

Action No.: 0901-13483
Deponent: Todd A. Dillabough
Date Sworn: February 12, 2010

**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., FORT ENERGY CORP., FENERGY CORP., 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, Todd A. Dillabough, of the City of Calgary, in the Province of Alberta, MAKE OATH AND SAY THAT:

1. I am the President, Chief Executive Officer, and Chief Operating Officer of Trident Exploration Corp. ("TEC"), the President, Chief Executive Officer, and Chief Operating Officer of Trident Resources Corp. ("TRC"), and a senior officer of each of the Applicants (collectively, "Trident"), and as such I have personal knowledge of the matters to which I hereinafter depose, except where stated to be based on information and belief, in which case I verily believe the same to be true. I am authorized by each of the Applicants to depose this Affidavit and I do so on their behalf.

2. I submit this affidavit in support of the Applicant's Notice of Motion, dated February 12, 2010, in these proceedings (the "Notice of Motion"), and in support of Trident's U.S. *Motion Pursuant to Sections 105(A) and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure for Order Authorizing and Approving (i) the Debtors' Entry into the Commitment Letter, (ii) the Equity Put Fee, Expense Reimbursement,*

and Indemnification Obligations, (iii) the Procedures for the Sale and Investor Solicitation Process, and (iv) the Form and Manner of Notice Thereof, dated January 29, 2010 (the “U.S. Motion”), and specifically to provide evidence in respect of Trident’s restructuring efforts and its strategy to maximize stakeholder recoveries through (i) entry into that certain commitment letter (the “Commitment Letter”) dated January 25, 2010, and (ii) implementation of the procedures for the sale and investor solicitation process (the “Solicitation Process”).

3. Capitalized terms used herein shall have the meaning ascribed to them in the U.S. Motion, unless otherwise indicated in this Affidavit.

4. I have reviewed the affidavit of Neil A. Augustine submitted in further support of the Notice of Motion and the U.S. Motion (the “Augustine Affidavit”) and agree and adopt the contents thereof.

5. Trident has resisted requests from the Second Lien Lenders to prematurely put the Company up for sale. The Second Lien Lenders have advised Trident that they believe the Company should proceed immediately to seek approval of a sale and investor solicitation process in a “Canada Only” solution, particularly with the goal of the Company pursuing an all cash transaction with minimal execution risk that yields a bid sufficient to repay the Second Lien obligations in full. Although the Second Lien Lenders have indicated a willingness to participate in the solicitation process by credit bidding their debt, I am advised that they are not willing to bid more than the total outstanding amount of obligations under the Second Lien Credit Agreement. Furthermore, the Second Lien Lenders have not provided Trident with a letter of intent or any other form of binding or non-binding agreement with respect to a credit bid sale.

6. While a “naked” solicitation process may be appropriate in some circumstances, I do not believe that it is necessary or appropriate for Trident especially in light of the agreement

reached with the Backstop Parties. Based upon my experience in the oil and gas industry and having seen distressed assets sales of oil and gas companies, I am concerned that exposing Trident to a public sale process or any general solicitation process without the benefit of a stalking horse transaction may prejudice overall stakeholder recoveries and impair enterprise value.

7. Based on my experience in the oil and gas industry, once a company in financial difficulty is put “on the block,” it can often lead to a distressed sale as a result of the uncertain outcome. Trident has an integrated and stream-lined workforce that we have worked hard to maintain and keep together since the inception of these proceedings, such that there have only been minimal departures. The importance of maintaining such a workforce was recognized in Trident’s application to the Canadian Court for approval of the employee retention plan. Given my past experience with Trident, I believe that a public sale process without a stalking horse agreement in place will expose Trident to heightened risk of departures by management and employees that are key to the success of this enterprise. When Trident went through its informal restructuring in 2007, its management ranks were decimated and it has been a difficult and lengthy process to rebuild the management team and employee ranks. Moreover, coal bed methane exploration and production is a highly specialized area and replacing key members of the Trident workforce would be a very significant challenge as Trident learned in 2007.

8. In addition to the risk of management and employee departures, it is reasonably foreseeable that an open auction would have an adverse impact on Trident’s relationships with critical counterparties to joint operating interests. The gas and oil industry thrives on rumours and over the past few years, Trident has had to stave off predatory attempts by joint operators to strip Trident of operatorship based on the apparent perception that Trident was in financial


difficulty. As noted in my prior affidavits, Trident's CCAA filing was accelerated as a result of concerns that a joint venture partner would take precipitous actions in respect of Trident's joint operating interests possibly attempting to remove Trident as operator of its unique unconventional natural gas producing assets. Though there is currently a stay in place in the CCAA proceedings, my concern is the practical operational issues that are created by uncertainty relating to the perception of Trident's financial weakness or imminent sale.

9. All of the forgoing may have a negative impact on the operations of Trident, seriously impair its enterprise value and prevent Trident from maximizing value for its stakeholders.

10. For the reasons outlined herein and in the Augustine Affidavit, I believe that the solicitation process proposed by the Applicants backstopped by the Backstop Transaction is prudent, supported by sound business justifications, and represent's Trident's best opportunity to maximize recoveries for all stakeholders.

11. I make this Affidavit in support of an application for the relief set forth in paragraph 2 hereof.

Sworn before me in the City of Calgary,)
in the Province of Alberta, the 12th day)
of February, 2010.)



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

Derek Pontin
Barrister and Solicitor



TODD A. DILLABOUGH

Action No. 0901-13483
Deponent: Todd A. Dillabough
Dated Sworn: February 12, 2010

**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., FORT ENERGY CORP,
FENERGY CORP, 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

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