

Reply Attention of *R. Craig Steele*
Direct Line (403) 531-4706
Direct Fax (403) 531-4720
Internet Address *craig.steele@mcmillan.ca*
Assistant *Jodi Kinakin*
Direct Line (403) 355-3317
Internet Address *jodi.kinakin@mcmillan.ca*

Our File No. 85745

October 1, 2009

VIA FACSIMILE

Fraser Milner Casgrain LLP
3000, 237 - 4th Avenue SW
Calgary, AB T2P 4X7

Attention: David Mann

Fraser Milner Casgrain LLP
1 First Canadian Place
39th Floor
100 King Street West
Toronto, ON M5X 1B2

Attention: Shane Kukulowicz

McCarthy Tetrault LLP
3300, 421 - 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Sean F. Collins

McCarthy Tetrault LLP
3300, 421 - 7th Avenue SW
Calgary, AB T2P 4K9

Attention: Daniel E. Sears

McCarthy Tetrault LLP
3300, 421 - 7th Avenue SW
Calgary, AB T2P 4K9

Attention: J. Michael McIntosh

Re: Trident Exploration Corporation et al.
CCAA Proceedings
Action No. 0901-13483

Enclosed please find our filed Notice of Motion to be heard in Special Chambers on Tuesday, October 6th, 2009 at 8:30 a.m. for service upon you in accordance with Rule 16.1 of the *Rules of Court*.

mcmillan

Also enclosed please find the Affidavits of Richard Voon and Reema Kapoor, unfilled, which will be filed tomorrow and a complete copy of same will be served upon you forthwith.

Sincerely,



R. CRAIG STEELE

RCS/jlk
cc:

McMillan LLP, Toronto

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *COMPANIES CREDITORS ARRANGEMENT ACT*, R.S.C.
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF TRIDENT EXPLORATION CORP. ULC, FORT ENERGY CORP. ULC, FENERGY CORP. ULC, 981384 ALBERTA LTD., 981405 ALBERTA LTD., 981422 ALBERTA LTD., TRIDENT RESOURCES CORP., TRIDENT CBM CORP., AURORA ENERGY LLC., NEXEGEN ENERGY CANADA, INC. AND TRIDENT USA CORP.

NOTICE OF MOTION

TAKE NOTICE in that an application will be made by Farallon Capital Management L.L.C., Special Situations Investment Group, Inc., Mount Kellett Capital Management LP, (collectively, the "Required Lenders"), as the holders of a majority of the debt held by a syndicate of lenders ("Canadian Secured Term Lenders") under the amended and restated credit agreement dated April 25, 2006 (the "Canadian Secured Term Loan Agreement"), before the Honourable Justice B.E.C. Romaine in Chambers on October 6, 2009 at 8:30 in the forenoon, or so soon thereafter as counsel may be heard, at the Court of Queen's Bench in the Judicial District of Calgary, for an order amending the Initial Order of the Honourable Justice Hawco dated September 8, 2009 (the "Initial Order") in the form attached hereto as Schedule "A"; and such other and further relief as to this Honourable Court seems just.

AND FURTHER TAKE NOTICE that the grounds upon which the Required Lenders in support of this application are:

1. Trident Exploration Corporation ("Trident Canada") is a Nova Scotia unlimited liability corporation. The Petitioners, Fort Energy Corp. ULC, a Nova Scotia unlimited liability corporation, Fenergy Corp. ULC, a Nova Scotia unlimited liability corporation, 981384 Alberta Ltd., an Alberta Corporation and 981405 Alberta Ltd., an Alberta corporation (together, the "Canadian Subsidiaries") are wholly owned subsidiaries of Trident Canada.

2. Trident Resources Corp. ULC ("Trident US") is a Delaware corporation. The Petitioners, Trident CBM Corp., a California corporation, Aurora Energy LLC., a Utah corporation, NexGen Energy Canada, Inc., a Colorado corporation and Trident USA Corp., a Delaware corporation (together, the "US Subsidiaries") are wholly owned subsidiaries of Trident US.

3. The Petitioners are hereinafter also referred to collectively as the "Trident Group".
4. The Required Lenders are a majority of a syndicate of lenders (the "Canadian Secured Term Lenders") that provided US\$500 million in secured term credit facilities to Trident Canada pursuant to the Canadian Secured Term Loan Agreement;
5. The Canadian Secured Term Loan Agreement is guaranteed by certain Canadian Subsidiaries and secured by a first charge over all of the present and future assets and undertaking of Trident Canada and the Canadian Guarantors;
6. On September 8, 2009 the Trident Group obtained protection under the *Companies' Creditors Arrangement Act* on an *ex parte* basis pursuant to the Initial Order. In addition to filing under the CCAA, Trident US and the US Subsidiaries also filed for protect under Chapter 11 in the District of Delaware.
7. The Initial Order provides, *inter alia*:
 - a. that Trident Canada may make unlimited cash transfers to Trident US to fund its restructuring; and
 - b. the Petitioners may exercise broad restructuring powers without the need to seek approval from the Court, the Monitor, or any of their creditors.
8. By allowing unlimited cash transfers to Trident US, the Initial Order does not adequately protect the interests of Canadian Secured Term Lenders or the other stakeholders of Trident Canada from being seriously prejudiced for the benefit of the stakeholders of Trident US;
9. Given that the Canadian Secured Term Lenders hold security over all of the value producing assets of the Petitioners, and are the largest secured creditor, they should to permitted to have meaningful input into the restructuring process;
10. The facts provided in the Affidavits of Richard Voon (the "Voon Affidavit") and Reema Kapoor (the "Kapoor Affidavit") sworn October 1, 2009;
11. The come back clause at paragraph 51 of the Initial Order;
12. The inherent jurisdiction of the this Court;
13. Such further and other grounds as counsel may advise and this Honourable Court may permit.

AND FURTHER TAKE NOTICE that the Required Lenders rely on the following in support of their application:

1. The Petition dated September 8, 2009;
2. The Initial Order granted in the within Action;
3. The Affidavit of Todd Dillabough sworn September 8, 2009.
4. The Affidavit of Richard Voon sworn October 1, 2009.
5. The Affidavit of Reema Kapoor sworn October 1, 2009; and
6. Such further and other material as counsel may advise and this Honourable Court may deem just.

DATED at Calgary, Alberta, this 1st day of October, 2009.

McMillan LLP

per: 

R. Craig Steele
Solicitors for the Required Lenders

TO: The Clerk of the Court

AND TO: SEE ATTACHED SERVICE LIST

SCHEDULE "A"

Action No. 0901-13483

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC, FORT ENERGY CORP. ULC, FENERGY CORP.
ULC, 981384 ALBERTA LTD., 981405 ALBERTA LTD., 981422 ALBERTA LTD.,
TRIDENT RESOURCES CORP., TRIDENT CBM CORP., AURORA ENERGY LLC.,
NEXGEN ENERGY CANADA, INC. AND TRIDENT USA CORP.

BEFORE THE HONOURABLE)
)
JUSTICE G.C. Hawco) At the Calgary Court Center in the City of
) Calgary, in the Province of Alberta
) on the 8th day of September, 2009
IN CHAMBERS)
)
)

AMENDED AND RESTATED CCAA INITIAL ORDER

UPON the application of Trident Exploration Corp. ULC ("TEC"), Fort Energy Corp. ULC, Fenenergy Corp. ULC, 981384 Alberta Ltd., 981405 Alberta Ltd., 981422 Alberta Ltd (collectively with TEC, "Trident Canada"), Trident Resources Corp. ("TRC"), Trident CBM Corp., Aurora Energy LLC. NexGen Energy Canada, Inc. and Trident USA Corp. (collectively with TRC, "Trident US" and Trident Canada together with Trident US are referred to collectively as the "Applicants" or "Trident"); AND UPON having read the Petition, and the Affidavit of Todd Dillabough (the "Dillabough Affidavit"), filed; AND UPON reading the consent of FTI Consulting Canada ULC to act as Monitor; AND UPON hearing counsel for the Applicants and counsel for the Required Lenders under the TEC Second Lien Agreement (as defined in the Dillabough Affidavit)(the "Canadian Secured Term Loan Agreement"); **IT IS HEREBY ORDERED AND DECLARED THAT:**

SERVICE

1. The time for service of the notice of application for this order is hereby abridged and this application is properly returnable today.

APPLICATION

2. The Applicants are affiliated debtor companies within the meaning of the CCAA and the CCAA applies to each of the Applicants.

PLAN OF ARRANGEMENT

3. Trident shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan") between, among others, Trident and one or more classes of its secured and/or unsecured creditors as it deems appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. Trident shall:

- (a) remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property");
- (b) subject to further order of this Court, continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property; and
- (c) be authorized and empowered to continue to retain and employ, whether in Canada or elsewhere, the employees, consultants, agents, experts, accountants, financial advisors (including, without limitation, provided, however, that Trident's authority to retain Rothschild Inc. in accordance with the terms of the Rothschild Engagement as described in the Dillabough Affidavit shall be subject to the prior written consent of the Monitor and the Required Lenders under the Canadian Secured Term Loan Agreement or further order the Court (the "Financial Advisor")), counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order. The payment by Trident Canada of the fees, expenses and compensation of the Assistants shall be subject paragraph 15 of this Order.

5. To the extent permitted by law, Trident shall be entitled but not required to pay the following expenses, incurred prior to or after this Order:

- (a) all outstanding and future fees, wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses, and similar amounts owed to independent contractors and the officers and directors of Trident, payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) subject to paragraph 15 of this Order, the fees and disbursements of any Assistants retained or employed by Trident in respect of Trident's reorganization, at their standard rates and charges; and
- ~~(c) in accordance with the Cash Management System and Inter-company Loan provision herein and subject to the consent of the Monitor, amounts owing by one or more of the Applicants to any other of the Applicants in order to settle their inter-company accounts and to make inter-company loans in the ordinary course of business.~~

6. Except as otherwise provided to the contrary herein, Trident shall be entitled but not required to pay all reasonable expenses incurred by Trident in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation or development of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to Trident following the date of this Order.

7. Trident shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in Right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of:

- (i) employment insurance,
- (ii) Canada Pension Plan, and
- (iii) income taxes,

but only where such statutory deemed trust amounts arise after the date of this Order, or are not required to be remitted until after the date of this Order, unless otherwise ordered by the Court;

(b) all goods and services or other applicable sales taxes payable to the Crown in Right of Canada or of any Province thereof (collectively, "Sales Taxes") required to be remitted by Trident in connection with the sale of goods and services by Trident, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in Right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by Trident.

8. Until such time as Trident repudiates a real property lease (which term expressly excludes crown or freehold leases or other interests relating to natural gas or coal bed methane rights) in accordance with paragraph 10(c) of this Order, Trident may pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty,

common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated by Trident from time to time for the period commencing from and including the date of this Order ("Rent"), but shall not pay any rent in arrears.

9. Except as specifically permitted in this Order, Trident is hereby directed, until further order of this Court:

- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by Trident to any of its creditors as of the date of this Order;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) not to grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. Trident shall have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations and to dispose of redundant or non-material assets not exceeding \$1,000,000 in any one transaction or \$5,000,000 in the aggregate (or in excess of these amounts, by order of this Court);
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate on such terms as may be agreed upon between Trident and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) in accordance with paragraphs 11 and 12, vacate, abandon or quit any leased premises and/or repudiate any real property lease (which term expressly excludes crown or freehold leases or other interests relating to natural gas or coal bed methane rights) and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord on such

terms as may be agreed upon between Trident and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;

- (d) repudiate such of its arrangements or agreements of any nature whatsoever, whether oral or written, as Trident deems appropriate on such terms as may be agreed upon between Trident and such counter-parties, or failing such agreement, to deal with the consequences thereof in the Plan; and
- (e) pursue all avenues of refinancing and offers for material parts of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by subparagraph (a), above)
- (f) settle claims of any of its customers and suppliers that are in dispute, with the approval of the Monitor,

all of the foregoing to permit Trident to proceed with an orderly restructuring of the Business (the "Restructuring"); provided, however, that in no event shall Trident Canada undertake any of the Restructuring activities authorized pursuant to paragraphs 10(a), (c), (d) or (e) without the prior written consent of the Monitor and the Required Lenders under the Canadian Secured Term Loan Agreement or further order of this Court.

11. Trident shall provide each of the relevant landlords with notice of Trident's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal. If the landlord disputes Trident's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and Trident, or by further order of this Court upon application by Trident on at least two (2) days' notice to such landlord and any such secured creditors. If Trident repudiates the lease governing such leased premises in accordance with paragraph 10(c) of this order, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to Trident's claim to the fixtures in dispute.

12. If a lease is repudiated by Trident in accordance with paragraph 10(c) of this order, then:
- (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving Trident and the Monitor 24 hours' prior written notice; and
 - (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against Trident in respect of such lease or leased premises and such landlord shall be entitled to notify Trident of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

13. Except as otherwise provided to the contrary herein, Trident shall be entitled but not required to pay, with the consent of the Monitor, all reasonable costs and expenses incurred prior to the date of this Order, where in the opinion of Trident and the Monitor such payments (i) are necessary to preserve the Property, Business and/or ongoing operations of Trident and (ii) can be made on such terms and conditions as will provide a material benefit to Trident and their stakeholders as a whole. In no event shall Trident Canada directly or indirectly pay or fund any amounts or obligations of Trident US of the nature described in this paragraph.

14. Subject in all respects to paragraph 15 of this Order, Trident shall be entitled to continue to utilize the central cash management system currently in place as described in the Dillabough Affidavit or replace it with another substantially similar central cash management system (the "Cash Management System"); and that any present or future bank or banks providing the Cash Management System shall:

- (a) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash

Management System, or as the use or application by Trident of funds transferred, paid, collected or otherwise dealt with in the Cash Management System;

- (b) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as herein defined) other than Trident, pursuant to the terms of the documentation applicable to the Cash Management System; and
- (c) be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regards to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

INTER-COMPANY LOANS AND RESTRUCTURING COSTS

15. The Applicants are hereby prohibited from repaying any inter-company loans or inter-company accounts outstanding on or prior to the date of this Order. The Applicants are prohibited from making any inter-company transfers, loans, or advances after the date of this Order except as among the entities comprising Trident Canada or as otherwise expressly permitted hereunder. In no event shall Trident Canada directly or indirectly transfer, pay or fund more than \$5 million from and after September 8, 2009 to Trident US or incur obligations on account of any the fees, expense or compensation of its US based Assistants or to fund the costs, expenses and disbursements related to Trident US' proceedings under the US Bankruptcy Code (collectively, the "US Restructuring Cost"). Nothing in this Order is intended to limit Trident US from funding the US Restructuring Cost on no-recourse basis to Trident Canada or the assets of Trident Canada.

16. ~~15. The Applicants are authorized to make inter-company loans for the purposes of making payments in accordance with the Cash Flows (as this term is defined at paragraph 40 of the Dillabough Affidavit). To the extent that an Applicant receives a post-filing inter-company loan or other transfer (including goods and services) from another Applicant (including as a result of the Cash Management System or otherwise) (each such Applicant, a "Beneficiary Applicant"), and such post-filing inter-company loan or other transfer is made (each an "Advance) by an Applicant (a "Protected Entity") then, subject to the limitations set forth in this paragraph:~~

- (a) the Protected Entity shall have a proven and valid claim against such Beneficiary Applicant for the amount of such Advance (each, an "Inter-company Reimbursement Claim"), which Inter-company Reimbursement Claim shall bear interest at a rate agreed between the applicable Beneficiary Applicant and Protected Entity from time to time for the period and in accordance with past practice; and
- (b) all of the Property of the Beneficiary Applicant, is hereby charged by a mortgage, lien and security interest (such mortgage, lien and security interest, "Inter-company Charge") in favour of each of the Protected Entities as security for payment of the Inter-company Reimbursement Claim (including principal, interest and expenses) by the applicable Beneficiary Applicant to the corresponding Protected Entity. The Inter-company Charge shall have the priority set out in paragraphs 38 to 42 herein.

17. ~~16.~~ Protected Entities shall forbear from exercising an Inter-company Charge and shall not be entitled to exercise, any right or remedy relating to any Inter-company Reimbursement Claim held by such party, including, without limitation, as to seeking relief from the stay granted hereunder, or seeking any sale, foreclosure, realization upon repossession or liquidation of any Property of a Beneficiary Applicant, or taking any position with respect to any disposition of the Property, the business operations, or the reorganization of a Beneficiary Applicant. Subject to Paragraph 17 of this Order, an Inter-company Charge automatically, and without further action of any person or entity of any kind, shall be released or otherwise terminated to the extent that Property subject to such Inter-company Charge is sold or otherwise disposed of in accordance with the terms of this Order or further order of this Court after notice and a hearing, with respect to the effect of an Inter-company Charge on any sale of Property by any Beneficiary Applicant.

18. ~~17.~~ The Beneficiary Applicant may sell Property, in accordance with the terms of this Order or further order of this Court after notice and hearing, in each case free and clear of any Inter-company Charge, with such Inter-company Charge attaching to the proceeds of sale in the same priority and subject to the same limitations and restrictions as existed in respect of the Property sold.

NO PROCEEDINGS AGAINST TRIDENT OR THE PROPERTY

19. ~~18.~~ Until and including October 7, 2009, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court (each, a "Proceeding") shall be commenced or continued against or in respect of Trident or the Monitor, or affecting the Business or the Property, except with leave of this Court, and any and all Proceedings currently under way against or in respect of Trident or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

20. ~~19.~~ During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person"), whether judicial or extra-judicial, statutory or non-statutory against or in respect of Trident or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided that nothing in this Order shall:

- (a) empower Trident to carry on any business which Trident is not lawfully entitled to carry on;
- (b) exempt Trident from compliance with statutory or regulatory provisions relating to health, safety or the environment;
- (c) prevent the filing of any registration to preserve or perfect a security interest; or
- (d) prevent the registration of a claim for lien.

21. ~~20.~~ Nothing in this Order shall prevent any party from taking an action against Trident where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Monitor at the first available opportunity.

NO INTERFERENCE WITH RIGHTS

22 ~~21~~—During the Stay Period, no person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Trident, or seek to replace, challenge, or otherwise dispossess Trident of any operatorship Trident maintains in connection with its Business or Property, except with the written consent of Trident and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

23 ~~22~~—During the Stay Period, all persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with Trident, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or Trident

are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by Trident or exercising any other remedy provided under such agreements or arrangements. Trident shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by Trident in accordance with the payment practices of Trident, or such other practices as may be agreed upon by the supplier or service provider and each of Trident and the Monitor, or as may be ordered by this Court. Nothing in this Order has the effect of prohibiting a person from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided after the date of this Order.

NO OBLIGATION TO ADVANCE MONEY OR EXTEND CREDIT

24. ~~23.~~ Notwithstanding anything else contained in this Order, no creditor of Trident shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to Trident.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

25. ~~24.~~ During the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA and paragraph 20 of this Order, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of Trident with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of Trident whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of Trident, if one is filed, is sanctioned by this Court or is refused by the creditors of Trident or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

26. ~~25.~~ Trident Canada shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of Trident Canada, after the date hereof, to make payments of the nature referred to in subparagraphs 5(a), 7(a), 7(b) and 7(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of Trident Canada except to the extent that, with respect to any officer or director, such officer or director has participated in the breach of any related fiduciary duties or has been judicially determined to have been grossly negligent or guilty of wilful misconduct.

27. ~~26.~~ The directors and officers of Trident Canada, in such capacity, shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$5,000,000, as security for the indemnity provided in paragraph 25 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 to 42 hereof.

28. ~~27.~~ Notwithstanding any language in any applicable insurance policy to the contrary:

- (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and
- (b) Trident's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraphs 25 and 26 of this Order.

APPOINTMENT OF MONITOR

29. ~~28.~~ FTI Consulting Canada ULC is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and Trident's conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that Trident and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by Trident pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

30. ~~29.~~ The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor Trident's receipts and disbursements, Business and dealings with the Property;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein and immediately report to the Court if in the opinion of the Monitor there is a material adverse change in the financial circumstances of Trident;
- (c) advise Trident in its preparation of Trident's cash flow statements and reporting to the Court or otherwise;
- (d) advise Trident in its development of the Plan or Plans and any amendments to the Plan or Plans;

- (e) advise Trident, to the extent required by Trident, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan or Plans;
- (f) have full and complete access to the books, records and management, employees and advisors of Trident and to the Business and the Property to the extent required to perform its duties arising under this Order;
- (g) be at liberty to engage, whether in Canada or elsewhere, independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (h) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan;
- (i) provide the consents contemplated herein;
- (j) assist Trident with respect to any insolvency proceedings commenced by or with respect to the Applicants in any foreign jurisdiction (collectively, "Foreign Proceedings") and report to this Court, as it deems appropriate, on the Foreign Proceedings with respect to matters relating to the Applicants;
- (k) be at liberty to act as a foreign representative in any foreign proceedings in respect of any of the Applicants including, without limitation, for recognition of these proceedings as "Foreign Main Proceedings", pursuant to Chapter 15 of the United States Bankruptcy Code, 11 U.S.C. §101 (the "US Bankruptcy Code") or similar legislation in any other jurisdiction; and
- (l) perform such other duties as are required by this Order or by this Court from time to time.

31. ~~30.~~—The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of

powers or performance of duties under this Order, be deemed to have taken or maintain possession or control of the Business or Property, or any part thereof. Nothing in this Order shall require the Monitor to occupy or to take control, care, charge, possession or management of any of the Property that might be environmentally contaminated, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal or waste or other contamination, provided however that this Order does not exempt the Monitor from any duty to report or make disclosure imposed by applicable environmental legislation.

32. ~~31.~~ The Monitor shall provide any creditor of Trident with information provided by Trident in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by Trident, acting reasonably, is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and Trident may agree.

33. ~~32.~~ In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

34. ~~33.~~ Subject to the limitations contained in paragraph 15, the Monitor, Canadian and US counsel to the Monitor, if any, and Canadian and US counsel to Trident, and the Financial Advisor (to the extent of its Work Fee only) shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Trident as part of the costs of Trident's reorganization. Subject to the limitations contained in paragraph 15, Trident is hereby authorized and directed to pay the accounts of the Monitor, Canadian and US counsel for the Monitor, Canadian and US counsel for Trident, and the Financial Advisor, and shall make such payments on either a bi-weekly or a monthly basis, as the advisors may agree.

35. ~~34.~~ The Monitor and its legal counsel shall pass their accounts from time to time.

36. ~~35.~~ The Monitor, Canadian and US counsel to the Monitor, if any, Canadian and US counsel for Trident, and the Financial Advisor (to the extent of its Work Fee, as that term is defined in the Dillabough Affidavit), as security for the professional fees and disbursements incurred both before and after the granting of this Order, shall be entitled to the benefits of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$5,000,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Monitor and such counsel, both before and after the making of this order in respect of Trident's reorganization. The Administration Charge shall have the priority set out in paragraphs 38 to 42 hereof.

~~EMPLOYEE RETENTION PLAN~~

~~36.~~ The employee retention plan described in the Dillabough Affidavit (the "Retention Plan") is hereby approved and Trident is hereby authorized to take all necessary steps required to finalize and implement the Retention Plan.

~~37.~~ The employees of Trident subject to the Retention Plan shall be entitled to the benefit of and are hereby granted a charge (the "Retention Plan Charge") on the Property, which charge shall not exceed an aggregate amount of \$3,000,000, as security for the liability of Trident pursuant to the Retention Plan. The Retention Plan Charge shall have the priority set out in paragraphs 38 to 42 hereof.

VALIDITY AND PRIORITY OF CHARGES

37. ~~38.~~ The priorities of the Directors' Charge, Administration Charge, Retention Plan Charge and Inter-company Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$5,000,000);

Second – Directors' Charge (to the maximum amount of \$5,000,000); and

Third ~~Retention Plan Charge (to the maximum amount of \$3,000,000); and~~ ~~Fourth~~

Inter-company Charge.

38. ~~39.~~ The filing, registration or perfection of the Administration Charge, the Directors' Charge, ~~the Retention Plan Charge~~ and the Inter-company Charge (collectively, the "Charges") shall not be required, and the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect. Notwithstanding anything herein, the Charges shall not attach to the Retainers.

39. ~~40.~~ Each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person, except that the Inter-Company Charge shall rank subordinate to the Encumbrances of the Lenders under the Canadian Term Loan Credit Agreement.

40. ~~41.~~ Except as otherwise expressly provided for herein, or as may be approved by this Court, an Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge, ~~the Retention Plan Charge~~ or the Inter-company Charge, unless the said Applicant also obtains the prior written consent of the Monitor, ~~the other Applicants and the beneficiaries of the Directors' Charge, the Administration Charge, the Retention Plan Charge or the Inter-company Charge,~~ or and a further order of this Court.

41. ~~42.~~ The Directors' Charge, the Administration Charge, ~~the Retention Plan Charge~~ and the Inter-company Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") thereunder shall not otherwise be limited or impaired in any way by:

- (a) the pendency of these proceedings and the declarations of insolvency made in this Order;
- (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications;
- (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA;

- (d) the provisions of any federal or provincial statutes; or
- (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds Trident, and notwithstanding any provision to the contrary in any Agreement:
 - (i) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of any documents in respect thereof shall create or be deemed to constitute a new breach by Trident of any Agreement to which it is a party;
 - (ii) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
 - (iii) the payments made by Trident pursuant to this order, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

ALLOCATION

42. ~~43.~~ Any interested Person may apply to this Court on notice to any other party likely to be affected, for an order to allocate the Administration Charge, the Directors' Charge, ~~the Retention Plan Charge~~ and the Inter-company Charge amongst the various assets comprising the Property.

CROSS-BORDER PROTOCOL

43. ~~44.~~ The cross-border protocol described in the Dillabough Affidavit and attached as Schedule "A" hereto be and is hereby approved and shall become effective upon its approval by

the United States Bankruptcy Court for the District of Delaware and the parties to these proceedings and any other Person shall be governed by it and shall comply with the same.

SERVICE AND NOTICE

44. ~~45.~~ Trident shall, within ten (10) business days of the date of entry of this Order, send a copy of this Order to its known creditors, other than employees and creditors to which Trident owes less than \$5,000, at their addresses as they appear on Trident's records, and shall promptly send a copy of this Order:

- (a) to all Persons requesting notice; and
- (b) to any other interested Person requesting a copy of this Order;

and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

45. ~~46.~~ Trident and the Monitor shall be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile transmission or e-mail to Trident's creditors or other interested Persons at their respective addresses as last shown on the records of Trident and that any such service or notice by courier, personal delivery, facsimile transmission or e-mail shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing. The Monitor may post a copy of any or all such materials on its website, which shall be established for informational purposes.

GENERAL

46. ~~47.~~ Trident or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

47. ~~48.~~ Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of Trident, the Business or the Property.

48. ~~49.~~—This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist Trident, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to Trident and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist Trident and the Monitor and their respective agents in carrying out the terms of this Order.

49. ~~50.~~—Each of Trident and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

50. ~~51.~~—Any interested party (including Trident and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

51. ~~52.~~—This Order and all of its provisions are effective as of 12:01 a.m. Mountain Standard Time on the date of this Order.

J.C.Q.B.A.

SCHEDULE "A"
CROSS BORDER PROTOCOL

Action No.

**IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF TRIDENT
EXPLORATION CORP. ULC, FORT ENERGY
CORP. ULC, FENERGY CORP. ULC, 981384
ALBERTA LTD., 981405 ALBERTA LTD., 981422
ALBERTA LTD., trident resources corp., trident CBM
Corp., AURORA Energy LLC., NexGen Energy
Canada, Inc. and Trident USA Corp.**

CCAA INITIAL ORDER

FRASER MILNER CASGRAIN LLP
Barristers and Solicitors

15th Floor Bankers Court
850 2 Street SW
Calgary, Alberta
T2P 0R8

Solicitors: David W. Mann / Derek M. Pontin
Telephone: (403) 268-7097 / (403) 268-6301
Facsimile: (403) 268-3100

1 First Canadian Place
100 King Street West
Toronto, ON
M5X 1B2

Solicitors: R. Shayne Kukulowicz / Michael J. Wunder
Direct Line: (416) 863-4740 / (416) 863-4715
Fax: 416-863-4592

File: 539728-1

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC, FORT ENERGY CORP. ULC, FENERGY
CORP. ULC, 981384 ALBERTA LTD., 981405 ALBERTA LTD., 981422 ALBERTA LTD.,
TRIDENT RESOURCES CORP., TRIDENT CBM CORP., URORA ENERGY LLC.,
NEXGEN ENERGY CANADA, INC., AND TRIDENT USA CORP.

SERVICE LIST

Fraser Milner Casgrain LLP 3000, 237 - 4th Avenue SW Calgary, AB T2P 4X7 Attention: David Mann <i>(Via Personal Service)</i>	Fraser Milner Casgrain LLP 1 First Canadian Place 39th Floor 100 King Street West Toronto, ON M5X 1B2 Attention: Shane Kukulowicz <i>(Via Email to: shane.kukulowicz@fmc-law.com)</i>
McCarthy Tetrault LLP 3300, 421 - 7th Avenue SW Calgary, AB T2P 4K9 Attention: Sean F. Collins <i>(Via Personal Service)</i>	McCarthy Tetrault LLP 3300, 421 - 7th Avenue SW Calgary, AB T2P 4K9 Attention: Daniel E. Sears <i>(Via Email to: dsears@mccarthy.ca)</i>
McCarthy Tetrault LLP 3300, 421 - 7th Avenue SW Calgary, AB T2P 4K9 Attention: J. Michael McIntosh <i>(Via Email to: mmcintosh@mccarthy.ca)</i>	

Action No.: 0901-1348

IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE *COMPANIES
CREDITORS ARRANGEMENT ACT*, R.S.C.
C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC,
FORT ENERGY CORP. ULC, FENERGY
CORP. ULC, 981384 ALBERTA LTD
981405 ALBERTA LTD., 981422 ALBERTA
LTD., TRIDENT RESOURCES CORP
TRIDENT CBM CORP., AURORA ENERGY
LLC., NEXEGEN ENERGY CANADA, INC.
AND TRIDENT USA CORP.

CLERK OF THE COURT

OCT - 1 2009

CALGARY, ALBERTA

NOTICE OF MOTION

mcmillan

Barristers and Solicitors
1900, 736-6th Avenue, S.W.
CALGARY, AB T2P 3T7

Solicitors: Dan MacDonald/Brett Harrison/
Craig Steele

Telephone: 416-865-7186/7932/
403.531.4706

Facsimile: 416-865-7048

File No. 85745

FIAT

Let this Affidavit be filed this 1st day of
October, 2009.

Action No.: 0901-13483
Deponent: Richard Voon
Date Sworn: October 1, 2009

J./M.C.Q.B.A.

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC, FORT ENERGY CORP. ULC, FENERGY
CORP. ULC, 981384 ALBERTA LTD., 981405 ALBERTA LTD., 981422 ALBERTA
LTD., TRIDENT RESOURCES CORP., TRIDENT CBM CORP., AURORA ENERGY
LLC., NEXGEN ENERGY CANADA, INC. AND TRIDENT USA CORP.**

AFFIDAVIT

I, Richard Voon, of the City of Burlingame, in the State of California, **MAKE OATH**

AND SAY THAT:

1. I am a Managing Member of Farallon Capital Management, L.L.C. which advises and manages certain funds and managed accounts (together with Farallon Capital Management, L.L.C., "**Farallon**") that are lenders under the amended and restated credit agreement dated April 25, 2006 among, *inter alia*, Trident Exploration Corporation ("**Trident Canada**"), as borrower, the lenders thereunder (the "**Canadian Secured Term Lenders**") and Credit Suisse, as administrative agent (the "**Administrative Agent**") (as amended, the "**Canadian Secured Term Loan Agreement**"). As such, I have knowledge of the matters to which I hereinafter depose and, unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained information from other sources, I verily believe those facts to be true.

2. Any capitalized terms not otherwise defined have the meaning ascribed to them in the affidavit of Reema Kapoor sworn October 1, 2009 (the "**Kapoor Affidavit**").
3. Special Situations Investing Group, Inc. ("**Goldman Sachs**") and Mount Kellett Capital Management LP ("**Mount Kellett**") are also lenders under the Canadian Secured Term Loan Agreement and together with Farallon are, collectively, the Required Lenders (as defined under the Canadian Secured Term Loan Agreement).
4. Credit Suisse has advised that it is resigning as the Administrative Agent as soon as a replacement can be put in place. In the meantime, Credit Suisse's counsel has confirmed that the Required Lenders hold a majority of the outstanding debt under the Canadian Secured Term Loan Agreement and that the Petitioners and their advisors should respond directly to the Required Lenders and their counsel. Attached as Exhibit "A" is an email from counsel for Credit Suisse to counsel for the Petitioners dated September 11, 2009 to that effect.
5. This affidavit is sworn in support of the Required Lenders' motion to, *inter alia*, vary an order of this Court dated September 8, 2009 (the "**Initial Order**") which granted the Petitioners certain relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").
6. Specifically, the Required Lenders seek to vary the Initial Order so as to:
 - (a) remove or limit certain terms of the Initial Order that authorize the Petitioner to transfer value directly or indirectly from Trident Canada and the Canadian Subsidiaries (defined below), over whose assets the Canadian Secured Term Lenders hold security, to Trident US and the US Subsidiaries (defined below); and

- (b) allow the Canadian Secured Term Lenders to have meaningful input into the restructuring process.
7. In addition to filing under the CCAA, certain of the Petitioners have also commenced voluntary cases under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. A copy of the voluntary petitions (without attachments) filed by the Petitioner Trident Resources Corp. ("**Trident US**"), and certain of its subsidiaries, is attached as Exhibit "B" to this affidavit.

The Petitioners

8. As set forth in the affidavit of Plaintiff Todd Dillabough filed in support of the Initial Order (the "Dillabough Affidavit") Trident US is a Delaware corporation. The following Petitioners are wholly owned subsidiaries of Trident US: Trident CBM Corp. (*California*), Aurora Energy LLC (*Utah*), NexGen Energy Canada, Inc. (*Colorado*) and Trident USA Corp. (*Delaware*) (together, the "**US Subsidiaries**").¹
9. As indicated in the Dillabough affidavit, Trident Canada is a Nova Scotia unlimited liability corporation. The following Petitioners are wholly owned subsidiaries of Trident Canada: Fort Energy Corp. ULC (*Nova Scotia*), Fenergy Corp. ULC (*Nova Scotia*), 981384 Alberta Ltd. (*Alberta*) and 981405 Alberta Ltd. (*Alberta*) (together, the "**Canadian Subsidiaries**").²
10. The Petitioners are hereinafter also referred to collectively as the "**Trident Group**".

¹ Italics denote the place of incorporation.

² *Ibid*

Trident Group's 2007 Out-of-Court Restructuring

11. In January 2007, Trident Canada initiated discussions with the Required Lenders to restructure the Canadian Secured Term Loan Agreement (such discussions and related transactions, the “**2007 Out of Court Restructuring**”).
12. As part of these discussions, the Trident Group requested that interest payments under the Canadian Secured Term Loan Agreement be amended to paid-in-kind interest and that certain financial covenants such as leverage and interest coverage ratios be relaxed and amended. During this process, the Required Lenders understood that Trident Canada would be at material risk of an insolvency filing if it did not raise additional capital.
13. As part of the discussions, in April 2007 the Canadian Secured Term Loan Agreement was amended to include a number of insolvency related provisions. These amendments were intended to protect the Canadian Secured Term Lenders in any future insolvency filing.
14. Specifically, as part of Amendment No. 2 to the Canadian Secured Term Loan Agreement dated April 12, 2007 (the “**April 2007 Amendment**”), Trident Canada agreed, among other things:
 - (a) where a default exists, to limit distributions to Trident US for any fees and expenses (including legal, investment banking and advisory fees) incurred in connection with or relating to any insolvency proceeding or other restructuring efforts to US\$5,000,000;
 - (b) to provide the Canadian Secured Term Lenders (through the Administrative Agent) with written notice of any request for proposals to provide debtor-in-possession financing to Trident Canada or Trident US, notice of receipt of any proposals and the full particulars of the proposals, and prior notice before any such proposal is accepted or an application for court approval is filed or served;

- (c) that the commencement of a voluntary insolvency proceeding, such as this CCAA proceeding, would constitute a default under the Canadian Secured Term Loan Agreement; and
 - (d) that the principal place of business and centre of main interest of each of Trident Canada and the Canadian Subsidiaries are located in Alberta, Canada.
15. Recognizing that the April 2007 Amendment represented only a short-term solution to the Trident Group's financial difficulties, the Canadian Secured Term Lenders agreed to provide the Trident Group with further assistance (through the waiver of financial covenant defaults and the relaxation of certain other financial covenants) subject to the Trident Group obtaining \$100,000,000 in additional financing over the next few months.
 16. The Kapoor Affidavit describes the additional steps in the 2007 out of Court restructuring.
 17. Prior to the completion of the 2007 Out of Court Restructuring, Trident US, Trident Canada and the four lending groups had the opportunity to review, comment and object to each other's documentation, including the terms of the April 2007 Amendment and the August 2007 Amendment.
 18. Although the 2007 out-of-court restructuring provided the Trident Group with much needed liquidity, it was clear that the new financing was only a stop-gap measure and that a court supervised restructuring of the Trident Group remained a material risk.
 19. The Canadian Secured Term Lenders fully expected that the insolvency related terms introduced to the Canadian Secured Term Loan Agreement by the April 2007 Amendment (which were the subject of lengthy negotiations) would be honoured by Trident Canada in any subsequent insolvency proceedings.

The 2009 Refinancing Efforts

20. In April 2009, Trident US's financial advisor, Rothschild Inc. ("Rothschild") approached the Canadian Secured Term Lenders regarding possible restructuring options. Since that time the Canadian Secured Term Lenders have had discussions with Trident Canada, Rothschild and certain of the Trident US 2006 Unsecured Lenders regarding various restructuring options.
21. To the best of my knowledge, despite spending months searching for capital or a refinancing to implement a restructuring, the Trident Group does not currently have any committed proposal for a potential restructuring in hand.

Initial Order Obtained Without Notice

22. The Canadian Secured Term Lenders were provided with no notice of the Petitioners' intention to seek relief under the CCAA. Indeed, according to paragraph 68 of the Affidavit of Todd A. Dillabough sworn September 8, 2009, it appears that the Trident Group deliberately decided not to provide notice of its CCAA Petition to any of its lenders to ensure that such lenders would be prevented from exercising negotiated rights under the various credit agreements.
23. I have been advised by Wael Rostom of McMillan LLP ("**Rostom**") that McLeod Dixon LLP ("**McLeod Dixon**"), counsel to the Administrative Agent, contacted the Trident Group's Canadian Counsel, Fraser Milner Casgrain LLP ("**FMC**") on September 8, 2009 as a result of hearing rumours that a filing was imminent. McLeod Dixon was advised by FMC that the CCAA Petition would be heard that same day. Given the failure of the Trident Group to provide the Administrative Agent with any notice, McLeod Dixon was

only able to obtain instructions to attend the hearing and to reserve all the rights of the Administrative Agent and the Canadian Secured Term Lenders, including the right to fully rely on the comeback clause in the Initial Order.

24. The Required Lenders were advised by McLeod Dixon on September 9, 2009 that the Initial Order had been granted. Given that the Required Lenders had been engaged in frequent discussions with Trident Canada regarding, among other things, possible restructuring options since April, we were surprised that we were not notified of the intention of the Trident Group to file a petition for relief under the CCAA.
25. Upon review, the Required Lenders determined that the Initial Order created a significant prospect of leakage of value from Trident Canada and the Canadian Subsidiaries to Trident US and the US Subsidiaries under the terms of the Initial Order. On September 14, 2009, McMillan delivered correspondence to FMC, a copy of which is attached as Exhibit "C" to this affidavit, setting out the Required Lenders' concerns with the Initial Order and requesting that FMC contact McMillan to discuss the issues raised in the correspondence.
26. After a number of requests, the Monitor provided our counsel with unconsolidated projected cashflows (the "**Cashflows**") on September 15, 2009, which are attached as Exhibit "D" hereto. The Cashflows show a large amount of money to be transferred to Trident US and the US Subsidiaries from Trident Canada and the Canadian Subsidiaries on account of professional fees.
27. In addition, the Required Lenders are surprised by the quantity of professional fees allocated as being incurred on behalf of Trident Canada. A chart providing an allocation

of professional fees between Trident Canada and Trident US is attached as Exhibit "E". The Required Lenders have not been provided with any detailed justification for the basis of the allocation of professional fees between Trident Canada and Trident US or the basis for the calculation of the quantum of such fees.

28. I am advised by Rostom that a conference call was held on September 21, 2009 with the Trident Group's professional advisors, the Monitor and its counsel. Correspondence from McMillan dated September 23, 2009 outlining certain aspects of the discussion on that call is attached as Exhibit "F". The response from counsel for the Trident Group is attached as Exhibit "G".
29. The Trident Group proposed that a meeting be held in New York on September 24, 2009 (the "NYC Meeting") between the professional representatives of the Trident Group and the Required Lenders and their counsel to discuss issues relating to the Initial Order.
30. At the end of the NYC Meeting, counsel agreed to continue discussions with a view to resolving the outstanding issues. No resolution has been achieved to date.
31. The current intention of the Required Lenders is either to exercise the TD Buyout Provision under the First/Second Lien Intercreditor and purchase the TD facility or to pay off the TD facility using a portion of the DIP financing that the Required Lenders have proposed to the Company.

US Restructuring Costs

32. As noted above, in the 2007 Out of Court Restructuring, Trident Canada agreed that a maximum amount of \$5,000,000 could be distributed to Trident US from Trident Canada for any costs (including advisory fees) incurred in connection with or relating to a Trident US insolvency proceeding.
33. The Cashflows disclose \$15 million in professional fees being spent in the first 13 weeks of the restructuring. In addition to these fees, Rothschild, if its retainer is approved, will be entitled to bonuses pursuant to its retainer agreement. A copy of the Application for the retention of Rothschild in the Chapter 11 proceedings, which sets out the terms of the retainer agreement, is attached as Exhibit "H".
34. The restructuring or continued existence of Trident US and the Trident US Subsidiaries are not a necessary part of the business operated by Trident Canada. As indicated in the Dillabough Affidavit, Trident US is a Delaware holding company with no direct operations or employees.
35. Trident US's main asset, other than its equity in (held directly or indirectly) Trident Canada, is its oil and gas interests in certain exploratory land positions in the Columbia River Basin (the "**CRB Property**"). In the Dillabough Affidavit, Mr. Dillabough relies on the preliminary drilling results from an exploration well drilled by Delta Petroleum Corp., a US oil and gas company with interests in the area, to suggest that the CRB Property "could potentially add significant value to Trident".

36. On September 21, 2009, Delta Petroleum Corp., reported the results of more recent testing on its exploration well in the Columbia River Basin. The zones tested by Delta Petroleum flowed either fresh water or a combination of water and “minimal” gas volumes, deeming these zones “uneconomic” to develop. Plans for additional drilling in 2009 and 2010 in the area of the test well have been curtailed pending further review of the testing information. These results do not support a conclusion that there is significant, or any, value in the CRB Property. Delta Petroleum’s September 21, 2009 News Release is attached as Exhibit “T” hereto.

37. In all of the circumstances there is no sensible commercial reason why the assets of Trident Canada and the Trident Canada Subsidiaries, over which the Canadian Secured Term Lenders have security, should be used to fund an expensive and unnecessary restructuring of Trident US, a holding company with no material assets. Any such funding should be limited to \$5,000,000, as agreed to in the 2007 Out of Court Restructuring.

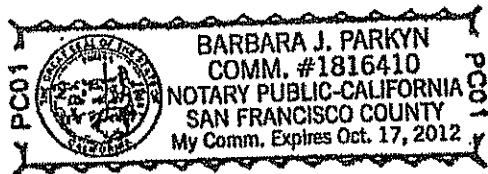
38. This affidavit is sworn in support of motion to vary the terms of the Initial Order and for no improper purpose.

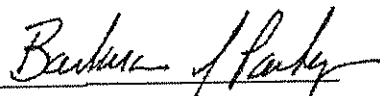
State of California,
County of San Francisco


RICHARD VOON

Subscribed and sworn before me on this 1st day of October 2009, by Richard H. Voon, proven to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.




Barbara J. Parkyn, Notary Public in and for the
State of California

Action No.: 0901-13483
Deponent: Richard Voon
Date Sworn: October 1, 2009

**IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC, FORT
ENERGY CORP. ULC, FENERGY CORP. ULC,
981384 ALBERTA LTD., 981405 ALBERTA LTD.,
981422 ALBERTA LTD., TRIDENT RESOURCES
CORP., TRIDENT CBM CORP., AURORA ENERGY
LLC., NEXGEN ENERGY CANADA, INC. AND
TRIDENT USA CORP.**

AFFIDAVIT

MCMILLAN LLP
Barristers & Solicitors

Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Solicitors: Dan MacDonald, Brett Harrison and Lisa Brost
Telephone: 416-865-7186/7932/7186
Facsimile: 416-865-7048

FIAT

Let this Affidavit be filed this 1st day of
October, 2009.

J./M.C.Q.B.A.

Action No.: 0901-13483
Deponent: Reema Kapoor
Date Sworn: October 1, 2009

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC, FORT ENERGY CORP. ULC, FENERGY
CORP. ULC, 981384 ALBERTA LTD., 981405 ALBERTA LTD., 981422 ALBERTA
LTD., TRIDENT RESOURCES CORP., TRIDENT CBM CORP., AURORA ENERGY
LLC., NEXGEN ENERGY CANADA, INC. AND TRIDENT USA CORP.**

AFFIDAVIT

I, Reema Kapoor, of the Town of Caledon, in the Province of Ontario, **MAKE OATH**

AND SAY THAT:

1. I am a lawyer at McMillan LLP, counsel to Farallon Capital Management, L.L.C. ("**Farallon**"), Special Situations Investing Group, Inc. ("**Goldman Sachs**") and Mount Kellett Capital Management LP ("**Mount Kellett**" and collectively, the "**Required Lenders**"). As such, I have knowledge of the matters to which I hereinafter depose and, unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained information from other sources, I verily believe those facts to be true.
2. I have reviewed the affidavit of Richard Voon sworn October 1, 2009 (the "**Voon Affidavit**") and I swear this affidavit as a supplement thereto. Any capitalized terms not otherwise defined have the meaning ascribed to them in the Voon Affidavit.

3. Goldman Sachs, Mount Kellett and certain funds and managed accounts advised by Farallon are lenders under the amended and restated credit agreement dated April 25, 2006 between, *inter alia*, Trident Exploration Corporation ("**Trident Canada**"), as borrower, the lenders thereunder (the "**Canadian Secured Term Lenders**") and Credit Suisse, as administrative agent (the "**Administrative Agent**") (as amended, the "**Canadian Secured Term Loan Agreement**").

4. Prior to the 2007 out of Court restructuring (described in the Voon Affidavit), the Trident Group financed its operations through the three primary debt arrangements described below:
 - (a) A revolving credit facility from the Toronto Dominion Bank (the "**Trident Canada TD Credit Agreement**") with a current maximum availability of CDN\$10,000,000. The borrower under this facility is Trident Canada and this indebtedness is guaranteed by certain of the Canadian Subsidiaries¹ (the "**Canadian Guarantors**") and is secured by a first charge over all of the present and future assets and undertaking of Trident Canada and the Canadian Guarantors (the "**Canadian Assets**").
 - (b) A term loan facility in an aggregate principal amount of US\$500,000,000 advanced under the Canadian Secured Term Loan Agreement. The borrower under this facility is Trident Canada and the indebtedness under the Canadian Secured Term Loan Agreement is guaranteed by the Canadian Guarantors and secured by a second charge over the Canadian Assets. A copy of the Canadian Secured Term Loan Agreement (including amendments thereto, but without Exhibits and Schedules) is attached hereto as Exhibit "A"
 - (c) A term loan facility in an original aggregate principal amount of US\$270,000,000 (the "**Trident US 2006 Credit Agreement**") advanced by a syndicate of US lenders (the "**Trident US 2006 Unsecured Lenders**"). The borrower under this facility is Trident US. Neither Trident Canada nor any of the Canadian Guarantors provided any security for the indebtedness under the Trident US 2006 Credit Agreement, save and except for an unsecured guarantee of such indebtedness limited to the aggregate amount of US\$150,000,000.

¹ All of the Canadian Subsidiaries except 981443 Alberta Limited have provided unlimited guarantees.

5. In connection with the Trident Group's financing arrangements, the parties entered into the following intercreditor arrangements:

- (a) An intercreditor agreement dated April 26, 2005 between the Toronto Dominion Bank and the Administrative Agent (the "**First/Second Lien Intercreditor**") pursuant to which the Canadian Secured Term Lenders subordinated their interest in the Canadian Assets to the interest of the Toronto Dominion Bank. A copy of the First/Second Lien Intercreditor (including amendments thereto) is attached hereto as Exhibit "B".
- (b) An amended and restated subordination agreement between Trident US, Trident Canada and the Administrative Agent dated April 26, 2005 (the "**2005 Intercompany Subordination**") pursuant to which Trident US postponed and subordinated its right to payment from Trident Canada (for any intercompany indebtedness) to the rights of the Second Lien Lenders to receive payment in full of all indebtedness owed by Trident Canada under the Canadian Secured Term Loan Agreement. A copy of the 2005 Intercompany Subordination (including an amendment thereto) is attached hereto as Exhibit "C".

6. In August 2007, as part of the 2007 out of Court restructuring, the Trident Group secured additional financing pursuant to the new credit agreement (the "Trident US 2007 Subordinated Credit Agreement" and the lenders thereunder being the "Trident US 2007 Subordinated Lenders"). In light of this fact, the Canadian Secured Term Lenders waived financial covenants for certain periods and amended certain financial covenants. Amendment No. 3 to the Canadian Secured Term Loan Agreement dated August 20, 2007 is attached hereto as part of Exhibit "A".

7. Concurrently with the closing of the Trident US 2007 Subordinated Credit Agreement in August 2007, each of the Trident Canada TD Credit Agreement, the Canadian Secured Term Loan Agreement and the Trident US 2006 Credit Agreement and the intercreditor agreements between the lender groups were amended to reflect the incurrence of the new liabilities, along with other insolvency related changes. Specifically:


- (a) the First/Second Lien Intercreditor was amended to provide the Canadian Secured Term Lenders with the right to purchase from the Toronto Dominion Bank all of the loans and security under the Trident Canada TD Credit Agreement (the "**TD Buyout Provision**"). A copy of the Fourth Amendment to Intercreditor Agreement dated August 20, 2007 is attached hereto as part of Exhibit "B";
 - (b) a new intercreditor agreement was entered into between the Canadian Secured Term Lenders and the Trident US 2007 Subordinated Lenders (the "**Second Lien/Subordinated Intercreditor**"), pursuant to which the Trident US 2007 Subordinated Lenders agreed to a deep subordination and postponement of their interests in Trident Canada to those of the Canadian Secured Term Lenders. A copy of this agreement is attached hereto as Exhibit "D";
 - (c) a new intercreditor agreement was entered into between the Trident US 2006 Unsecured Lenders and the Trident US 2007 Subordinated Lenders, on terms substantially similar to those set out in the Second Lien/Subordinated Intercreditor, pursuant to which the Trident US 2007 Subordinated Lenders agreed to a deep subordination and postponement of their interest in Trident US to those of the Trident US 2006 Unsecured Lenders; and
 - (d) the 2005 Intercompany Subordination was amended and restated to add the Trident US 2007 Subordinated Lenders as a party to the agreement. A copy of this agreement is attached as Exhibit "E".
8. In addition, Trident US, Trident Canada, their respective shareholders and the Trident US 2007 Subordinated Lenders entered into a Fourth Amended and Restated Stockholder Agreement dated August 20th, 2007 (the "**2007 Stockholder Agreement Amendment**") pursuant to which the parties agreed that certain Trident US shareholders and Trident US 2007 Subordinated Lenders would have the right to appoint directors to the board of directors of the Trident Group. The 2007 Stockholder Agreement Amendment provides that:
- (a) The Trident US 2007 Subordinated Lenders would have the right to appoint three directors;
 - (b) The preferred shareholders of Trident US would have the right to appoint two directors;
 - (c) Three of the common shareholders of Trident US would each have the right to appoint one director; and

- (d) The Trident US 2007 Subordinated Lenders, the preferred shareholders and certain of the common shareholders would have the right to collectively appoint one director.

Therefore nine of the directors of Trident US and Trident Canada are appointed by the Trident US 2007 Subordinated Lenders and certain Trident US shareholders.

9. This affidavit is sworn in support of motion to vary the terms of the Initial Order and for no improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on October 1, 2009.



Commissioner of Oaths



REEMA KAPOOR

Action No.: 0901-13483
Deponent: Reema Kapoor
Date Sworn: October 1, 2009

**IN THE COURT OF QUEEN'S BENCH OF
ALBERTA
JUDICIAL DISTRICT OF CALGARY**

**IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED**

**AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF
TRIDENT EXPLORATION CORP. ULC, FORT
ENERGY CORP. ULC, FENERGY CORP. ULC,
981384 ALBERTA LTD., 981405 ALBERTA LTD.,
981422 ALBERTA LTD., TRIDENT RESOURCES
CORP., TRIDENT CBM CORP., AURORA ENERGY
LLC., NEXGEN ENERGY CANADA, INC. AND
TRIDENT USA CORP.**

AFFIDAVIT

MCMILLAN LLP
Barristers & Solicitors

Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Solicitors: Dan MacDonald, Brett Harrison and Lisa Brost
Telephone: 416-865-7186
Facsimile: 416-865-7048
