any portion thereof, and all other legal and other professional fees incurred by the Lender relating to the Waldron loan account and/or banking relationship. These fees may be recovered by the Lender by withdrawal from the Waldron accounts with the Lender and are hereby agreed by Waldron to form part of the Debt.

LENDER'S APPROVAL

2.12 The terms of this Agreement are not binding upon the Lender until approved by the Lender's Credit Committee and the Lender has provided an executed copy of this Agreement to Waldron.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be signed and delivered as of the date first above written.

NATIONAL BANK OF CANADA

By: 
Authorized Signatory
By: 
Authorized Signatory

WALDRON ENERGY CORPORATION

By: _____
Authorized Signatory
By: _____
Authorized Signatory

2.10 Waldron does hereby confirm that it has retained, consulted and had the benefit of independent legal advice.

LENDER'S COSTS

2.11 Notwithstanding any other provision of this Agreement, Waldron does hereby agree to pay to the Lender any fees of the Consultant and any reasonable solicitor and client costs incurred in the preparation of this Agreement or reviewing the security documents held by the Lender in respect of the Debt, or any portion thereof, and all other legal and other professional fees incurred by the Lender relating to the Waldron loan account and/or banking relationship. These fees may be recovered by the Lender by withdrawal from the Waldron accounts with the Lender and are hereby agreed by Waldron to form part of the Debt.

LENDER'S APPROVAL

2.12 The terms of this Agreement are not binding upon the Lender until approved by the Lender's Credit Committee and the Lender has provided an executed copy of this Agreement to Waldron.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be signed and delivered as of the date first above written.

NATIONAL BANK OF CANADA

By: _____
Authorized Signatory

By: _____
Authorized Signatory

WALDRON ENERGY CORPORATION

By: _____
Authorized Signatory

By: _____
Authorized Signatory

THIRD LOAN AMENDING AND EXTENSION AGREEMENT

THIS AGREEMENT effective as of the 18th day of March, 2014.

BETWEEN:

NATIONAL BANK OF CANADA (the "Lender")

-and-

WALDRON ENERGY CORPORATION ("Waldron")

WHEREAS Waldron was, as at March 7, 2014 indebted to the Lender, in the approximate sums as set out in Section 1.2 herein, exclusive of all fees and interest (including, but not limited to, outstanding and accrued professional fees), which fees and interest shall be added thereto (collectively, the "Debt");

AND WHEREAS the Lender holds certain valid security for the Debt upon the assets of Waldron, including a General Security Agreement, certain Fixed and Floating Charge Debentures, a Pledge Agreement and a General Assignment of Book Debts (collectively with any other security the "Security");

AND WHEREAS Waldron has requested the Lender to amend the terms of the offer of financing dated March 28, 2013 as amended August 8, 2013, October 8, 2013 and November 13, 2013 (as may be further amended from time to time, the "Offer of Financing") and to provide an extension of the Offer of Financing and to further amend the Loan Extension Agreements (as defined herein), all subject to the terms and conditions contained herein;

AND WHEREAS the Parties entered into a Loan Amending and Extension Agreement dated February 19, 2014 (the "Loan Extension") as amended by a Second Loan Amending and Extension Agreement dated March 7, 2014 (the "Second Loan Extension") (collectively the "Loan Extension Agreements");

AND WHEREAS Waldron has entered into a Subordinated Credit Agreement with Toscana Capital Corporation ("Toscana") to comply with its Recapitalization Plan covenants under the First Loan Extension Agreements;

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained in this Third Loan Amending and Extension Agreement (the "Agreement") and other good and valuable

consideration, the receipt and sufficiency of which hereby is acknowledged, THE PARTIES HERETO COVENANT AND AGREE AS FOLLOWS:

ARTICLE I

ACKNOWLEDGEMENTS

- 1.1 Waldron acknowledges and agrees that the recitals to this Agreement are true and accurate.
- 1.2 As at March 7, 2014, the Debt owing to the Lender includes the following:
- (a) Revolving Operating Demand Loan (the "Credit Facility A") - \$19,950,000.00, plus accrued and unpaid interest and outstanding professional fees and disbursements;
 - (b) Acquisition/Development Demand Loan (the "Credit Facility B") - Cancelled on March 28, 2013;
 - (c) MasterCard Facility (the "Credit Facility C") - \$8,579.00;
 - (d) Risk Management Facility (the "Risk Management Facility") - \$1,531,606.35.
- 1.3 Except as amended herein, the terms of Offer of Financing and the Loan Extension Agreements continue as between the parties.
- 1.4 The Security remains valid and enforceable.

ARTICLE II

LENDER'S RIGHTS

- 2.1 It will be an additional event of default if Waldron defaults under this Agreement.

ARTICLE III

WALDRON'S COVENANTS

- 3.1 Section 3.1 of the Loan Extension Agreements is hereby amended by removing the words "including efforts to implement cost reduction initiatives".
- 3.2 The following provisions of the Loan Extension Agreements are hereby deleted and waived effective immediately: Sections 2.2(j), (k), 3.1(e), (f), (g), (h) and 4.8.

3.3 Waldron's retainer of the Consultant is hereby terminated and Waldron shall forthwith pay any outstanding Consultant Fees when such fees become due and payable.

3.4 Waldron shall continue to maintain an Adjusted Working Capital Ratio greater than 1.00:1.00 at all times, tested quarterly.

ARTICLE IV

4.1 Waldron shall pay the Lender a further Third Loan Amending and Extension Fee in the sum of \$15,000.00 which fee is earned and payable immediately by way of an automatic withdrawal from Waldron's accounts.

ARTICLE V MISCELLANEOUS

5.1 This Agreement may only be amended by further written agreement executed and delivered by all parties hereto. No termination or waiver of any provision of this Agreement is effective unless made in writing and signed by the appropriate parties hereto, and then only in the specific terms provided for therein.

INVALID IN PART

5.2 If any one or more of the provisions of this Agreement, or any application of a provision of this Agreement, is void, invalid or unenforceable in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction, and the validity, legality and enforceability of the remaining provisions of this Agreement or any application of the provisions of this Agreement, shall remain intact and not in any way affected or impaired thereby.

RELEASE

5.3 In consideration for entering into this Agreement and other consideration, the receipt and sufficiency of which is hereby acknowledged, Waldron does for itself and its agents, successors and assigns, hereby release the Lender and its directors, officers, employees, agents and assigns from any and all actions, causes of action, claims, damages and demands, of every nature and kind whatsoever in relation to the Offer of Financing or otherwise arising from any action or matter or otherwise existing as at the date of this Agreement.

HEADINGS NOT PART OF AGREEMENT

5.4 The headings to the provisions of this Agreement are inserted solely for the convenience of reference, and are not intended to affect the interpretation of the provisions hereof.

BINDING

5.5 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

TIME OF THE ESSENCE

5.6 Time shall be of the essence in this Agreement.

EXECUTION

5.7 This Agreement and any agreement or document to be delivered hereunder may be executed by any party hereto by the signing of a counterpart hereof or thereof, as the case may be, each of which counterpart so executed shall be deemed to be an original, and such counterparts together shall constitute a single instrument. Faxed or electronic copies of such counterparts shall have the same force and effect as the original copies hereof or thereof, as the case may be.

LAWS OF ALBERTA

5.8 This Agreement is and shall be governed by, and construed in accordance with, the laws of the Province of Alberta, and the parties hereto hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

APPLICATION

5.9 The singular of any plural and vice versa, and the use any term is generally applicable to any gender and, where applicable, a corporation. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity.

LEGAL ADVICE

5.10 Waldron does hereby confirm that it has retained, consulted and had the benefit of independent legal advice.

LENDER'S COSTS


5.11 Notwithstanding any other provision of this Agreement, Waldron does hereby agree to pay to the Lender any fees of the Consultant when such fees become due and payable and any reasonable solicitor and client costs incurred in the preparation of this Agreement or reviewing the security documents held by the Lender in respect of the Debt, or any portion thereof, and all other legal and other professional fees incurred by the Lender relating to the Waldron loan account and/or banking relationship. These fees may be recovered by the Lender by withdrawal from the Waldron accounts with the Lender and are hereby agreed by Waldron to form part of the Debt.

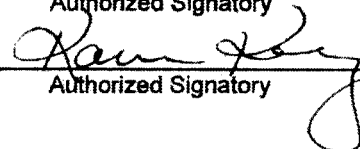
LENDER'S APPROVAL

5.12 The terms of this Agreement are not binding upon the Lender until approved by the Lender's Credit Committee and the Lender has provided an executed copy of this Agreement to Waldron.

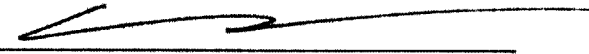
IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be signed and delivered as of the date first above written.

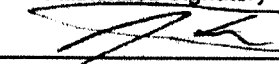
NATIONAL BANK OF CANADA

By: 
Authorized Signatory

By: 
Authorized Signatory

WALDRON ENERGY CORPORATION

By: 
Authorized Signatory

By: 
Authorized Signatory

FOURTH LOAN AMENDING AND EXTENSION AGREEMENT

THIS AGREEMENT effective as of the 16th day of June, 2014.

BETWEEN:

NATIONAL BANK OF CANADA (the "Lender")

-and-

WALDRON ENERGY CORPORATION ("Waldron", and collectively with the Lender, the "Parties")

WHEREAS Waldron is, as at June 13, 2014 indebted to the Lender, in the approximate sum of \$24,772,725 exclusive of all fees and interest (including, but not limited to, outstanding and accrued professional fees), which fees and interest shall be added thereto (collectively, the "Debt");

AND WHEREAS the Lender holds certain valid security for the Debt upon the assets of Waldron, including a general security agreement, a fixed and floating charge debenture, a pledge agreement and a general assignment of book debts (collectively with any other security, the "Security");

AND WHEREAS Waldron has requested the Lender to amend the terms of the offer of financing dated March 28, 2013 as amended August 8, 2013, October 8, 2013 and November 13, 2013 (as may be further amended from time to time, the "Offer of Financing") and to provide an extension of the Offer of Financing, subject to the terms and conditions contained in the Loan Extension Agreements (defined below) and herein;

AND WHEREAS the Parties entered into a Loan Amending and Extension Agreement dated February 19, 2014, a Second Loan Amending and Extension Agreement dated March 7, 2014 and a Third Loan Amending and Extension Agreement dated March 18, 2014, each amending the Offer of Financing as set forth therein (collectively, the "Loan Extension Agreements");

AND WHEREAS, pursuant to an Agreement of Purchase and Sale dated June 9, 2014 between Waldron and Maple Leaf 2013 Oil & Gas Income Limited Partnership ("Maple Leaf"), Waldron agreed to grant Maple Leaf a royalty as further described therein and in a Royalty Agreement between the parties thereto with an effective date of June 10, 2014 (the "Maple Leaf Transaction"), which transaction is expected to close on or about June 18, 2014;

AND WHEREAS, pursuant to an Offer to Sell dated May 1, 2014 between Waldron and Resourceful Petroleum Canada Limited ("Resourceful"), Waldron proposed to sell certain assets to

Resourceful as contemplated therein (the "Resourceful Transaction"), which transaction is expected to close on or about June 18, 2014;

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained in this Fourth Loan Amending and Extension Agreement (the "Agreement") and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, THE PARTIES COVENANT AND AGREE AS FOLLOWS:

ARTICLE I
ACKNOWLEDGEMENTS

1.1 Waldron acknowledges and agrees that:

- (a) the recitals to this Agreement are true and accurate;
- (b) the Security is and remains valid and enforceable; and
- (c) except as amended therein or herein, the terms of the Offer of Financing and the Loan Extension Agreements continue as between the Parties and remain in full force and effect.

LOAN REDUCTION

1.2 Provided that the closing of the Maple Leaf Transaction occurs, the maximum loan authorization for Credit Facility "A" shall thereafter be immediately and permanently further reduced by \$6,000,000.00 (the "Maple Leaf Lender Payment") from a Maximum Amount of \$27,000,000.00 to a Maximum Amount of \$21,000,000.00 (such reduction of the Maximum Amount to \$21,000,000.00 assumes that the closing of the Maple Leaf Transaction and corresponding reduction to the Maximum Amount occurs prior to the closing of the Resourceful Transaction).

1.3 Provided that the closing of the Resourceful Transaction occurs, the maximum loan authorization for Credit Facility "A" shall thereafter be immediately and permanently further reduced by the net proceeds of the sale, estimated at \$406,450.00 (the "Resourceful Lender Payment", with such final net proceeds and reduction being \$ 406,848.00, and to be completed by the Lender upon confirmation thereof following execution of this Agreement and closing of the Resourceful Transaction) from a Maximum Amount of \$21,000,000.00 to a Maximum Amount estimated at \$20,593,550.00 (such final Maximum Amount being \$ 20,593,152.00 and to be completed by the Lender upon confirmation of the final net proceeds following execution of this Agreement and closing of the Resourceful Transaction). Such reduction of the Maximum Amount assumes that the closing of the

Maple Leaf Transaction and corresponding reduction to the Maximum Amount occurs prior to the closing of the Resourceful Transaction.

1.4 For greater certainty, subject to and upon the closing of both the Maple Leaf Transaction and the Resourceful Transaction, Credit Facility "A" shall thereafter be immediately and permanently reduced to a Maximum Amount of \$20,593,550.00.

ARTICLE II
LENDER'S RIGHTS

2.1 It will be an additional Event of Default if Waldron defaults under or fails to comply with the provisions of this Agreement.

ARTICLE III
WALDRON'S COVENANTS

3.1 Waldron covenants that it shall:

- (a) subject to the closing of the Maple Leaf Transaction, forthwith thereafter have delivered or deliver (as the case may be) to the Lender:
 - (i) executed copies of the purchase and sale agreement and royalty agreement with respect to the Maple Leaf Transaction which shall have been executed in a substantially similar form to any such documents as provided to the Lender in contemplation of such transaction; and
 - (ii) the Maple Leaf Lender Payment;
- (b) subject to the closing of the Resourceful Transaction, forthwith thereafter have delivered or deliver (as the case may be) to the Lender:
 - (i) executed copies of the purchase and sale agreement and/or conveyance and the trust agreement with respect to the Resourceful Transaction which shall have been executed in a substantially similar form to any such documents as provided to the Lender in contemplation of such transaction; and
 - (ii) the Resourceful Lender Payment; and
- (c) if either of the Maple Leaf Transaction or the Resourceful Transaction fail to close, return to the Lender, unused and undistributed in any manner whatsoever, any no interest

letters or similar documents provided by the Lender to Waldron in contemplation thereof with respect to the corresponding transaction.

3.2 Subject to the closing of the Maple Leaf Transaction and/or the Resourceful Transaction, Waldron hereby authorizes the Lender to withdraw either or both of the Maple Leaf Lender Payment and/or the Resourceful Lender Payment (as applicable) from the Waldron account(s) with the Lender in satisfaction of Waldron's covenants set forth in Sections 3.1(a)(ii) and/or 3.1(b)(ii) of this Agreement (as applicable).

ARTICLE IV

MISCELLANEOUS

OFFER OF FINANCING

4.1 Except as may be expressly set out herein, nothing herein shall affect or amend the terms of the Offer of Financing. Unless otherwise defined herein, capitalized terms shall have the meaning ascribed thereto in the Offer of Financing.

AMENDMENT

4.2 This Agreement may only be amended by further written agreement executed and delivered by the Parties. No termination or waiver of any provision of this Agreement is effective unless made in writing and signed by the appropriate Party, and then only in the specific terms provided for therein.

INVALID IN PART

4.3 If any one or more of the provisions of this Agreement, or any application of a provision of this Agreement, is void, invalid or unenforceable in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction, and the validity, legality and enforceability of the remaining provisions of this Agreement or any application of the provisions of this Agreement, shall remain intact and not in any way affected or impaired thereby.

RELEASE

4.4 In consideration for entering into this Agreement and other consideration, the receipt and sufficiency of which is hereby acknowledged, Waldron does for itself and its agents, successors and assigns, hereby release the Lender and its directors, officers, employees, agents and assigns from any and all actions, causes of action, claims, damages and demands, of every nature and kind whatsoever in relation to the Offer of Financing or otherwise arising from any action or matter or otherwise existing as at the date of this Agreement.

HEADINGS NOT PART OF AGREEMENT

4.5 The headings to the provisions of this Agreement are inserted solely for the convenience of reference, and are not intended to affect the interpretation of the provisions hereof.

BINDING

4.6 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators and successors.

TIME OF THE ESSENCE

4.7 Time shall be of the essence in this Agreement.

EXECUTION

4.8 This Agreement and any agreement or document to be delivered hereunder may be executed by any Party by the signing of a counterpart hereof or thereof, as the case may be, each of which counterpart so executed shall be deemed to be an original, and such counterparts together shall constitute a single instrument. Faxed or electronic copies of such counterparts shall have the same force and effect as the original copies hereof or thereof, as the case may be.

LAWS OF ALBERTA

4.9 This Agreement is and shall be governed by, and construed in accordance with, the laws of the Province of Alberta, and the parties hereto hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

APPLICATION

4.10 The singular of any plural and vice versa, and the use of any term is generally applicable to any gender and, where applicable, a corporation. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity.

LEGAL ADVICE

4.11 Waldron does hereby confirm that it has retained, consulted and had the benefit of independent legal advice.

LENDER'S COSTS

4.12 Notwithstanding any other provision of this Agreement, Waldron does hereby agree to pay to the Lender any reasonable solicitor and client costs incurred in the preparation of this Agreement or reviewing

the security documents held by the Lender in respect of the Debt, or any portion thereof, and all other legal and other professional fees incurred by the Lender relating to the Waldron loan account and/or banking relationship. These fees may be recovered by the Lender by withdrawal from the Waldron account(s) with the Lender and are hereby agreed by Waldron to form part of the Debt.

LENDER'S APPROVAL

4.13 The terms of this Agreement are not binding upon the Lender until approved by the Lender's Credit Committee and the Lender has provided an executed copy of this Agreement to Waldron.

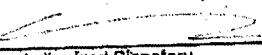
IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed and delivered as of the date first above written.

NATIONAL BANK OF CANADA

By: 
Authorized Signatory

By: 
Authorized Signatory

WALDRON ENERGY CORPORATION

By: 
Authorized Signatory

By: 
Authorized Signatory

FIRST LOAN AMENDING AND EXTENSION AGREEMENT

THIS AGREEMENT effective as of the 27th day of April, 2015.

BETWEEN:

NATIONAL BANK OF CANADA (the "Lender")

-and-

WALDRON ENERGY CORPORATION ("Waldron", and collectively with the Lender, the "Parties")

WHEREAS Waldron is, as at April 24, 2015 indebted to the Lender, in the approximate sum of \$19,004,519.00, exclusive of all fees and interest (including, but not limited to, outstanding and accrued professional fees), which fees and interest shall be added thereto (collectively, the "Debt");

AND WHEREAS the Lender holds certain valid security for the Debt upon the assets of Waldron, including a general security agreement, a fixed and floating charge debenture, a pledge agreement and a general assignment of book debts (collectively with any other security, the "Security");

AND WHEREAS Waldron has requested the Lender to amend certain terms of, and/or provide indulgences with respect to the Offering Letter dated as of September 23, 2014 as amended December 24, 2014 (as may be further amended from time to time, the "Offer of Financing");

AND WHEREAS, pursuant to an Asset Sale Agreement dated April 30, 2015 between Waldron and Gray Dusenberry Oil and Gas LP ("GDLP"), to which the Lender has consented, Waldron agreed to sell certain assets to GDLP for a purchase price of \$12,300,000 (the "GDLP Proceeds") and as further contemplated therein (the "GDLP Transaction"), which transaction is expected to close on or about April 30, 2015;

AND WHEREAS Waldron, the Lender and Toscana Capital Corporation ("Toscana") are parties to a Subordination Agreement; and

AND WHEREAS Waldron owes a payment to Maple Leaf 2013 Oil & Gas Income Limited Partnership ("Maple Leaf") in the amount of \$750,000.00 (the "Maple Leaf Payment").

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained in this First Loan Amending and Extension Agreement (the "Agreement") and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, THE PARTIES COVENANT AND AGREE AS FOLLOWS:

ARTICLE I
ACKNOWLEDGEMENTS

1.1 Waldron acknowledges and agrees that:

- (a) the recitals to this Agreement are true and accurate;
- (b) the Security is and remains valid and enforceable; and
- (c) except as amended therein or herein, the terms of the Offer of Financing continue as between the Parties and remain in full force and effect.

LOAN REDUCTION

1.2 The Lender hereby consents to the GDLP Transaction.

1.3 Provided that the closing of the GDLP Transaction occurs, the GDLP Proceeds will be applied as follows:

- (a) \$11,500,000 shall be paid to the Lender (the "GDLP Lender Payment");
- (b) the maximum loan authorization for Credit Facility "A" shall thereafter be immediately and permanently reduced by \$11,500,000 from a Maximum Amount of \$19,300,000.00 to a Maximum Amount of \$7,800,000.00; and
- (c) the remaining \$800,000 of the GDLP Proceeds shall be used by Waldron for working capital purposes to fund critical payables for the period of April 1, 2015 to June 30, 2015 as per Waldron's cash flow projections provided to FTI Consulting Canada Inc..

Items (a) and (c) above are collectively referred to as the "GDLP Allocation".

CONDITIONS PRECEDENT

1.4 Waldron acknowledges that this Agreement is subject to the following conditions precedent having been satisfied on or before April 30, 2015 by the Lender being provided with satisfactory evidence (in its sole and absolute discretion) thereof:

- (a) Confirmation of Toscana's consent to the following:
 - (i) Waldron entering into and completing the GDLP Transaction, Toscana providing a no interest letter, as at the closing thereof and with respect to same, and discharges of fixed charges, if applicable;
 - (ii) the GDLP Allocation; and
 - (iii) deferral of monthly loan interest payable to Toscana until such time as the Lender's Credit Facilities are fully repaid;
- (b) Toscana providing a waiver of the financial covenant defaults under Toscana's credit agreement with Waldron expected to have occurred as at March 31, 2015; and
- (c) Toscana's extension of the maturity date of the debt owing under Toscana's credit agreement with Waldron to June 30, 2015.

ARTICLE II

DEFAULT

2.1 Waldron acknowledges that if the GDLP Transaction does not close as expected, it expects it would be in default of its obligations to the Lender including but not limited to a default of its Adjusted Working Capital Ratio (projected at 0.56:1.00 as at March 31, 2015 versus covenant of minimum 1.00:1.00) (the "Working Capital Default").

2.2 The Lender hereby waives the Working Capital Default.

ARTICLE III

LENDER'S RIGHTS

3.1 It will be an additional Event of Default if Waldron defaults under or fails to comply with the provisions of this Agreement.

ARTICLE IV
WALDRON'S COVENANTS

4.1 Waldron covenants that it shall:

- (a) subject to the closing of the GDLP Transaction, forthwith thereafter have delivered or deliver (as the case may be) to the Lender:
 - (i) executed copies of the purchase and sale agreement and general conveyance with respect to the GDLP Transaction which shall have been executed in a substantially similar form to any such documents as provided to the Lender in contemplation of such transaction; and
 - (ii) the GDLP Lender Payment;
- (b) if the GDLP Transaction fails to close, return to the Lender, unused and undistributed in any manner whatsoever, any no interest letters, discharges or similar documents provided by the Lender to Waldron in contemplation thereof with respect to the GDLP Transaction; and
- (c) not pay to Maple Leaf the Maple Leaf Payment until full repayment of the Lender's Credit Facilities and use its best commercial efforts to obtain written consent of same from Maple Leaf in a timely fashion following the date hereof.

4.2 Subject to the closing of the GDLP Transaction, Waldron hereby authorizes the Lender to withdraw the GDLP Lender Payment from the Waldron account(s) with the Lender in satisfaction of Waldron's covenants set forth in Section 1.3(a) of this Agreement.

ARTICLE V
BANKING ARRANGEMENTS

AMENDING FEE

5.1 Waldron shall pay the Lender an extension fee in the sum of \$15,000.00, which fee is earned immediately and payable on the earlier of June 30, 2015 or the date of full repayment of the Credit Facilities by way of debit to Waldron's account(s) with the Lender.

CREDIT FACILITIES

5.2 Subject to the Lender's ongoing right of demand, a Review shall be scheduled for June 30, 2015, at which time, the Credit Facilities will be fully repaid and cancelled.

5.3 Availability under Credit Facility A by way of BAs is hereby cancelled.

5.4 The Risk Management Facility is hereby cancelled.

ARTICLE VI
MISCELLANEOUS

OFFER OF FINANCING

6.1 Except as expressly set out herein, nothing herein shall affect or amend the terms of the Offer of Financing which remains in full force and effect. Unless otherwise defined herein, capitalized terms shall have the meaning ascribed thereto in the Offer of Financing.

AMENDMENT

6.2 This Agreement may only be amended by further written agreement executed and delivered by the Parties. No termination or waiver of any provision of this Agreement is effective unless made in writing and signed by the appropriate Party, and then only in the specific terms provided for therein.

INVALID IN PART

6.3 If any one or more of the provisions of this Agreement, or any application of a provision of this Agreement, is void, invalid or unenforceable in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction, and the validity, legality and enforceability of the remaining provisions of this Agreement or any application of the provisions of this Agreement, shall remain intact and not in any way affected or impaired thereby.

RELEASE

6.4 In consideration for entering into this Agreement and other consideration, the receipt and sufficiency of which is hereby acknowledged, Waldron does for itself and its agents, successors and assigns, hereby release the Lender and its directors, officers, employees, agents and assigns from any and all actions, causes of action, claims, damages and demands, of every nature and kind whatsoever in relation to the Offer of Financing or otherwise arising from any action or matter or otherwise existing as at the date of this Agreement.

HEADINGS NOT PART OF AGREEMENT

6.5 The headings to the provisions of this Agreement are inserted solely for the convenience of reference, and are not intended to affect the interpretation of the provisions hereof.

BINDING

6.6 This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators and successors.

TIME OF THE ESSENCE

6.7 Time shall be of the essence in this Agreement.

EXECUTION

6.8 This Agreement and any agreement or document to be delivered hereunder may be executed by any Party by the signing of a counterpart hereof or thereof, as the case may be, each of which counterpart so executed shall be deemed to be an original, and such counterparts together shall constitute a single instrument. Faxed or electronic copies of such counterparts shall have the same force and effect as the original copies hereof or thereof, as the case may be.

LAWS OF ALBERTA

6.9 This Agreement is and shall be governed by, and construed in accordance with, the laws of the Province of Alberta, and the Parties hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

APPLICATION

6.10 The singular of any plural and vice versa, and the use of any term is generally applicable to any gender and, where applicable, a corporation. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity.

LEGAL ADVICE

6.11 Waldron does hereby confirm that it has retained, consulted and had the benefit of independent legal advice.

LENDER'S COSTS

6.12 Notwithstanding any other provision of this Agreement, Waldron does hereby agree to pay to the Lender any reasonable solicitor and client costs incurred in the preparation of this Agreement or reviewing the security documents held by the Lender in respect of the Debt, or any portion thereof, and all other legal and other professional fees incurred by the Lender relating to the Waldron loan account and/or banking relationship. These fees may be recovered by the Lender by withdrawal from the Waldron account(s) with the Lender and are hereby agreed by Waldron to form part of the Debt.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed and delivered as of the date first above written.

NATIONAL BANK OF CANADA

By: _____
Authorized Signatory

By: _____
Authorized Signatory

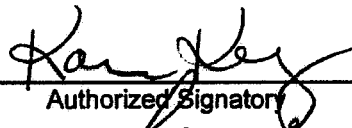
WALDRON ENERGY CORPORATION


By: _____
Authorized Signatory

By: _____
Authorized Signatory

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed and delivered as of the date first above written.

NATIONAL BANK OF CANADA

By:  _____
Authorized Signatory

By:  _____
Authorized Signatory

Sonia de Lorenzi
Senior Manager

WALDRON ENERGY CORPORATION

By: _____
Authorized Signatory

By: _____
Authorized Signatory

[Signature page to First Amending Agreement - National Bank (Waldron) - 2015]

LOAN AMENDING AND EXTENSION AGREEMENT

THIS AGREEMENT effective as of the 19 day of February, 2014.

BETWEEN:

NATIONAL BANK OF CANADA (the "Lender")

-and-

WALDRON ENERGY CORPORATION ("Waldron")

WHEREAS Waldron is, as at February 13, 2014 indebted to the Lender, in the approximate sum of \$29,395,276.00, exclusive of all fees and interest (including, but not limited to, outstanding and accrued professional fees), which fees and interest shall be added thereto (collectively, the "Debt");

AND WHEREAS the Lender holds certain valid security for the Debt upon the assets of Waldron, including a General Security Agreement, certain Fixed and Floating Charge Debentures, a Pledge Agreement and a General Assignment of Book Debts (collectively with any other security the "Security");

AND WHEREAS Waldron has experienced and continues to experience financial challenges;

AND WHEREAS Waldron has previously requested the indulgence and patience of the Lender to allow Waldron an opportunity to cure all loan defaults to the Lender and to enter into various agreements with other third parties;

AND WHEREAS Waldron has, in particular, requested the Lender to amend the terms of the offer of financing dated March 28, 2013 as amended August 8, 2013, October 8, 2013 and November 13, 2013 (as may be further amended from time to time, the "Offer of Financing") and to provide an extension of the Offer of Financing, subject to the terms and conditions contained herein;

AND WHEREAS on December 27, 2013 the Lender provided Waldron a reservation of rights letter confirming Waldron's intention to conclude certain transactions to repay the Debt to the Lender by January 31, 2014;

NOW THEREFORE IN CONSIDERATION of the mutual covenants and agreements contained in this Loan Amending and Extension Agreement (the "Agreement") and other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, THE PARTIES HERETO COVENANT AND AGREE AS FOLLOWS:

ARTICLE I
ACKNOWLEDGEMENTS

- 1.1 Waldron acknowledges and agrees that the recitals to this Agreement are true and accurate.
- 1.2 The Security is valid and enforceable.
- 1.3 Waldron's initiatives to refinance, obtain additional equity and/or complete a corporate transaction to repay the Debt to the Lender in full by January 31, 2014 have proven to be unsuccessful.
- 1.4 As at the date of this Agreement, the Debt owing to the Lender includes the following:
 - (a) Revolving Operating Demand Loan (the "Credit Facility A" - \$26,950,000.00, plus accrued and unpaid interest and outstanding professional fees and disbursements;
 - (b) Acquisition/Development Demand Loan (the "Credit Facility B") - Cancelled on March 28, 2013;
 - (c) MasterCard Facility (the "Credit Facility C") - \$4,102.00;
 - (d) Risk Management Facility (the "Risk Management Facility") - \$2,441,174.00.

CONDITIONS PRECEDENT

- 1.5 Waldron acknowledges that this Agreement is subject to the following conditions precedent:
 - (a) Waldron shall cause delivery of their counsel's (Gowling Lafleur Henderson LLP) opinions regarding due authorization and execution of the First Supplemental Debenture and First Supplemental Pledge Agreement to be addressed to the Lender and the Lender's counsel; and
 - (b) Waldron shall deliver to the Lender a certified resolution of Waldron's Board of Directors approving the borrowing from the Lender up to the sum of \$37,000,000.00.

ARTICLE II
LENDER'S RIGHTS

OFFER OF FINANCING

2.1 Except as may be expressly set out herein, nothing herein shall affect or amend the terms of the Offer of Financing. Unless otherwise defined herein, capitalized terms shall have the meaning ascribed thereto in the Offer of Financing.

DEFAULT INCIDENTS

2.2 Notwithstanding anything to the contrary herein, Waldron acknowledges that the Debt under the Commitment Letter is and has always been a demand facility and further acknowledges the Lender's right to:

- (i) accelerate and demand that the Debt be repaid immediately;
- (ii) enforce any of its rights arising under the Commitment Letter and related security or the Debt; or
- (iii) unilaterally terminate, without advance notice to Waldron, its obligations under this Agreement,

which Lender's Rights may be exercised separately or cumulatively, at the Lender's sole and exclusive discretion, and immediately, or if one or more of the following incidents ("Default Incidents") occurs during the currency of this Agreement:

- (a) Waldron does not comply with any of the provisions of this Agreement to the satisfaction of the Lender in its sole discretion;
- (b) Waldron ceases to conduct active operations;
- (c) Waldron suffers a material adverse change to its financial situation, business or operations;
- (d) the security held by the Lender is subject to a material adverse change or is otherwise prejudiced;
- (e) Waldron threatens or initiates any bankruptcy, receivership, arrangement, compromise or similar proceeding, or has any such proceedings initiated against it;

- (f) there is a default under the Offer of Financing or any related security;
- (g) defaults occur under the Offer of Financing or related security documents;
- (h) material legal proceedings are commenced as against Waldron or any of its assets;
- (i) material builder's liens or other secured claims are filed as against Waldron or any of its assets;
- (j) if the Lender, in its discretion, acting reasonably, concludes that the Recapitalization Plan required under Section 3.1 herein is in jeopardy and will not be concluded in a timely manner by April 30, 2014; or
- (k) if average monthly production from the New Wells (as defined herein) is less than 225Boe/d and average monthly production from all wells is less than 1,950BOE/d commencing March 31, 2014.

ARTICLE III
WALDRON'S COVENANTS

3.1 Waldron covenants that it shall:

- (a) continue its business operations in a proper and businesslike manner, including efforts to implement cost reduction initiatives;
- (b) not allow any defaults under the Offer of Financing or related Security;
- (c) not, without the Lender's prior written consent, grant security to a third party (for certainty, to any party other than the Lender) or otherwise encumber its assets;
- (d) immediately advise the Lender of the occurrence of any Default Incidents under this Agreement, including, but not limited to, those matters set out in Article 2.2 herein, or of any defaults under the Offer of Financing or related security;
- (e) on or before April 30, 2014, Waldron shall conclude an equity financing, subordinated debt financing and/or recapitalize its operations (the "Recapitalization Plan") on terms and conditions satisfactory to the Lender, acting in its sole discretion, to provide Waldron with additional working capital;

- (f) Waldron agrees to the following milestones with respect to the Recapitalization Plan:
- (i) on or before April 7, 2014, Waldron shall provide the Lender with executed term sheets evidencing a Recapitalization Plan of a minimum \$3,000,000.00;
 - (ii) on or before April 24, 2014, Waldron shall provide the Lender with firm commitment(s) with respect to the Recapitalization Plan; and
 - (iii) closing of the Recapitalization Plan on or before April 30, 2014;
- (g) there shall be no material variance between Waldron's draft and final reserve report prepared by GLJ Petroleum Consultants Ltd. ("GLJ") with an effective date of December 31, 2013 such that the variance after taking into consideration the projected production from the following four (4) new wells (the "New Wells") will result in a reduction to the loan value of \$31,500,000.00 attributed to Waldron's proved developed producing petroleum and natural gas assets with an effective date of April 1, 2014 (the "Current Loan Value"):

Ferrybank	06-17-043-27-W4M/0
Crystal	14-28-044-03-W5M/2
Crystal	16-32-044-03-W5M/0
Crystal	01-05-045-03-W5M/2

ADDITIONAL REPORTING

- (h) in addition to the Reporting Requirements outlined in the Offer of Financing, Waldron shall provide the following information to the Lender on or before the date specified herein;
- (i) final GLJ reserve report on or before February 12, 2014;
 - (ii) commencing on February 21, 2014, and weekly thereafter, Waldron shall provide weekly field production reports outlining production from the New Wells; and
 - (iii) commencing on February 21, 2014, and each Friday thereafter, Waldron shall provide the Lender with a detailed written report on its progress relating to the Recapitalization Plan and any other matters relating to Waldron's restructuring efforts and operations. Such reports shall be in form and content satisfactory to the Lender in its sole and unfettered discretion, subject to any confidentiality or other legal obligations applicable to Waldron.

ARTICLE IV
BANKING ARRANGEMENTS

AMENDING FEE

4.1 Waldron shall pay the Lender a loan amending fee in the sum of \$75,000.00 (the "Fee") which fee is earned and payable immediately by way of an automatic withdrawal from Waldron's accounts.

CREDIT FACILITIES EXTENSION

4.2 Subject to the Lender's ongoing right of demand and the terms and conditions contained herein, there shall be an extension of the Credit Facilities to June 1, 2014.

4.3 The maximum loan authorization for Credit Facility "A" is immediately and permanently reduced from a Maximum Amount of \$34,500,000.00 to a Maximum amount of \$30,000,000.00.

4.4 Credit Facility C shall remain unchanged.

4.5 No further hedging contracts are permitted pursuant to the Risk Management Facility, without the Lender's prior written approval.

LOAN VALUE ADJUSTMENT

4.6 At its sole discretion, the Lender may review and adjust the loan value ("Adjusted Loan Value") during the currency of this Agreement based upon reported actual production for the New Wells. In the event the Adjusted Loan Value is lower than the Maximum Amount under Credit Facility A, Waldron shall agree to permanently reduce the Maximum Amount to eliminate any loan value shortfall ("Loan Value Shortfall").

ADDITIONAL SECURITY

4.7 The Lender has the right to review its Security and the Waldron collateral and Waldron agrees to execute and provide any additional security requested by the Lender. Waldron agrees to the engagement of Norton Rose Fulbright Canada LLP to register fixed charges against certain of Waldron's producing petroleum and natural gas reserves and to review the Lender's security. All of the legal fees that the Lender has incurred and that it will incur in any way connected with the Credit Facilities calculated as between a solicitor and his own client with a right to full indemnity shall be for the account of Waldron and Waldron irrevocably authorizes the Lender to debit its account for all such costs on delivery of a detailed invoice with respect thereto.

CONSULTANT

4.8 Waldron consents to the continued involvement, and shall continue to co-operate with and shall pay all accounts of FTI Consulting Inc. (the "Consultant") who was retained pursuant to an engagement letter dated November 26, 2013.

ARTICLE V
MISCELLANEOUS**AMENDMENT**

5.1 This Agreement may only be amended by further written agreement executed and delivered by all parties hereto. No termination or waiver of any provision of this Agreement is effective unless made in writing and signed by the appropriate parties hereto, and then only in the specific terms provided for therein.

INVALID IN PART

5.2 If any one or more of the provisions of this Agreement, or any application of a provision of this Agreement, is void, invalid or unenforceable in any jurisdiction, the validity, legality and enforceability of such provision or provisions shall not in any way be affected or impaired thereby in any other jurisdiction, and the validity, legality and enforceability of the remaining provisions of this Agreement or any application of the provisions of this Agreement, shall remain intact and not in any way affected or impaired thereby.

RELEASE

5.3 In consideration for entering into this Agreement and other consideration, the receipt and sufficiency of which is hereby acknowledged, Waldron does for itself and its agents, successors and assigns, hereby release the Lender and its directors, officers, employees, agents and assigns from any and all actions, causes of action, claims, damages and demands, of every nature and kind whatsoever in relation to the Offer of Financing or otherwise arising from any action or matter or otherwise existing as at the date of this Agreement.

HEADINGS NOT PART OF AGREEMENT

5.4 The headings to the provisions of this Agreement are inserted solely for the convenience of reference, and are not intended to affect the interpretation of the provisions hereof.

BINDING

5.5 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and successors.

TIME OF THE ESSENCE

5.6 Time shall be of the essence in this Agreement.

EXECUTION

5.7 This Agreement and any agreement or document to be delivered hereunder may be executed by any party hereto by the signing of a counterpart hereof or thereof, as the case may be, each of which counterpart so executed shall be deemed to be an original, and such counterparts together shall constitute a single instrument. Faxed or electronic copies of such counterparts shall have the same force and effect as the original copies hereof or thereof, as the case may be.

LAWS OF ALBERTA

5.8 This Agreement is and shall be governed by, and construed in accordance with, the laws of the Province of Alberta, and the parties hereto hereby irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

APPLICATION

5.9 The singular of any plural and vice versa, and the use any term is generally applicable to any gender and, where applicable, a corporation. Any reference to a corporate entity includes and is also a reference to any corporate entity that is a successor to such entity.

LEGAL ADVICE

5.10 Waldron does hereby confirm that it has retained, consulted and had the benefit of independent legal advice.

LENDER'S COSTS

5.11 Notwithstanding any other provision of this Agreement, Waldron does hereby agree to pay to the Lender any fees of the Consultant and any reasonable solicitor and client costs incurred in the preparation of this Agreement or reviewing the security documents held by the Lender in respect of the Debt, or any portion thereof, and all other legal and other professional fees incurred by the Lender relating to the Waldron loan account and/or banking relationship. These fees may be recovered by the

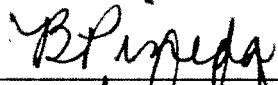
Lender by withdrawal from the Waldron accounts with the Lender and are hereby agreed by Waldron to form part of the Debt.

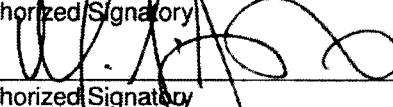
LENDER'S APPROVAL

5.12 The terms of this Agreement are not binding upon the Lender until approved by the Lender's Credit Committee and the Lender has provided an executed copy of this Agreement to Waldron.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be signed and delivered as of the date first above written.

NATIONAL BANK OF CANADA

By: 
Authorized Signatory

By: 
Authorized Signatory


WALDRON ENERGY CORPORATION

By: 
Authorized Signatory

By: 
Authorized Signatory

TAB C

This is **Exhibit "C"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

TRITON ENERGY CORP.

(Incorporated under the laws of Alberta)

FLOATING CHARGE DEBENTURE

1. **TRITON ENERGY CORP.**, a body corporate having its head office at the City of Calgary, in the Province of Alberta (hereinafter called the "**Corporation**"), for value received hereby acknowledges itself indebted and promises to pay to **NATIONAL BANK OF CANADA** (who and whose successors and assigns are hereinafter called the "**Lender**"), on demand or on such earlier date as the principal sum hereby secured may become payable hereunder, the sum of **SEVENTY FIVE MILLION DOLLARS (\$75,000,000.00)**, or such amount thereof as is outstanding, from time to time, in lawful money of Canada (hereinafter called the "**principal sum**") at National Bank of Canada, 2700, 530 – 8th Avenue S.W., at the City of Calgary, in the Province of Alberta, Canada, T2P 3S8, and to pay on demand in the same money and at the same place interest on the principal sum or on so much thereof as remains from time to time unpaid at the rate of five per cent (5.0%) per annum more than the annual rate of interest announced from time to time by National Bank of Canada as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada, reckoned from the date or dates the principal sum or any part thereof is due and payable. Any sum owing by way of interest that is not paid on demand shall bear interest at such rate from the date of demand until paid.
2. The Corporation, as security for the payment of the principal sum, interest and all other monies from time to time secured hereby and as security for the performance and observance of the covenants and agreements on the part of the Corporation herein contained, hereby:
 - (a) grants, mortgages, charges, assigns and transfers to the Lender, as and by way of a first floating charge, all property, assets and undertaking of the Corporation; and
 - (b) grants a security interest to the Lender in all present and after-acquired personal property of the Corporation,

(all of which are hereinafter collectively called the "**mortgaged premises**"). The Lender acknowledges that the mortgaged premises are subject to the permitted encumbrances more particularly described in Schedule "A" attached hereto (the "**Permitted Encumbrances**").

Until the security hereby constituted shall have become enforceable and the Lender shall have determined to enforce the same (and except as hereinafter provided), the Corporation may, in the ordinary course of the business of the Corporation and for the purpose of carrying on the same, sell, assign, lease, dispose of and deal with the mortgaged premises; **PROVIDED THAT** the Corporation shall not, and the Corporation hereby covenants that it will not, without the prior written consent of the Lender, make, give, create, grant, incur or assume any mortgage, pledge, hypothec, lien, charge, encumbrance, assignment, security interest or other security, upon the mortgaged premises or any part thereof, other than the Permitted Encumbrances, ranking or purporting to rank in priority to or *pari passu* with the grant, mortgage, charge, assignment, transfer and security interest created and secured hereby (hereinafter referred to as the "**Charge**").

TO HAVE AND TO HOLD the mortgaged premises and rights hereby conferred on the Lender for the use and purposes and with the power and authority and subject to the terms, conditions, provisos, covenants and stipulations herein expressed.

The Charge shall not extend or apply to the last day of the term of any lease, whether oral or written, now held or hereafter acquired by the Corporation but should such Charge become enforceable and the Lender shall have determined to enforce the same, the Corporation shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person who may acquire such term or the part thereof hereby charged in the course of any enforcement of the said Charge or any realization of the subject matter thereof.

3. The Corporation covenants and agrees with the Lender:

- (a) that the Corporation will perform and observe such affirmative and negative covenants and restrictions as specified, from time to time, by the Lender in writing to be performed and observed by the Corporation in respect of the terms, conditions, covenants and provisions of the offer to finance from the Lender to the Corporation dated February 16, 2010, as amended, modified, supplemented, restated or replaced, from time to time (the "Offer to Finance");
- (b) that the Corporation has good right, full power and lawful authority to charge the mortgaged premises according to the true intent and meaning of this Debenture;
- (c) that the mortgaged premises are free and clear of all mortgages, liens, charges, encumbrances and security interests other than (i) the Charge, (ii) the Permitted Encumbrances, and (iii) any mortgage, lien, charge, encumbrance or security interest which is specifically permitted by the Lender pursuant to an instrument in writing executed by the Lender and addressed to the Corporation, which instrument shall refer to this Debenture and describe any such mortgage, lien, charge, encumbrance or security interest so permitted by the Lender;
- (d) to pay the principal sum, interest and other monies hereby secured in accordance with the terms of this Debenture;
- (e) to carry on and continuously conduct its business in a lawful, efficient, diligent and businesslike manner;
- (f) to warrant and forever defend all and singular the mortgaged premises unto the Lender against every person whomsoever lawfully claiming or attempting to claim the same or any part thereof;
- (g) to keep and maintain proper books of account and records accurately covering all aspects of the business and affairs of the Corporation and to permit authorized officers, employees or agents of the Lender to inspect the same during regular business hours;
- (h) to furnish such financial statements of the Corporation containing such information and details as the Lender may require pursuant to the Offer to Finance;
- (i) to repair and keep in repair and in good working order and condition all buildings, structures, plant, machinery and apparatus that from time to time comprise and form a part of the mortgaged premises;
- (j) to promptly pay when due all business, income and profits taxes properly levied or assessed against the Corporation, its business, operations, revenues, incomes or profits, save and except when and so long as the validity of any such tax is in good faith

contested by the Corporation, in which event the Corporation shall, if required by the Lender, furnish security satisfactory to it for the full amount of any of such taxes being so contested;

- (k) to fully pay and discharge as and when the same become due and payable all taxes (including local improvement rates), rates, duties and assessments that may be levied, rated, charged or assessed against the mortgaged premises, or any part thereof, and if the Corporation fails to pay any of such taxes, rates, duties or assessments and if it is not in good faith contesting the same, the Lender may, but shall not be obligated to, pay the same, and any amounts so paid by the Lender shall become and form part of the principal sum secured hereby and shall bear interest at the rate aforesaid until paid; and
 - (l) to at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, pollution of the environment, toxic materials or other environmental hazards, public health and safety, and all private covenants and restrictions affecting the mortgaged premises or any portion thereof, and from time to time, upon request of the Lender, to provide to the Lender evidence of such observance and compliance, and at its own expense to make any and all improvements thereon or alterations to the mortgaged premises, structural or otherwise, and to take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.
4. (a) The Corporation covenants that at all times during the continuation of this security, it will insure and keep insured against all reasonably insurable hazards with insurers acceptable to the Lender, all of the mortgaged premises which is of an insurable nature to the full extent of the insurable value thereof. Unless otherwise agreed to in writing by the Lender, the losses under all such insurance shall be payable firstly to the Lender as its interest may appear.
- (b) The Corporation agrees that so long as it remains indebted to the Lender, it will, unless otherwise requested in writing by the Lender, maintain with reputable insurers third party public liability and property damage insurance covering all operations of the Corporation within limits of coverage usually carried by others owning or operating the same or a similar type and size of business as that being conducted by the Corporation.
- (c) The Corporation will, upon the request of the Lender, deliver to the Lender certified copies of all policies or contracts of insurance being carried by the Corporation pursuant to the terms hereof, together with such certificates of insurance as the Lender may reasonably require and evidence that the premiums on all such insurance have been paid.
- (d) If the Corporation should fail to take out or maintain all the insurance required to be carried by the Corporation pursuant to the terms of this Debenture, the Lender may, but shall not be obligated to, take out all or any of such insurance and all sums expended by the Lender in effecting such insurance shall forthwith become due and be payable by the Corporation to the Lender and until paid shall form part of the principal sum secured hereby and shall bear interest at the aforesaid rate.

- (e) In the event of loss under any of the insurance referred to in this clause 4, the Lender, at its option, may apply the insurance proceeds on account of the principal sum and interest secured hereby or may apply the same to rebuilding, repairing and restoring the mortgaged premises, or may apply the same partly for one purpose and partly for the other purpose.
5. The Corporation shall not and covenants that it will not, without the written consent of the Lender first had and received:
- (a) create or suffer to be created any mortgage, hypothec, lien, charge, encumbrance or security interest upon its undertaking or any of its property and assets the subject of the Charge ranking in priority to or *pari passu* with the Charge save and except for the Permitted Encumbrances or any other security granted from time to time by the Corporation to the Lender for or in respect of any present or future indebtedness of the Corporation to the Lender; nor
 - (b) create, incur or assume any funded indebtedness which, for the purpose of this Debenture means any indebtedness the principal amount of which is not payable on demand and matures more than twelve (12) months after it is created, incurred or assumed by the Corporation, except for the Permitted Encumbrances; nor
 - (c) guarantee to anyone other than to the Lender, the debts, liabilities or obligations of any person, firm or corporation whomsoever or become the endorser on any note or other obligation other than in the ordinary course of the business of the Corporation; nor
 - (d) reduce its capital, declare or pay any dividends on any shares of the Corporation or make any distribution otherwise than out of the surplus of its assets, or redeem, purchase or otherwise retire or pay off any of the issued and outstanding shares for the time being of the Corporation; nor
 - (e) lend money to its shareholders, directors or others, except in the ordinary course of the business of the Corporation; nor
 - (f) make any capital expenditures when it is in default under this Debenture.
6. The Corporation represents and warrants to the Lender that each account receivable and other debt due, owing or accruing due to the Corporation is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Corporation to the Lender from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Corporation which can be asserted against the Lender, whether in any proceeding to enforce this Debenture or otherwise, and the Corporation will, at the request of the Lender, furnish the Lender with the names of all Account Debtors. After the occurrence of an event of default hereunder, the Lender may notify any or all Account Debtors and may direct such parties to make all payments to the Lender. The Corporation acknowledges that any such payments on or other proceeds of the mortgaged premises received by the Corporation from such Account Debtors after notification of the Charge to such parties or after default under this Debenture shall be received and held by the Corporation in trust for the Lender and shall be turned over to the Lender upon request. Nothing contained in this clause 6 shall or shall be deemed to have the effect of making the Lender responsible to

ascertain the Account Debtors or for the collection of any such accounts or amounts nor shall the Lender, by reason of this clause 6 or by reason of any steps, actions, notices or other proceedings, taken or given to enforce such rights be or be deemed to be a mortgagee in possession of the mortgaged premises or any part thereof nor be liable or accountable for any monies except those actually received.

7. The Corporation will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all and every such further acts, deeds, mortgages, transfers and assurances in law as the Lender shall reasonably require for better assuring, mortgaging, assigning and confirming unto the Lender all and singular the undertaking and all of the property and assets of the Corporation hereby charged or intended so to be or which the Corporation may hereafter become bound to charge to and in favour of the Lender and for the better accomplishing and effectuating of the intentions of this Debenture.
8. Without limiting in any way the right of the Lender to make demand for payment at any time, the principal, interest and other monies secured by this Debenture shall become immediately due and payable, whether with or without prior demand therefor, and the security hereby constituted shall become immediately enforceable in each and every of the following events (each of such events being hereinafter called an "event of default"):
 - (a) if the Corporation makes a default in the payment, in whole or in part, of the principal sum of or interest on this Debenture or any other monies secured hereby; or
 - (b) if the Corporation makes default in the observance or performance of any other covenant, agreement or condition on the part of the Corporation to be kept, observed or performed, whether herein or in any other agreement or instrument between the Corporation and the Lender; or
 - (c) if an order is made or an effective resolution is passed for the winding-up of the Corporation, or if a petition is filed for the winding-up of the Corporation; or
 - (d) if the Corporation becomes insolvent, or makes an unauthorized assignment or bulk sale of its assets, or if a petition in bankruptcy is filed or presented against the Corporation; or
 - (e) if any proceeding with respect to the Corporation is commenced under the *Companies' Creditors Arrangements Act* or the *Bankruptcy and Insolvency Act*; or
 - (f) if any execution, sequestration, writ of extent or any other process of any court becomes enforceable against the Corporation, or if a distress or analogous process is levied upon the property of the Corporation or any part thereof, provided that such execution, sequestration, writ of extent or other process is not in good faith being contested by the Corporation; or
 - (g) if the Corporation ceases or threatens to cease to carry on its business or if the Corporation commits or threatens to commit any act of bankruptcy; or
 - (h) if the Corporation shall permit any sum which has been admitted as due by the Corporation or is not disputed to be due by it and which forms or is capable of being made a charge upon any of the mortgaged premises in priority to or *pari passu* with the Charge to remain unpaid for thirty (30) days after proceedings have been taken to enforce

the same as a charge upon the mortgaged premises ranking in priority to or *pari passu* with the Charge; or

- (i) if the Corporation makes default in the due payment, performance or observance, in whole or in part, of any debt, liability or obligation of the Corporation to the Lender, whether secured hereby or otherwise; or
 - (j) if there shall, in the opinion of the Lender, be a material adverse change in the financial condition of the Corporation acting reasonably.
9. The Lender may waive any breach by the Corporation of any of the provisions contained in this Debenture or any default by the Corporation in the observance or performance of any covenant, agreement or condition required to be kept, observed or performed by the Corporation under the terms of this Debenture; **PROVIDED ALWAYS** that no act or omission of the Lender in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent breach or default or to affect the rights of the Lender resulting therefrom.
10. (a) If an event of default shall have occurred and be continuing, the Lender may, in its discretion, appoint a receiver (which term shall herein include a receiver and manager) of the mortgaged premises, of the rents, issues, profits, revenues and income thereof or of any part or parts of any of the foregoing, and upon any such appointment by the Lender the following provisions shall apply:
- (i) the appointment of any receiver by the Lender hereunder shall be made in writing signed by the Lender and such writing shall be conclusive evidence for all purposes of such appointment. The Lender may from time to time in the same manner remove any receiver so appointed and appoint another in his stead. Notwithstanding anything to the contrary hereby expressed or implied, in making any such appointment of a receiver hereunder, the Lender shall be deemed to be acting as the attorney for the Corporation and the Corporation does hereby irrevocably appoint the Lender as its attorney for that purpose;
 - (ii) the Lender, in its discretion, may appoint one or more receivers hereunder in respect of all or any part or parts of the mortgaged premises, as may be designated in writing by the Lender when making any such appointment;
 - (iii) any such receiver shall have the power:
 - (A) to take possession of, collect and to get in all or any part of the mortgaged premises and for that purpose to take proceedings in the name of the Corporation or otherwise and to make any arrangement or compromise;
 - (B) to carry on or concur in carrying on all or any part of the business of the Corporation; and
 - (C) to sell or to concur in selling all or any part of the mortgaged premises in such manner as may seem advisable to the receiver, and to effect such sale by conveying the same in the name and on behalf of the Corporation or otherwise in respect thereof;

- (iv) every such receiver may, in the discretion of the Lender, be vested with all or any of the powers and discretions conferred on the Lender under this Debenture;
 - (v) the Lender may from time to time fix the reasonable remuneration of every such receiver and may direct the payment thereof (in priority to the Lender), out of the mortgaged premises and the rents, profits, revenues and income therefrom or the proceeds thereof;
 - (vi) the Lender may from time to time require any receiver to give security for the performance of his duties as such receiver and may fix the nature and amount thereof, but the Lender shall not be bound to require any such security from the receiver;
 - (vii) every such receiver may, with the consent in writing of the Lender, borrow money for the purpose of maintaining, protecting or preserving the mortgaged premises or any part thereof, or for the purpose of carrying on the business of the Corporation, and any receiver may issue certificates (in this sub clause called "receiver's certificates") for such sums as will, in the opinion of the Lender, be sufficient for obtaining security upon the mortgaged premises or any part thereof for the amounts from time to time so required by the receiver, and such receiver's certificates may be payable either to order or to bearer and may be payable at such time or times, and shall bear such interest as the Lender may approve and the receiver may sell, pledge or otherwise dispose of the receiver's certificates in such manner and may pay such commission on the sale thereof, as the Lender may consider reasonable, and the amounts from time to time payable by virtue of such receiver's certificates shall form a charge upon the mortgaged premises in priority to the amounts secured under this Debenture;
 - (viii) every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed to be the agent for the Corporation, and in no event the agent of the Lender. The Lender shall not, in making or consenting to such appointment, incur any liability to any receiver for his remuneration or otherwise howsoever be liable or responsible for the acts or omissions, including the negligence, misconduct or misfeasance, on the part of any such receiver;
 - (ix) except as may be otherwise directed in writing by the Lender, all monies from time to time received by such receiver shall be paid over to the Lender to be held by it as part of the mortgaged premises; and
 - (x) the Lender may pay over to any receiver any monies constituting part of the mortgaged premises to the extent that the same may be applied for the purposes hereof by such receiver, and the Lender may from time to time determine what funds the receiver shall be at liberty to keep on hand with a view to the performance of his duties hereunder as such receiver.
- (b) If an event of default shall have occurred and be continuing, the Lender may in its discretion, in lieu of appointing a receiver as provided for in subclause 10(a) hereof, apply to any court or courts of competent jurisdiction for the appointment of one or more receivers of the mortgaged premises, of the rents, issues, profits, revenues and income thereof or of any part or parts of any of the foregoing, with such powers as the court or courts making such appointment or appointments shall confer including, without limiting

the generality thereof, all or any of the powers set forth in subclause 10(a) hereof. Any receiver or receivers so appointed by a court, shall be subject to the supervision of that court.

- (c) Nothing done by the Lender or by any receiver or receivers in possession of the mortgaged premises shall render the Lender a mortgagee in possession or responsible as such, or in any way limit or curtail the remedies of the Lender as a mortgagee or creditor under any applicable law or statute.
11. If the security hereby constituted shall become enforceable, the Lender may, subject to applicable law, either before or after any entry, sell and dispose of all or any part of the mortgaged premises either as a whole or in several portions thereof, at public auction or by public tender or by private sale at such time or times and on or subject to such terms and conditions as the Lender may determine, and it shall be lawful for the Lender to make such sale, either for cash or upon credit or partly for cash and partly upon credit, and with or without advertisement, and upon such reasonable conditions as to upset, reserve bid or price and as to terms of payment as the Lender may deem proper, and the Lender may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the mortgaged premises or any part thereof good and sufficient title to the same, the Lender being hereby constituted irrevocably the attorney of the Corporation for the purpose of making such sale and for executing all deeds and documents pertaining thereto and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Corporation and all other persons claiming such property or any part thereof, by, from, through or under the Corporation.
 12. The Corporation acknowledges that if a stay of proceedings is issued against the Corporation pursuant to the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangements Act* or otherwise, the Lender would be irreparably harmed and materially prejudiced if any proceeds of the mortgaged premises were used for any purpose other than the repayment of the debts secured by this Debenture, and the Corporation hereby acknowledges and agrees that, without limiting the operation of clause 6 hereof, any proceeds of the mortgaged premises received by the Corporation while such stay is in effect shall be received by and held by the Corporation in trust for the Lender.
 13. The Lender or agent of the Lender may, at any time, enter upon the mortgaged premises to inspect the mortgaged premises, and the reasonable costs of such inspection shall be added to the debt secured by this Debenture.
 14. If the Corporation should fail to comply with any covenant or agreement contained herein, the Lender or agent of the Lender may, but shall not be obligated to, do whatever is necessary to rectify such failure, and all sums so expended by the Lender or its agent shall forthwith become due and be payable by the Corporation to the Lender and until paid shall form part of the principal sum secured hereby and shall bear interest at the aforesaid rate.
 15. The Corporation agrees to pay to the Lender forthwith upon demand all reasonable costs, charges and expenses (including legal fees on a solicitor and his own client basis) of, or incurred by the Lender in connection with this Debenture or the mortgaged premises or any part thereof, or in recovering or enforcing payment of any of the monies owing hereunder including all costs, charges and expenses incurred in connection with taking possession, preserving, collecting or realizing upon the mortgaged premises, together with interest thereon at the aforesaid rate from the date of incurring such costs, charges and expenses.

16. Upon payment by the Corporation to the Lender of the principal sum, interest and all other monies secured by this Debenture and provided the security hereby constituted shall not have become enforceable, the Lender shall, upon the written request of the Corporation, deliver up this Debenture to the Corporation and shall, at the expense of the Corporation, release and discharge the security hereby constituted and execute and deliver to the Corporation such deeds or other documents as shall be requisite to release and discharge this Debenture and the security afforded hereby; provided, however, that this Debenture may be assigned, pledged, hypothecated or deposited by the Corporation as security for advances or loans to or for indebtedness or other obligations or liabilities of the Corporation and in such event this Debenture shall not be deemed to have been discharged or redeemed by reason of the account of the Corporation having ceased to be in debit balance while this Debenture remains so assigned, pledged, hypothecated or deposited.
17. No postponement or partial release or discharge of the Charge in respect of all or any part of the mortgaged premises shall in any way operate or be construed so as to release and discharge the security hereby constituted in respect of the mortgaged premises except as therein specifically provided, or so as to release or discharge the Corporation from its liability to the Lender to fully pay and satisfy the principal sum, interest and all other monies due or remaining unpaid by the Corporation to the Lender.
18. The Corporation acknowledges and agrees that in the event it amalgamates with any other corporation or corporations it is the intention of the Corporation and the Lender that the term "**Corporation**" when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Charge shall secure the indebtedness of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of amalgamation and any indebtedness of the amalgamated corporation to the Lender thereafter arising. The Charge shall attach to all of the "**mortgaged premises**" owned by each corporation amalgamating with the Corporation, and by the amalgamated corporation, at the time of amalgamation, and shall attach to any "**mortgaged premises**" thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired.
19. The Corporation will indemnify the Lender and its successors and assigns against any and all liabilities, actions, claims, judgments, costs, charges and legal fees that may be made against or incurred by the Lender, by reason of the assertion that the Lender has received funds that may be claimed by third persons, either before or after the payment in full of the principal sum, interest and other monies secured hereby and either before or after the release either wholly or partially of the Charge; and the Lender shall have the right to defend against any such claims, actions and charges and claim from the Corporation all expenses incurred by the Lender in connection therewith, together with all reasonable legal fees as may be paid by the Lender in connection therewith. It is understood and agreed that the covenants and conditions of this clause 19 shall at all times be construed to be a personal covenant in favour of the Lender and shall not run with the mortgaged premises, and that such covenants and indemnity shall remain in full force and effect notwithstanding the payment of the principal sum, interest and all other monies secured by this Debenture and the release, either partially or wholly, of the Charge, or any foreclosure hereof.
20. The principal sum, interest and other monies hereby secured will be paid by the Corporation and shall be assignable by the Lender free from any right of set-off or counterclaim by the Corporation or any equities between the Corporation and the Lender.
21. Neither the execution and delivery nor the registration of this Debenture shall for any reason whatsoever obligate or bind the Lender to advance any monies, or having advanced a portion

obligate the Lender in any way to advance the balance thereof; but nevertheless the Charge shall take effect forthwith upon execution of this Debenture and shall operate as security for the actual amount of all the debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Corporation to the Lender or remaining unpaid.

22. The security hereby constituted is in addition to, and not in substitution for, any other security now or hereafter held by the Lender and no payment to the Lender shall constitute payment on account of the principal sum, interest or other monies from time to time owing hereunder unless specifically so appropriated in writing by the Lender. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the monies secured hereby shall not release or affect the security of this Debenture and the taking of the security hereby granted or any proceedings hereunder for the realization of the security hereby granted shall not release or affect any other security held by the Lender for the monies hereby secured.
23. Any notice that may be given by the Lender in accordance with this Debenture shall be in writing and may be given at any time either by delivering or by mailing the same addressed to the Corporation at its address specified on the signature page hereof. Any notice delivered to the Corporation shall be deemed to have been given on the business day during which the same was so delivered to the Corporation and any notice mailed to the Corporation shall be conclusively deemed to have been received by the Corporation on the third business day following that on which it was so mailed.
24. The Corporation hereby authorizes the Lender to file or register such financing statements, financing change statements and other documents as the Lender may deem appropriate to perfect on an ongoing basis and continue the Charge, and to protect and preserve the mortgaged premises and the Corporation hereby irrevocably constitutes and appoints the manager or acting manager from time to time of the herein mentioned branch of the Lender the true and lawful attorney of the Corporation, with full power of substitution, to do any of the foregoing in the name of the Corporation whenever and wherever it may be deemed necessary or expedient, with the Lender providing copies thereof to the Corporation in due course.
25. The Corporation hereby acknowledges receipt of a copy of this Debenture, and waives its right to receive a copy of any financing statement or financing change statement registered by the Lender.
26. To the full extent that it may lawfully do so, the Corporation hereby:
 - (a) waives and disclaims any benefit of, and shall not have or assert any right under any statute or rule of law pertaining to, the marshalling of assets, the exemption of homestead, the administration of estates, or any other matter whatever, to defeat, reduce or affect the rights of the Lender under the terms of this Debenture to a sale of the mortgaged premises or any part thereof or for the collection of all amounts secured hereby;
 - (b) agrees that it shall not have or assert any right or equity of redemption or any right under any statute or otherwise to redeem the mortgaged premises or any part thereof after the sale hereunder to any person whether such sale is by the Lender, any receiver or otherwise, notwithstanding, if such should be the case, that the Lender may have purchased same;
 - (c) agrees that the *Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action (as defined in such Act) taken with respect to any Charge herein; and

- (d) agrees that the *Limitation of Civil Rights Act* (Saskatchewan) shall have no application to:
 - (i) this Debenture or any instrument or agreement in implementation hereof,
 - (ii) any Charge or security for the payment of money made, given or created pursuant to any of the foregoing instruments,
 - (iii) any instrument or agreement entered into at any time hereafter by the Corporation renewing or extending or collateral to this Debenture or to any of the foregoing instruments, or
 - (iv) the rights, powers or remedies of the Lender or any receiver under any of the foregoing instruments.
- 27. The Charge is intended to attach when this Debenture is signed by the Corporation and, with respect to after-acquired property, when the Corporation acquires an interest in such property.
- 28. This Debenture and all its provisions shall enure to the benefit of the Lender, its successors and assigns and shall be binding upon the Corporation, its successors and assigns.
- 29. Wherever the singular or masculine or neuter is used in this Debenture, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context so requires.
- 30. The Corporation will assist the Lender to ensure that this Debenture and all supplementary and corrective instruments and all additional mortgage and security documents described in clause 7, and all documents, caveats, cautions, memorials, security notices, financing statements and assurances in respect thereof are promptly filed and refiled, registered and re-registered and deposited and re-deposited in such manner, in such offices and places, and at such times and as often as may be required by law or as may be necessary or desirable to perfect and preserve the Charge created or intended to be created hereby as a first priority Charge and the rights conferred or intended to be conferred upon the Lender by the Charge herein contained.
- 31. The Corporation shall, as soon as practicable following receipt by the Corporation of a request by the Lender to provide fixed charge security over the producing petroleum and natural gas properties of the Corporation (and in any event not more than 10 days following such request), the Corporation shall furnish or cause to be furnished to the Lender, at the sole cost and expense of the Corporation, fixed charge security over such producing and natural gas properties of the Corporation as are specified by the Lender, in the form of a supplemental debenture to this Debenture.
- 32. No waiver of any right of the Lender hereof shall be valid unless in writing delivered to the Corporation as herein provided. No amendment hereunder shall be valid or effective for any purpose unless consented to in writing by the Lender.
- 33. The provisions of the Offer to Finance are not superseded by or merged in the execution or registration of this Debenture and the provisions of the Offer to Finance shall remain in full force and effect until all of the conditions thereof to be observed or performed by the Corporation have been fully paid and satisfied, provided however, that in the event of a conflict between the terms of the Offer to Finance and the terms of this Debenture, the terms of the Offer to Finance shall

prevail, with the Lender acknowledging that the Permitted Encumbrances are incorporated by reference in the Offer to Finance.

34. In the event that any term or provision in this Debenture shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Debenture shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by applicable law.
35. This Debenture shall be governed by and construed in accordance with the laws in force in the Province of Alberta and for the purposes of any legal proceedings in respect of this Debenture, the Corporation irrevocably submits to the jurisdiction of the courts of the Province of Alberta. There shall be no application of any conflict of laws rule which is inconsistent with this section.

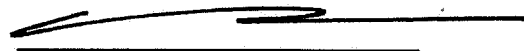
IN WITNESS WHEREOF the Corporation has executed this Debenture by its proper officers duly authorized in that behalf as of the 21st day of February, 2010.

Address of chief executive
office of the Corporation:

Suite 2380, 440 – 2nd Avenue S.W.
Calgary, AB T2P 5E9

TRITON ENERGY CORP.

Per: 
Name: Dean Schmitz
Title: VP Finance

Per: 
Name: Ernie Sapreha
Title: President

SCHEDULE "A"

PERMITTED ENCUMBRANCES


1. Liens for taxes, assessments or governmental charges:
 - (a) not at such date due or delinquent; or
 - (b) the validity of which the Corporation shall be contesting in good faith and in respect of which:
 - (i) an amount in cash sufficient to pay such taxes, assessments or charges shall have been deposited with a court, a taxing or assessing authority or the Lender; or
 - (ii) a surety bond, satisfactory to the Lender, for such amount shall have been deposited with the Lender.
2. The lien of any judgment rendered, or claim filed, against the Corporation which the Corporation shall be contesting in good faith and in respect of which:
 - (a) an amount in cash sufficient to pay such judgment or claim shall have been deposited with a court or the Lender; or
 - (b) a surety bond, satisfactory to the Lender, for such amount, shall have been deposited with the Lender.
3. Undetermined or inchoate liens arising in the ordinary course of and incidental to construction or current operations which:
 - (a) have not, at such time, been filed pursuant to law against the Corporation and which relate to obligations at such date not due or delinquent; or
 - (b) relate to obligations being contested at the time in good faith by the Corporation, provided that the Corporation has posted security therefor with the Lender or with the lien holder in an amount sufficient to discharge same.
4. Liens incurred or created in the ordinary course of business and in accordance with sound industry practice on any petroleum and natural gas rights or production of hydrocarbons therefrom as security in favor of any person who is conducting the development or operation of the property to which such petroleum or natural gas rights relate, for the Corporation's portion of the cost and expenses of such development or operation, which have not at such time been filed pursuant to law and which relate to obligations not due or delinquent.
5. Easements, rights-of-way, servitudes or other similar rights or restriction in property (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables) granted to or reserved or take by other persons which in the aggregate do not materially detract from the value of such property or materially impair its use in the operation of the business of the Corporation.

6. Security given by the Corporation to any public utility, any municipality, a governmental or other public authority when required by such utility, municipality or authority in the ordinary course of the business of the Corporation, which in the aggregate do not detract materially from the value of any part of the mortgaged premises or its use in the operations of the Corporation.
7. The right to reserve to or vest in any municipality, governmental or other public authority under the terms of any lease, license, franchise, grant or permit required by the Corporation or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof.
8. The reservation in any original grant from any government of any land or interest therein and statutory exceptions to title.
9. To the extent a security interest is constituted or created thereby, any right of first refusal in favor of any person granted in the ordinary course of business with respect to the oil and gas properties of the Corporation, which in the aggregate do not detract materially from the value of any part of the mortgaged premises or its use in the operations of the Corporation.
10. Security interests on hydrocarbons or the proceeds of sale of hydrocarbons arising or granted by the Corporation in the ordinary course of the Corporation's business pursuant to a processing or transmission arrangement entered into by the Corporation in the ordinary course of business, securing the payment of the fees, costs and expenses attributable to the processing or transmission (as the case may be) of any such petroleum substances under any such processing or transmission arrangement, but insofar as such security interests relate to obligations which are at such time not past due.
11. Security interests taken, held or received in collateral by the vendor or lessor of such collateral to secure all or part of the purchase price of or lease payments in respect of that collateral, provided, however, that the aggregate principal amount of the indebtedness secured by the security interests referred to in this paragraph shall not exceed the amounts permitted by the Offer to Finance in the aggregate in any fiscal year.
12. Any lease or sublease of substances other than hydrocarbons granted by the Corporation provided that any such lease or sublease does not interfere with the enjoyment by the Corporation of its petroleum and natural gas properties.
13. Any caveat relating to a lease or sublease referred to in paragraph 12 above filed by or on behalf of the lessee or sublessee thereunder or its successors or assigns.
14. Any interest of a third party under any pooling unit development, farm-in, overriding royalty, net profits interest, carried interest, reversionary interest or operating agreement affecting petroleum and natural gas rights entered into in the ordinary course of business between arm's length third parties on reasonable commercial terms.
15. Any lien or trust arising in connection with workers' compensation, unemployment insurance, pension and employment laws or regulations, provided, however:
 - (a) the Corporation's obligations thereunder are not at the time due or delinquent, or

- (b) the validity of which is being contested by the Corporation in good faith and by appropriate proceedings, provided that no execution in respect of such security interests, trust or deposit has been initiated or, if initiated, such execution has been stayed, and
 - (c) all such failures in the aggregate have no material adverse effect on the financial condition of the Corporation.
16. Any claim or encumbrance from time to time disclosed by the Corporation to the Lender and which is consented to in writing by the Lender.

TAB D

This is **Exhibit "D"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

GENERAL SECURITY AGREEMENT



TO:

2700, 530 - 8 Avenue S.W., Calgary, Alberta, T2P 3S8

hereinafter called the "BANK",

(BRANCH ADDRESS)

GRANTED BY:

TRITON ENERGY CORP. of Suite 2380, 440 - 2 Avenue S.W., Calgary, Alberta, T2P 5E9, hereinafter called the "DEBTOR".

1. GRANT OF SECURITY INTEREST

As a general and continuing security for the payment of all obligations, indebtedness and liabilities of the Debtor to the Bank whether incurred prior to, at the time of or subsequent to the execution hereof, including extensions or renewals, and all other present and future liabilities of the Debtor to the Bank, direct or indirect, whatsoever and howsoever incurred and any ultimate unpaid balance thereof, including, without restricting the generality of the foregoing, advances to the Debtor under fixed or revolving credits established from time to time; letters of credit, whether or not drawn upon, issued by the Bank with respect to the Debtor; and the obligation and liability of the Debtor under any contract of guarantee now or hereafter in existence whereby the Debtor guarantees payment of the debts, liabilities and obligations of a third party to the Bank; (herein called "Obligations") the Debtor hereby grants to the Bank a continuing security interest in, and mortgages, charges and assigns to the Bank as and by way of a fixed and specific mortgage and charge, all of the Debtor's present and after-acquired property, assets, and undertaking described in paragraph 2 hereof (hereinafter collectively called the Collateral).

2. DESCRIPTION OF COLLATERAL

(a) Accounts Receivable or Accounts

All debts, Accounts, claims, moneys and choses in action which now are or which may at any time hereafter be due or owing to or owned by the Debtor and also all securities, mortgages, bills, notes and other documents now held or owned or which may be hereafter taken, held or owned by or on behalf of the Debtor in respect of the said debts, Accounts, claims, moneys and choses in action, or any part thereof, and also all books, documents and papers recording, evidencing or relating to the said debts, Accounts, claims, moneys and choses in action, or any part thereof. All of which are hereinafter called "Accounts Receivable" or "Accounts".

(b) Goods

All Goods (including all parts, accessories, attachments, additions and acccessions thereto) now owned or hereafter owned or acquired by the Debtor including, without limitation, all equipment, inventory, farm products, machinery, tools, apparatus, plant, furniture, fixtures, and Serial Numbered Goods now owned or hereafter acquired by the Debtor. All of which are hereinafter called "Goods".

(c) Intangibles

All Intangibles now owned or hereafter acquired by the Debtor and which are not included in sub-paragraph (a) above, including, without limitation, all contractual rights, goodwill, patents, trade marks, trade names, copyrights, permits and quotas, and other industrial property now owned or hereafter acquired by the Debtor and the undertaking of the Debtor. All of which are hereinafter called "Intangibles".

(d) Other Personal Property

All Investment Property (including without limitation shares, stocks, warrants, bonds and debentures), Instruments (including without limitation cheques, notes, bills of exchange, letters of credit and advices of credit), Chattel Paper (including without limitation chattel mortgages, conditional sale contracts, lease-option agreements and leases), Documents of Title (including without limitation warehouse receipts and bills of lading) and one now owned or hereafter acquired by the Debtor. All of which are hereinafter respectively called "Investment Property", "Instruments", "Chattel Paper", "Documents of Title" and "Money".

(e) Leasehold, Real and Immovable Property

All real and immovable property, both freehold and leasehold, and any interests therein, now owned or hereafter acquired by the Debtor, together with all buildings, erections, improvements and fixtures situate thereupon or used in connection therewith and including the property set forth and described in Schedule "A" which forms part hereof, including any lease, verbal or written or any agreement therefor, provided, however, the last day of any term of any such lease, verbal or written, or any agreement therefor, is excepted out of the property charged by this security agreement, but the Debtor shall stand possessed of any such reversion upon trust to assign and dispose thereof as the Bank may direct.

(f) Proceeds

All personal property derived directly or indirectly from any dealing with the Collateral of the Debtor or its proceeds, including the right to an insurance payment or any other payment as indemnity or compensation for loss of or damage to the Collateral or proceeds of the Collateral. All of which are hereinafter called "Proceeds".

Unless otherwise limited herein, the terms "Goods", "Accounts", "Chattel Paper", "Documents of Title", "Instruments", "Money", "Investment Property", "Proceeds" and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act*, as amended or replaced from time to time, which Act including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "PPSA". Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". PROVIDED THAT the Collateral will not include any "Consumer Goods" of the Debtor as that term is defined in the PPSA. "Serial Numbered Goods" means motor vehicles, trailers, mobile homes, aircraft, boats and outboard motors.

Time of Attachment - The Debtor acknowledges that value has been given and that the parties have not agreed to postpone the time for attachment of the mortgages, charges, assignments and security interests provided for in this security agreement.

3. INVESTMENT PROPERTY

If the Collateral at any time includes Investment Property, the Debtor authorizes the Bank to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Bank or its nominee(s) may appear of record as the sole owner thereof; provided that, until default, the Bank shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its nominee(s) a proxy or proxies with respect to such Investment Property. After default, the Debtor waives all rights to receive any notices or communications received by the Bank or its nominee(s) as such registered owner and agrees that no proxy issued by the Bank to the Debtor or its order as aforesaid shall thereafter be effective.

4. SERIAL NUMBERED GOODS

The Debtor warrants and warrants that all Serial Numbered Goods owned by the Debtor and used as equipment are fully and accurately described in Schedule "A", and the Debtor covenants to advise the Bank promptly, in writing, of the acquisition by the Debtor of any further Serial Numbered Goods that are not inventory or the commencement by the Debtor to use any Serial Numbered Goods in its inventory for non-inventory purposes and to provide the Bank with full and complete descriptions of such Serial Numbered Goods setting forth each make, model, year of manufacture and serial number.

5. GENERAL WARRANTIES AND COVENANTS OF THE DEBTOR

The Debtor hereby warrants and covenants with the Bank that it:

- owns the Collateral free of all security interests or other encumbrances except for the permitted encumbrances described in paragraph 30 hereof or hereafter approved in writing by the Bank prior to their creation or assumption and that none of the Goods which are Subject to the security interest hereof have been affixed to real property or to other Goods except as has been disclosed to the Bank in writing;
- shall pay all costs and expenses (including legal fees on a solicitor and his own client basis) of the Bank incurred with respect to the preparation, execution and filing of or in respect of this security agreement and the taking, recovering or possessing of the Collateral and in any other proceedings taken for the purpose of enforcing the remedies provided herein, or otherwise in relation to the Collateral, including the Bank's costs of complying with any provision of the PPSA or by reason of non-payment of the Obligations hereby secured;
- shall keep the Collateral in good order, condition and repair, and shall not use the Collateral in violation of the provisions of this security agreement and shall prevent the Collateral from being or becoming affixed to real property without the prior written consent of the Bank;
- shall pay all rents, taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or with respect to the same shall become due and payable;
- shall notify the Bank promptly of:
 - any change in the information contained herein or in the Schedule hereto relating to Debtor, Debtor's business or Collateral;
 - the details of any significant acquisition of Collateral;
 - the details of any claims or litigation affecting the Debtor or Collateral;
 - any loss of or damage to Collateral;
 - any default by any Account Debtor (as defined in the PPSA) in payment or other performance of his obligations with respect to the Collateral; and
 - the return to or repossession by Debtor of Collateral.
- shall observe and perform all its obligations under all leases, licenses and other agreements to which it is a party in order to preserve and protect the Collateral and shall comply with all of its other covenants and agreements with the Bank (e.g. those set forth in a commitment letter);
- shall permit a representative of the Bank at any time to inspect its plant, machinery, equipment, inventory, stock-in-trade and operations and for that purpose to enter the Debtor's premises and any other location where the Collateral may be situated and shall pay the expenses of the Bank incurred thereby including, without limitation, the reasonable remuneration and expenses of any person engaged by the Bank for such purposes;
- shall keep proper books of account and records covering all its business and affairs on a current basis; shall permit a representative of the Bank at any time to inspect the Debtor's books of account and records to make copies and summaries thereof and to make enquiries and tests for the purpose of verification thereof, and shall pay the expenses of the Bank incurred thereby including, without limitation, the reasonable remuneration and expenses of any person engaged by the Bank for such purposes; and
- shall deliver to the Bank from time to time promptly upon request:
 - any Documents of Title, Instruments, Investment Property and Chattel Paper constituting, representing or relating to Collateral;
 - all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - all financial statements prepared by or for Debtor regarding Debtor's business;
 - all policies and certificates of insurance relating to Collateral; and
 - such information concerning Collateral, the Debtor, and Debtor's business and affairs as the Bank may reasonably request.

6. CONTINUING SECURITY

This security agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Bank, and is intended to be a continuing security agreement and shall remain in full force and effect until the Manager or Acting Manager from time to time of the abovementioned branch of the Bank shall actually receive written notice of its discontinuance, and, notwithstanding such notice, shall remain in full force and effect thereafter until all Obligations contracted for or created before the receipt of such notice by the Bank, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid and satisfied in full. It is contemplated that balances owing from time to time by the Debtor may be reduced or paid in full and that further advances may be made to the Debtor on the basis of this security agreement.

7. RESTRICTIONS ON SALE OR DISPOSAL OF COLLATERAL

- Except as hereinafter provided, the Debtor shall not, without the written consent of the Bank:
 - sell, lease or otherwise dispose of the Collateral or any part thereof;
 - release, surrender or abandon possession of the Collateral or any part thereof; or
 - move or transfer the Collateral or any part thereof from its present location.

- (b) Until the Debtor receives notice from the Bank to the contrary, the Debtor may:
- dispose of inventory and collect Accounts by any method of disposition or collection that is in the ordinary course of the Debtor's business and for the purpose of carrying on the same; and
 - at any time, apply for the prior written consent of the Bank, before selling or otherwise disposing of such part of its equipment which is not necessary to or useful in connection with the business and undertaking or which has become worn out or defective and is available for its purposes PROVIDED THAT the Bank shall have an unfettered discretion in approving or disapproving such applications and, as a matter of principle, will not approve of any application unless the Debtor substitutes for the equipment being disposed of, and subjects to the charge of this security agreement, free from liens or charges, equipment of at least equal value so that the security of the Bank hereunder shall not thereby be in any way reduced or impaired. The Debtor shall provide the Bank from time to time with such further assurances and written evidence of the extension of the charges of this security agreement to all such substitute equipment as the Bank may reasonably require.
- (c) The Bank may, at its discretion, at any time release from the charge contained herein any part or parts of the Collateral, or any other security or surety for the Obligations either with or without sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the Collateral or any person from this security agreement or from any of the covenants herein contained. Every part of the Collateral into which the Collateral is or may hereafter be divided does and shall stand charged with payment of the Obligations and no person shall have the right to require the Obligations to be apportioned. The Bank shall not be accountable to the Debtor for the value of any property or security released except for any moneys actually received by the Bank.
- 8. NEGATIVE COVENANTS**
- The Debtor shall not, without the prior written consent of the Bank:
- create, permit, assume, have outstanding or suffer to exist, any security interest in or any charge or encumbrance on the Collateral, or any part thereof, ranking or purporting to rank prior to or pari passu with the security interest created by this security agreement, other than permitted encumbrances as described in paragraph 30 hereof, and *Purchase-Money Security Interests* permitted under paragraph 8(d);
 - permit any subsidiary to mortgage, charge or otherwise encumber any of its property or assets or issue any bonds, debentures, shares or other securities except to the Debtor or the Bank;
 - issue any trust deeds or similar instruments which would permit the Debtor to file for protection under the Companies' Creditors Arrangement Act;
 - create any *Purchase-Money Security Interest ("PMSI")* in favour of any person; provided however, that the Debtor may create a PMSI in favour of any vendor of equipment, up to 75% of the purchase price; nor
 - amend or terminate, or accept any prepayment in respect of, any Account, Intangible, Instrument or Chattel Paper except in good faith in the ordinary course of business.
- 9. FAILURE TO PERFORM COVENANTS**
- If the Debtor shall fail to perform any covenant on its part herein contained, the Bank may, in its absolute discretion, but without being bound to do so, perform any such covenant capable of being performed by it. If any such covenant requires the payment of money or if the Collateral shall become subject to any lien or charge ranking in whole or in part in priority to the charge created by this security agreement, the Bank may make such payment or pay or discharge the said lien or charge, but shall be under no obligation to do so. All sums so paid by the Bank shall immediately be payable by the Debtor to the Bank, shall bear interest at the highest rate borne by any of the Obligations until paid, and shall be secured by this security agreement. No such performance or payment shall relieve the Debtor from any default under this security agreement or any consequences of such default.
- 10. INSURANCE**
- The Debtor shall insure and keep insured the Collateral against loss or damage by fire and such other risks, as the Bank may reasonably require, in the amount of not less than the full insurable value of the Collateral in lawful money of Canada with insurance companies authorized to do business in Canada.
 - The Debtor shall insure itself against public liability for a reasonable amount considering the nature of the business carried on by the Debtor.
 - The loss under all policies of insurance, other than public liability, shall be payable to the Bank and the Debtor shall arrange to have the entitlement of the Bank to the loss payable recorded on each policy of insurance. In any event, the production of this security agreement shall be sufficient authority for, and the insurer is hereby directed thereupon, to pay the loss to the Bank. All policies of insurance, including renewals, shall be lodged with the Bank and the Debtor shall pay all premiums as the same become payable in respect of such insurance.
 - In the event of loss, the Bank, at its option, may apply the insurance proceeds against the balance owing by the Debtor, release the said proceeds to the Debtor, on arrangement for the said proceeds, or any part thereof, to be used to repair, replace or rebuild the damaged property, or any combination of such applications. Where the insurance proceeds are released to the Debtor, or used for the purpose of repairing, replacing, or rebuilding the damaged property, the receipt of the insurance proceeds shall not operate as payment or novation or in any way affect the security herein or any other security for the Obligations.
- 11. EVENTS OF DEFAULT**
- The happening of any of the following events or conditions shall constitute default hereunder and thereupon the security hereby constituted shall become enforceable:-
- The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Obligations or the failure of the Debtor to perform any term, condition, obligation, or covenant in favour of the Bank, whether or not contained herein, including default in making any payment referred to herein, or if any of the warranties contained herein are, or shall become, materially untrue.
 - The Debtor, if an individual, dies or is declared incompetent by a Court of competent jurisdiction or the Debtor, if a partnership, is dissolved or wound up, or the Debtor, if a corporation, enters into any reconstruction, reorganization, amalgamation, merger or any other similar arrangement;
 - If any order shall be made or a resolution passed for the winding-up of the Debtor (if the Debtor is a corporation), or if a petition shall be filed under the *Bankruptcy and Insolvency Act* by or against the Debtor or an authorized assignment made by it or a receiver or agent appointed under the *Bankruptcy and Insolvency Act* or by or on behalf of a secured creditor of the Debtor or an application made under the *Companies' Creditors Arrangement Act* (if the Debtor is a corporation) or any other relief is sought under any similar legislation in any jurisdiction or a proposal is made by the Debtor to its creditors under the *Bankruptcy and Insolvency Act* or the Debtor files a Notice of Intention to file such a proposal;
 - The institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
 - If an encumbrancer, whether permitted or otherwise, shall take possession of any part of the Collateral, or if any process of a Court, execution, or distress becomes enforceable or is enforced against any of the Collateral;
 - If the Debtor ceases or threatens to cease to carry on business, makes or agrees to make a bulk sale of assets without complying with applicable law or commits an act of bankruptcy, or otherwise acknowledges its insolvency;
 - If any execution, sequestration, extent or other process of any court become enforceable against the Debtor or if a distress or analogous process is levied upon the Collateral or any part thereof;
 - If any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this security agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Bank to extend any credit to or to enter into this or any other agreement with the Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this security agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Bank at or prior to the time of such execution;
 - If the Bank in good faith believes, and has commercially reasonable grounds for believing, that the prospect of payment or performance of the Obligations is or is about to be impaired or that the Collateral is or is about to be placed in jeopardy;
 - If the Debtor or any guarantor or affiliate defaults under any agreement with respect to any indebtedness or other obligation to any person other than the Bank if such default has resulted in, or may result, with notice or lapse of time or both, in the acceleration of any such indebtedness or obligation or the right of such person to realize upon any Collateral; or
 - If any of the property of the Debtor, or any guarantor, is seized by or on behalf of a creditor pursuant to security or otherwise.
- 12. REMEDIES UPON DEFAULT**
- At any time after the happening of any default, the Bank may declare any or all of the Obligations not payable on demand to become immediately due and payable and the security hereby constituted will immediately become enforceable. To enforce and realize on the security hereby constituted, the Bank may exercise any one or more of the following rights and powers:
- to enter upon any premises of the Debtor and to take possession of all or any part of the Collateral with power to exclude the Debtor, its agents and servants therefrom;
 - to preserve and maintain the Collateral and make such replacements thereof and additions thereto as it shall deem advisable;
 - to enjoy and exercise all powers necessary to the performance of all functions provided for in this security agreement, including, without limitation, the power to purchase on credit, the power to borrow in the Debtor's name or in its own name and to advance its own money to the Debtor at such rates of interest as it may deem reasonable;
 - to sell, lease or otherwise dispose of all or any part of the Collateral whether by public or private sale or lease or otherwise in such manner and on such terms (including as to deferred payment) as to it may seem commercially reasonable, provided always that it shall not be incumbent on the Bank to sell, lease or dispose of the Collateral but that it shall be lawful for the Bank peaceably and quietly to take, hold, use, occupy, possess and enjoy the Collateral in the manner and to the extent it shall deem advisable without molestation, eviction, hindrance, or interruption of the Debtor, or any other person or persons whomsoever, and to convey, transfer and assign to a purchaser or purchasers the title to any of the Collateral sold; and
 - to appoint by instrument in writing a receiver, receiver-manager, or receiver and manager (herein called the "Receiver") of the Collateral, with or without bond, and may from time to time remove the Receiver and appoint another in his stead.
- 13. RECEIVER**
- A Receiver appointed by the Bank as aforesaid will be deemed to be the agent of the Debtor and not of the Bank, and the Debtor shall be solely responsible for the Receiver's acts or defaults and the Bank shall not be in any way responsible therefor, and the Bank shall not be liable to the Receiver for his remuneration, costs, charges or expenses. It is further specifically understood and agreed that the Receiver appointed pursuant to the provisions of this security agreement by the Bank shall have, subject to any limitations in the instrument in writing or any order of a court of competent jurisdiction appointing him, all of the rights and powers of the Bank hereunder and the following additional rights and powers:
- to carry on or concur in carrying on all or any part of the business of the Debtor; and
 - to borrow money, upon the security of the whole or any part of the Collateral for the purpose of carrying on all or any part of the business of the Debtor and for the preservation and realization of the Collateral, or to maintain the whole or any part of the Collateral in a manner that will be sufficient to obtain the amounts from time to time required in the opinion of the Receiver, and in so doing the Receiver may issue certificates (each herein called a "Receiver's Certificate") that may be payable as the Receiver considers expedient and bear interest as stated therein, and the amounts from time to time payable under any Receiver's Certificate shall charge the Collateral in priority to this security agreement and the Debtor hereby charges the Collateral with debts, if any, owing from time to time under any Receiver's Certificate.
- In exercising his powers hereunder, any Receiver will be free to deal with the Collateral and any assets of the Debtor related thereto in such order or manner as he may be directed by the Bank, any rule of law or equity to the contrary notwithstanding, including, without limitation, the equitable principle or doctrine of marshalling.
- 14. ADDITIONAL POWERS UPON DEFAULT**
- In addition to the foregoing rights and powers, the Bank, any authorized agent of the Bank, and the Receiver shall each have all the rights and remedies of a secured party or mortgagee under the *PPSA*, or otherwise at law or in equity, and for greater certainty, shall each have the following rights and powers if the security hereby constituted becomes enforceable:
- dispose of any of the Collateral in the condition in which it was at the date possession of it was taken, or after any commercially reasonable repair, processing or preparation for disposition;
 - sell, lease or otherwise dispose of any part of the Collateral without giving any notice whatever except as may be required by applicable statute law;

- (c) at its option, provided notice is given to the Debtor in the manner required by the PPSA the Bank may elect to retain all or any part of the Collateral in satisfaction of the Obligations to it of the Debtor;
- (d) the Bank may terminate any outstanding credit facilities granted to the Debtor, immediately or without any prior notice and in addition, without limitation, may dishonor cheques and apply the Debtor's credit balances against the Obligations;
- (e) the Bank may demand, sue for and receive any Accounts Receivable, Chattel Paper, Instruments or Investment Property, give effectual receipts and discharges therefor, compromise any such Collateral which may seem bad or doubtful to the Bank and give time for payment thereof with or without security;
- (f) pay any or all debts and liabilities in connection with the Collateral;
- (g) make any arrangements or compromises which the Receiver considers expedient; and
- (h) institute and prosecute all suits, proceedings and actions which it considers necessary or advisable for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of any part of the Collateral, and defend all suits, proceedings and actions against the Debtor, the Bank or the Receiver, appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or hereafter instituted, and appeal any suit, proceeding or action.

The Bank, any authorized agent of the Bank, and the Receiver may realize on various securities and any part thereof in any order that the Bank may consider advisable and any realization, whether by foreclosure or sale, on any security or securities shall not bar realization on any other security or securities. Each remedy of the Bank, any authorized agent of the Bank, and the Receiver may be enforced before or concurrently with or subsequent to any other remedy or remedies of the Bank, its agent or the Receiver.

15. APPLICATION OF PROCEEDS OF DISPOSITION OF COLLATERAL

The net revenue received from the Collateral and the net proceeds of sale of the Collateral or any part thereof shall be applied by the Receiver, subject to the claims of creditors, if any, ranking in priority to this security agreement, as follows:-

- (a) firstly, in payment of all costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable to him;
- (b) secondly, in payment to the Bank of all costs and charges owing hereunder and interest and arrears of interest remaining unpaid hereunder;
- (c) thirdly, in payment to the Bank of the Obligations owing hereunder; and
- (d) fourthly, subject to the rights of any other creditors, any surplus shall be paid to the Debtor;

PROVIDED THAT in the event any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or any portion of the surplus as the Receiver deems appropriate in the circumstances.

16. APPOINTMENT OF CONSULTANT

The Debtor hereby agrees that at all times the Bank shall be entitled to appoint a Consultant to provide such services and advice as the Bank may determine in its sole discretion, with power to enter the Debtor's premises, to inspect and evaluate the Collateral, to make copies of the Debtor's records at the Debtor's expense, to review the Debtor's business plans and projections, to assess the viability of the Debtor's business, to monitor the conduct of the Debtor's affairs, to prepare written reports on the Debtor's affairs and to distribute such reports to the Bank or to other such persons as the Bank may direct.

The Debtor acknowledges that the Consultant is an agent for the Bank and owes no duty to the Debtor. The Consultant is to have no managerial or advisory capacity and will have no decision making responsibility. The Debtor authorizes the Bank to provide confidential information to the Consultant. All fees in connection with the engagement of a Consultant are for the account of the Debtor and are payable on demand by the Bank.

17. PROCEEDS HELD IN TRUST; APPLICATION OF MONIES

All proceeds collected or received by the Debtor from the disposition of Collateral or otherwise shall be received in trust for the Bank and shall upon request be forthwith paid to the Bank. Subject to applicable law, any and all payments made in respect of the Obligations from time to time, and monies realized from any security held therefor (including monies collected in accordance with or realized on any enforcement of this security agreement), may be applied to such parts of the Obligations as the Bank may from time to time see fit or, at the option of the Bank, such payments and monies may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or to the rights of the Bank hereunder. The Bank may also hold as additional security any increases or profits (including dividends) in respect of Collateral.

18. WAIVER BY THE BANK

Any breach by the Debtor of any of the provisions contained in this security agreement and any default by the Debtor in the observance or performance of any covenant or condition required to be observed or performed by the Debtor hereunder, may only be waived by the Bank in writing, provided that no such waiver by the Bank shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

19. BANK NOT RESPONSIBLE

The Bank shall not be liable or accountable for any failure to seize, collect, realize, sell or obtain payment of the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of seizing, collecting, realizing or obtaining possession or payment of the same or the purpose of preserving any rights of the Bank, the Debtor or any other party in respect of the same.

The Bank may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties, and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Bank may see fit without prejudice to the Obligations or the Bank's right to hold and realize the Collateral.

The Bank will not be responsible for any debts contracted by it, for damages to persons or property, or for salaries or non-fulfilment of contracts, during any period when the Bank manages Collateral upon entry, as herein provided; nor will the Bank be responsible for any misconduct, negligence or non-attendance on the part of any Receiver or the agents or employees thereof; nor will the Bank or any Receiver be liable to account as a mortgagee in possession or for any loss on realization or for any default or omission for which a mortgagee in possession may be liable; nor will the Bank be obligated to keep Collateral identifiable; nor will the Bank be obligated to take necessary steps to preserve rights against other Persons with respect to Securities, Instruments or Chattel Paper included in the Collateral; nor will the Bank be obligated to inquire into the right of any Person purporting to be entitled under the PPSA to information and materials from the Bank by making a demand upon the Bank for such information and materials, and the Bank will be entitled to comply with any such demand, and will not be liable for having so complied, notwithstanding that such person may in fact not be entitled to make such demand.

20. RESTRICTION ON DEBTOR

Upon the Debtor receiving notice from the Bank of the Bank taking possession of the Collateral or the appointment of a Receiver, all the powers, functions, rights and privileges of the Debtor and of each officer, director, servant, and agent of the Debtor with respect to the Collateral, shall be suspended unless specifically continued by the written consent of the Bank.

21. BANK APPOINTED ATTORNEY

The Debtor hereby irrevocably appoints the Bank to be the attorney of the Debtor for and in the name of the Debtor to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Debtor is obliged to sign, execute or do hereunder and generally to use the name of the Debtor in the exercise of all or any of the powers hereby conferred on the Bank and any Receiver appointed.

22. COSTS; DEFICIENCY

The Debtor shall pay to the Bank on demand any and all costs, charges and expenses, including without limitation legal costs on a solicitor and his own client basis, incurred or paid by the Bank in protecting or enforcing its rights upon or under Collateral. After the payment of the expenses of retaking and disposing of the Collateral, the Debtor shall remain liable to the Bank for any deficiency remaining to be paid on moneys owing under this security agreement after the application of the proceeds of disposition of the Collateral.

23. NO OBLIGATION TO ADVANCE

Neither execution nor delivery of this security agreement shall obligate the Bank to advance any moneys to the Debtor. None of the preparation, execution, perfection or registration of this security agreement nor the making of any advance will bind the Bank to grant, continue, extend time for payment of, or accept anything, which constitutes or would constitute an Obligation.

24. GOVERNING LAW; SEVERABILITY

This security agreement shall be governed by and construed in accordance with the laws of the Jurisdiction where the Collateral is situated or where the Debtor carries on business or where the Bank has the branch, as the same may from time to time be in effect, including, where applicable, the PPSA as amended or replaced from time to time. Any provision hereof prohibited by such law shall be ineffective to the extent of such prohibition without invalidating the remaining provisions hereof.

25. NOTICE

- Any demand or notice to the Debtor in connection with this security agreement shall be deemed to be made or given if either:
 - (a) mailed by prepaid post addressed to the Debtor at its last known address, in which case it shall be conclusively deemed to have been received by the Debtor on the third (3rd) business day following the date of such mailing; or
 - (b) personally served upon, or dispatched by facsimile transmission to, the Debtor, or any director, officer, servant, employee or partner of the Debtor, in which case it shall be deemed to have been made and given to the Debtor at the time of such service or dispatch.

26. WAIVER BY DEBTOR

Where any provision or remedy contained or referred to in this security agreement is prohibited, modified or altered by the laws of any Province or Territory of Canada which governs that aspect of the security agreement and the provision or remedies may be waived or excluded by the Debtor in whole or in part, the Debtor hereby waives and/or excludes such provision to the extent permissible by law. Without limiting the generality of the foregoing, the Debtor agrees to waive those provisions of the PPSA which are contrary to any provision of this security agreement and which may be waived under the PPSA.

27. NON-APPLICABLE LAW

To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protections given by the provisions of any existing or future Statute which imposes limitations upon the powers, rights or remedies of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute. In particular, the Debtor (if a corporation) agrees that the Limitation of Civil Rights Act of the Province of Saskatchewan shall not apply to this Security agreement or any of the rights, remedies or powers of the Bank or any Receiver hereunder.

28. FURTHER ASSURANCES

The Debtor shall from time to time forthwith on the Bank's request do, make and execute all such Financing Statements, Financing Change Statements, further assignments, documents, acts, matters and things as may be required by the Bank of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents.

29. BINDING EFFECT

This security agreement and all its provisions shall enure to the benefit of the Bank, its successors and assigns, and shall be binding upon the Debtor, its heirs, executors, administrators, successors and assigns.

30. DESCRIPTION OF PERMITTED ENCUMBRANCES

- For the purposes of this security agreement, "Permitted Encumbrances" means any of the following:-
 - (a) liens for taxes, assessments, governmental charges or levies which are not overdue;
 - (b) rights reserved to or vested in any municipality or government or other public authority by the terms of any lease, licence, franchise, grant or permit, or by any statutory provision, to terminate the same or to require annual or periodic payments as a condition to the continuance thereof;
 - (c) any lien or encumbrance, the validity of which is contested by the Debtor in good faith, in respect of which there shall have been deposited with the Bank cash in an amount sufficient to satisfy the same, or the Bank shall otherwise be satisfied that its interests are not prejudiced thereby; or
 - (d) any security given by the Debtor to the Bank.

31. HAZARDOUS MATERIALS

The Debtor's operations and places of business are and will be kept in compliance with all Hazardous Materials Laws (as defined below). No Hazardous Materials (as defined below) have at any time been transported to or from the Debtor's places of business, or used, generated, manufactured or disposed of on, under or about the Debtor's places of business, and the Debtor will not permit any such activity except in compliance with all Hazardous Materials Laws. For the purposes of this paragraph: "Hazardous Materials" means any oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, asbestos which is or could become friable, urea formaldehyde foam insulation, toxic wastes or substances, or other wastes, materials or pollutants which pose a hazard to the Debtor's operations or places of business or which cause the same to be in violation of any Hazardous Materials Laws; and "Hazardous Materials Laws" means any federal, provincial or local laws, bylaws, rules, ordinances, regulations, notices, approvals, orders, standards, guidelines or policies relating to the environment, health, safety, or any "Hazardous Materials".

32. CURRENCY

All sums of money payable under this security agreement shall be paid in Canadian dollars. If, for the purposes of obtaining or enforcing judgement in any Court in any jurisdiction, it becomes necessary to convert into the currency of the country giving such judgement (the "Judgement Currency") an amount due hereunder in Canadian dollars (the "Agreed Currency"), then the date on which the rate of exchange for conversion is selected by that Court is referred to herein as the "Conversion Date". If there is a change in the rate of exchange between the Judgement Currency and the Agreed Currency between the Conversion Date and the actual receipt by the Bank of the amount due hereunder or under such judgement, the Debtor will, notwithstanding such judgement, pay all such additional amounts as may be necessary to ensure that the amount received by the Bank in the Judgement Currency, when converted at the rate of exchange prevailing on the date of receipt, will produce the amount due in the Agreed Currency. The Debtor's liability hereunder constitutes a separate and independent liability which shall not merge with any judgement or any partial payment or enforcement of payment of sums due herein. The term "rate of exchange", as used herein, includes any premiums or costs payable in connection with the currency conversion then being effected.

33. ENTIRE AGREEMENT IN WRITING

This security agreement and all schedules hereto represent the entire agreement between the parties with respect to the granting of the security interest herein contained and all prior negotiations relating to it are suspended. There are no collateral understandings between the parties relating to this security agreement and the rights of the parties hereunder. This agreement may only be amended by a document signed by the party against whom enforcement of the amendment is sought.

34. DISCHARGE

The Debtor will be entitled to a discharge of this agreement upon written request by the Debtor and full payment, performance and satisfaction of the Obligations, or the securing of the Obligations to the satisfaction of the Bank. No discharge will be effective unless in writing and executed by the Bank.

35. JOINT AND SEVERAL

If more than one person executes this agreement as the Debtor, all representations and agreements of the Debtor will be joint and several, the Obligations will include those of all such persons or any one or more of them, and the Collateral will include Collateral of all such persons or any one or more of them.

36. INCLUDED WORDS

Where the context requires, the singular will be read as if the plural were expressed and vice versa, and the provisions hereof will be read with all necessary grammatical changes dependent upon the person referred to being a male, female or artificial body.

37. HEADINGS

All headings have been inserted for convenience of reference only and are not to affect the interpretation of the agreement.

38. RECEIPT OF COPY OF SECURITY AGREEMENT

The Debtor hereby acknowledges having received a copy of this security agreement and waives all rights to receive from the Bank a copy of any Financing Statement, Financing Change Statement, or Verification Statement, filed or issued at any time in respect of this security agreement.

39. NAME ETC. OF DEBTOR


The Debtor agrees that the Debtor will not have any other form of name without giving fifteen (15) days' prior written notice to the Bank and that the full, true and correct legal name and a dress of the Debtor and, where applicable, birth date and sex of the Debtor is hereby declared by the Debtor to be as follows:

INDIVIDUAL DEBTOR						
Surname (Last Name)	First Name	Second Name	Birth Date	Y	M	D
						Sex <input type="checkbox"/> M <input type="checkbox"/> F
Address		City	Province	Postal Code		
Surname (Last Name)	First Name	Second Name	Birth Date	Y	M	D
						Sex <input type="checkbox"/> M <input type="checkbox"/> F
Address		City	Province	Postal Code		
BUSINESS DEBTOR						
Name TRITON ENERGY CORP.						
Address		City	Province	Postal Code		
Suite 2380, 440 - 2 Avenue S.W.		Calgary	AB	T 2 P 5 E 9		
Name						
Address		City	Province	Postal Code		

IN WITNESS WHEREOF the undersigned Debtor has executed this security agreement at Calgary, Alberta this 22 day of February, 2010.

TRITON ENERGY CORP.

Per:


Name: Dean Scholtz
Title: VP Finance

SCHEDULE "A"

1) LOCATIONS OF COLLATERAL AND RECORDS RELATING TO COLLATERAL:

(Street) (Town/City) (Province) (or a description of the land concerned)

2) DESCRIPTION OF SERIAL NUMBERED GOODS

QUANTITY DESCRIPTION SERIAL NUMBER

CORPORATE AUTHORIZING RESOLUTION

WHEREAS it is in the interests of the Corporation to enter into a General Security Agreement with National Bank of Canada (the "Bank") as security for the Corporation's present and future obligations to the Bank and therein to mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future property and assets;

NOW THEREFORE BE IT RESOLVED THAT:

- The Corporation mortgage, charge, assign and otherwise transfer and encumber and grant security interests in all its present and future undertaking, property and assets as security for its present and future obligations to the Bank, all as provided in the General Security Agreement.
- Any officer or director be and is hereby authorized for and on behalf of the Corporation to execute and deliver to the Bank a General Security Agreement substantially in the form of the General Security to the directors, with such alterations, amendments, deletions or additions as may be approved by the persons executing the same, and execution accordingly shall be conclusive evidence of such approval and the General Security Agreement so executed is the General Security Agreement authorized by this resolution.
- Any officer or director be and is hereby authorized to execute and deliver on behalf of the Corporation all such other documents and writings and to do such other acts and things as may be necessary or desirable for fulfilling the Corporation's obligations under the General Security Agreement.

The undersigned Secretary of TRITON ENERGY CORP. DOES HEREBY CERTIFY THAT:

- the foregoing is a true copy of a resolution duly and properly passed or consented to by the board of directors of the Corporation on the _____ day of February, 2010; and
- the attached General Security Agreement is the General Security Agreement referred to in the resolution and has been duly and properly executed by the proper officers of the Corporation.

Secretary

TAB E

This is **Exhibit "E"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015

A handwritten signature in blue ink, appearing to read "G. Koury", is written over a horizontal line.

A Notary Public

GENERAL ASSIGNMENT OF BOOK DEBTS

1. FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned Debtor **TRITON ENERGY CORP.** of Suite 2380, 440 – 2 Avenue S.W., Calgary, Alberta, T2P 5E9, hereby assign(s) transfer(s) and grant(s) to NATIONAL BANK OF CANADA, a Chartered Bank having its Head Office at the City of Montreal in the Province of Quebec, and having a branch office at 2700, 530 – 8th Avenue S.W., Calgary, Alberta, T2P 3S8, (hereinafter called the "Bank") a continuing and specific security interest in all debts, proceeds, accounts, claims, money and choses in action which now are or which may at any time hereafter be due or owing to or owned by the undersigned and also all deeds, documents, writings, papers and books relating to or being records of goods or their proceeds, or by which goods or their proceeds are or may hereafter be secured, evidenced, acknowledged or made payable including Documents of Title, (and remaining debt instruments) Chattel Paper, Securities and Instruments, and all contractual rights and insurance claims relating to collateral (hereinafter called the "Collateral").
2. The undersigned agrees that the Collateral shall be held by the Bank as a general and continuing collateral security for the payment of all obligations, indebtedness and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, of the undersigned to the Bank, wheresoever and howsoever incurred, and any ultimate unpaid balance thereof, and as a first and prior claim upon the Collateral.
3. The undersigned covenants at all times to notify the Bank in writing promptly of any change in the information contained herein relating to the undersigned (including the name and location of the chief executive office, sole place of business or residence, as the case may be, of the undersigned aforesaid) and of any material default by any person in payment or other performance of obligations to the undersigned with respect to any of the Collateral.
4. So long as this assignment remains in effect, the undersigned covenants not to sell, or further assign or encumber the Collateral without the prior written consent of the Bank. The undersigned represents and warrants that the Collateral is genuine and owned by the undersigned free of all security interests or other encumbrances.
5. The Bank may collect, realize, sell or otherwise deal with the Collateral or any part thereof in such manner, upon such terms and conditions and at such time or times, whether before or after default, as may seem to it advisable and without notice to the undersigned. All moneys collected or received by the undersigned in respect of the Collateral shall be received as trustee for the Bank, and shall be forthwith paid over to the Bank by the undersigned.
6. The Bank shall not be bound to do, observe or perform or see to the observance or performance by the undersigned of any obligations or covenants imposed upon the undersigned nor shall the Bank be obliged to preserve rights against other persons in respect of any Securities or Records in its possession.
7. The Bank may apply the amounts collected or received by it on account of such parts of the indebtedness and liabilities of the undersigned to the Bank as to the Bank seems best or hold the same in a separate collateral account for such time as it may see fit and then apply the same as aforesaid, the whole without prejudice to its claim for any deficiency.
8. The Bank may compound, compromise, grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the debtors of the undersigned, the undersigned and others, and with the Collateral and other securities as the Bank may see fit, without prejudice to the liability of the undersigned or the Bank's right to hold and realize this security.
9. The Bank shall not be liable or accountable for any failure to collect, realize or obtain payment of the Collateral or any part thereof and the Bank shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any rights of the Bank, the undersigned or any other person, firm or corporation in respect of the same, and the Bank shall not be responsible for any loss or damage which may occur in consequence of the negligence of any officer, agent or solicitor employed in the collection or realization thereof.
10. The Bank may charge on its own behalf and also pay to others reasonable sums for expenses incurred and for services rendered (expressly including legal advices and services) in or in connection with collecting, realizing and/or obtaining payment of the Collateral or any part thereof and may add the amount of such sums to the indebtedness of the undersigned.
11. So long as this assignment remains in effect, the undersigned covenants and agrees to deliver to the Bank from time to time promptly upon request any Documents of Title (and remaining debt instruments), Instruments, Securities and Chattel Papers constituting, representing or relating to the Collateral; all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same; all financial statements prepared by or for the undersigned regarding the undersigned's business; all policies and certificates of insurance relating to the Collateral, and such information concerning the Collateral, the undersigned, the undersigned's business and affairs as the Bank may reasonably request.

10530-002 (06-97) (All Provinces except Quebec)


12. The undersigned shall from time to time forthwith on the Bank's request do, make and execute all such financing statements, further assignments, documents, acts, matters and things as may be required by the Bank of or with respect to the Collateral or any part thereof or as may be required to give effect to these presents, and the undersigned hereby constitutes and appoints the Manager or Acting Manager for the time being of the above mentioned branch of the Bank the true and lawful attorney of the undersigned irrevocable with full power of substitution to do, make and execute all such statements, assignments, documents, acts, matters or things with the right to use the name of the undersigned whenever and wherever it may be deemed necessary or expedient.
13. This agreement shall be a continuing agreement in every respect, and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. No remedy for the enforcement of the rights of the Bank hereunder shall be exclusive of or dependent on any other such remedy, but any one or more of such remedies may from time to time be exercised independently or in combination. The security interest created or provided for by this agreement is intended to attach when this agreement is signed by the undersigned and delivered to the Bank. The undersigned acknowledges and confirms that there has been no agreement between the Bank and the undersigned to postpone the time for attachment of the security interest hereby attached.
14. Nothing in this assignment contained shall or shall be deemed to restrict the rights and remedies at law or in equity or under any applicable personal property security legislation or otherwise, of the Bank against the undersigned and the Collateral, it being hereby agreed by the undersigned that the Bank has and shall have all such rights and remedies as if the same were herein at length set forth and by this reference the same are incorporated in and form a part hereof.
15. Should the undersigned be entitled to a release or discharge or amendment to any financing statement registered by the Bank relating to this assignment, then the undersigned will pay to the Bank all costs, charges, expenses and lawyer's fees and disbursements (as between a solicitor and his own client on a full indemnity basis) incurred by the Bank in connection with such release, discharge or amendment.
16. For greater certainty it is declared that any and all future loans, advances or other value which the Bank may in its discretion make or extend to or for the account of the undersigned shall be secured by this agreement. If more than one person executes this agreement their obligations hereunder shall be joint and several.
17. This assignment shall be governed by and construed in accordance with the law of the jurisdiction where it has been executed by the undersigned, as the same may from time to time be in effect, including, where applicable, the Personal Property Security Act.
18. The undersigned hereby acknowledges receiving a copy of this assignment and waives all rights to receive from the Bank a copy of any financing statement, financing change statement or verification statement filed or issued at any time in respect of this assignment.
19. **NAME, ETC. OF DEBTOR**
The full, true and correct legal name and address of Debtor and, where applicable, birth date and sex of Debtor is hereby declared by Debtor to be as follows:

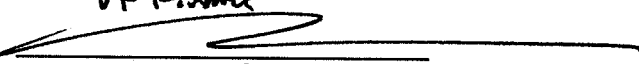
BUSINESS DEBTOR

NAME OF BUSINESS DEBTOR TRITON ENERGY CORP.			
ADDRESS OF BUSINESS DEBTOR Suite 2380, 440 - 2 nd Avenue S.W.	CITY Calgary	PROVINCE Alberta	POSTAL CODE T 2 P 5 E 9
NAME OF BUSINESS			
ADDRESS OF BUSINESS DEBTOR	CITY	PROVINCE	POSTAL CODE

IN WITNESS WHEREOF, the undersigned Debtor has executed this Assignment this 22 day of February, 2010.

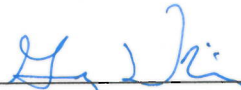
TRITON ENERGY CORP.

Per: 
Name: Dean Schulz
Title: VP Finance

Per: 
Name: Grant Sapichuk
Title: President

TAB F

This is **Exhibit "F"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

PLEDGE AGREEMENT

THIS AGREEMENT dated as of the 12 day of February, 2010 by TRITON ENERGY CORP., a corporation subsisting under the laws of Alberta (the "Corporation") in favour of NATIONAL BANK OF CANADA (who and whose successors and assigns are herein called the "Holder").

WHEREAS in connection with an offer to finance dated February 16, 2010 between the Corporation and the Holder (as amended, restated, replaced or supplemented from time to time, the "Loan Agreement"), the Corporation has issued to the Holder a demand debenture in the principal amount of \$75,000,000.00 (as amended and supplemented from time to time, the "Debenture"), dated as of the date hereof; and

WHEREAS the Corporation has agreed to deposit the Debenture with the Holder as general and continuing collateral security for all present and future indebtedness, obligations and liabilities, direct or indirect, absolute or contingent, of whatsoever nature and kind and howsoever created or incurred, of the Corporation to the Holder arising under the Loan Agreement (collectively, the "Secured Obligations");

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation agrees with the Holder as follows:

1. Interpretation

- (a) The division of this Agreement into Sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Section or other portion hereof and include any amendments or supplements hereto. Unless otherwise stated, references herein to Sections are to Sections of this Agreement.
- (c) Words importing the singular number shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

2. Deposit of Debenture

The Debenture is hereby delivered to and deposited with the Holder as continuing collateral security for the payment and performance by the Corporation of the Secured Obligations. Any amendments or supplemental debentures to the Debenture shall, upon execution by the Corporation and delivery to the Holder, be deemed to be deposited hereunder and included in the term "Debenture" for the purposes hereof, unless expressly provided otherwise.

3. Right of Holder to Enforce Debenture

Upon the occurrence of any Event of Default under and as defined in the Loan Agreement or any other default in the payment or performance of any of the Secured Obligations, or any default under or breach of any of the Corporation's covenants and agreement contained in the Loan Agreement, the Debenture or any other instrument or agreement from time to time in effect between the Corporation and the Holder (each of which is herein an "Event of Default"), the Holder is hereby authorized as the holder

of the Debenture, and without selling or purchasing the Debenture, to exercise any and all rights of a holder of the Debenture, to enforce all terms, covenants, provisions and agreements contained in the Debenture, to enforce the security constituted by the Debenture and to exercise or cause to be exercised for its benefit all or any of the remedies therein provided for the benefit of the holder of the Debenture.

4. **Right of Holder to Sell Debenture**

In addition to the foregoing rights and remedies, the Holder shall be entitled, upon the occurrence of an Event of Default, to sell or otherwise dispose of the Debenture by public sale (including public auction) or private or closed tender or by private contract, with only those notices, if any, as are required by applicable laws, and with or without advertising and without any other formality (except as otherwise required by applicable laws), and such sale or disposition shall be on the such terms and conditions as to title, credit and otherwise and as to upset or reserve bid or price as may seem advantageous to the Holder, and the Holder shall not be required to accept the highest or any bid or tender at any public sale. The Holder may rescind or vary any contract for the sale or other disposition of the Debenture and may resell the Debenture without being answerable for any loss occasioned thereby, and may delay any sale or disposition of the Debenture in whole or in part; *provided* that all sales or dispositions of the Debenture shall be made in a commercially reasonable manner.

5. **Power of Attorney**

To give full effect to Sections 3 and 4 hereof, the Holder or any account manager of the Holder is hereby appointed attorney irrevocable of the Corporation effective upon and during the continuance of an Event of Default, with full power of substitution, for and in the name of the Corporation to sign and seal all documents and to fill in all blanks in signed powers of attorney and transfers necessary in order to complete the transfer of the Debenture to the Holder or its account managers or to any purchaser.

6. **Satisfaction of Interest**

Payment in full by the Corporation of or on account of all interest accrued on and fees payable in respect of the Secured Obligations for any period shall be deemed payment in full of interest accrued for the same period under the Debenture, notwithstanding anything to the contrary in the Debenture.

7. **No Suspension of Covenants**

All covenants of the Corporation provided pursuant to the Debenture are acknowledged, agreed and intended by the Corporation to be operative and effective immediately and shall not be suspended in any manner by the deposit of the Debenture.

8. **Limitation on Realization**

Notwithstanding the provisions of the Debenture, the Holder shall not claim or realize an amount under or in respect of the Debenture in excess of the Secured Obligations (for further certainty, the amount of the Secured Obligations shall be determined without reference to the obligation to pay the principal sum under and as defined in the Debenture).

9. **No Merger**

The Debenture shall not operate by way of merger of any of the Secured Obligations or any other indebtedness or liability or obligation of any kind, including, without limitation, under any deed, guarantee, indemnity, contract, draft, bill of exchange, promissory note or other negotiable instrument by

which the same may now or at any time hereafter be represented or evidenced, and no judgment recovered by the Holder shall merge or in any way affect the security created by the Debenture or otherwise.

10. Expenses of Realization

The Holder may charge on its own behalf and pay to others reasonable sums for services rendered in realizing, enforcing, collecting, selling, transferring, delivering or obtaining payment of the Debenture and may deduct the amount of such charge and payment from the proceeds thereof. The balance of such proceeds may be held in lieu of the Debenture and may, as and when the Holder thinks fit, be applied on account of such parts of the Secured Obligations as the Holder deems appropriate.

11. Other Obligations Not Affected

The rights and security provided for herein is in addition to and not in substitution for any other agreement or any other security by whomsoever given or at any time held by the Holder in respect to the Secured Obligations, and the Holder shall at all times have the right to proceed against or realize upon all or any portion of any other agreements or any security or any other moneys or assets to which the Holder may become entitled or have claim in such order and in such manner as the Holder in its sole discretion may deem appropriate.

12. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated as an Alberta contract. The Corporation irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta, without prejudice to the rights of the Holder to take proceedings in any other jurisdictions.

13. Effective Notice

All notices and other communications required or permitted hereunder shall be given in the form and manner prescribed by the Debenture.

14. Successors and Assigns

This Agreement shall be binding upon the Corporation and its successors and assigns and shall enure to the benefit of the Holder and its successors and assigns; provided that the Corporation shall not and cannot assign this Agreement without the prior written consent of the Holder, which may be arbitrarily withheld. The Corporation acknowledges and agrees that the Secured Obligations shall include all present and future indebtedness, obligations and liabilities of the Corporation to any assignee or successor of the Holder.


15. **Return of Debenture**

Upon payment in full of the Secured Obligations and termination of any credit facilities established by the Holder and its assigns in favour of the Corporation, the Holder shall return the Debenture to the Corporation, and shall discharge any registrations made in respect thereof at the sole cost and expense of the Corporation.

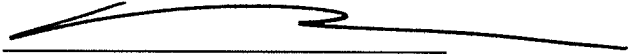
IN WITNESS WHEREOF the Corporation has caused this Agreement to be executed by its duly authorized representative(s).

TRITON ENERGY CORP.

Per: _____



Name: *Brian Schulz*
Title: *VP Finance*

Per: _____


Name: *Bruce Saphieha*
Title: *President*

TAB G

This is **Exhibit "G"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

FIRST SUPPLEMENTAL DEBENTURE

THIS FIRST SUPPLEMENTAL DEBENTURE dated as of the 24 day of January, 2014 (this "**First Supplemental Debenture**") is made by **WALDRON ENERGY CORPORATION**, a corporation incorporated and existing under the laws of Alberta (the "**Corporation**") in favour of the **NATIONAL BANK OF CANADA** (the "**Lender**").

WHEREAS the Corporation (then known as Triton Energy Corp.) issued and granted a floating charge demand debenture dated as of the 22nd day of February, 2010 in favor of the Lender, in the principal amount of Seventy-Five Million Dollars (\$75,000,000.00) (as amended and supplemented by this First Supplemental Debenture, and as may be further amended and supplemented from time to time, the "**Debenture**");

AND WHEREAS the Corporation changed its name from Triton Energy Corp. to Waldron Energy Corporation on June 9, 2010;

AND WHEREAS in accordance with clause 31 of the Debenture, the Corporation covenanted and agreed to provide fixed charge security upon the request of the Lender, and the Corporation has been requested by the Lender, and has agreed, to grant and provide fixed charge security over certain properties and interests, including without limitation, those which are described in Appendix "A" and its Exhibit "1" attached hereto;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Corporation, the Corporation hereby covenants and agrees with the Lender as follows.

1. Interpretation

- (a) **Definitions.** All capitalized terms contained in this First Supplemental Debenture not defined herein which are defined in the Debenture shall, for all purposes, have the meanings given to such terms in the Debenture, unless the subject matter or context hereof otherwise requires or specifies.
- (b) **Headings.** The insertion of headings and the division of this First Supplemental Debenture into Sections is for convenience of reference only and shall not affect the construction or interpretation of this First Supplemental Debenture.

2. Amendments

The Debenture is hereby amended as set forth in this Section 2.

- (a) **Title.** By deleting the existing title "**FLOATING CHARGE DEBENTURE**" and replacing it with the title "**FIXED AND FLOATING CHARGE DEBENTURE**".
- (b) **Mortgage and Charge of Property.** By deleting the existing clauses 2(a) and (b) and replacing with the following as clauses 2(a), (b) and (c), respectively:
 - (a) mortgages, charges, grants and assigns to and in favor of the Lender as and by way of a fixed and specific mortgage, charge and security interest all of its present and after-acquired right, title, estate and interest in and to that property as may be described and referred to in Schedule "B" hereto, including proceeds thereof,

together with any and all accretions and accessions thereto, substitutions therefor and any and all fixtures and attachments and other property at any time or times placed upon or associated with, or as may be necessary for the effective use and operation of the property as may be described in the Schedule "B" attached hereto, all of which, together with any other property subsequently acquired and specifically mortgaged and charged as herein provided for, is hereinafter collectively referred to as the "**Specifically Mortgaged Property**";

- (b) mortgages, charges, grants and assigns to and in favour of the Lender as and by way of a first floating mortgage, charge and security interest all of its present and after-acquired right, title, estate and interest in and to all real property that is not subject to the fixed and specific mortgage, charge and security interest provided for in clause 2(a), including proceeds thereof together with any and all accretions and accessions thereto, substitutions therefor and any and all fixtures and attachments and other property at any time or times placed upon or associated with, or as may be necessary for the effective use and operation of, such property; and
- (c) mortgages, charges, grants, creates and assigns to and in favour of the Lender as and by way of a fixed and specific mortgage, charge and continuing security interest, and the Lender hereby takes a continuing security interest, in all of the Corporation's present and after-acquired personal property of whatsoever nature and kind and wheresoever situate including, without limitation all present and after-acquired intellectual property and rights thereto and therein, all present and after-acquired electronic information and electronic information storage and computer systems, all present and after-acquired franchises, privileges, permits, grants, licenses, authorizations, contracts and agreements and all goods, chattel paper, investment property, documents of title, instruments, money and intangibles, as those terms are defined in the *Personal Property Security Act (Alberta)*, together with any and all other property and undertakings not included in clauses 2(a) or (b) above.
- (c) **Continuous Charge.** By adding the following after the last sentence of clause 2 as a new paragraph: "The Charge hereby created shall be a continuous charge notwithstanding that Schedule "B" hereto or Exhibit "1" thereto may be amended from time to time and further notwithstanding that Schedule "B" hereto or Exhibit "1" thereto may not set forth or describe any properties from time to time; and further, shall be and be deemed to be effective whether or not the monies secured hereby or any part thereof shall be advanced before, upon or after the date of execution and issuance of this Debenture."
- (d) **Undertaking.** By adding the following after the last sentence of clause 31 as a new paragraph:

The Corporation, at the request of the Lender from time to time, will forthwith grant, or cause to be granted, to the Lender, such additional fixed and specific mortgages and charges over the Corporation's real property, as the Lender in its sole and absolute discretion deems necessary, as security for the payment of the principal sum, interest and all other monies from time to time secured hereby and as security for the performance and observance of the covenants and agreements on the part of the Corporation herein contained. In connection therewith, the Corporation will:

- (a) provide the Lender with such information as reasonably required by the Lender to identify the additional property to be charged pursuant to this clause 31;
- (b) do all such things as are reasonably required to grant in favour of the Lender a fixed lien and charge in respect of such additional property to be so charged pursuant to this clause 31;

(c) provide the Lender with all corporate resolutions and other actions, as reasonably required, for the Corporation to grant to the Lender a fixed lien and charge in the property identified by the Lender to be so charged;

(d) provide the Lender with such security instruments, legal opinions and other documents which the Lender, acting reasonably, deems are necessary in connection with this clause 31 or to give full force and effect hereto;

(e) assist the Lender in the registration or recording of such agreements and instruments in such public registry offices in Canada or any province thereof (or in any other jurisdiction) as the Lender, acting reasonably, deems necessary to give full force and effect to this clause 31; and

(f) pay all reasonable costs and expenses incurred by the Lender in connection with the preparation, execution and registration of all agreements, documents and instruments, including any amendments to loan and credit agreements, made in connection with this clause 31, or in connection with any legal opinions related to any of the foregoing.

The Corporation hereby covenants and agrees that, upon request of the Lender, it shall from time to time provide to the Lender an updated Exhibit "1" to Schedule "B" reflecting the Corporation's then current lands, leases and petroleum and natural gas interests (or such other interests as are similar in nature to those set out in the existing Exhibit "1"). In addition, the Lender is hereby granted the right to attach to this Debenture, as part of the fixed charge over lands provided for by this Debenture, from time to time a revised or updated (as applicable) land schedule or property report (or other similar document by such other name as it may be known) setting forth those of the Corporation's properties and assets as the Lender may determine in its sole and absolute discretion, and the Corporation hereby authorizes the Lender to do so as its duly appointed attorney. This power of attorney is a power coupled with an interest and shall be irrevocable. The Corporation hereby ratifies and confirms any and all such actions so taken by the Lender from time to time.

Further, the Corporation hereby irrevocably constitutes and appoints any officer of the Lender, or any receiver appointed by the court or the Lender as herein set out, the true and lawful attorney of the Corporation with full power of substitution, after the occurrence of an event of default, to do, make and execute all such assignments, documents, acts, matters or things with the right to sue in the name of the Corporation whenever and wherever it may be deemed necessary or expedient in connection with this clause 31. This power of attorney is a power coupled with an interest and shall be irrevocable. The Corporation hereby ratifies and confirms any and all such actions so taken by the Lender from time to time.

- (e) **No Subordination.** By adding the following after the last sentence of clause 17: "Nothing in this Debenture shall be construed as a subordination by the Lender of the Charge created hereby to any of the Permitted Encumbrances, it being the intent that such Charge shall be a first priority mortgage, charge and security interest."
- (f) **Schedule "B".** By attaching Appendix "A" and its Exhibit "1" hereto to the Debenture as Schedule "B" and its Exhibit "1" thereto.

3. **Incorporation in Debenture**

This First Supplemental Debenture is supplemental to the Debenture and is executed, acknowledged and delivered pursuant to the provisions thereof. The Debenture and this First Supplemental Debenture shall henceforth be read together and shall have effect, so far as practicable, as if all the provisions thereof and hereof were contained in one instrument. All references in the Debenture and this First Supplemental Debenture to the term "debenture" when not qualified by the words "First Supplemental" shall mean the Debenture as supplemented by and amended by this First Supplemental Debenture. All references in the Debenture to "Debenture" shall from and after the date hereof mean the Debenture as amended by this First Supplemental Debenture.

4. **General Provisions**


- (a) **Confirmation of Debenture.** The Debenture and all covenants, terms and provisions thereof, except as expressly changed, altered, amended, modified or supplemented by this First Supplemental Debenture, and the security created thereby and hereby, is in all respects confirmed, ratified and preserved. Except as expressly amended by the provisions hereof, the terms and conditions of the Debenture shall remain in full force and effect.
- (b) **Due Authorization.** The Corporation represents and warrants to the Lender that all necessary corporate proceedings have been taken to make this First Supplemental Debenture a legal, valid and binding obligation of the Corporation.
- (c) **Enurement.** This First Supplemental Debenture shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Corporation and its successors and permitted assigns.
- (d) **Governing Law.** This First Supplemental Debenture shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Corporation irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta, without prejudice to the rights of the Lender to take proceedings in any other jurisdictions.
- (e) **Counterparts.** This First Supplemental Debenture may be executed in any number of counterparts, including by way of facsimile or electronic signature, each of which so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

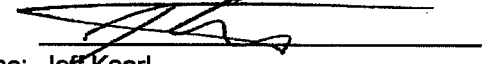
IN WITNESS WHEREOF the Corporation and the Lender have duly-executed this First Supplemental Debenture by their respective duly-authorized officer(s) as of the date and year first above written.

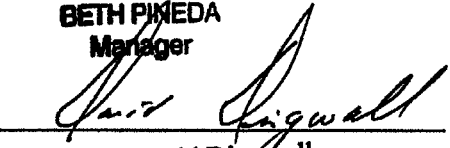
WALDRON ENERGY CORPORATION

NATIONAL BANK OF CANADA

By: 
Name: Ernie Sapiaha
Title: President and CEO

By: 
Name: **BETH PINEDA**
Title: **Manager**

By: 
Name: Jeff Kearn
Title: VP Finance and CFO

By: 
Name: David Dingwall
Title: Director
Energy Group

TAB H

This is **Exhibit "H"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015

A handwritten signature in blue ink, appearing to read "Guy White", is written over a horizontal line.

A Notary Public

FIRST SUPPLEMENTAL PLEDGE AGREEMENT

THIS AGREEMENT dated as of the 24 day of January, 2014 by **WALDRON ENERGY CORPORATION**, a corporation subsisting under the laws of Alberta (the "**Corporation**") in favour of **NATIONAL BANK OF CANADA** (who and whose successors and assigns are herein called the "**Holder**").

WHEREAS in connection with a loan agreement dated February 16, 2010, between the Corporation (then known as Triton Energy Corp.) and the Holder, as amended, modified, restated, replaced or supplemented by amending letter agreements dated March 28, 2013, August 8, 2013, October 8, 2013 and November 13, 2013 between the Corporation and the Holder (collectively and as otherwise and may be further amended, modified, restated, replaced or supplemented from time to time, the "**Loan Agreement**"), the Corporation has issued to the Holder a \$75,000,000.00 floating charge demand debenture dated as of February 22, 2010, as amended and supplemented by a fixed and floating charge demand First Supplemental debenture dated as of the date hereof (collectively and as may be further amended and supplemented from time to time, the "**Debenture**");

WHEREAS Triton Energy Corp. changed its name to Waldron Energy Corporation on June 9, 2010; and

WHEREAS the Corporation has agreed to deposit the Debenture with the Holder as general and continuing collateral security for all present and future indebtedness, obligations and liabilities, direct or indirect, absolute or contingent, of whatsoever nature and kind and howsoever created or incurred, of the Corporation to the Holder arising under the Loan Agreement (collectively, the "**Secured Obligations**");

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Corporation agrees with the Holder as follows:

1. Interpretation

- (a) The division of this Agreement into Sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) The terms "**this Agreement**", "**hereof**", "**hereunder**" and similar expressions refer to this First Supplemental Pledge Agreement and not to any particular Section or other portion hereof and include any amendments or supplements hereto. Unless otherwise stated, references herein to Sections are to Sections of this Agreement.
- (c) Words importing the singular number shall include the plural and *vice versa*, and words importing gender shall include the masculine, feminine and neuter genders.

2. Deposit of Debenture

The Debenture is hereby delivered to and deposited with the Holder as continuing collateral security for the payment and performance by the Corporation of the Secured Obligations. Any amendments or supplements to the Debenture shall, upon execution by the Corporation and delivery to the Holder, be deemed to be deposited hereunder and included in the term "**Debenture**" for the purposes hereof, unless expressly provided otherwise.

3. Right of Holder to Enforce Debenture

Upon demand or upon the occurrence of any Event of Default under and as defined in the Loan Agreement or any event of default under and as defined in the Debenture or any other instrument or agreement from time to time in effect between the Corporation and the Holder (collectively, an "Event of Default"), the Holder is hereby authorized as the holder of the Debenture, and without selling or purchasing the Debenture, to exercise any and all rights of a holder of the Debenture, to enforce all terms, covenants, provisions and agreements contained in the Debenture, to enforce the security constituted by covenants, provisions and agreements contained in the Debenture, to enforce the security constituted by the Debenture and to exercise or cause to be exercised for its benefit all or any of the remedies therein provided for the benefit of the holder of the Debenture.

4. Right of Holder to Sell Debenture

In addition to the foregoing rights and remedies, the Holder shall be entitled, upon the occurrence of an Event of Default, to sell or otherwise dispose of the Debenture by public sale (including public auction) or private or closed tender or by private contract, with only those notices, if any, as are required by applicable laws, and with or without advertising and without any other formality (except as otherwise required by applicable laws), and such sale or disposition shall be on such terms and conditions as to title, credit and otherwise and as to upset or reserve bid or price as may seem advantageous to the Holder, and the Holder shall not be required to accept the highest or any bid or tender at any public sale. The Holder may rescind or vary any contract for the sale or other disposition of the Debenture and may resell the Debenture without being answerable for any loss occasioned thereby, and may delay any sale or disposition of the Debenture in whole or in part; provided that all sales or dispositions of the Debenture shall be made in a commercially reasonable manner.

5. Power of Attorney

To give full effect to Sections 3 and 4 hereof, the Holder or any account manager of the Holder is hereby appointed attorney irrevocable of the Corporation effective upon and during the continuance of an Event of Default, with full power of substitution, for and in the name of the Corporation to sign and seal all documents and to fill in all blanks in signed powers of attorney and transfers necessary in order to complete the transfer of the Debenture to the Holder or its account managers or to any purchaser.

6. Satisfaction of Interest

Payment in full by the Corporation of or on account of all interest accrued on and fees payable in respect of the Secured Obligations for any period shall be deemed payment in full of interest accrued for the same period under the Debenture, notwithstanding anything to the contrary in the Debenture.

7. No Suspension of Covenants

All covenants of the Corporation provided pursuant to the Debenture are acknowledged, agreed and intended by the Corporation to be operative and effective immediately and shall not be suspended in any manner by the deposit of the Debenture.

8. Limitation on Realization

Notwithstanding the provisions of the Debenture, the Holder shall not claim or realize an amount under or in respect of the Debenture in excess of the Secured Obligations (for further certainty, the amount of the Secured Obligations shall be determined without reference to the obligation to pay the principal sum under and as defined in the Debenture).

9. No Merger

The Debenture shall not operate by way of merger of any of the Secured Obligations or any other indebtedness or liability or obligation of any kind, including, without limitation, under any deed, guarantee, indemnity, contract, draft, bill of exchange, promissory note or other negotiable instrument by which the same may now or at any time hereafter be represented or evidenced, and no judgment recovered by the Holder shall merge or in any way affect the security created by the Debenture or otherwise.

10. Expenses of Realization

The Holder may charge on its own behalf and pay to others reasonable sums for services rendered in realizing, enforcing, collecting, selling, transferring, delivering or obtaining payment of the Debenture and may deduct the amount of such charge and payment from the proceeds thereof. The balance of such proceeds may be held in lieu of the Debenture and may, as and when the Holder thinks fit, be applied on account of such parts of the Secured Obligations as the Holder deems appropriate.

11. Other Obligations Not Affected

The rights and security provided for herein are in addition to and not in substitution for any other agreement or any other security by whomsoever given or at any time held by the Holder in respect to the Secured Obligations, and the Holder shall at all times have the right to proceed against or realize upon all or any portion of any other agreements or any security or any other moneys or assets to which the Holder may become entitled or have claim in such order and in such manner as the Holder in its sole discretion may deem appropriate.

12. Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Corporation irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta, without prejudice to the rights of the Holder to take proceedings in any other jurisdictions.

13. Effective Notice

All notices and other communications required or permitted hereunder shall be given in the form and manner prescribed by the Debenture.

14. Successors and Assigns


This Agreement shall be binding upon the Corporation and its successors and assigns and shall enure to the benefit of the Holder and its successors and assigns; provided that the Corporation shall not and cannot assign this Agreement without the prior written consent of the Holder, which may be arbitrarily withheld. The Corporation acknowledges and agrees that the Secured Obligations shall include all present and future indebtedness, obligations and liabilities of the Corporation to any assignee or successor of the Holder.

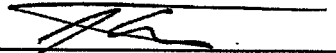
15. Return of Debenture

Upon payment in full of the Secured Obligations and termination of any credit facilities established by the Holder and its assigns in favour of the Corporation, the Holder shall return the Debenture to the Corporation, and shall discharge any registrations made in respect thereof at the sole cost and expense of the Corporation.

IN WITNESS WHEREOF the Corporation has caused this Agreement to be executed by its duly authorized representative(s).

WALDRON ENERGY CORPORATION

Per: 
Name: Ernie Sapiha
Title: President and CEO

Per: 
Name: Jeff Kearn
Title: VP Finance and CFO

TAB I

This is **Exhibit "I"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015

A handwritten signature in blue ink, appearing to read 'S. Zhi', is written above a horizontal line.

A Notary Public

Search ID#: Z07051411

Transmitting Party

NORTON ROSE FULBRIGHT CANADA LLP

Suite 3700, 400- 3rd Avenue SW
Calgary, AB T2P 4H2

Party Code: 60003332

Phone #: 403 267 9468

Reference #: 01124572-0581

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.

Be sure to read the reports carefully.



Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 10021927316

Registration Type: SECURITY AGREEMENT

Registration Date: 2010-Feb-19

Registration Status: Current

Expiry Date: 2020-Feb-19 23:59:59

Exact Match on: Debtor

No: 4

Amendments to Registration

10060927428

Amendment

2010-Jun-09

11082338759

Amendment

2011-Aug-23

Debtor(s)

Block

1 TRITON ENERGY CORP.
2830, 440 - 2nd Avenue S.W.
Calgary, AB T2P 5E9

Status

Deleted by
11082338759

Block

2 WALDRON ENERGY CORPORATION
2830, 440 - 2nd Avenue S.W.
Calgary, AB T2P 5E9

Status

Deleted by
11082338759

Block

3 TRITON ENERGY CORP.
SUITE 2410, 520 - 3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current by
11082338759

Block

4 WALDRON ENERGY CORPORATION
SUITE 2410, 520 - 3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current by
11082338759

Secured Party / Parties

Search ID#: Z07051411

Block

1 NATIONAL BANK OF CANADA
2700, 530 - 8 Avenue S.W.
Calgary, AB T2P 3S8

Status

Current

Collateral: General

Block **Description**

1 All present and after-acquired personal property of the Debtor.

Status

Current

Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 10021927347

Registration Type: LAND CHARGE

Registration Date: 2010-Feb-19

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor

No: 4

Amendments to Registration

10060927200

Amendment

2010-Jun-09

11082338886

Amendment

2011-Aug-23

Debtor(s)

Block

1 TRITON ENERGY CORP.
2830, 440 - 2nd Avenue S.W.
Calgary, AB T2P 5E9

Status

Deleted by
11082338886

Block

2 WALDRON ENERGY CORPORATION
2830, 440 - 2nd Avenue S.W.
Calgary, AB T2P 5E9

Status

Deleted by
11082338886

Block

3 TRITON ENERGY CORP.
SUITE 2410, 520 - 3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current by
11082338886

Block

4 WALDRON ENERGY CORPORATION
SUITE 2410, 520 - 3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current by
11082338886

Secured Party / Parties

Search ID#: Z07051411

Block

1 NATIONAL BANK OF CANADA
2700, 530 - 8 Avenue S.W.
Calgary, AB T2P 3S8

Status

Current

Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 11111007852

Registration Type: SECURITY AGREEMENT

Registration Date: 2011-Nov-10

Registration Status: Current

Expiry Date: 2016-Nov-10 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

		<u>Status</u>
1	WALDRON ENERGY CORPORATION 2410, 520 - 3RD AVENUE SW CALGARY, AB T2P0R3	Current

Secured Party / Parties

Block

		<u>Status</u>
1	EMKAY CANADA LEASING CORP. 212 MERIDIAN RD. NE CALGARY, AB T2A 2N6	Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1EF1BFC80460	2011	FORD F150 S/CREW	MV - Motor Vehicle	Current

Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 12011212423

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jan-12

Registration Status: Current

Expiry Date: 2018-Jan-12 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1	WALDRON ENERGY CORPORATION 520 3rd Avenue Calgary, AB T2P 0R3	Current
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Secured Party / Parties

Block

Status

1	GE VFS CANADA LIMITED PARTNERSHIP 2300 Meadowvale Blvd, Suite 200 Mississauga, ON L5N 5P9	Current
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Collateral: General

Block

Description

Status

1	ALL GOODS WHICH ARE COPIERS TOGETHER WITH ALL REPLACEMENTS AND SUBSTITUTIONS THEREOF AND ALL PARTS, ACCESSORIES, ACCESSIONS AND ATTACHMENTS THERETO AND ALL PROCEEDS THEREOF, INCLUDING ALL PROCEEDS WHICH ARE ACCOUNTS, GOODS, CHATTEL PAPER, SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, CROPS OR INSURANCE PROCEEDS (REFERENCE LEASE NO. 4407762-005)	Current
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Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 12072504902

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Jul-25

Registration Status: Current

Expiry Date: 2017-Jul-25 23:59:59

Exact Match on: Debtor

No: 1

Debtor(s)

Block

Status

1 WALDRON ENERGY CORPORATION
520 3rd Ave. SW
Calgary, AB T2P 0R3

Current

Secured Party / Parties

Block

Status

1 GE VFS CANADA LIMITED PARTNERSHIP
2300 Meadowvale Blvd, Suite 200
Mississauga, ON L5N 5P9

Current

Collateral: General

Block

Description

Status

1 ALL GOODS WHICH ARE COPIERS TOGETHER WITH ALL REPLACEMENTS AND
SUBSTITUTIONS THEREOF AND ALL PARTS, ACCESSORIES, ACCESSIONS AND
ATTACHMENTS THERETO AND ALL PROCEEDS THEREOF, INCLUDING ALL
PROCEEDS WHICH ARE ACCOUNTS, GOODS, CHATTEL PAPER, SECURITIES,
DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, CROPS OR
INSURANCE PROCEEDS (REFERENCE LEASE NO. 4407762-006)

Current

Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 12092405331

Registration Type: SECURITY AGREEMENT

Registration Date: 2012-Sep-24

Registration Status: Current

Expiry Date: 2017-Sep-24 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1	WALDRON ENERGY CORPORATION 2410, 520 - 3RD AVENUE SW CALGARY, AB T2P0R3	Current
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Secured Party / Parties

Block

Status

1	EMKAY CANADA LEASING CORP. 212 MERIDIAN RD. NE CALGARY, AB T2A 2N6	Current
---	--	---------

Block

Status

2	EMKAY CANADA LEASING CORP. 3109 BLOOR STREET. W. TORONTO, ON M8X 1E2	Current
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Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3GTP2VE74DG102835	2013	GMC SIERRA 1500CREW	MV - Motor Vehicle	Current

Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 14022830129

Registration Type: SECURITY AGREEMENT

Registration Date: 2014-Feb-28

Registration Status: Current

Expiry Date: 2019-Feb-28 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

1 WALDRON ENERGY CORPORATION
2300, 144 - 4th Avenue SW
Calgary, AB T2P 3N4

Current

Block

Status

2 WALDRON ENERGY CORPORATION
600, 510 5th Street SW
Calgary, AB T2P 3S2

Current

Secured Party / Parties

Block

Status

1 TOSCANA CAPITAL CORPORATION, AS AGENT
Suite 3410, 421-7th Avenue S.W.
Calgary, AB T2P 4K9

Current

Collateral: General

Block

Description

Status

1 All present and after-acquired personal property of the debtor.

Current

Proceeds: all goods, documents of title, chattel paper, instruments, money, investment property and intangibles.

Search ID#: Z07051411

Business Debtor Search For:

WALDRON ENERGY CORPORATION

Search ID #: Z07051411

Date of Search: 2015-Aug-12

Time of Search: 09:49:55

Registration Number: 14022830905

Registration Type: LAND CHARGE

Registration Date: 2014-Feb-28

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Debtor(s)

Block

Status

1 WALDRON ENERGY CORPORATION
2300, 144 - 4th Avenue SW
Calgary, AB T2P 3N4

Current

Block

Status

2 WALDRON ENERGY CORPORATION
600, 510 5th Street SW
Calgary, AB T2P 3S2

Current

Secured Party / Parties

Block

Status

1 TOSCANA CAPITAL CORPORATION, AS AGENT
Suite 3410, 421-7th Avenue S.W.
Calgary, AB T2P 4K9

Current

Result Complete

TAB J

This is **Exhibit "J"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015

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

A Notary Public

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT is made as of the 28th day of February, 2014

AMONG:

NATIONAL BANK OF CANADA,
as Senior Lender

- AND -

TOSCANA CAPITAL CORPORATION,
in its capacity as Agent for the Subordinated Lender under the Subordinated Credit Agreement,
as Subordinated Agent

- AND -

WALDRON ENERGY CORPORATION,
as a Debtor

PREAMBLE:

A. The Debtor is and may further become indebted to the Senior Lender from time to time pursuant to or in connection with the Senior Lender Obligations.

B. The Debtor has or may become indebted to the Subordinated Agent and the Subordinated Lender from time to time pursuant to or in connection with the Subordinated Agent Obligations.

C. As a condition precedent to the Senior Lender consenting to the Debtor entering into the Subordinated Lender Documents, the Senior Lender requires the Subordinated Agent to: (a) expressly subordinate the Subordinated Agent Obligations to the Senior Lender Obligations; and (b) expressly subordinate the Subordinated Agent Security to the Senior Lender Security.

D. The Senior Lender, the Subordinated Agent and the Debtor wish to set forth their agreements with respect to the subordination of the Subordinated Agent Obligations to the Senior Lender Obligations and certain other matters arising from the Senior Lender Documents and the Subordinated Agent Documents.

AGREEMENT:

In consideration of the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Senior Lender, the Subordinated Agent and the Debtor hereby agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 **Definitions.** The following words and phrases will have the following meanings when used herein:

"Business Days" means a day on which banks are open for business in Calgary, Toronto and Montreal but does not, in any event, include a Saturday or Sunday.

"Creditor Proceedings" has the meaning ascribed thereto in Section 2.6.

"Debtor" means Waldron, as borrower, and (notwithstanding the singular usage of such term in this Agreement) shall include any other entity that from time to time becomes a joint, or joint and several, borrower with Waldron, or a guarantor of or a security provider in respect of any of the Senior Lender Obligations or the Subordinated Agent Obligations.

"Default Notice" has the meaning ascribed thereto in Section 2.5(b).

"Existing Hedges" means, collectively, those foreign exchange arrangements, commodity, interest rate and currency swap arrangements, as applicable, entered into by Waldron on or before the date hereof, as more particularly described in Schedule "A" attached hereto.

"including" means including, without limitation.

"Payment Demand" has the meaning ascribed thereto in Section 2.5(a).

"Property" means in respect of the Debtor, its present and hereafter acquired property, assets and undertaking, both real and personal, tangible and intangible, of every nature and kind.

"Repayment Premiums" means payments made by the Debtor to the Subordinated Agent as a premium to or on the repayment of principal in connection with the Subordinated Agent Obligations.

"Senior Credit Agreement" means the offer to finance dated March 28, 2013 from the Senior Lender to Waldron, as amended by an amendment to offer to finance dated August 8, 2013, an amendment to offer to finance dated October 8, 2013 and an amendment to offer to finance dated November 13, 2013, and as supplemented by a loan amending and extension agreement dated February 19, 2014, as the same may be further amended, modified, supplemented, varied, restated or replaced from time to time.

"Senior Guarantees" means, collectively, each guarantee granted and which may be granted from time to time by a Debtor in favour of the Senior Lender in respect of the obligations of Waldron to the Senior Lender in connection with the Senior Lender Obligations, and includes any obligation entered into from time to time to become jointly, or jointly and severally, liable with Waldron in respect of the obligations of Waldron to the Senior Lender in connection with the Senior Lender Documents.

"Senior Lender" means National Bank of Canada and its successors and assigns.

"Senior Lender Debenture" means the \$75,000,000 fixed and floating charge demand debenture dated as of February 22, 2010 from Waldron to the Senior Lender, as amended, modified, supplemented, varied, restated or replaced from time to time.

"Senior Lender Documents" means the Senior Credit Agreement, the Senior Guarantees, all documents evidencing the Senior Lender Security and all other agreements, certificates, instruments and documents delivered or to be delivered from time to time to or for the benefit of the Senior Lender pursuant thereto or in connection with the Senior Lender Obligations.

"Senior Lender GSA" means the general security agreement dated as of February 22, 2010 from Waldron to the Senior Lender, as amended, modified, supplemented, varied, restated or replaced from time to time.

"Senior Lender Obligations" means all of the present and future indebtedness, liabilities and obligations of the Debtor to the Senior Lender, whether direct or indirect, absolute or contingent, joint or several, matured or unmatured, including any obligations of the Debtor to the Lender or any of its affiliates under any swap or hedging facility or documentation, in each case, irrespective of the relative priority of any such indebtedness, liabilities and obligations owed by the Debtor to the Senior Lender.

"Senior Lender Security" means all present and future liens, mortgages, charges, security interests and other encumbrances granted by the Debtor to or for the benefit of the Senior Lender from time to time as security for the repayment of all or any of the Senior Lender Obligations, including, without limitation, the Senior Lender Debenture and the Senior Lender GSA.

"Subordinated Agent" means Toscana Capital Corporation, in its capacity as agent for the Subordinated Lender under the Subordinated Credit Agreement, and any other or successor or replacement agent from time to time.

"Subordinated Agent Debenture" means the \$8,000,000 demand debenture dated as of February 28, 2014 from Waldron to the Subordinated Agent, for and on behalf of itself and the Subordinated Lender, as the same may be amended, modified, supplemented, varied, restated or replaced from time to time.

"Subordinated Agent Documents" means the Subordinated Credit Agreement, the Subordinated Guarantees, all documents evidencing the Subordinated Agent Security and all other agreements, certificates, instruments and documents delivered or to be delivered from time to time to or for the benefit of the Subordinated Agent and the Subordinated Lender (or either of them) pursuant thereto or in connection with the Subordinated Agent Obligations.

"Subordinated Agent Obligations" means all of the present and future indebtedness, liabilities and obligations of the Debtor to the Subordinated Agent and the Subordinated Lender (or either of them), whether direct or indirect, absolute or contingent, joint or several, matured or unmatured, in each case, irrespective of the relative priority of any such indebtedness, liabilities and obligations owed by the Debtor to the Subordinated Agent and the Subordinated Lender (or either of them).

"Subordinated Agent Proceeds" means all present and future payments and Property received by the Subordinated Agent and the Subordinated Lender (or either of them) from the Debtor or its trustee, receiver, receiver-manager or agent on account of or for application to all or any part of the Subordinated Agent Obligations or as proceeds from realization on any Property of the Debtor or from any right of set-off or counterclaim, including all proceeds of insurance in respect of the Property and all deposits and investments made with such payments and Property, and all other proceeds thereof of whatsoever nature or kind.

"Subordinated Agent Security" means all present and future liens, mortgages, charges, security interests and other encumbrances granted by the Debtor to the Subordinated Agent and the Subordinated Lender (or either of them) as security for the repayment of all or any of the Subordinated Agent Obligations, including as provided for in the Subordinated Agent Debenture.

"Subordinated Credit Agreement" means the commitment letter dated February 20, 2014 among, *inter alios*, Waldron, as borrower, the Subordinated Lender, as lender, and the Subordinated Agent, as agent for the Subordinated Lender, as the same may be amended, modified, supplemented, varied, restated or replaced from time to time, and in the event of any syndication of the Subordinated Agent Obligations includes any syndicated loan agreement among Waldron, other Debtors, as applicable, the Subordinated Agent, the Subordinated Lender and other persons party thereto as lenders.

"Subordinated Guarantees" means, collectively, each guarantee granted and which may be granted from time to time by a Debtor in favour of the Subordinated Agent in respect of the obligations of Waldron to the Subordinated Agent and the Subordinated Lender (or either of them) in connection with the Subordinated Agent Obligations, and includes any obligation entered into from time to time to become jointly, or jointly and severally, liable with Waldron in respect of the obligations of Waldron to the Subordinated Agent and the Subordinated Lender (or either of them) in connection with the Subordinated Agent Documents.

"Subordinated Lender" means Toscana L.P., together with its successors and assigns.

"**Subordination Agreement**" means this Subordination Agreement, as the same may be amended, modified, supplemented, varied, restated or replaced from time to time.

"**Waldron**" means Waldron Energy Corporation, a corporation incorporated under the laws of the Province of Alberta and its successors and permitted assigns.

1.2 The Preamble hereto shall form an integral part of this Subordination Agreement.

ARTICLE 2 ACKNOWLEDGEMENT OF SENIOR LENDER'S PRIORITY

2.1 **Subordination.** The Subordinated Agent, on behalf of itself and the Subordinated Lender, agrees that the Subordinated Agent Obligations shall, subject to Section 2.7, be fully subordinated and postponed to and in favour of the Senior Lender Obligations, and the Subordinated Agent Security shall be fully subordinated and postponed to the Senior Lender Security. The Senior Lender pursuant to the Senior Lender Security shall have priority over the Subordinated Agent in respect of all of the Property of the Debtor of every nature and kind now existing or hereafter acquired, to discharge and satisfy the Senior Lender Obligations, all in priority to any claim of the Subordinated Agent, except with respect to payments that may be retained by the Subordinated Agent as provided for in Section 2.7 hereof.

2.2 **Priority of Senior Lender Security.** The Subordinated Agent agrees that the Senior Lender Security shall be first in priority ahead of all Subordinated Agent Security as it pertains to all Property of the Debtor. The Subordinated Agent agrees that it shall, upon the request of the Senior Lender, forthwith prepare and register, at the sole cost and expense of the Debtor, financing change statements in respect of any real or personal property registrations made by or on behalf of the Subordinated Agent from time to time (including any existing registrations) to evidence the subordination provisions of this Subordination Agreement.

2.3 **Subordination Absolute.** The subordination of:

- (a) the Subordinated Agent Obligations to the Senior Lender Obligations; and
- (b) the Subordinated Agent Security to the Senior Lender Security,

as set out in this Subordination Agreement shall apply in all events and circumstances. Without limiting the generality of the foregoing, but subject to the other provisions of this Subordination Agreement, the rights and priority of the Senior Lender and the subordination of the Subordinated Agent Obligations and the Subordinated Agent Security shall not be affected by:

- (i) the respective dates of execution, attachment, registration, perfection or re-perfection of any lien, mortgage, charge, security interest or other encumbrance held by the Senior Lender or the Subordinated Agent under the Senior Lender Documents or the Subordinated Agent Documents, respectively, or lack or absence of any of the foregoing, or the time, sequence or order of executing, delivering, registering or failing to register any security document, security notice, caveat, financing statement or other similar document or instrument in connection with any such lien, mortgage, charge, security interest or other encumbrance;
- (ii) the date or the order of the creation of the Senior Lender Obligations or the Subordinated Agent Obligations;
- (iii) subject to Section 2.7, the time or order of any advance, giving of notice or the making of any demand or the occurrence of any default or event of default under

the Senior Lender Documents, the Senior Lender Obligations, the Subordinated Agent Documents or the Subordinated Agent Obligations;

- (iv) the taking of any collection, enforcement or realization proceedings by the Senior Lender or the Subordinated Agent;
- (v) any voluntary or involuntary winding-up, dissolution, insolvency, receivership, bankruptcy, liquidation, reorganization, arrangement, composition or any other process or proceeding having similar effect, involving or affecting the Debtor or its Property, or the granting of any judgment or order against the Debtor or the date of any of the foregoing;
- (vi) subject to Section 2.7, the giving or failure to give any notice, or the order of giving notice, to the Debtor or the failure of any party hereto to give, or delay by any such party in giving, any notice hereunder;
- (vii) the failure to exercise any power or remedy reserved to the Senior Lender or the Subordinated Agent under the Senior Lender Documents or the Subordinated Agent Documents, as applicable, or to insist upon strict compliance with any of the terms thereof;
- (viii) any priority granted by any principle of law or any statute, including the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, the *Personal Property Security Act (Alberta)*, the *Land Titles Act (Alberta)*, the *Law of Property Act (Alberta)*, the *Mines and Minerals Act (Alberta)*, or any similar statutes in any other jurisdiction applicable to the Debtor or the Property; and
- (ix) any other reason including any priority granted to the Subordinated Agent, the Subordinated Agent Documents or the Subordinated Agent Obligations by any applicable principle of law or equity.

2.4 Payment Block on Default or Demand. If a default or an event of default occurs under any of the Senior Lender Documents, or if a demand is made by the Senior Lender for the payment of all or any part of the Senior Lender Obligations under any of the Senior Lender Documents, the Debtor agrees that it will not make any further payments to the Subordinated Agent in respect of any of the Subordinated Agent Obligations until the earlier of:

- (a) such default or event of default being fully remedied by the Debtor, or such demand for payment being rescinded, and the Senior Lender providing written notice to the Debtor and the Subordinated Agent that each such default and event of default has been fully remedied to the satisfaction of the Senior Lender, in its discretion, or that the demand for payment has been rescinded, as the case may be; or
- (b) all of the Senior Lender Obligations being fully, finally and indefeasibly paid, satisfied, performed and discharged.

The parties recognize and acknowledge that the obligations under the Senior Credit Agreement and the Subordinated Credit Agreement are, and remain, in the nature of a demand facility.

2.5 Turnover by Subordinated Agent. Without limiting the generality of the foregoing and in addition to any other rights and remedies available to the Senior Lender under this Subordination Agreement:

- (a) upon a demand being made by the Senior Lender for the payment of all or any part of the Senior Lender Obligations, with notice thereof given to the Subordinated Agent (a "Payment Demand"), or
- (b) upon the Senior Lender giving a written notice to the Subordinated Agent that a default or an event of default has occurred under any of the Senior Lender Documents (a "Default Notice"),

and notwithstanding any provision of the Subordinated Agent Documents, the Subordinated Agent shall hold in trust, as bare trustee, for the Senior Lender, and shall forthwith pay over to the Senior Lender all Subordinated Agent Proceeds which it receives or holds at any time thereafter until all of the Senior Lender Obligations have been fully, finally and indefeasibly paid, satisfied, performed and discharged.

2.6 Payments During Default or in Creditor Proceedings. In the event of (i) a Payment Demand or a Default Notice being given by the Senior Lender, or (ii) any voluntary or involuntary winding-up, dissolution, insolvency, receivership, bankruptcy, liquidation, reorganization, arrangement, composition, or any other process or proceeding having similar effect that is filed and outstanding and involves or affects the Debtor or its Property ("Creditor Proceedings"):

- (a) thereafter the Senior Lender will be entitled to receive unconditional and irrevocable payment in full of the Senior Lender Obligations before the Subordinated Agent will be entitled to receive any payment on account of the Subordinated Agent Obligations or any distribution of any kind or character, whether in cash, securities or other Property, that may be payable or deliverable in respect of the Subordinated Agent Obligations;
- (b) all Subordinated Agent Proceeds shall thereafter be paid by the person or entity making such payment or distribution, whether a trustee in bankruptcy, a receiver, receiver and manager or liquidator, trustee or otherwise, directly to the Senior Lender, to the extent necessary to pay in full all Senior Lender Obligations; and
- (c) if any Subordinated Agent Proceeds are thereafter received by the Subordinated Agent before all Senior Lender Obligations are unconditionally and irrevocably paid in full, such proceeds shall be held in trust, as bare trustee, by the Subordinated Agent, and shall forthwith be paid over to, the Senior Lender for application to the payment of all Senior Lender Obligations remaining unpaid until all Senior Lender Obligations have been unconditionally and irrevocably paid in full.

2.7 Payments that may be Retained by Subordinated Agent. Notwithstanding any other provision of this Subordination Agreement, the Senior Lender acknowledges that at all times prior to receipt by the Subordinated Lender of a Payment Demand or a Default Notice, and provided that the Subordinated Agent is not aware (from any source) of the commencement of any Creditor Proceedings:

- (a) any regularly scheduled interest payment received by the Subordinated Agent pursuant to the Subordinated Credit Agreement shall not be subject to the provisions of this Subordination Agreement as between the Senior Lender and the Subordinated Agent;
- (b) any principal repayments (and Repayment Premiums relating thereto) to be made to the Subordinated Agent pursuant to the Subordinated Agent Documents shall not be subject to the subordination provisions of this Subordination Agreement as between the Senior Lender and the Subordinated Agent if, and only if, the Subordinated Agent provides prior notice of the proposed principal repayment and the Senior Lender consents to such principal repayment, provided that:

- (i) the Subordinated Agent shall request such consent by written notice delivered to the Senior Lender by registered mail, courier, facsimile or other electronic means (with acknowledgement of receipt requested and made), such notice to make specific reference to this provision; and
- (ii) the Senior Lender within ten (10) Business Days of receipt of the Subordinated Agent's notice referred to in Section 2.7(b)(i), commencing on the date of acknowledgement of receipt thereof by registered mail, courier, facsimile or other electronic means as noted on the official receipt therefore, notifies the Subordinated Agent that the Lender in its sole and unfettered discretion either (i) consents to such principal repayment or (ii) objects to such principal repayment on the basis that (A) such payment may result in a default under the Senior Lender Documents or (B) such payment may have a material adverse effect on the Debtor or on its ability to repay the Senior Lender Obligations; provided that any failure by the Senior Lender to provide a notice within such ten (10) day Business Day period shall be a deemed notification of objection to the proposed principal repayment on one or more of the grounds set forth above.

Notwithstanding any other provision of this Subordination Agreement, the Senior Lender hereby consents to the payment by Waldron to the Subordinated Agent of each of the following, as provided for in the Subordinated Credit Agreement: (a) the \$120,000 commitment fee; (b) the \$30,000 agent/work fee (plus applicable GST); and (c) the \$10,000 extension review fee (plus applicable GST), as well as all of the Subordinated Agent's disbursements and all reasonable legal fees and disbursements incurred in connection with the preparation and registration of the Subordinated Credit Agreement and Subordinated Agent Security.

Further, prior to delivery of a Payment Demand or Default Notice by the Senior Lender, the Debtor may make any one payment by the Debtor to the Subordinated Agent of the extension fee as provided for under the Subordinated Credit Agreement, provided further that: (A) no such payment would cause the Debtor to default in the observance or performance of any covenant contained in the Senior Credit Agreement; and (B) no such payment would have a material adverse effect on the Debtor or on its ability to repay the Senior Lender Obligations.

- 2.8 **Benefit of Agreement.** Other than the Senior Lender and the Subordinated Agent and their respective successors and permitted assigns, no creditor of the Debtor, no trustee in bankruptcy, receiver or receiver-manager of the Debtor and no other person shall be entitled to any benefit under this Subordination Agreement so as to claim any priority over the Senior Lender or the Subordinated Agent, and this Subordination Agreement may not be relied upon by any other person or referenced in any proceeding by any person for any such purpose other than the Senior Lender and the Subordinated Agent.
- 2.9 **Agreement Not to Affect Debtor's Obligations.** Subject to the priorities created by and the subordinations contained in this Subordination Agreement, it is intended that the obligation of the Debtor to pay to the Senior Lender or the Subordinated Agent the debts and liabilities secured by the Senior Lender Security and the Subordinated Agent Security, respectively, including the principal thereof and the interest thereon as and when the same shall become due and payable in accordance with their respective terms, shall not be impaired nor is it intended that the Senior Lender or the Subordinated Agent be prevented from exercising all remedies permitted by law upon default under the terms of the Senior Lender Security or the Subordinated Agent Security, respectively, subject to and in accordance with the terms in this Subordination Agreement.
- 2.10 **Turnover Not to Reduce Subordinated Obligations.** The Debtor acknowledges and agrees that Subordinated Agent Proceeds that are paid over to the Senior Lender, whether pursuant to or by virtue of this Subordination Agreement, applicable law, or otherwise, shall not reduce any of the Subordinated Agent Obligations.

- 2.11 **Consent to Obligations.** The Senior Lender hereby consents to the Subordinated Agent Obligations and to the execution and delivery by the Debtor of the Subordinated Agent Documents, and the Senior Lender hereby acknowledges that: (a) the Subordinated Agent Obligations are permitted indebtedness under the Senior Credit Agreement; and (b) the Subordinated Agent Security is a "Permitted Encumbrance" (under and as defined in the Senior Credit Agreement). The Subordinated Agent hereby consents to the Senior Lender Obligations and to the execution and delivery by the Debtor of the Senior Lender Documents.
- 2.12 **Right to Payout Senior Lender.** The Subordinated Agent and the Subordinated Lender (or either of them) may, but shall not be obligated to, within the earlier of: (a) the expiration of a Payment Demand or Default Notice; and (b) fifteen (15) days of the occurrence of the receipt by the Subordinated Agent of a Payment Demand or Default Notice issued by the Senior Lender, unconditionally and irrevocably pay in full all of the Senior Lender Obligations to the Senior Lender and upon receipt in full of such payment by the Senior Lender, the Senior Lender shall assign to the Subordinated Agent and the Subordinated Lender (or either of them, as the case may be), free and clear of encumbrances, all of the rights of the Senior Lender under and pursuant to each of the Senior Lender Credit Agreement and the Senior Lender Security on an "as is" basis, without representation or warranty and without any recourse to or liability of the Senior Lender, by assignment in form acceptable to the Senior Lender. The Senior Lender shall provide to the Subordinated Agent a statement of the outstanding Senior Lender Obligations simultaneously with issuing a Payment Demand or Default Notice, failing which, upon request by the Subordinated Agent following the Payment Demand or Default Notice. If the Subordinated Agent and the Subordinated Lender (or either of them) do not pay in full all of the Senior Lender Obligations to Senior Lender, as set out in the statement, within the aforesaid time period, then the Subordinated Agent's entitlement to do so under this Section 2.12 shall terminate. Nothing in this Subordination Agreement shall restrict the Subordinated Agent or the Subordinated Lender in exercising any rights under the Subordinated Credit Agreement or the Subordinated Agent Security for the purpose of exercising any right under this Section 2.12. For clarity, the Subordinated Agent and the Subordinated Lender (or either of them, as the case may be) shall not be subrogated to, or be entitled to any assignment of any of the Senior Lender Obligations or the Senior Lender Security until all Senior Lender Obligations, as identified in the Senior Lender notices set forth above, are irrevocably, indefeasibly paid to the Senior Lender in full.

ARTICLE 3 RIGHTS TO DEAL WITH DEBTOR

- 3.1 **Dealings with Debtor.** The Senior Lender shall be entitled to deal with the Debtor, the Senior Lender Documents and the Senior Lender Obligations as the Senior Lender may see fit, without in any manner affecting the subordination of the Subordinated Agent Obligations and the Subordinated Agent Security to the Senior Lender Obligations and the Senior Lender Security, and in particular, without limiting the generality of the foregoing, the Senior Lender may from time to time:
- (a) grant time, renewals, extensions, releases, discharges or other indulgences or forbearances to the Debtor;
 - (b) waive timely and strict compliance with or refrain from exercising any rights under the Senior Lender Documents or the Senior Lender Obligations; and
 - (c) consent to the disposition of Property, effect fixed charge registrations in respect of the Senior Lender Security, take and give up liens, mortgages, charges, security interests and other encumbrances in the Property of the Debtor and release, amend, extend, supplement, restate, substitute or replace any of the Senior Lender Documents or the Senior Lender Obligations in whole or in part, subject to the terms of Section 4.7.

The Senior Lender agrees that should the Senior Lender effect fixed charge registrations in respect of the Senior Lender Security, then prior to or concurrently with effecting such fixed charge registrations, the Senior Lender will provide notice of such registrations to the Subordinated Agent, provided that failure by the Senior Lender to provide such notice shall not in any event affect the subordinations and postponements provided for in this Subordination Agreement.

- 3.2 **Proceeds After Senior Obligations Paid in Full.** The Debtor acknowledges and agrees with the Subordinated Agent that any proceeds of realization on the Property of the Debtor in excess of the amount paid to the Senior Lender which is required to unconditionally and irrevocably repay in full the Senior Lender Obligations will be paid first to the Subordinated Agent to repay in full the Subordinated Agent Obligations prior to any such proceeds being paid to the Debtor.
- 3.3 **Insurance and Like Proceeds.** Any insurance proceeds or compensatory amounts to which the Debtor would otherwise be entitled in respect of expropriation, other forced disposition or sale to any expropriating authority under threat of expropriation shall be dealt with according to the provisions hereof as though such insurance proceeds or compensatory amounts were paid or payable as proceeds of disposition of the Property for which they compensate.
- 3.4 **No Marshalling.** The Senior Lender shall not be required to marshal any Senior Lender Security or rights held by it in favour of the Subordinated Agent.
- 3.5 **No Subrogation Until After Senior Lender Obligations Paid in Full.** The Subordinated Agent shall not have or exercise any rights which it may acquire by way of subrogation or contribution under or in connection with this Subordination Agreement unless and until all Senior Lender Obligations have been indefeasibly paid and satisfied in full and in cash. If any amount is paid to the Subordinated Agent on account of such subrogation or contribution rights in contravention of this Subordination Agreement at any time prior to the indefeasible payment and satisfaction in full and in cash of all Senior Lender Obligations, such amount shall be held in trust by the Subordinated Agent for the benefit of the Senior Lender and shall be forthwith paid to the Senior Lender. In the event cash, securities or other property otherwise payable or distributable to the Subordinated Agent shall have been applied pursuant hereto to the indefeasible payment and satisfaction in full and in cash of Senior Lender Obligations, then, and in such case, the Subordinated Agent shall be subrogated to the rights of the Senior Lender to receive payments and distributions made on the Senior Lender Obligations and to the rights of the Senior Lender under the Senior Lender Security, until the Subordinated Agent Obligations shall have been paid and satisfied in full and in cash.

ARTICLE 4 NOTICE BY THE SUBORDINATED AGENT

- 4.1 **Enforcement Standstill by Subordinated Creditor; Court Appointed Receiver.** Notwithstanding the terms of any Subordinated Agent Document, the Subordinated Agent shall not initiate or enforce any right or remedy (including any Creditor Proceedings) against the Debtor or any of its Property, by reason of a default or event of default by the Debtor under the Subordinated Agent Documents or a demand being made by the Subordinated Agent under the Subordinated Agent Documents, or otherwise, until at least 90 days after the Subordinated Agent has given written notice of a default, event of default or demand under the Subordinated Agent Documents to the Senior Lender specifying the details thereof, or after receipt of the prior written consent of the Senior Lender. During such 90 day period, the Senior Lender covenants that, to the extent the Senior Lender utilizes the services of a receiver or receiver and manager to enforce its rights and remedies under the Senior Lender Documents, it will apply to a court of competent jurisdiction for the appointment of any such receiver or receiver and manager and will not privately appoint a receiver or receiver and manager, provided that the Subordinated Agent agrees to support such court appointment, and for so long as such court appointment is in effect, the Subordinated Agent shall not initiate or enforce any right or remedy (including any Creditor

Proceedings) against the Debtor or its Property that would impede or be in conflict with the rights and remedies of the Senior Lender and its ability to recover the Senior Lender Obligations.

4.2 Fixed Charge Registration. The Subordinated Agent covenants in favour of the Senior Lender that it will not register a fixed charge against any of the real property interests of the Debtor at any Land Titles office or any other office of a governmental authority in any jurisdiction, whether or not it is entitled to do the same under the Subordinated Agent Documents, without giving prior written notice to the Senior Lender at least 10 Business Days prior to submitting to a Land Titles office or any other office of a governmental authority in any jurisdiction such fixed charge (whether by way of caveat, security notice or otherwise) for registration, or such shorter period as the Senior Lender and the Subordinated Agent may agree to in emergent circumstances. Such registration and the priority thereof shall be subject to the terms of this Subordination Agreement.

4.3 No Challenge to Senior Lender Documents or Subordinated Agent Documents.

(a) Neither the Subordinated Agent nor the Debtor shall at any time challenge, dispute or contest the validity or enforceability of the Senior Lender Documents or the subordination and postponement provided for herein or take any action that could diminish, impair or prejudice the subordination and postponement contemplated hereby.

(b) In addition to and without limiting Section 4.3(a), the Subordinated Agent covenants that it shall act in a manner consistent with and so as to give effect to the terms and conditions of this Subordination Agreement, including with respect to the filing of any proof of claim in the bankruptcy, insolvency or liquidation of the Debtor and with respect to any proposal, arrangement, plan of arrangement or reorganization under or with respect to a Creditor Proceeding and, for certainty, the Subordinated Agent shall not approve any such proposal, arrangement, plan of arrangement or reorganization (unless this provision has been specifically waived in writing by the Senior Lender) if the effect thereof would be to have any payments or distributions be made to and be retained by the Subordinated Agent when the Senior Lender Obligations are not to be indefeasibly paid and satisfied in full and in cash pursuant thereto; provided that, notwithstanding anything in this Subordination Agreement to the contrary, but subject to the terms of this Section 4.3, the Subordinated Agent shall always have the right to vote against any proposal, arrangement, plan of arrangement or reorganization.

(c) Neither the Senior Lender nor the Debtor shall at any time challenge, dispute or contest the validity or enforceability of the Subordinated Agent Security nor the priorities applicable to the Subordinated Agent Security as provided for herein, nor shall either of the Senior Lender or the Debtor take any action whereby the priorities hereby established may be defeated.

4.4 No Prejudice by Debtor Actions. Neither the Senior Lender nor the Subordinated Agent shall be prejudiced in its rights and remedies hereunder by any act or failure to act of the Debtor, or any failure by the Debtor to comply with any agreement or obligation, regardless of any knowledge thereof which the Senior Lender or the Subordinated Agent may have or be deemed to have or with which the Senior Lender or the Subordinated Agent may be charged.

4.5 Assignment Subject to Subordination Agreement. Neither the Senior Lender nor the Subordinated Agent will sell, transfer, assign, negotiate, mortgage, charge, grant liens, mortgages, charges, security interests or other encumbrances in or otherwise encumber or dispose of in any manner whatsoever its interest in the Senior Lender Documents, the Senior Lender Obligations, the Subordinated Agent Documents or the Subordinated Agent Obligations, or any part thereof, as applicable, to any person or entity unless such person or entity shall have first become bound by the obligations of the Senior Lender or the Subordinated Agent, respectively, under this Subordination Agreement. For greater certainty, the Senior Lender or the Subordinated Agent shall be entitled to assign a portion of its interest in the Senior Lender

Documents and the Senior Lender Obligations, or the Subordinated Agent Documents and the Subordinated Agent Obligations, as the case may be, provided that:

- (a) it has the authority to act, and in fact is acting, as agent for such assignees hereunder; and
- (b) such assignees acknowledge and agree to be bound by the provisions of this Subordination Agreement.

The failure to comply with this provision shall not in any event affect the subordinations and postponements provided for in this Subordination Agreement.

4.6 Prohibited Amendment to Subordinated Agent Documents. The Subordinated Agent hereby covenants and agrees with the Senior Lender that the Subordinated Agent shall not alter, amend, supplement or modify any of the following terms or provisions of the Subordinated Agent Documents or the Subordinated Agent Security if any such alteration, amendment, supplement or modification would or would in effect:

- (a) increase the interest rate or materially increase the effective rate of return payable on the Subordinated Agent Obligations, unless written notice thereof is provided to the Senior Lender together with copies thereof;
- (b) increase the principal amount outstanding or secured thereunder at any time to exceed Cdn. \$8,000,000;
- (c) add any Debtor or take any additional security (unless the Senior Lender has added or is concurrently adding such Debtor or such additional security under the Senior Credit Agreement);
- (d) in any way restrict the Debtor from making any payment or performing any obligation under the Senior Lender Documents;
- (e) provide for an earlier maturity date of any of the Subordinated Agent Obligations or any mandatory repayment of the principal thereof prior to the maturity date thereof;
- (f) make the covenants of the Debtor under the Subordinated Agent Documents more onerous or restrictive on the Debtor in any material manner; or
- (g) have or reasonably be expected to have a material adverse effect on the Senior Lender Security, the security position of the Senior Lender or its rights under this Subordination Agreement,

provided that nothing in this Section 4.6 shall be construed to require the consent of the Senior Lender to any waiver by the Subordinated Agent of any terms or provisions of the Subordinated Agent Documents or the Subordinated Agent Security.

4.7 Amendments to Senior Lender Documents. The Senior Lender hereby covenants and agrees with the Subordinated Agent that it will not permit an increase of the principal amount owing pursuant to the Senior Credit Agreement or any other Senior Lender Documents such that the total amount outstanding of such principal amount is at any time in excess of Cdn. \$27,000,000 plus: (a) (i) obligations of Waldron under the Existing Hedges and any other foreign exchange arrangements, commodity, interest rate and currency swap arrangements consented to by the Subordinated Agent in accordance with Section 4.8 below; (ii) electronic funds transfer arrangements and cash management arrangements (including, without limitation, overdraft arrangements) in the aggregate principal amount not to exceed \$1,000,000; (iii) credit card

arrangements between Waldron and the Senior Lender; and (iv) any amount required to satisfy any outstanding payroll obligations; and (b) all charges, interest, costs, fees, disbursements, expenses, indemnity amounts and other similar amounts payable in connection therewith or under the Senior Credit Agreement and the Senior Lender Security from time to time. Further, if there is any alteration, amendment, supplement or modification of any of the Senior Lender Documents which would or could in effect increase the interest rate margins payable on the Senior Lender Obligations, the Senior Lender shall provide written notice thereof to the Subordinated Agent together with copies thereof. The Debtor hereby consents to the giving of such notice and the provision of such copies by the Senior Lender to the Subordinated Agent under this Section 4.7.

4.8 Hedging Arrangements. Waldron hereby:

- (a) represents and warrants to the Subordinated Agent that the only foreign exchange arrangements, commodity, interest rate or currency swap arrangements to which it is a party on the date hereof are the "Existing Hedges" described in Schedule "A" attached hereto; and
- (b) covenants and agrees not to enter into any foreign exchange arrangements, commodity, interest rate or currency swap arrangements, other than the Existing Hedges, without the prior written consent of the Subordinated Agent.

4.9 Notice of Default. The Debtor will forthwith notify the Senior Lender and the Subordinated Agent in writing of (a) any default or event of default under any Subordinated Agent Document or if a demand for payment is made thereunder, and (b) any default or event of default under any Senior Lender Document or if a demand for payment is made thereunder.

4.10 Cross-Default. Each of the parties hereby agrees that:

- (a) an event of default under any Subordinated Agent Document (including, without limitation, the Subordinated Credit Agreement) shall constitute an event of default under the Senior Lender Documents (including, without limitation, the Senior Credit Agreement); and
- (b) an event of default under any Senior Lender Document (including, without limitation, the Senior Credit Agreement) shall constitute an event of default under the Subordinated Agent Documents (including, without limitation, the Subordinated Credit Agreement).

4.11 Discharge of Subordinated Agent Security. Upon satisfaction in full of the Subordinated Agent Obligations, the Subordinated Agent shall discharge the Subordinated Agent Security.

**ARTICLE 5
MISCELLANEOUS**

5.1 Notices. Any notice required or permitted to be made under this Subordination Agreement shall be served personally at or sent by electronic transmission or ordinary mail to the applicable addresses and telecopy numbers set out below. Any notice given shall be deemed to have been received on actual receipt.

(a) If to the Senior Lender:

National Bank of Canada
Suite 1800, 311-6th Avenue S.W.
Calgary, Alberta T2P 3H2
Attention: Beth Pineda
Fax Number: (403) 410-2084

with a copy to:

Norton Rose Fulbright Canada LLP
Suite 3700, 400-3rd Avenue S.W.
Calgary, Alberta T2P 4H2
Attention: Howard Gorman
Fax Number: (403) 264-5973

(b) If to the Subordinated Agent:

Toscana Capital Corporation
Suite 3410, 421-7th Avenue S.W.
Calgary, Alberta T2P 4K9
Attention: Mr. Dean Jensen
Fax Number: (403) 444-0090

(c) If to the Debtor:

Waldron Energy Corporation
2300, 144 - 4th Avenue S.W.
Calgary, Alberta T2P 3N4
Attention: President & Chief Executive Officer
Fax Number: (403) 532-3993

With effect from March 10, 2014 the address will be:

600, 510 – 5th Street S.W.
Calgary, Alberta T2P 3S2
Attention: President & Chief Executive Officer
Fax number: (403) 532-3993

5.2 **Further Assurances; Release of Security on Realization.** The parties shall, at the reasonable request of the Senior Lender and at the expense of the Debtor, execute such additional documents and instruments, and do such further acts or things as may be reasonably necessary to give full force and effect to the intent of this Subordination Agreement. In the event of a disposition of Property by the Debtor to which the Senior Lender has consented to (the proceeds of which are to be applied to the Senior Lender Obligations), or a realization by the Senior Lender or its agent against the Property which is the subject matter of the Senior Lender Security, the Subordinated Agent will forthwith do all things necessary to release and discharge, or provide no interest letters in respect of, all or any of the Subordinated Agent Security to the extent necessary for the Senior Lender to transfer or otherwise dispose of any or all of such Property to another person free and clear of all liens, charges and encumbrances in favour of the Subordinated Agent, and the Debtor agrees that the provisions of Section 3.2 hereof will continue to apply to any such disposition or realization, and that the costs of effecting such discharge shall be for its account.

5.3 **Enurement.** This Subordination Agreement shall enure to the benefit of the Senior Lender and the Subordinated Agent and their respective successors and permitted assigns, and shall be

binding on the Senior Lender, the Subordinated Agent and the Debtor and their respective successors and permitted assigns.

- 5.4 **Entire Agreement.** This Subordination Agreement constitutes the entire agreement of the Senior Lender and the Subordinated Agent as to the subject matter hereof and supercedes and replaces any prior agreement or understanding pertaining to the same between any one or more of them.
- 5.5 **Amendment.** No agreement purporting to amend or modify this Subordination Agreement will be binding unless in writing signed by all of the parties hereto except that no consent, agreement or signature of the Debtor shall be necessary to any amendment to the terms hereof by the Subordinated Agent and the Senior Lender which does not affect the rights or obligations of the Debtor.
- 5.6 **Benefit.** The Debtor hereby acknowledges and agrees that this Subordination Agreement has been entered into for the sole benefit of the Senior Lender and the Subordinated Agent.
- 5.7 **Additional Debtors.** If any entity should become a Debtor in addition to Waldron, it will cause such entity to become a party to and be bound by this Subordination Agreement.
- 5.8 **Governing Law.** This Subordination Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.
- 5.9 **Counterparts.** This Subordination Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which shall be deemed to be an original and all of which shall be construed together as one agreement.
- 5.10 **Headings.** Headings are for convenience of reference only, and shall not be considered in the interpretation hereof.
- 5.11 **No Subsidiaries.** Waldron represents and warrants to each of the Senior Lender and the Subordinated Agent that Waldron does not have any subsidiaries (as such term is utilized in the *Business Corporations Act* (Alberta)) other than 1530429 Alberta Ltd., and shall not organize or incorporate any other subsidiary, without the express prior written consent of each of the Senior Lender and the Subordinated Agent, such consent not to be unreasonably withheld.
- 5.12 **Debtor Acknowledgements.** The Debtor acknowledges and agrees that it:
- (a) authorizes the Senior Lender and the Subordinated Agent to share with each other any information possessed by them relating to the Senior Lender, the Subordinated Agent, the Senior Credit Agreement or the Subordinated Agent Documents;
 - (b) consents to the terms of this Subordination Agreement and agrees to comply with, and to not act contrary to, the terms of this Subordination Agreement;
 - (c) shall advise the Subordinated Agent forthwith of any fixed charge registrations made by the Senior Lender pursuant to the Senior Lender Security;
 - (d) is a party hereto solely for the purpose of providing the acknowledgements and agreements set forth herein and does not, and is not intended to, derive any benefits hereunder except in respect of the consents contained herein; and
 - (e) shall be obligated to pay all reasonable legal fees and disbursements incurred by the Senior Lender and the Subordinated Agent in connection with this Subordination Agreement and the matters dealt with herein.

5.13 **Subordinated Agent's Representation and Warranty.** The Subordinated Agent hereby represents and warrants to the Senior Lender and the Debtors that the Subordinated Agent has the authority to enter into this Subordination Agreement on behalf of the Subordinated Lender and to bind the Subordinated Lender to the terms hereof.

[Counterpart signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this Subordination Agreement as of the date first above written.

**NATIONAL BANK OF CANADA, as
Senior Lender**

Per: 
Name: Karen Koury
Title: Senior Manager

Per: 
Name: Clifford Smith
Title: Manager

**TOSCANA CAPITAL CORPORATION, as
Subordinated Agent**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**WALDRON ENERGY CORPORATION, as
a Debtor**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Subordination Agreement as of the date first above written.

**NATIONAL BANK OF CANADA, as
Senior Lender**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**WALDRON ENERGY CORPORATION, as
a Debtor**

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**TOSCANA CAPITAL CORPORATION, as
Subordinated Agent**

Per: _____
Name:
Dean R. Jensen
Vice President

Per: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Subordination Agreement as of the date first above written.

NATIONAL BANK OF CANADA, as
Senior Lender

Per: _____
Name:
Title:

TOSCANA CAPITAL CORPORATION, as
Subordinated Agent

Per: _____
Name:
Title:

Per: _____
Name:
Title:

Per: _____
Name:
Title:

WALDRON ENERGY CORPORATION, as
a Debtor

Per: _____
Name: *Eric Saprata*
Title: *Pres*

Per: _____
Name: *Self Kevl*
Title: *CFO*

[signature page to subordination agreement]

SCHEDULE "A"
EXISTING HEDGES

1. 175 bbl/d of oil for Cal 2014 at Edmonton \$90.15/bbl CDN
2. 2,900 GJ/d of natural gas for Cal 2014 at AECO 5A \$3.72/GJ CDN

FIRST AMENDING AGREEMENT TO SUBORDINATION AGREEMENT

This Agreement is made as of the 18th day of June, 2014.

AMONG:

NATIONAL BANK OF CANADA,
as Senior Lender

- and -

TOSCANA CAPITAL CORPORATION,
in its capacity as Agent for the Subordinated Lender under the
Subordinated Credit Agreement, as Subordinated Agent

- and -

WALDRON ENERGY CORPORATION,
as a Debtor

RECITALS:

- A.** The Senior Lender, the Subordinated Agent and the Debtor are parties to the Subordination Agreement; and
- B.** The parties hereto have agreed to amend certain provisions of the Subordination Agreement as set out herein.

NOW THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"Agreement" means this first amending agreement, as the same may be amended, modified, supplemented, varied, restated or replaced from time to time; and

"Subordination Agreement" means the Subordination Agreement dated as of February 28, 2014 among the Senior Lender, the Subordinated Agent and the Debtor, as the same may be amended, modified, supplemented, varied, restated or replaced from time to time.

1.2 Interpretation

Capitalized words and phrases used in this Agreement and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Subordination Agreement.

1.3 Headings and Agreement References

- (a) The division of this Agreement into Articles and Sections, and the insertion of headings, is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this first amending agreement and not to any particular Article, Section or other portion hereof, and include any amendments hereto. Unless otherwise stated, references herein to "Articles" and "Sections" are to Articles and Sections of this Agreement.

ARTICLE 2 AMENDMENTS

2.1 Amendments

- (a) Section 1.1 of the Subordination Agreement is hereby amended by:
 - (i) replacing the definition of "Senior Credit Agreement" with the following definition:

" **Senior Credit Agreement** means the offer to finance dated March 28, 2013 from the Senior Lender to Waldron, as amended by an amendment to offer to finance dated August 8, 2013, an amendment to offer to finance dated October 8, 2013 and an amendment to offer to finance dated November 13, 2013, and as supplemented by a loan amending and extension agreement dated February 19, 2014, a second loan amending and extension agreement dated March 7, 2014, a third loan amending and extension agreement dated March 18, 2014 and a fourth loan amending and extension agreement dated June 16, 2014, as the same may be further amended, modified, supplemented, varied, restated or replaced from time to time.";
- (b) Section 4.7 of the Subordination Agreement is hereby amended by removing "\$27,000,000" as the principal amount and replacing it with "\$21,000,000".

ARTICLE 3 GENERAL PROVISIONS

3.1 Confirmation of Subordination Agreement

The Subordination Agreement, as amended by this Agreement, and all covenants, terms and provisions thereof, except as expressly amended by this Agreement, shall, and continue, to be in full force and effect. The Subordination Agreement, as amended by this Agreement, is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect as herein amended.

3.2 Further Assurances

Each of the parties hereto shall do all such further acts and things and execute and deliver all such further documents as the Senior Lender or the Subordinated Agent may reasonably require in order to fully perform and carry out the terms of this Agreement.

3.3 Subordinated Agent's Representation and Warranty

The Subordinated Agent hereby represent and warrants to the Senior Lender and the Debtor that the Subordinated Agent has the authority to enter into this Agreement on behalf of the Subordinated Lender and to bind the Subordinated Lender to the terms hereof.

3.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta, and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

3.5 Counterpart Execution

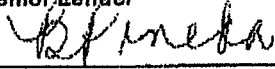
This Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which shall be deemed to be an original and all of which shall be construed together as one agreement.

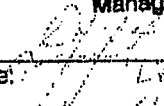
[Counterpart signature page follows.]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

NATIONAL BANK OF CANADA, as
Senior Lender

By:


Name: **BETH PINEDO**
Title: **Manager**


Name: **Dean R. Jensen**
Title: **Vice President**

TOSSANA CAPITAL CORPORATION, as
Subordinated Agent

By:


Name: **Dean R. Jensen**
Title: **Vice President**


Name: **Brian J. Mellum**
Title: **President**

WALDRON ENERGY CORPORATION,
as a Debtor

By:

Name:
Title:

Name:
Title:

[Signature page to First Amending Agreement to Subordination Agreement.]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**NATIONAL BANK OF CANADA, as
Senior Lender**

**TOSCANA CAPITAL CORPORATION, as
Subordinated Agent**

By: _____
Name:
Title:

By: _____
Name:
Title:

Name:
Title:

Name:
Title:

**WALDRON ENERGY CORPORATION,
as a Debtor**

By: _____
Name: *Ernie Spiehs*
Title: *CEO*

Name: *Scott Keal*
Title: *CFO*

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**NATIONAL BANK OF CANADA, as
Senior Lender**

**TOSCANA CAPITAL CORPORATION, as
Subordinated Agent**

By: *B. Pineda*

By: _____

Name: **BETH PINEDA**
Title: **Manager**

Name: _____
Title: _____

Name: *[Signature]*

Name: _____
Title: _____

Title: *Dean Lindquist
Managing Director & Co-Head*

**WALDRON ENERGY CORPORATION,
as a Debtor**

By: _____

Name: _____
Title: _____

Name: _____
Title: _____

SECOND AMENDING AGREEMENT TO SUBORDINATION AGREEMENT

This Agreement is made as of the 29th day of April, 2015.

AMONG:

**NATIONAL BANK OF CANADA,
as Senior Lender**

- and -

**TOSCANA CAPITAL CORPORATION,
in its capacity as Agent for the Subordinated Lender under the
Subordinated Credit Agreement, as Subordinated Agent**

- and -

**WALDRON ENERGY CORPORATION,
as a Debtor**

RECITALS:

- A. The Senior Lender, the Subordinated Agent and the Debtor are parties to the Subordination Agreement; and
- B. The parties hereto have agreed to amend certain provisions of the Subordination Agreement as set out herein.

NOW THEREFORE, THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Agreement and the recitals hereto, unless something in the subject matter or context is inconsistent therewith:

"**Agreement**" means this second amending agreement, as the same may be amended, modified, supplemented, varied, restated or replaced from time to time; and

"**Subordination Agreement**" means the Subordination Agreement dated as of February 28, 2014 among the Senior Lender, the Subordinated Agent and the Debtor, as amended and supplemented by the First Amending Agreement to the Subordination Agreement dated June 18, 2014 and this Agreement, and as the same may be amended, modified, supplemented, varied, restated or replaced from time to time.

1.2 Interpretation

Capitalized words and phrases used in this Agreement and the recitals hereto without express definition herein shall, unless something in the subject matter or context is inconsistent therewith, have the same defined meanings as are ascribed to such words and phrases in the Subordination Agreement.

1.3 Headings and Agreement References

- (a) The division of this Agreement into Articles and Sections, and the insertion of headings, is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- (b) The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this first amending agreement and not to any particular Article, Section or other portion hereof, and include any amendments hereto. Unless otherwise stated, references herein to "Articles" and "Sections" are to Articles and Sections of this Agreement.

ARTICLE 2 **AMENDMENT**

2.1 Amendment

- (a) Section 1.1 of the Subordination Agreement is hereby amended by:
 - (i) replacing the definition of "Senior Credit Agreement" with the following definition:

"Senior Credit Agreement" means the offer to finance dated September 23, 2014 from the Senior Lender to Waldron, as amended by an amendment to the offer to finance dated December 24, 2014 and a first loan amending and extension agreement dated April 27, 2015, as the same may be further amended, modified, supplemented, varied, restated or replaced from time to time.
- (b) Section 4.1 of the Subordination Agreement is hereby amended by removing both instances of "90" therein and replacing it with "15".

ARTICLE 3 **GENERAL PROVISIONS**

3.1 Confirmation of Subordination Agreement

The Subordination Agreement and all covenants, terms and provisions thereof, except as expressly amended by this Agreement, shall, and continue, to be in full force and effect. The Subordination Agreement, is hereby ratified and confirmed and shall from and after the date hereof continue in full force and effect as herein amended.

3.2 Further Assurances

Each of the parties hereto shall do all such further acts and things and execute and deliver all such further documents as the Senior Lender or the Subordinated Agent may reasonably require in order to fully perform and carry out the terms of this Agreement.

3.3 Subordinated Agent's Representation and Warranty

The Subordinated Agent hereby represents and warrants to the Senior Lender and the Debtor that the Subordinated Agent has the authority to enter into this Agreement on behalf of the Subordinated Lender and to bind the Subordinated Lender to the terms hereof.

3.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta, and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

3.5 Counterpart Execution

This Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which shall be deemed to be an original and all of which shall be construed together as one agreement.

[Counterpart signature page follows]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**NATIONAL BANK OF CANADA, as
Senior Lender**

By: _____
Name:
Title:

Name:
Title:

**TOSCANA CAPITAL CORPORATION, as
Subordinated Agent**

By: _____
Name:
Title:

Name:
Title:


**WALDRON ENERGY CORPORATION,
as a Debtor**


By: _____
Name: *Ernie Sapienza*
Title: *President*

Name: *Self Keat*
Title: *CFO*

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date first above written.

**NATIONAL BANK OF CANADA, as
Senior Lender**

By: 
Name: **Karen Koury**
Title: **Senior Manager**


Name: **Sonia de Lorenzi**
Title: **Senior Manager**

**WALDRON ENERGY CORPORATION,
as a Debtor**

By: _____
Name:
Title:

Name:
Title:

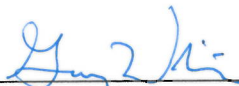
**TOSCANA CAPITAL CORPORATION, as
Subordinated Agent**

By: _____
Name:
Title:

Name:
Title:

TAB K

This is **Exhibit "K"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015



A Notary Public

Patrick T. McCarthy, Q.C.
T (403) 232-9441
F (403) 266-1395
PMcCarthy@big.com

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 - 3rd Ave S W
Calgary, AB, Canada T2P 0R3
T 403.232.9500
F 403.266.1395
big.com



File No. 440571.02

August 6, 2015

Delivered by Courier

Waldron Energy Corporation
Suite 600, 510 5th Street S.W.
Calgary, Alberta T2P 3N4

Attention:

Mr. Ernie Sapiuha
President & Chief Executive Officer

Mr. Jeff Kearl
Vice President & Chief Financial Officer

Dear Sirs:

Re: Loans from Toscana L.P. to Waldron Energy Corporation ("Waldron")

This firm represents Toscana Capital Corporation in its capacity as manager for Toscana L.P. ("Toscana") and its assigns in relation to a term loan and operating line of credit facility provided to Waldron by Toscana pursuant to commitment letter dated November 12, 2014 (the "Commitment Letter") and related documentation (together, the "Toscana Facility").

As you are aware, Waldron is in default of certain of the provisions of the Toscana Facility and in any event pursuant to the terms of the Commitment Letter the Maturity Date of the Toscana Facility was February 28, 2015, and repayment in full of all amounts outstanding under the Toscana Facility was due on that date. Toscana granted limited waivers of default and extensions of the Maturity Date of the Toscana Facility on February 24, 2015, April 29, 2015, and June 26, 2015.

Pursuant to the last such extension, the Maturity Date of the Toscana Facility was extended to July 15, 2015. No further extensions have been granted and accordingly repayment in full of all amounts outstanding under the Toscana Facility has been due since July 15, 2015. Pursuant to the terms of the Commitment Letter interest has accrued on the amounts outstanding under the Toscana Facility at the rate of 21% per annum since that date.

The amounts outstanding under the Toscana Facility are, as of August 6, 2015, as follows:

Secured Subordinated Demand Bridge Loan	
Outstanding Principal	\$6,000,000.00
Extension Fee	90,000.00
Interest to August 6, 2015	243,574.72
Legal and Consulting Expenses	11,971.48
TOTAL	\$6,345,546.20

Toscana holds various kinds of security for all amounts outstanding under the Toscana Facility including a demand debenture dated February 28, 2014 providing a charge over all of the real and personal property Waldron.

As the entire amount outstanding under the Toscana Facility is currently due and payable, further demand for payment of that amount by Waldron is not required. Pursuant to s.244 of the *Bankruptcy and Insolvency Act*, however, Toscana is required to issue a notice advising Waldron that it intends to enforce its security on the property of Waldron, and indicating that Toscana will not have the right to enforce its security until ten days after the delivery of that notice. A copy of that notice is attached.

Accordingly please be advised that unless payment in full of all amounts outstanding under the Toscana Facility, together with accrued interest and costs, is made by close of business on Monday, August 17, 2015, Toscana will be taking such steps as it deems appropriate to pursue the collection of all amounts outstanding under the Toscana Facility.

Please conduct yourselves accordingly.

Yours truly,

BORDEN LADNER GERVAIS LLP



Patrick T. McCarthy Q.C.

cc Dean Jensen (Sprott Toscana, Vice President)

NOTICE OF INTENTION TO ENFORCE SECURITY

TO: Waldron Energy Corporation

TAKE NOTICE THAT:

1. Toscana L.P., by its manager Toscana Capital Corporation, a secured creditor, intends to enforce its security on the property of Waldron Energy Corporation ("Waldron") as described below:
 - (a) All of Waldron's present and after acquired personal property;
 - (b) All of Waldron's real property interests, including interests in mines and minerals;
 - (c) Any other property or assets of Waldron.
2. The security that is to be enforced is in the form of a Demand Debenture dated February 28, 2014 charging all of the real and personal property of Waldron.
3. The total indebtedness secured by the security was, as at August 6, 2015, the amount of **\$6,345,546.20** together with accrued interest, legal fees, and other costs.
4. The secured creditor will not have the right to enforce the security until after the expiry of a 10-day period following the sending of this notice, unless Waldron consents to an earlier enforcement.

DATED at Calgary, Alberta, this 6th day of August, 2015.

Toscana L.P., by its manager Toscana Capital Corporation
by its agent and counsel Borden Ladner Gervais LLP

Per: 

TAB L

This is **Exhibit "L"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015

A handwritten signature in blue ink, appearing to read "Guy L. K.", is written over a horizontal line.

A Notary Public

NORTON ROSE FULBRIGHT

Barristers & Solicitors / Patent & Trade-mark Agents

August 7, 2015

By Courier and E-mail
(esapieha@waldronenergy.ca)

Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 Canada

F: +1 403.264.5973
nortonrosefulbright.com

Waldron Energy Corporation
600, 510 - 5th Street SW
Calgary, AB T2P 3S2

Randal S. Van de Mosselaer
+1 403.267.8196
randal.vandemosselaer@nortonrosefulbright.com

Attention: Ernie Sapieha,
President & CEO

Assistant
+1 403 267 9580
eliza.longshore@nortonrose.com

Our reference
01124572-0581

Dear Sir:

Waldron Energy Corporation (formerly Triton Energy Corp.) ("Waldron") indebtedness to the National Bank of Canada (the "Bank")

As you are aware, our offices act on behalf of the Bank with respect to the outstanding Waldron indebtedness under certain credit facilities provided pursuant to various commitment letters and related documentation (collectively the "Commitment Letters"). Over the past several months, the Bank has provided Waldron with various accommodations and extensions with regard to the Waldron indebtedness, including pursuant to the First Loan Amending and Extension Forbearance Agreement dated April 27, 2015 (the "Forbearance Agreement").

Waldron is currently in default with respect to the Commitment Letters and Forbearance Agreement. The defaults of Waldron include, most significantly, that Waldron has not repaid the indebtedness owing to the Bank when due, and that Waldron is in default under the facilities granted by Toscana Capital Corporation ("Toscana"), resulting in a demand by Toscana under those facilities on August 6, 2015.

The Waldron indebtedness is secured by a Demand Debenture and other security.

As at August 6, 2015, the amounts outstanding and owing to the Bank are as follows:

Demand Revolving Credit Facility	\$7,550,000.00
Accrued Interest	\$11,575.34
Standby Fee	\$20.34
Mastercard	\$775.00
Total as at August 6, 2015	\$7,562,370.68

In addition to the above, per diem interest on the above facilities is and has been accruing at a total rate of at least \$1,075.62 per day. In addition to per diem interest, the amounts owing will be increased by any costs or standby fees incurred by the Bank.

CALGARY: 2527349\1

Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada.

Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss Verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com.

August 7, 2015

 **NORTON ROSE FULBRIGHT**

Furthermore, the indebtedness of Waldron to the Bank includes reasonable legal and consulting fees for which Waldron has agreed to indemnify the Bank, currently estimated to be at least \$100,000.00.

Demand is hereby made upon Waldron for payment in full of the amounts outstanding together with any accruing interest, standby fees, legal fees or charges that may arise. In the event that payment is not made in full by close of business on **August 17, 2015**, or if the Bank determines that its collateral is at risk, the Bank will take such further steps may be necessary to protect its position.

Also enclosed for service upon you is a Notice of Intention to Enforce Security, provided in accordance with the provisions of the **Bankruptcy and Insolvency Act**. If you consent to the Bank taking earlier enforcement, including the potential appointment of a Receiver, please return the consent executed by a duly authorized officer.

In addition to the foregoing, please be advised that effective immediately the Bank will not be extending further credit to Waldron either under the Revolving Credit Facility or otherwise.

Kindly govern yourself accordingly.

Yours very truly,

Norton Rose Fulbright Canada LLP

Per.


Randal S. Van de Mosselaer
Partner

RSV/EL

Cop(y/ies) to:

National Bank of Canada, Attn: Karen Koury, Email
National Bank of Canada, Attn: Charbel Hajjboutros, Email
National Bank of Canada, Attn: John Karkoutlian, Email
FTI Consulting, Attn: Deryck Helkaa, Email
Thomas Cumming, Gowling Lafleur Henderson LLP, Email
Patrick McCarthy, Borden Ladner Gervais LLP, Email

**NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))**

To: Waldron Energy Corporation

Take notice that:

1. National Bank of Canada (the "Lender"), a secured creditor, intends to enforce its security on the property of the above insolvent person which encompasses all of its property and assets;
2. The security that is to be enforced includes security granted by the insolvent person in favour of the Lender as set out in **Schedule "A"** attached hereto;
3. The principal amount of the indebtedness secured by the security is **\$7,562,370.68** plus accrued interest and other costs and expenses; and
4. The secured creditor (the Lender) will not have the right to enforce the security until after August 17, 2015, unless the insolvent person consents to an earlier enforcement.

Dated at Calgary, Alberta, this 7th day of August, 2015.

**National Bank of Canada by its solicitors and
agents, Norton/Rose Fulbright Canada LLP**

Per: 
Randal Van de Mosselaer

Waldron Energy Corporation hereby:

- (a) consents to the immediate enforcement by the Lender as a secured party of the security described in paragraph 2 above pursuant to Section 244(2) of the **Bankruptcy and Insolvency Act** (Canada);
- (b) consents to the secured party's (the Lender's) disposition of any or all collateral subject to the secured party's security immediately or otherwise as the secured party may determine in its sole discretion, without notice as required by the **Personal Property Security Act** (Alberta);
- (c) consents to the Lender's immediate appointment of a Receiver, or a Receiver-Manager in accordance with the provisions of the above noted security.

**Waldron Energy Corporation by its duly authorized
officer**

c/s

Per: _____
Authorized Signatory

SCHEDULE "A"

1. Floating Charge Debenture,
2. General Security Agreement,
3. General Assignment of Book Debts,
4. Pledge Agreement,
5. First Supplemental Debenture, and
6. First Supplemental Pledge Agreement.

TAB M

This is **Exhibit "M"**
referred to in the Affidavit of **Karen Koury**,
sworn before me in Toronto
this 14th day of August, 2015

A handwritten signature in blue ink, appearing to read "Guy Z. [unclear]", is written over a horizontal line.

A Notary Public

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF QUEEN'S BENCH
OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF(S)

NATIONAL BANK OF CANADA

DEFENDANT(S)

WALDRON ENERGY CORPORATION

DOCUMENT

**CONSENT TO ACT AS RECEIVER
OR RECEIVER AND MANAGER**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
3700 Devon Tower
400 Third Avenue SW
Calgary, Alberta T2P 4H2
Phone: 403-267-8222
Fax: 403-264-5973

Attention: Randal S. Van de Mosselaer

File No. 01124572-0581

FTI Consulting Canada Inc. does hereby consent to act as Receiver or Receiver and Manager of
Waldron Energy Corporation if so ordered by this Honourable Court.

DATED this 10 day of August, 2015.

FTI CONSULTING CANADA INC.

Per:


Deryck Heikka