

Action No.: 0901-13483
Deponent: Todd A. Dillabough
Date Sworn: May 31, 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:

Overview

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. All capitalized terms shall have the meaning ascribed to them in the Plan (as defined hereunder) unless otherwise indicated in this Affidavit.
3. I swear this Affidavit in support Trident's motion for an Order (the "**Meeting Order**") which, among other things:

- (a) authorizes Trident to file with this Court the plan of compromise and arrangement dated May 31, 2010 as attached as Schedule "A" to the draft Meeting Order, as amended from time to time (the "**Plan**")
- (b) authorizes Trident to present the Plan to Affected Creditors for their consideration in accordance with the terms of the Meeting Order;
- (c) establishes a single class of Affected Creditors of Trident;
- (d) prescribes the method of notice to Trident's creditors, approves the form of materials for distribution, and establishes the procedure and the date for the holding of a creditors' meeting for Trident's creditors to consider and vote on the Plan; and
- (e) sets the date for Trident's return to this Honourable Court to seek a Sanction Order in respect of the Plan.

Background

4. On September 8, 2009, Trident sought and was granted an Order under the CCAA providing, among other things, a stay of all proceedings against Trident during the Stay Period in order to permit Trident to take certain steps in furtherance of its restructuring. The Stay Period has been subsequently extended by Court orders and, as a result of the Order of the Honourable Justice Romaine made on May 7, 2010, is currently is set to expire on July 2, 2010.

5. As noted in my previous affidavits, the U.S. Debtors also commenced the Chapter 11 Proceedings on September 8, 2009.

6. As discussed in the Monitor's Eleventh Report, dated April 28, 2010 (the "**Eleventh Report**"), on March 29, 2010, the US Debtors filed both the Joint Plan of Reorganization of TRC and Certain Affiliated Debtors and Debtors in Possession (as amended or modified, the "U.S. Plan") and the Disclosure Statement with respect to the U.S. Plan (as amended or modified, the "Disclosure Statement"). On April 30, 2010 and May 5, 2010 the US Debtors filed amended versions of the U.S. Plan and the Disclosure Statement with the U.S.

5
Court. On May 21, 2010, the U.S. Court entered an order approving the amended Disclosure Statement and the solicitation procedures for the U.S. Plan.

7. The confirmation hearing for the U.S. Plan is scheduled for June 15, 2010.

8. Trident has continued to maintain its operations in the normal course as described in detail in the Monitor's Eleventh Report. Trident expects to maintain its current business and affairs and achieve a successful restructuring. I do verily believe that Trident is working in good faith and with due diligence in these proceedings, and that it is an appropriate and necessary time for Trident to call and hold a meeting of its creditors (the "**Creditors' Meeting**") to consider and vote upon the Plan, all in accordance with the Court-approved Backstop Commitment Agreement.

Termination of the SISP

9. As discussed in my previous Affidavits and in the Monitor's previous Reports, Phase 1 of the Court-approved Sale and Investor Solicitation Process ("**SISP**") established a deadline of March 31, 2010 for the receipt of Qualified Letters of Intent. After the Phase 1 Bid Deadline, Trident and its financial advisors ("**Rothschild**"), with input from the Monitor, determined that a number of Qualified Letters of Intent had been received and that there was a reasonable prospect of Trident receiving a Qualified Bid other than the Credit Bid or the Commitment Letter (as these terms are defined in the SISP). Accordingly, Trident proceeded with Phase 2 of the SISP which permitted Phase 1 Qualified Bidders to conduct detailed due diligence with a view to submitting Qualified Bids.

10. The Phase 2 Bid Deadline under the SISP was May 28, 2010. The only Qualified Bid (other than the Backstop Commitment Agreement) received by Trident by the Phase 2 Bid Deadline was the Canadian Credit Bid delivered by the Agent under the Second Lien Credit Agreement. As no Qualified Bid has been received by Trident (apart from the Backstop Commitment Letter and the Credit Bid), there is no need to implement the auction process contemplated by the SISP, or to bring the Approval Motion contemplated in paragraph 40 thereunder. The SISP accordingly has no further purpose and it is appropriate that the SISP be terminated.

Status of Exit Financing

11. By Order of this Court on May 7, 2010, Trident's entry into the CS Commitment Letter, CS Fee Letter, Required Hedging Arrangements and Backstop Commitment Letter Amendment were approved.

12. Trident has been working with Credit Suisse in respect of the syndication of the credit facilities and to complete the definitive credit agreement. There has been considerable progress on both fronts and Trident is confident it will be able close the exit financing as contemplated in the Plan and Backstop Commitment Agreement.

Claims Process

13. In accordance with the Order of this Honourable Court dated March 30, 2010 (the "**Claims Order**"), Trident and the Monitor have conducted a claims procedure (the "**Claims Procedure**") for Trident to determine the aggregate of claims against it.

14. Under the Claims Procedure, the Claims Bar Date was May 10, 2010. The details of the claims filed in the Claims Procedure are detailed in the Monitor's Thirteenth Report.

15. The Monitor, in consultation with Trident, is in the process of reviewing, reconciling and determining the claims against Trident. While the claims filed in a number of cases exceed the amounts reflected in Trident's books and records, from an initial review of the claims by Trident, I am confident that the claims of Affected Creditors will be determined to be an aggregate number that is closer to Trident's records and therefore the recovery by Affected Creditors will be amongst the higher ranges of the Monitor's estimates in the Thirteenth Report. This is in addition to the fact that, upon Trident's successful emergence of these proceedings, Trident shall continue its important commercial relations with its trade creditors to the mutual benefit of the parties.

Plan of Arrangement

16. The following are some of the important features of the Plan:

- (a) the Plan is a consolidated plan of arrangement relating to all of Trident's Canadian entities (with the U.S. Applicants being dealt with under the U.S. Plan,

although orders recognizing the US Plan and related confirmation order will be sought as part of the Sanction Order described herein);

- (b) the Plan contemplates the payment of \$20.4 million (USD) (referred to in the Plan as the “**Maximum Gross Distributable Amount**”) for distribution in respect of the pre-filing claims by Affected Creditors (other than the 06 Lenders and 07 Lenders) against Trident’s Canadian entities;
- (c) the 06 Lenders and 07 Lenders (referred to in the Plan as “**Canadian Group Guarantee Creditors**”) are Affected Creditors and entitled to vote on the Plan in accordance with the mechanism set out in the Meeting Order. However, the Plan provides that the 06 Lenders and 07 Lenders shall not be entitled to share in the distribution of the Maximum Gross Distributable Amount under the Plan and their recoveries are limited to the equity distribution contemplated under the U.S. Plan. As part of the operation of both plans, the Canadian Group Guarantee Creditors will release all guarantee claims against Trident’s Canadian entities.
- (d) Affected Creditors with a claim of less than \$5,000, and Affected Creditors who provide an Election to Receive \$5,000 will receive, in full satisfaction of their claims, the lesser of \$5,000 or the aggregate of that Affected Creditor’s claim;
- (e) all other Affected Creditors (other than those electing to receive \$5,000 in full satisfaction of their claims) will receive a pro rata distribution of the Net Distributable Amount (which is the Maximum Gross Distributable Amount less the amount of Secured Trade Claims);
- (f) holders of Secured Trade Claims will receive an amount sufficient to satisfy or discharge their liens;
- (g) no Unaffected Creditors will share in any distribution made under the Plan;
- (h) each holder of a Proven Claim or Disputed Claim will be entitled to vote on the Plan to the extent of the amount of its claim;

- (i) the claims under the Second Lien Credit Agreement will be paid in full by Trident, as contemplated by the Order of this Court made May 7, 2010;
- (j) the Plan provides releases in favour of Trident, the Monitor, the Backstop Parties; the lenders under the Second Lien Credit Agreement and others, including their respective counsel, agents and financial advisors;
- (k) the Plan provides releases by Trident in favour of a number of parties; and
- (l) the implementation of the Plan is conditional on a number of conditions including the exit financing and the U.S. Plan becoming effective.

17. As noted above, the Plan deals with the Canadian Applicants on a consolidated basis. The Plan, and particularly the Backstop Commitment Letter, provides for a sum of \$20.4 million (USD) to the claims of Affected Creditors of Trident's Canadian entities.

18. A consolidated Plan is reasonable and necessary given Trident's heavily integrated business and operational structure, and the commonality of aims and interests among its Canadian operating entities and its creditors, collectively. The consolidated approach in the Plan properly corresponds with the dedication of \$20.4 million (USD) in the Backstop Commitment Letter, and accordingly is critical to the success of the Plan.

19. The Plan has been heavily negotiated and represents the culmination of Trident's efforts to restructure the business and emerge as a viable entity. As detailed in the Monitor's Thirteenth Report, the Plan represents the highest recovery available to Affected Creditors and there are clear benefits to employees, suppliers, customers and other stakeholders from preserving the business as a going concern.

The Creditors' Meeting

20. Trident proposes to call, hold and conduct the Creditors' Meeting at 10:00 a.m. (Mountain time) on the 16th day of June, 2010 at, subject to verification, the Crystal Ballroom at the Palliser Hotel in Calgary, for the purpose of allowing Affected Creditors to consider and vote upon the Plan.

21. In order to provide notice of the Creditors' Meeting and to distribute the necessary materials to Affected Creditors, Trident proposes that the Monitor do the following:

- (a) as soon as practicable, and in any event not later than two (2) Business Days following the granting of this Order, send to each Affected Creditor the Notice of Creditors' Meeting, which specifies the web address where each Affected Creditor will be able to access and retrieve copies the following documents (collectively, the "**Information Package**"):
 - (i) this Meeting Order;
 - (ii) the Plan;
 - (iii) a copy of the Monitor's Thirteenth Report;
 - (iv) the Notice of Creditors' Meeting; and
 - (v) a copy of the form of Proxy and Election to Receive up to \$5,000 Cash to be used by the Affected Creditors.;
- (b) as soon as practicable, but not later than two business days after the granting of the Meeting Order, post the Information Package on the Monitor's website;
- (c) as soon as practicable, but not later than three business days after the granting of the Meeting Order, publish a notice of the Creditors' Meeting in the Globe and Mail (National Edition) and the Wall Street Journal (the "**Newspaper Notice**").

22. Trident is seeking an Order that compliance with the foregoing shall constitute good and sufficient service on all Affected Creditors who are entitled to receive notice of and to vote on the Plan at the Creditors' Meeting.

23. The notice period for Affected Creditors in respect of the Creditors' Meeting (and the Sanction hearing) will be approximately two weeks which Trident believes is appropriate in the circumstances and more than adequate given the intention of the Monitor to effect notice by email or overnight courier as soon as practicable after the granting of the Meeting Order. Trident

is of the view that it was necessary to wait until it determined the outcome of the SISP on May 28, 2010 prior to bringing this motion. However, it is significant to note that the fundamental economic elements of the Plan are consistent with the term sheet attached to the Backstop Commitment Letter approved by Order of this Court dated February 18, 2010. At the same time (and as provided for in such Backstop Commitment Letter), Trident is required under the terms of the Backstop Commitment Agreement to hold the Creditors' Meeting on or before June 16, 2010 and obtain the Sanction Order on or before June 18, 2010

Forms of Documents

24. The Notice of Meeting and Proxy to be used in conjunction with the Creditors' Meeting and the Newspaper Notice are attached to the Meeting Order as Schedules "B", "C" and "D" respectively. Trident is seeking approval of such documents in substantially the form attached to the Meeting Order.

25. Forming a part of the Proxy is the Election to Receive \$5,000 (the "Election"). By completing and providing the Election to the Monitor, an Affected Creditor with an aggregate claim greater than \$5,000 can elect to reduce its claim to \$5,000 in full satisfaction of such claim.

Conduct of the Creditors' Meeting

26. Trident proposes that for the purpose of voting to approve the Plan there shall be a single class of Affected Creditors referred to above and the amount of the Claim value of each Affected Creditor shall be established in accordance with the provisions of the Meeting Order, the Claims Order, the Plan and any further Order of this Honourable Court.

27. Trident proposes that a representative of the Monitor shall preside as the chair of the Creditors' Meeting in accordance with the Creditors' Meeting Order, the Plan and any further Order of this Honourable Court.

The Sanction Order

28. If the Plan is approved by the requisite thresholds of Affected Creditors, the Applicants shall apply to this Court on June 18, 2010 for a Sanction Order directing and declaring, among other things:

- (a) the approval of the Plan and the compromises therein;
- (b) the continuation of the stay of proceedings until the Plan Implementation Date;
- (c) discharges of certain court-ordered charges and release of Post-Filing Interest and Costs;
- (d) that the U.S. Confirmation Order is binding and effective in Canada;
- (e) the release of all Canadian Group Guarantee Liabilities;
- (f) the continuation of all agreements entered into by Trident, notwithstanding Trident's insolvency and these CCAA proceedings;
- (g) the effectiveness of the releases contemplated in the Plan
- (h) certain payments to directors under the long-term incentive plan;
- (i) the discharge of all liens registered against title to the real property of any Canadian Applicant; and
- (j) the implementation of the Plan is conditional on the payment in full of all amounts owing in respect of the Second Lien Credit Agreement.

29. Trident will carry on as essentially the same business, but with a reorganized equity and debt structure.

Relief Sought


30. Based on all of the foregoing, Trident believes that the Plan is in the best interests of its creditors and stakeholders, and of the broader constituents in the community including its trades, suppliers, and employees.

31. It is reasonable and appropriate at this juncture to allow the Plan to be filed, and to call and hold a meeting of Trident's Affected Creditors for the purpose of considering and voting upon the Plan.

32. As discussed in the Monitor's Thirteenth Report, the Plan represents a far greater recovery for Trident's Affected Creditors than would otherwise result from the alternative liquidation scenarios. The Monitor supports and recommends the relief requested, and in particular supports and confirms Trident's belief that the Plan provides the highest recovery available for the Affected Creditors.

33. The emergence from the CCAA Proceedings and the preservation of Trident as a going concern is in the best interests of Trident and all affected parties. I make this Affidavit in support of an application for the relief set forth in paragraph 3 hereof.

Sworn before me in the City of Calgary,)
in the Province of Alberta, the 31st day)
of May, 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: May 31, 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