

Action No.: 0901-13483
Deponent: Reema Kapoor
Date Sworn: January 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. 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. ("**SSIG**") 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.

Background

2. The Required Lenders constitute a majority of a syndicate of lenders (the "**Canadian Secured Term Lenders**") that provided US\$500 million in secured term credit facilities

to Trident Exploration Corporation (“**Trident Canada**”) pursuant to an amended and restated credit agreement dated April 25, 2006 (the “**Canadian Secured Term Loan Agreement**”). The Canadian Secured Term Lenders are Trident Canada’s only secured lenders.

3. The background with respect to Trident Canada’s financing arrangements and its indebtedness to the Required Lenders is set forth in my affidavit sworn October 1, 2009 (the “**Kapoor Affidavit**”) and the affidavit of Richard Voon (“**Voon**”) of Farallon sworn on October 1, 2009 (the “**Voon Affidavit**”). Capitalized words not otherwise defined herein have the meanings ascribed in those affidavits. Copies of the Kapoor and Voon Affidavits (without exhibits) are attached as **Exhibits “A” and “B”** respectively.

The 2009/2010 Restructuring Efforts

4. As noted in the Voon Affidavit, in April of 2009 Trident US’s financial advisor, Rothschild Inc. (“**Rothschild**”), approached the Canadian Secured Term Lenders regarding possible restructuring options.
5. Since then, and during the four months following the Initial Order, the Petitioners (“**Trident**”) have sought refinancing and/or recapitalization proposals from certain of the existing lenders to, and shareholders of, Trident US (the “**US Security Holders**”).
6. At a meeting held on September 24, 2009, the Required Lenders were advised by Neil Augustine (“**Augustine**”) of Rothschild that, shortly prior to filing for protection under the *Companies’ Creditors Arrangement Act*, Trident had a letter of intent with certain of the US Security Holders in respect of a recapitalization plan. Augustine also advised that the letter of intent had not led to a transaction.

7. In the First Report of the Monitor dated October 1, 2009, which was filed in support of the stay extension motion heard on October 6, 2009, the Monitor stated that “It is currently contemplated that one or more proposals will be received within the next two weeks.”
8. No such proposals were received.
9. On October 28, 2009 counsel for the Required Lenders forwarded correspondence to counsel for Trident Canada noting that, as of that date, there were still no binding proposals for a refinancing and that in their view it was time for Trident Canada to develop and seek Court approval of a sales process. A copy of this correspondence is attached as **Exhibit “C”**.
10. Counsel for Trident Canada responded to this request by correspondence dated November 5, 2009 which stated:

“Subject to authorization from the board of directors, we intend to formulate a draft solicitation process, consult with Trident’s stakeholders, including the Required Lenders, on the terms thereof and seek court approval of such solicitation process on a hearing before the Alberta Court prior to the expiry of the stay on December 4, 2009.”

A copy of this correspondence is attached as **Exhibit “D”**.

11. Despite the assurances in the November 5, 2009 letter that Trident would be preparing a draft solicitation process in consultation with its stakeholders for Court approval, no process was brought forward for Court approval at the December 3, 2009 hearing to extend the stay.

12. By letter dated November 25, 2009, Rothschild solicited binding proposals on behalf of Trident for a transaction to recapitalize Trident upon its emergence from insolvency proceedings (the “**RFP**”) from the US Security Holders. Under the RFP, binding proposals were required to be submitted by no later than 5:00 p.m. EST on December 15, 2009. A copy of this letter is attached as **Exhibit “E”**.

13. On December 15, 2009, counsel for the Required Lenders forwarded correspondence to counsel for Trident Canada stating that:
 - (a) the Required Lenders hoped that any refinancing proposal received in response to the RFP would be satisfactory to them in both form and substance;
 - (b) in order to be satisfactory, such proposal must be a credible proposal that is likely to close on a timely basis and that will either repay the Canadian Secured Term Lenders in full in cash, or refinance them on acceptable terms;
 - (c) failing timely receipt of a satisfactory binding commitment, the Required Lenders expect a sales and investor solicitation process to be initiated on terms satisfactory to the Required Lenders and approved by the Court;
 - (d) the sales and investor solicitation process would, amongst other things, permit the Canadian Secured Term Lenders to submit, or cause the Agent to submit, a non-cash credit bid for the purchase of all or substantially all of the assets of Trident Canada;
 - (e) the Required Lenders wished to work with Trident immediately in the design, on a consensual basis, of the sales and investor solicitation process, including milestones to be met in connection therewith as well as appropriate related arrangements; and
 - (f) the parties should be organized such that if a satisfactory refinancing proposal was not received, the sales and investor solicitation process could be submitted for Court approval on the return date for the motion to extend the stay beyond January 15, 2010, and, if approved, implemented immediately.

A copy of this correspondence is attached as **Exhibit “F”**.

14. Counsel for the Required Lenders also requested that a draft of Trident's proposed sales and investor solicitation process procedures be provided as soon as possible, in order to facilitate discussions relating to the design of the procedures.
15. By letter dated December 21, 2009, counsel for the Required Lenders confirmed various discussions and correspondence with Kukulowicz since December 15. A copy of the December 21, 2009 letter is attached as **Exhibit "G"**.
16. By e-mail dated December 22, 2009 counsel for the Required Lenders advised the Monitor that it was concerned that Trident was refusing to disclose the offers received to the Required Lenders, and asked for information concerning the composition of Trident's board of directors. By e-mail dated December 30, 2009, the Monitor responded that:

"In response to your request, the company has provided the following information in respect of the Board appointments:

Gene Davis	Board
Tim Bernlohr	Board
Todd Dillabough	2007 backstop parties, Prefs, McNeil and Aurora (ie the Board at that time)
John Forsgren	2007s (backstop parties)
Ken Ancell	2007s (backstop parties)
Anthony Calouri	2007s (backstop parties)
Todd Overbergen	Prefs
Marc MacAluso	Prefs
Laurie Hunter	Commons (Aurora)
Steve Buchanan	Commons (McNeil)
Gustav Ericson	Commons (Richardson)"

A copy of the e-mail chain is attached as **Exhibit "H"**.

17. On December 22, 2009 a conference call was held among representatives of the Required Lenders, Trident, the Monitor and Rothschild. On the call, Augustine advised that:

- (a) two proposals were received in the RFP- one from the Trident US 2006 Unsecured Lenders and the Trident US 2007 Subordinated Lenders (the “**06/07 Lender Proposal**”) and one from the Trident US preferred shareholders (the “**Pref Proposal**”, and together with the 06/07 Lender Proposal, the “**US Security Holder Proposals**”); and
 - (b) Trident would not be providing copies of the US Security Holder Proposals to the Required Lenders prior to a board meeting being held to consider the proposals.
- 18. As of the swearing of this affidavit, the Required Lenders have not been advised by Trident that such a board meeting has occurred or that the board has approved a sales and investor solicitation process.
- 19. On the call, counsel for the Required Lenders made it clear that the Required Lenders had expected that copies of the proposals would have been provided to them immediately so that Trident could have the benefit of their feedback before Trident provided comments to the bidders and so that the board of directors could have the benefit of their views. Notwithstanding this, and subsequent requests to be provided with copies of the US Security Holder Proposals, Trident has refused to provide them to the Required Lenders.
- 20. During a further conference call on January 4, 2010, the Required Lenders were advised by Eugene Davis, the Chairmen of Trident, among other things, that:
 - (a) neither of the US Security Holder Proposals would be provided to the Required Lenders prior to the January 15, 2010 stay extension hearing because the proposals were subject to confidentiality provisions;
 - (b) the negotiations regarding the US Security Holder Proposals were on-going and that Trident would set a deadline of January 22, 2010 for the negotiations to be completed;
 - (c) neither of the US Security Holder Proposals had committed financing. While the equity contribution of the 06/07 Lender Proposal was committed, it contained a condition for obtaining sufficient financing to refinance the balance of the Canadian Secured Term Lenders’ term loan and that such condition would likely not be satisfied until close to the plan implementation date;

- (d) Trident would provide copies of the US Security Holder Proposals to the Court and request that the Court keep them under seal; and
 - (e) the plan was to finalize the US Security Holder Proposals so that one of them could act as a stalking horse for a continued refinancing search process.
21. By e-mail dated January 5, 2010 a copy of an estimated timeline for Trident's proposed solicitation process was provided to the Required Lenders. The timeline has no end date and the dates which were provided were described as only "estimates of what the Company believes it can achieve". A copy of the estimated timeline is attached as **Exhibit "I"**.
22. By letter dated January 7, 2010, counsel for Trident provided a letter to counsel for the Required Lenders indicating that it continues to negotiate the US Security Holder Proposals and will not be providing them to the Required Lenders until they are finalized. A copy of the January 7, 2010 letter is attached as **Exhibit "J"**.
23. To date Trident has not provided the Required Lenders with copies of the US Security Holder Proposals or the proposed solicitation process and bidding procedures.
24. Mount Kellett is a Trident US 2006 Unsecured Lender. In this capacity it has obtained a copy of the 06/07 Lender Proposal, but it has not provided a copy to the other Required Lenders.
25. By letter dated January 12, 2010, counsel for the Required Lenders provided counsel for Trident with a fully developed open investor solicitation and sale process (the "**Open Solicitation/Sale Process**") which would allow any interested party, including the existing US Security Holders who had put forward the US Security Holder Proposals, to


be involved. A copy of the letter and the Open Solicitation/Sale Process are attached as **Exhibits “K” and “L”** respectively.

26. The Open Solicitation/Sale Process provides that:
- (a) the Monitor will run the process independently of the Trident US board of directors;
 - (b) there will be an open, fair and structured process that provides for a reasonable due diligence period pursuant to which all existing investors and outside interested parties can participate by submitting offers for: (i) the sale of the property of Trident Canada; or (ii) an investment in Trident Canada;
 - (c) the process does not include a stalking horse bid so there are no commitment or break-up fees that may become payable;
 - (d) the process procedures clearly set out the requirements for a Qualified Bid (as defined in the process), including a requirement that the bid cannot be conditional upon financing;
 - (e) the process procedures allow the Required Lenders to submit a Credit Bid (as defined in the process), if they so choose;
 - (f) the process procedures set out clear evaluation criteria for the assessment of offers and determining which type of offers will be considered Superior Offers (as defined in the process); and
 - (g) the process procedures contemplate that if there is no offer that pays out the obligations due or accruing to the Canadian Secured Term Lenders, in cash and in full or that is otherwise acceptable to the Required Lenders, then the Company or the Required Lenders will take steps to implement the Credit Bid (if one is submitted by the Required Lenders) or otherwise seek direction of the Court.
27. During the course of these proceedings:
- (a) Trident Canada is not paying the interest due to the Canadian Secured Term Lenders of approximately US\$12.2 million per quarter; and
 - (b) Trident Canada is also not making any payments on account of the professional fees incurred by the Canadian Secured Term Lenders or the Agent notwithstanding that it is required to make such payments pursuant to Section 10.04 of the Canadian Secured Term Loan Agreement, which provides:

The Borrower agrees to pay on demand within 15 days of demand written [sic] ... (ii) all costs and expenses of each Agent and each Lender in connection with the enforcement of the Loan Documents, whether in any action, suit or litigation, or any bankruptcy, insolvency or other similar proceeding affecting creditors' rights generally (including, without limitation, the reasonable fees and expenses of counsel for the Administrative Agent and each Lender with respect thereto determined, in respect of actions in a court in Canada, on a solicitor and his own client full indemnity basis).

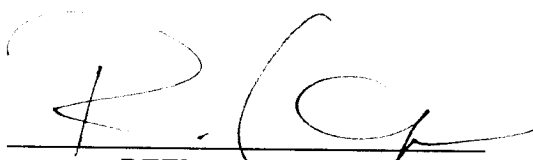
28. I swear this affidavit in support of the relief sought by the Required Lenders on this motion and for no other purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on January 12, 2010.



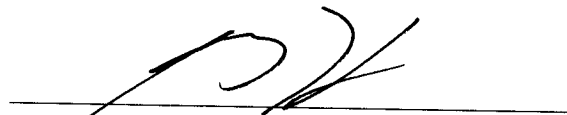
Commissioner of Oaths

Brett Harrison



REEMA KAPOOR

This is Exhibit "A" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

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 CDNS\$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:

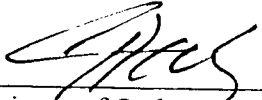
- (a) the First/Second Lien Intercreditor was amended to provide the Canadian Secured Term Lenders with the right to purchase from the Toronto Dominion Bank all of the loans and security under the Trident Canada TD Credit Agreement (the “**TD Buyout Provision**”). A copy of the Fourth Amendment to Intercreditor 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.

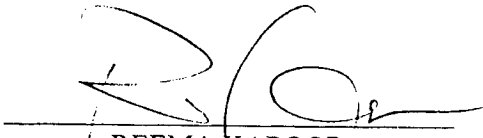
Therefore nine of the directors of Trident US and Trident Canada are appointed by the Trident US 2007 Subordinated Lenders and certain Trident US shareholders.

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
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TRIDENT EXPLORATION CORP. ULC, FORT
ENERGY CORP. ULC, FENERGY CORP. ULC,
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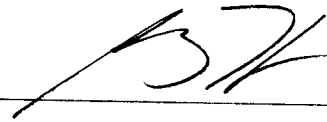
AFFIDAVIT

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

This is Exhibit "B" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.

A handwritten signature in black ink, appearing to be the initials 'BK', written over a horizontal line.

A Commissioner for taking Affidavits

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**

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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 "CCA").
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*), Fenenergy 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 leading 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.

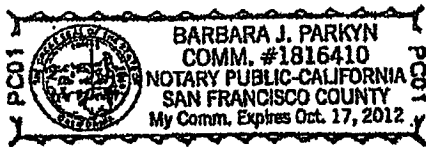
State of California,
County of San Francisco

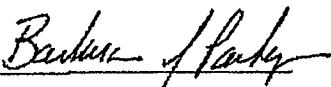


RICHARD VOON

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

This is Exhibit "C" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

mcmillan

Reply Attention of Andrew Kent
Direct Line 416.865.7160
Internet Address Andrew.Kent@mcmillan.ca
Our File No. 0085745
Date October 28, 2009

FRASER MILNER CASGRAIN LLP
15th Floor Bankers Court
850 2 Street SW
Calgary, Alberta T2P 0R8

Attention: Mr. David W. Mann

-and-

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1B2

Attention: Mr. Shayne Kuklowicz

Dear Sirs:

Re: Trident Exploration Corp. ("TEC")

Over the course of several months prior to filing under the *Companies' Creditors Arrangement Act*, your clients, with the assistance of their financial advisor Rothschild Inc., sought out various restructuring and recapitalization proposals from existing stakeholders. As at the date of filing under the CCAA, your clients did not have any binding proposals in hand for refinancing, recapitalization or to otherwise restructure the balance sheets of the Trident corporate group.

After Trident filed under the CCAA, our clients met with you and Rothschild and advised that they would be supportive of providing Trident with a short period of time to obtain binding refinancing/recapitalization proposals which our clients would then consider. At the time our clients cautioned Rothschild, however, that TEC and its subsidiaries (and accordingly our client's collateral) should not fund the costs of a process that was primarily for the benefit of investors in Trident Resources Corp ("TRC").

In the Monitor's October 1, 2009 report, it stated that "It is currently contemplated that one or more [refinancing] proposals will be received within the next two

weeks".¹ We assume that this has not occurred as we have not been advised of that any proposals have been received.

We are now seven weeks into the CCAA process and your clients have still not obtained any binding proposals from other stakeholders. We are in a situation where your clients want to continue to finance this search for refinancing using the Required Lenders collateral while at the same time not making any interest payments to the Required Lenders or reimbursing our clients' professional costs although these are obligations under the Credit Agreement.

Our clients believe that it is time for TEC to develop and seek court approval of a sales process, acceptable to our clients, for the sale of its business as a going concern. The sale process will put in place a process that appears more likely to lead to a timely and successful conclusion than the refinancing and recapitalization process that Trident has been pursuing for many months without any concrete results. Commencing such a process will assist in providing an alternative against which any such refinancing or recapitalization plan can be measured.

Trident and its advisors have been putting forward the view that there is more value in the business than is owed to the Lenders under the Credit Agreement without any market evidence for this position. Running the sales process will provide a market view of value. The sales process should be designed, however, so that our clients can protect against the assets being sold to a third party for a price below what is owed under the Credit Agreement.

We look forward to commencing discussions with you regarding the design and implementation of a sales process.

Lastly, we would like to set up a weekly call among your client, the Monitor, the Required Lenders and, if necessary, each of their respective counsel to discuss the progress of this proceeding. We would suggest scheduling the calls at Mondays at 2 pm EST with the first call, in which we would like to discuss the timing of a possible sale process, occurring on November 2 at 2 pm EST.

Yours truly,



Andrew Kent

cc: FTI Consulting Canada ULC, as Monitor of the Applicants
McCarthy, Tetrault LLP, Counsel to the Monitor

¹ First Report of the Monitor, at para. 23.

This is Exhibit "D" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits



FRASER MILNER CASGRAIN LLP

R. Shayne Kukulowicz
Direct Line: (416) 863-4740
shayne.kukulowicz@fmc-law.com

Sent Via E-mail

November 5, 2009

McMillan LLP
Barristers & Solicitors
181 Bay Street, Suite 4400
Toronto, ON M5J 2T3

Attention: Mr. Andrew Kent

Dear Sirs:

Subject: Trident Exploration Corp. et al ('Trident')

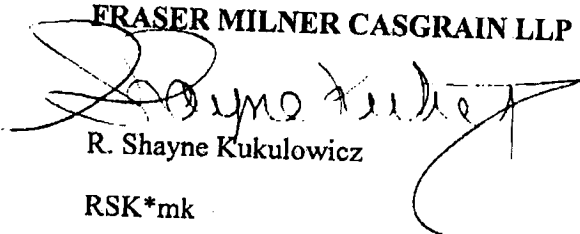
Thank you for your letter dated October 28, 2009 and the letter of your colleague Mr. Harrison dated November 3, 2009.

Trident's restructuring advisors have been working with the Monitor on a process for the solicitation of a plan sponsor or a sale. The Required Lenders' request for a solicitation process will be an agenda item at the next meeting of Trident's board of directors currently scheduled for November 12, 2009. Subject to authorization from the board of directors, we intend to formulate a draft solicitation process, consult with Trident's stakeholders, including the Required Lenders, on the terms thereof and seek court approval of such solicitation process on a hearing before the Alberta Court prior to the expiry of the stay on December 4, 2009.

In terms of updates for the Required Lenders, we recently had a call on October 30, 2009 for such purpose and we discussed further updates at regular intervals. In this regard, we have consulted with the Monitor and are proposing a weekly update call each Tuesday at 3:00 p.m. EST commencing November 10, 2009. To the extent that the Required Lenders require information on specific issues, we would request that you provide us with advance notice of same.

Yours truly,

FRASER MILNER CASGRAIN LLP


R. Shayne Kukulowicz

RSK*mk

cc: T. Dillabough / A. Withey, Trident
D. Mann / M. Wunder, FMC
N. Meakin / G. Watson, FTI
S. Collins, McCarthy
I. Dizengoff / S. Alberino / R. Jacobs, Akin Gump

7479842_1.DOC

This is Exhibit "E" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.

A handwritten signature in black ink, appearing to be the initials 'B.K.' or similar, written in a cursive style.

A Commissioner for taking Affidavits



PERSONAL AND CONFIDENTIAL

November 25, 2009

To Whom It May Concern:

On behalf of Trident Resources Corp. ("TRC") and Trident Exploration Corp. ("TEC") (collectively, "Trident" or the "Company"), we are soliciting binding proposals from existing stakeholders for a transaction to recapitalize the Company upon its emergence from insolvency proceedings (the "Transaction"). Rothschild Inc. ("Rothschild") is Trident's investment banker and financial advisor assisting the Company in evaluating Transaction proposals.

The Company requests that written, binding Transaction proposals be submitted to Rothschild no later than 5:00 p.m. Eastern Standard Time on December 15, 2009.

Your Transaction proposal must contain the following information:

1. **Proposed Transaction:** The terms of the Transaction should include but not be limited to:
 - Detailed description of Transaction structure
 - Treatment of the Company's key stakeholders, including:
 - Second Lien Credit Agreement lenders
 - 2006 TRC Credit Agreement lenders
 - 2007 TRC Loan Agreement lenders
 - General unsecured creditors
 - Series A and B Cumulative Preferred Stock holders
 - Common Stock holders
 - Terms of any securities to be issued in connection with the Transaction
 - Terms of any new capital or financing to be provided in connection with the Transaction
 - List of financing parties, as well as contact information and status of discussions with such parties
 - Board of Directors composition upon closing the Transaction and any other material governance provisions
2. **Material Conditions:** A list of any material conditions on which the proposed Transaction is contingent.
3. **Due Diligence:** A list of any remaining due diligence items, if any, and anticipated timing.
4. **Timing:** The date by which you would be able to close the Transaction and a detailed timeline including key milestones.

Transaction proposals should be addressed to Trident, in care of:

Rothschild Inc.
1251 Avenue of the Americas
New York, NY 10020

Attention: Neil Augustine
neil.augustine@rothschild.com

Bill Shaw
william.shaw@rothschild.com

Cc: Nigel Meakin, FTI Consulting (as Monitor)
nigel.meakin@fticonsulting.com

Although the foregoing reflects the Company's current intentions concerning the Transaction proposal solicitation process, the Company, at its sole discretion, reserves the right to consider any and all factors in determining which party is invited to participate in any stage of the process, to alter the process (including the timeline) at any time and in any manner, to terminate, modify or suspend discussions with any or all parties, to negotiate with any parties with respect to any potential Transaction involving the Company, and to consummate any such Transaction without prior notice to you or other potential parties to a Transaction.

Rothschild is available throughout the process to assist you in your evaluation of a Transaction. If you have any questions, please feel free to contact Neil Augustine, Bill Shaw, Marcelo Messer or Vinod Chandiramani. We kindly request that any diligence-related requests be directed to Vinod Chandiramani, Justin Aylward and Greg de Haydu. Contact information is included below for your reference:

Rothschild Inc.
1251 Avenue of the Americas
New York, NY 10020
Telephone: (212) 403-3500
Facsimile: (212) 403-5454

Neil Augustine
Managing Director
212-403-5411
neil.augustine@rothschild.com

Marcelo Messer
Vice President
212-403-3716
marcelo.messer@rothschild.com

Justin Aylward
Associate
(212) 403-5434
justin.aylward@rothschild.com

William Shaw
Managing Director
212-403-5221
william.shaw@rothschild.com

Vinod Chandiramani
Associate
(212) 403-3540
vinod.chandiramani@rothschild.com

Gregory de Haydu
Analyst
(212) 403-3747
gregory.dehaydu@rothschild.com

Confidential

On behalf of Trident, we would like to thank you for your interest and we look forward to discussing this opportunity further with you.

Very truly yours,

William Shaw
Managing Director

#388404

This is Exhibit "F" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

mcmillan

Reply Attention of Andrew J.F. Kent
Direct Line 416.865.7160
Internet Address Andrew.Kent@mcmillan.ca
Our File No. 0085745
Date December 15, 2009

FRASER MILNER CASGRAIN LLP
15th Floor Bankers Court
850 2 Street SW
Calgary, Alberta T2P 0R8

Attention: Mr. David W. Mann

-and-

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1B2

Attention: Mr. Shayne Kuklowicz

Dear Sirs:

Re: Trident Exploration Corp. ("TEC")

We refer to the request for proposal dated November 25, 2009 (the "RFP"), received by the Required Lenders from Rothschilds on behalf of Trident Resources Corp. ("TRC") and TEC (together, "Trident") requesting recapitalization proposals by December 15, 2009.

Trident has advised the Required Lenders repeatedly over many months that it is expecting to receive one or more refinancing proposals from the TRC Lenders and has advised the Canadian CCAA Court of this expectation during these proceedings. Based on our clients' discussions with Rothschilds and representatives of Trident, we understand that Trident is optimistic that the TRC Lenders and/or some of the preferred equity holders will actually submit a refinancing proposal in response to the RFP.

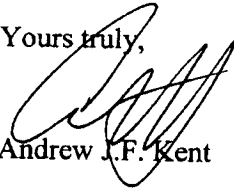
If such a proposal is in fact received on a timely basis, the Required Lenders hope that it will be satisfactory to them both in form and substance. In particular, but without limitation, in order to be satisfactory it will have to be a credible proposal that is likely to close on a timely basis and that will either repay the secured loan in full in cash, or refinance it on terms acceptable to the Required Lenders.

As you know, failing timely receipt of such a satisfactory binding commitment, the Required Lenders expect a sales and investor solicitation process to be initiated on terms satisfactory to the Required Lenders and approved by the CCAA court. That process would amongst other things permit the Required Lenders to submit or cause the Agent to submit a non-cash credit bid for the purchase of all or substantially all of the assets of TEC.

In that respect the Required Lenders wish to work with Trident now in the design on a consensual basis of such a process (including milestones to be met in connection therewith as well as appropriate related arrangements). The goal is to be organized so that if a satisfactory refinancing proposal is not received, the proposal for the sale and investor solicitation process can be submitted for Court approval on the return date for the motion extending the CCAA stay of proceedings beyond January 15, 2010 and, if approved, initiated immediately.

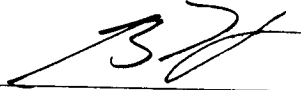
To facilitate the commencement of such discussions, please provide us with a draft of Trident's proposed solicitation and sale process at your earliest convenience.

Yours truly,


Andrew J.F. Kent

cc: FTI Consulting Canada ULC, as Monitor of the Applicants
McCarthy, Tetrault LLP, Counsel to the Monitor

This is Exhibit "G" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

mcmillan

Reply Attention of *Wael Rostom*
Direct Line *416.865.7790*
Internet Address *Wael.Rostom@mcmillan.ca*
Our File No. *0085745*
Date *December 21 2009*

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1B2

Attention: **Mr. Shayne Kuklowicz**

Dear Sirs:

Re: Trident Exploration Corp. ("TEC")

We refer to our letter dated December 15, 2009.

You have advised us that Trident has received "offers" in response to its November 25th request for proposal letter ("RFP"), including an offer it received over the weekend from the TRC Lenders.

During our weekly update call on December 15th with representatives of Trident and the Monitor we specifically asked when Trident intended to provide our clients with copies of any offers it might receive in response to the RFP. You indicated that you would take this matter up with the Board during its meeting on December 16th and provide me with a response on December 17th.

During our telephone conversation on December 17th, you advised that Trident would convene a conference call with the Required Lenders for today to discuss Trident's draft process proposal and how the offers received in response to the RFP might fit into the process as well as to provide the Required Lenders with high level feedback on the revised draft of the DIP financing term sheet that we sent to you last week. You also stated that you intended to send us Trident's draft process proposal by the end of the day on December 18th. I advised you that we also expected to receive copies of the offers so that our clients could assess whether they were satisfactory.

Over the weekend I sent you an email confirming that the Required Lenders were available for a conference call today at any time after 2:30PM and requested that you send us a copy of Trident's draft process proposal, which was not sent to us on Friday. In response to my email you advised that Trident received an offer from the TRC Lenders over the weekend and that a call today would be premature. I replied by advising you that the call with our clients

should proceed and that you should send us Trident's draft process proposal as originally planned.

During our call this morning you confirmed your advice over the weekend that Trident would not be holding the call with our clients today.

In our December 15 letter we stated, among other things, that failing timely receipt of a binding commitment satisfactory to the Required Lenders in response to the RFP, the Required Lenders expect a sales and investor solicitation process to be initiated on terms satisfactory to the Required Lenders and approved by the CCAA court.

As I emphasized on our call this morning, in light of the Christmas and New Year Holidays, our clients expect Trident to provide them with copies of the offers received to date together with its draft process proposal by no later than the close of business tomorrow for their review and consideration. I also emphasized the need for us to have a conference call with Trident and our clients to discuss the offers and Trident's draft process proposal prior to the commencement of the holiday period.

Yours truly,

Rita Maltby
per: Wael Rostom

cc: FTI Consulting Canada ULC, as Monitor of the Applicants
McCarthy, Tetrault LLP, Counsel to the Monitor

This is Exhibit "H" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

From: Meakin, Nigel <Nigel.Meakin@fticonsulting.com>
To: Wael Rostom
Cc: scollins@MCCARTHY.CA <scollins@MCCARTHY.CA>; shayne.kukulowicz@fmc-law.com <shayne.kukulowicz@fmc-law.com>
Sent: Wed Dec 30 09:30:44 2009
Subject: Re: Trident
Wael

In response to your request, the company has provided the following information in respect of the Board appointments:

Gene Davis	Board
Tim Bernlohr	Board
Todd Dillabough	2007 backstop parties, Prefs, McNeil and Aurora (ie the Board at that time)
John Forsgren	2007s (backstop parties)
Ken Ancell	2007s (backstop parties)
Anthony Calouri	2007s (backstop parties)
Todd Overbergen	Prefs
Marc MacAluso	Prefs
Laurie Hunter	Commons (Aurora) ✓
Steve Buchanan	Commons (McNeil) ✓
Gustav Ericson	Commons (Richardson) ✓

Kind regards

Nigel

From: Wael Rostom <Wael.Rostom@mcmillan.ca>
To: Meakin, Nigel
Cc: 'Collins, Sean F.' <scollins@MCCARTHY.CA>; Kukulowicz, Shayne <Shayne.Kukulowicz@FMC-Law.com>
Sent: Tue Dec 22 13:39:24 2009
Subject: Trident

Nigel,

You will have seen my letter to Shayne yesterday. The matters raised in the letter will be the topics of primary importance to us for discussion during the update call today. Shayne has advised us that Trident's instructions to him are that he is not to share the offers received in response to the RFP with our clients at this time. We fail to understand the logic behind this approach and frankly find the approach troubling to say the least.

We have an information request for today's call. We refer to paragraph 11 of the November 30th Todd Dillabough Affidavit. The disclosure in that paragraph is not as fulsome as we would have expected in respect of the composition of the common board of directors of TRC and TEC. Please advise which of the current directors (other than Eugene Davis and Tim Bernlohr) have been appointed by each of the 07 Lenders, 06 Lenders, the preferred shareholders and the common shareholders. We understand from paragraph 11 of the Dillabough Affidavit that Messrs. Davis and Bernlohr were appointed by the Board.

Thank you

mcmillan

Wael Rostom

Partner

d +1.416.865.7790 | f +1.416.722.6736

wael.rostom@mcmillan.ca

Assistant: May Carlos | +1.416.865.7838 | may.carlos@mcmillan.ca

Assistant: Orna Dobner | +1.416.865.7155 | orna.dobner@mcmillan.ca

McMillan LLP

Lawyers

Brookfield Place, 181 Bay Street, Suite 4400

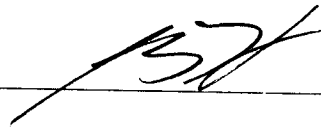
Toronto, Ontario M5J 2T3

[my bio | mcmillan.ca](#)

This e-mail and any files transmitted with it are confidential. If you are not the intended recipient, please notify the sender by e-mail or by telephone. Do not disseminate, distribute or copy this e-mail. If you have received this e-mail by mistake, please notify the sender immediately by e-mail. If you are not the intended recipient, please notify the sender by e-mail or by telephone.

Please refer to the contract with the client for details.

This is Exhibit "I" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

Trident Exploration Corp et al.

Proposed Solicitation Process Timeline

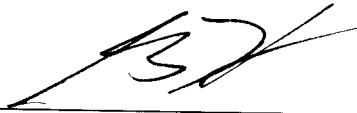
Key Milestone	Target Date¹
Stage I – Complete Stalking Horse Negotiations	
Finalize Commitment Letter	1/22/10
Court approval of bid protections (i.e. break/completion fee, deemed qualified bidder)	2/15/10
Stage II(a) – Solicitation Process²	
Stage II(b) – Exit Financing (Private)³	
Commence debt financing process	2/1/10
Deadline for debt financing letters of intent	3/12/10
Selection of short-list for detailed due diligence	3/19/10
Deadline for binding debt financing commitment letters	4/23/10
Complete negotiation of definitive financing agreements	TBD
Stage III – Plan Process	
File Plan & obtain Meetings Order	TBD
Meetings of Creditors	TBD
Sanction Hearing	TBD

¹Given such milestones are not under the Company's control and dependent upon third party cooperation, such dates are estimates of what the Company believes it can achieve at such time

²Solicitation Process to be run, timetable to be agreed with Stalking Horse

³The Company will also run a public capital markets financing process the timing of which will be coordinated with the Plan implementation timeline

This is Exhibit "J" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits



FRASER MILNER CASGRAIN LLP

R. Shayne Kukulowicz
Direct Line: (416) 863-4740
shayne.kukulowicz@fmc-law.com

Sent Via E-mail

January 7, 2010

McMillan LLP
Barristers & Solicitors
181 Bay Street
Suite 4400
Toronto, ON M5J 2T3

Attention: Messrs. Andrew Kent and Wael Rostom

Dear Sirs:

Subject: Trident Exploration Corp. et al (collectively "Trident")

We are in receipt of your letters dated December 15, 2009 and December 21, 2009.

In respect of your inquiries regarding recapitalization proposals, we have confirmed to you that Trident successfully received two promising proposals from the RFP solicitation. We also confirmed that one proposal came from certain of the preferred shareholders on December 16, 2009 and the other from certain of the 06 and 07 TRC Lenders on December 19, 2009. While Trident was not in a position to disclose the full details of the proposals, we advised that the proposals contemplated the full payout or re-financing of the Second Lien Credit Facility and a "go shop" requirement (in other words, implementing a process to solicit superior proposals for either investment in or a sale of Trident).

When we received the proposals, we advised you that it would take some time to review the proposals and present them to Trident's board. Upon such review, Trident determined that the proposals required further negotiations to achieve a commitment letter that was capable of serving as a stalking horse and the basis of a restructuring plan (including the payout or refinancing your clients' position). Trident has provided the TRC Lenders with a list of issues and a detailed mark up of their commitment letter and term sheet. Those negotiations are not complete, but Trident is optimistic that it will finalize same shortly. Trident has requested that the proponents of the proposals permit Trident to provide the proposals to the Required Lenders. However, the counter-parties have advised that the documents should remain confidential until the negotiations are complete and should not be circulated without their consent.

In respect of our efforts in the latter part of December, 2009 to set up an update call between the chairman of Trident's board, Gene Davis, your clients, and the respective advisors, you were advised that the delayed receipt of the proposals and the intervention of the holiday season which covered over two weeks made scheduling such a call with multiple parties very difficult. However, we would note that no call was scheduled until we actually confirmed and conducted our call on January 4, 2010. We also note that we continued with our regular weekly Required Lender update call on December 22, 2009 in any event.

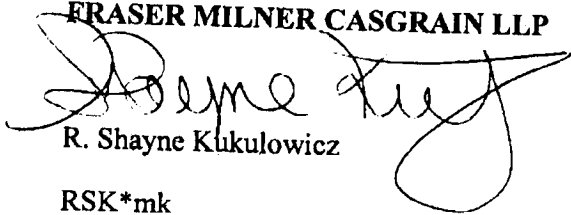
In respect of a proposed process, we confirm that Rothschild provided a draft "Solicitation Timeline" to you on January 5, 2010 (a copy of which is attached for your convenience). This timeline incorporates the successful solicitation of proposals through the RFP process and a deadline to complete the negotiation of a binding commitment letter. Since such negotiations are on-going, it would be premature to establish the elements of a broader solicitation process without the agreement of the stalking horse party. However, as noted in the timeline, it is contemplated that Trident will move forward with a bid protections motion by the middle of February, 2010.

Finally, given the foregoing and the efforts of Trident and its advisors to communicate regularly with the Required Lenders and address any concerns, we view your correspondence largely as an exercise of litigation positioning. Unfortunately, the Required Lenders have repeatedly sought to dictate the terms of Trident's restructuring without regard to the interests of other stakeholders. Given Trident's positive financial performance and the market conditions, including recent indicative transactions relating to gas assets for significant value, there is clearly no risk to a full recovery by the Second Lien Lenders. Moreover, as part of the stalking horse strategy, Trident will be seeking the implementation of a solicitation process which should satisfy the repeated requests of the Required Lenders in that regard.

We remain hopeful of working with you to complete the restructuring of Trident, including a payout or re-financing of the Second Lien Credit Agreement, in both a reasonable and a timely fashion.

Yours truly,

FRASER MILNER CASGRAIN LLP



R. Shayne Kukulowicz

RSK*mk

cc: D. Mann, M. Wunder / FMC
N. Meakin, G. Watson, / FTI
S. Collins / McCarthy
I. Dizengoff, S. Alberino / Akin Gump
N. Augustine, W. Shaw / Rothschild

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Trident Exploration Corp et al.

Proposed Solicitation Process Timeline

Key Milestone	Target Date¹
Stage I – Complete Stalking Horse Negotiations	
Finalize Commitment Letter	1/22/10
Court approval of bid protections (i.e. break/completion fee, deemed qualified bidder)	2/15/10
Stage II(a) – Solicitation Process²	
Stage II(b) – Exit Financing (Private)³	
Commence debt financing process	2/1/10
Deadline for debt financing letters of intent	3/12/10
Selection of short-list for detailed due diligence	3/19/10
Deadline for binding debt financing commitment letters	4/23/10
Complete negotiation of definitive financing agreements	TBD
Stage III – Plan Process	
File Plan & obtain Meetings Order	TBD
Meetings of Creditors	TBD
Sanction Hearing	TBD

¹Given such milestones are not under the Company's control and dependent upon third party cooperation, such dates are estimates of what the Company believes it can achieve at such time

²Solicitation Process to be run, timetable to be agreed with Stalking Horse

³The Company will also run a public capital markets financing process the timing of which will be coordinated with the Plan implementation timeline

This is Exhibit "K" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.



A Commissioner for taking Affidavits

mcmillan

Reply Attention of *Wael Rostom*
Direct Line *416.865.7790*
Internet Address *Wael.Rostom@mcmillan.ca*
Our File No. *0085745*
Date *January 12, 2009*

EMAIL

FRASER MILNER CASGRAIN LLP
1 First Canadian Place
100 King Street West
Toronto, Ontario M5X 1B2

Attention: Mr. Shayne Kuklowicz

Dear Sirs:

Re: Trident Exploration Corp. ("TEC")

Since prior to the implementation of the CCAA process our clients have been assured on several occasions that a restructuring plan was imminent. Given the failure of TEC or Trident Resources Corp. to present a plan that provides certainty of timing and outcome to the Required Lenders, our clients believe it is time for an independent, open and robust court approved sale and investor solicitation process ("SISP") to be put in place. Accordingly it will be our submission on behalf of the Required Lenders that any order extending the stay of proceedings direct the implementation of a SISP substantially in the form attached. We will be serving and filing our materials with respect to the stay extension motion shortly.

Yours truly,



Wael Rostom

cc: FTI Consulting Canada ULC, as Monitor of the Applicants
McCarthy, Tetrault LLP, Counsel to the Monitor

This is Exhibit "L" referred to in the
Affidavit of Reema Kapoor
Sworn before me, this 12th day of
January, 2010.

A handwritten signature in black ink, appearing to be the initials 'RJ' or similar, written in a cursive style.

A Commissioner for taking Affidavits

TEC Exploration Corp.
Procedures for the Sale and Investor Solicitation Process

On September 8, 2009, Trident Exploration Corp. (“TEC”) and certain of its subsidiaries (Fort Energy Corp. ULC, Fenenergy Corp. ULC, 981384 Alberta Ltd., 981405 Alberta Ltd. and 981422 Alberta Ltd. together with TEC are collectively referred to as the “TEC Entities”) and the U.S. Debtors (as defined below) (the TEC Entities together with the U.S. Debtors are collectively referred to as, the “Applicants” or the “Trident Entities”) obtained an initial order (the “Initial Order”) under the *Companies' Creditors Arrangement Act* (“CCAA”) from the Court of the Queen’s Bench of Alberta (the “Court”). On the same day, Trident Resources Corp. and certain of its U.S. subsidiaries (Trident CBM Corp., Aurora Energy LLC., Nexgen Energy Canada, Inc. and Trident USA Corp.) (the “U.S. Debtors”) commenced voluntary cases under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “U.S. Bankruptcy Court”).

On January 9, 2010 the Court entered an order (the “Bid Procedures Order”) approving the Sale and Investor Solicitation Process (the “SISP”) and the procedures set forth herein (the “SISP Procedures”). The Bid Procedures Order, SISP and the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the restructuring, recapitalization or refinancing of the TEC Entities and the TEC Business or the sale of all or substantially all of the TEC Property and TEC Business. Any procedures in respect of the process for soliciting and selecting bids for the restructuring, recapitalization or refinancing of the U.S. Debtors or the sale of the property or business of the U.S. Debtors shall be subject to the approval of the U.S. Bankruptcy Court.

Defined Terms

All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Bid Procedures Order. In addition, in these SISP Procedures:

“Agent” means the Administrative Agent and/or the Collateral Agent under the Canadian Secured Term Loan Agreement, as applicable;

“Canadian Secured Term Loan Agreement” means the amended and restated credit agreement dated April 25, 2006 among, *inter alia*, TEC, as borrower, the lenders thereunder and Credit Suisse, as Agent (or its successors and assigns);

“Canadian Secured Term Lenders” means the lenders party from time to time under the Canadian Secured Term Loan Agreement;

“CCAA Senior Lender Approval” means a formal vote of the Canadian Secured Term Lenders under the CCAA, pursuant to which super majority approval of the Canadian Secured Term Lenders as required by the CCAA, being 66.7% by U.S.\$ and an absolute majority in number of the Canadian Secured Term Lenders that vote, is obtained;

“Credit Bid” means the offer submitted by the Credit Bid Party, among other things, to acquire the TEC Property in exchange for and in full and final satisfaction of all or a portion (as determined by the Credit Party) of the claims and obligations under the Canadian Secured Term Loan Agreement.

“Credit Bid Party” means either: (i) the Agent under the Canadian Secured Term Loan Agreement acting on the written direction of the Required Lenders; (ii) the Required Lenders; or (iii) an entity designated by either the Agent acting on the written direction of the Required Lenders or the Required Lenders;

“Required Lenders” has the meaning given to such term in the Canadian Secured Term Loan Agreement;

“RLA” means the Required Lenders or the Agent acting in consultation with the Required Lenders;

“Senior Secured Claims Amount” means the aggregate amount due or accruing due (whether for principal, interest (including default interest), indemnification payments, premiums, charges, fees, costs (including the fees and expenses of legal counsel and other advisors) or otherwise whether ascertained or contingent) to the Agent and the Canadian Secured Term Lenders, under the Canadian Secured Term Loan Agreement as at the closing date of the Successful Bid;

“Superior Cash Offer” means a credible, reasonably certain and financially viable Qualified Bid that would result in a cash distribution to the Canadian Secured Term Lenders: (x) of the Senior Secured Claims Amount in full or, (y) if the Credit Bid is submitted by the Credit Bid Party for a lesser amount than the Senior Secured Claims Amount, of such lesser amount, in each case, on closing of the transaction contemplated by the Qualified Bid;

“Superior Alternative Offer” means a credible, reasonably certain and financially viable Qualified Bid for the purchase of all or substantially all of the TEC Property, a reorganization of the TEC Entities or a recapitalization of the TEC Business, in each case approved by the RLA;

“Superior Offer” means either a Superior Cash Offer or a Superior Alternative Offer;

“TEC Business” means the business carried on by the TEC Entities; and

“TEC Property” means all or substantially all of the assets and the undertaking of the TEC Entities.

Solicitation Process

The SISP Procedures set forth herein describe, among other things, the TEC Property available for sale, the opportunity for an investment in the TEC Entities, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the TEC Property, the TEC Entities and the TEC Business, the manner in which bidders and bids become Qualified Bidders (as defined below) and Qualified Bids (as defined below), respectively, the receipt and negotiation of bids received, the ultimate selection

of a Successful Bidder (as defined below) and the Court's approval thereof (collectively, the "**Solicitation Process**").

The Monitor shall supervise the SISP Procedures independent from the board of directors of the TEC Entities and shall engage and supervise the Financial Advisor in connection therewith. The Monitor and the Financial Advisor shall consult with the RLA and their legal and financial advisors throughout the SISP process. The TEC Entities are required to assist and support the efforts of the Monitor and the Financial Advisor as provided for herein. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have jurisdiction to hear and resolve such dispute.

Sale and Investment Opportunity

A Confidential Information Memorandum describing the opportunity to acquire all or substantially all of the TEC Property and TEC Business or invest in the TEC Entities will be made available by the Financial Advisor to prospective purchasers or prospective strategic or financial investors that have executed a confidentiality agreement with the TEC Entities.

An investment in the TEC Entities may, at the option of the Successful Bidder, include one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of some or all of the TEC Entities as a going concern; a sale of TEC Property to a newly formed acquisition entity; or a plan of compromise or arrangement pursuant to the CCAA or any applicable corporate legislation which compromises the Claims and Interests (defined below) as set out therein.

"As Is, Where Is"

The sale of the TEC Property or TEC Business or investment in the TEC Entities will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the TEC Entities or any of their agents or estates, except to the extent set forth in the relevant sale or investment agreement with a Successful Bidder.

Free Of Any And All Claims And Interests

In the event of a sale, all of the rights, title and interests of the TEC Entities in and to the TEC Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "**Claims and Interests**") pursuant to the relevant approval and vesting order made by the Court. Contemporaneously with such approval and vesting order being made, all such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

Publication Notice

As soon as reasonably practicable after the granting of the Bid Procedures Order approving these SISP Procedures, but in any event no more than three (3) Business Days after the issuance of the Bid Procedures Order, the Monitor shall cause a notice of the sale and investor solicitation process contemplated by these SISP Procedures and such other relevant information which the Monitor, in consultation with the Financial Advisor, considers appropriate to be published in the Globe & Mail (National Edition) and The Wall Street Journal (National Edition). At the same time, the TEC Entities shall issue a press release setting out the notice and such other relevant information in form and substance satisfactory to the Monitor, following consultation with the Financial Advisor, with Canada Newswire designating dissemination in Canada and major financial centres in the United States, Europe and Asia Pacific.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Monitor (in consultation with the Financial Advisor and the RLA), in order to participate in the Solicitation Process, each person (a "**Potential Bidder**") must deliver to the Financial Advisor at the address specified in Schedule "1" hereto (including by email or fax transmission):

(a) prior to the distribution of any confidential information by the Financial Advisor to a Potential Bidder (including the Confidential Information Memorandum), an executed confidentiality agreement in form and substance satisfactory to the Monitor, the Financial Advisor and the TEC Entities, which shall inure to the benefit of any purchaser of the TEC Property or any investor in the TEC Business; and

(b) specific indication of the anticipated sources of capital for the Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Monitor, the Financial Advisor, and the RLA and each of their respective legal and financial advisors, to make, in their reasonable business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the transaction.

A Potential Bidder that has executed a confidentiality agreement, as described above, and delivers the documents described above, whose financial information and credit support or enhancement demonstrate to the satisfaction of the Monitor, in its reasonable business judgment, the financial capability of the Potential Bidder to consummate a transaction, and that the Monitor determines, in its reasonable business judgment, after consultation with the Financial Advisor and the RLA is likely (based on availability of financing, experience and other considerations) to be able to consummate a Sale Proposal (as defined below) or an Investment Proposal (as defined below) will be deemed a "**Qualified Bidder**".

The determination as to whether a Potential Bidder is a Qualified Bidder will be made as promptly as practicable after a Potential Bidder delivers all of the materials required above. If it is determined that a Potential Bidder is a Qualified Bidder, the Financial Advisor will promptly notify the Potential Bidder that it is a Qualified Bidder.

Due Diligence

Each Qualified Bidder (including, for greater certainty, their approved lenders or financiers and their financial and legal advisors, provided however that such persons have also signed a confidentiality agreement or have otherwise provided TEC with confidentiality assurances acceptable to the Monitor) shall have such due diligence access to materials and information relating to the TEC Property and the TEC Business as the Financial Advisor, in its reasonable business judgment, in consultation with Monitor, deems appropriate.

The Monitor, the Financial Advisor and the TEC Entities make no representation or warranty as to the information or the materials provided, except, in the case of the TEC Entities, to the extent contemplated under any definitive sale or investment agreement with a Successful Bidder (as defined below) executed and delivered by the applicable TEC Entities.

Phase 1

Seeking Non-Binding Indications of Interest by Qualified Bidders

For a period of approximately seven weeks following the date of the Bid Procedures Order, or for such shorter period as the Monitor, in consultation with the Financial Advisor may determine appropriate (“**Phase 1**”), the Financial Advisor (under the supervision of the Monitor and in accordance with the terms of the Bid Procedures Order) will solicit non-binding indications of interest from prospective strategic or financial parties to acquire the TEC Property or TEC Business or to invest in the TEC Entities (the “**Non-Binding Indications of Interest**”).

A Qualified Bidder that desires to participate in Phase 1 shall deliver written copies of a non-binding indication of interest to the Financial Advisor, at the address specified in Schedule “1” hereto (including by email or fax transmission), so as to be received by it not later than March 8, 2010 at 5:00 PM (Toronto time), or such other date or time as may be agreed by the Monitor, in consultation with the Financial Advisor and the RLA (the “**Phase 1 Bid Deadline**”).

Non-Binding Indications of Interest by Qualified Bidders

A non-binding indication of interest submitted will be considered a Qualified Non-Binding Indication of Interest only if the bid is submitted on or before the Phase 1 Bid Deadline by a Qualified Bidder and contains the following information (a “**Qualified Non-Binding Indication of Interest**”):

- (a) An indication of whether the Qualified Bidder is offering to (i) acquire all or substantially all of the TEC Property and the TEC Business (a “**Sale Proposal**”); or (ii) make an investment in the TEC Entities and the TEC Business (an “**Investment Proposal**”);
- (b) In the case of a Sale Proposal: it shall identify (i) the purchase price range (including liabilities to be assumed by the Qualified Bidder); (ii) any of the TEC Property expected to be excluded or any additional assets desired to be included; (iii) the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, preliminary evidence of the

availability of such financing and the steps necessary and associated timing to obtain the financing and any related contingencies, as applicable); (iv) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals; (v) additional due diligence required or desired to be conducted during Phase 2 (defined below), if any; (vi) any conditions to closing that the Qualified Bidder may wish to impose; and (vii) any other terms or conditions of the Sale Proposal which the Qualified Bidder believes are material to the transaction; and

- (c) In the case of an Investment Proposal, it shall identify: (i) the aggregate amount of the equity and debt investment (including, the sources of such capital, preliminary evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and any related contingencies, as applicable) to be made in the TEC Business; (ii) the underlying assumptions regarding the pro forma capital structure (including, the anticipated debt levels, debt service fees, interest and amortization); (iii) equity, if any, to be allocated to the claims of the Canadian Secured Term Lenders or to any other secured or unsecured creditors of the Trident Entities; (iv) the structure and financing of the transaction (including, but not limited to, whether and what portion of the Senior Secured Claims Amount is proposed to be paid on closing and all requisite financial assurance); (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals; (vi) additional due diligence required or desired to be conducted during Phase 2, if any; (vii) any conditions to closing that the Qualified Bidder may wish to impose; and (viii) any other terms or conditions of the Investment Proposal which the Qualified Bidder believes are material to the transaction.
- (d) In the case of a Sale Proposal or an Investment Proposal, it shall contain such other information reasonably requested by the Financial Advisor, in consultation with the RLA.

Unless the Qualified Bidder otherwise indicates in its Sale Proposal or Investment Proposal, as the case may be, it shall be assumed for purposes of assessing the proposal that (i) substantially all of the employees of the TEC Entities will become employees of the Qualified Bidder or remain employees of the TEC Entities, as the case may be, and the proposed terms and conditions of employment to be offered to those employees will be substantially similar to their existing terms and conditions of employment; and (ii) all pension liabilities and assets related to any employees currently covered under any registered pension or retirement income plan will be assumed or purchased, as applicable, by the Qualified Bidder or will remain liabilities and assets of the TEC Entities, as the case may be.

The Monitor, in consultation with the Financial Advisor, may waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Non-Binding Indication of Interest, but only with the prior consent of the RLA.

Copies of all Qualified Non-Binding Indications of Interest shall be provided to the Required Lenders and the Agent.

Elimination

The Monitor may, in its reasonable business judgment, in consultation with the Financial Advisor and the RLA eliminate any Qualified Bidders (other than the Credit Bid Party) from the SISP (the "**Elimination Recommendation**") at any time during Phase 1 or Phase 2 (as described below). If the RLA disagrees with the Elimination Recommendation, the Monitor shall advise the Court and seek advice and directions of the Court with respect to the SISP.

Phase 2

Form of Purchase Agreement

A Qualified Bidder that has not been eliminated and intends to submit a Sale Proposal in accordance with Phase 2 of the SISP shall submit its proposal on the form of purchase and sale agreement developed by the Monitor and the Financial Advisor in consultation with the RLA (the "**Form of Purchase Agreement**"). The Monitor shall use its reasonable commercial efforts to have completed preparation of the Form of Purchase Agreement by February 26, 2010 and make it available to Qualified Bidders no later than 3 days after the Qualified Bidder requests the same from the Monitor or the Financial Advisor.

Seeking Qualified Bids by Qualified Bidders

A Qualified Bidder will deliver written copies of a Qualified Purchase Bid or a Qualified Investment Bid to the Financial Advisor at the address specified in Schedule "1" hereto (including by email or fax transmission) so as to be received by it not later than 5:00 pm (Calgary time) on April 30, 2010, or such other date or time as may be agreed by the Monitor, in consultation with the Financial Advisor and the RLA or, alternatively, such other date or time as approved by the Court (the "**Phase 2 Bid Deadline**").

Qualified Purchase Bids

A Sale Proposal submitted by a Qualified Bidder (who submitted a Qualified Non-Binding Indication of Interest on or before the Phase 1 Bid Deadline) will be considered a Qualified Purchase Bid only if the bid complies with all of the following (a "**Qualified Purchase Bid**"):

- (a) it includes a letter stating that the bidder's offer is irrevocable until the earlier of (x) the selection of the Successful Bidder and (y) thirty (30) days following the Phase 2 Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the sale to the Successful Bidder and (ii) the outside date stipulated in the Successful Bid;
- (b) it includes a duly authorized and executed purchase and sale agreement substantially in the form of the Form of Purchase Agreement, including the

purchase price, expressed in U.S. dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements) as well as copies of such materials marked to show those amendments and modifications to the Form of Purchase Agreement ("**Marked Agreement**") and such ancillary agreements (the "**Marked Ancillary Agreement**") and the proposed orders to approve the sale by the Court;

- (c) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing to consummate the proposed transaction, or other evidence that will allow the Monitor, in consultation with the Financial Advisor and the RLA, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by the bid;
- (d) it is not conditioned on (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing or capital;
- (e) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
- (f) it includes an acknowledgement and representation that the bidder will assume the obligations of the TEC Entities under the executory contracts and unexpired leases proposed to be assigned (or identifies with particularity which of such contracts and leases the bidder wishes not to assume, or alternatively which additional executory contracts or unexpired leases the bidder wishes to assume), contains full details of the bidder's proposal for the treatment of related cure costs; and it identifies with particularity any executory contract or unexpired leases the assumption and assignment of which is a condition to closing;
- (g) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;
- (h) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form

acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to U.S.\$5 million to be held and dealt with in accordance with these SISP Procedures;

- (j) it (i) contains full details of the proposed number of employees of the TEC Entities who will become employees of the bidder and the proposed terms and conditions of employment to be offered to those employees and (ii) identifies any pension liabilities and assets related to any employees currently covered under any registered pension or retirement income plan who will become employees of the bidder that the bidder intends to assume or purchase;
- (k) it contains other information reasonably requested by the Financial Advisor, in consultation with the Monitor and the RLA; and
- (l) it is received by the Phase 2 Bid Deadline.

Qualified Investment Bids

An Investment Proposal submitted by a Qualified Bidder (who submitted a Qualified Non-Binding Indication of Interest on or before the Phase 1 Bid Deadline) will be considered a Qualified Investment Bid only if the bid complies with all of the following (a "Qualified Investment Bid"):

- (a) it includes a duly authorized and executed term sheet describing the terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the TEC Entities following completion of the proposed transaction (the "Term Sheet");
- (b) it includes a letter stating that the bidder's offer is irrevocable until the earlier of (x) the selection of the Successful Bidder and (y) thirty (30) days following the Phase 2 Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the investment by the Successful Bidder and (ii) the outside date stipulated in the Successful Bid;
- (c) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing to consummate the proposed transaction, or other evidence that will allow the Monitor, in consultation with the Financial Advisor and the RLA, to make a reasonable determination as to the bidder's financial and other capabilities to consummate the transaction contemplated by the bid;
- (d) it is not conditioned on (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing capital;
- (e) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;

- (f) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the TEC Entities or the completeness of any information provided in connection therewith except as expressly stated in the Term Sheet;
- (g) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (h) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to U.S.\$5 million to be held and dealt with in accordance with these SISP Procedures,;
- (i) it contains other information reasonably requested by the Monitor, the Financial Advisor or the RLA; and
- (j) it is received by the Phase 2 Bid Deadline.

Qualified Investment Bids and Qualified Purchase Bids shall hereinafter be referred to as "**Qualified Bids**" and each a "**Qualified Bid**".

The Monitor, in consultation with the Financial Advisor, may waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be Qualified Investment Bids or Qualified Purchase Bids, as the case may be, but only with the prior consent of the RLA.

Copies of all Qualified Bids shall be provided to the Required Lenders and the Agent.

Credit Bid

The Credit Bid Party may submit a Credit Bid to, among other things, acquire the TEC Property and TEC Business for the purpose of establishing a minimum floor purchase price for such property and business as a protective measure for the collateral of the Canadian Secured Term Lenders.

In the event that the Credit Bid Party submits a Credit Bid it shall submit such bid using the Form of Purchase Agreement. The Monitor and Financial Advisor shall co-operate with the Credit Bid Party by reviewing drafts of the Credit Bid provided to them by the Credit Bid Party for the sole purpose of satisfying themselves that the Credit Bid substantially meets the elements of a Qualified Bid for Sale Proposals with such modifications thereto as are reasonably necessary or desirable to give effect to a credit bid and by providing timely comments and

feedback to the Credit Bid Party. The purchase price for the TEC Property and TEC Business under the Credit Bid shall include: (i) a non-cash credit bid resulting in all or a portion (as determined by the Credit Bid Party in its sole discretion) of the Senior Secured Claims Amount being satisfied in exchange for the acquisition of such property and business on behalf of the Canadian Secured Term Lenders; and (ii) cash to satisfy Claims and Interest which would rank in priority to the Claims and Interest of the Canadian Secured Term Lenders and/or the Agent as against such property in a bankruptcy of the TEC Entities, but only to the extent such prior ranking Claims and Interests have not been assumed or otherwise discharged prior to closing. To the extent any dispute arises regarding the terms of the Credit Bid, either the Credit Bid Party or the Monitor may bring a motion for directions to the Court for the resolution of the matter in dispute.

Notwithstanding any other term of the SISP: (i) the Credit Bid Party will be deemed to be a Qualified Bidder with respect to the Credit Bid and, if submitted prior to the Phase 2 Deadline, the Credit Bid will be deemed to be a Qualified Bid, for all purposes in connection with the SISP Procedures and, (ii) the Credit Bid Party may voluntarily withdraw its Credit Bid from consideration at any time as it deems desirable by giving written notice thereof to the Monitor.

Selection of Successful Bid

The Monitor in consultation with the Financial Advisor and the RLA will review each Qualified Bid and evaluate each Qualified Bid as set forth herein, it being understood that as between a Superior Cash Offer and a Superior Alternative Offer, the Superior Cash Offer shall be deemed to be the highest and the best offer, unless otherwise agreed by the Monitor and the RLA.

Evaluation criteria with respect to a Sale Proposal may include, but are not limited to items such as (a) the purchase price and the net value (including assumed liabilities and other obligations to be performed or assumed by the bidder) provided by such bid; (b) the claims likely to be created by such bid in relation to other bids; (c) the counterparties to the transaction; (d) the proposed revisions to the Form of Purchase Agreement and the terms of the transaction documents; (e) the effect of the transaction on the value of the ongoing TEC Business; (f) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals required to close the transaction); (g) the assets included or excluded from the bid; (h) the estimated number of employees of TEC that will be offered post closing employment by the Qualified Bidder and any proposed measures associated with their continued employment; (i) the transition services required from the TEC Entities post-closing and any related restructuring costs; and (j) the likelihood and timing of consummating the transaction.

Evaluation criteria with respect to an Investment Proposal may include, but are not limited to items such as: (a) the amount of equity and debt investment and the proposed use of such proceeds; (b) the debt to equity structure post-closing; (c) the counterparties to the transaction; (d) the terms of the transaction documents; (e) other factors affecting the speed, certainty and value of the transaction; and (f) the likelihood and timing of consummating the transaction.

No Qualified Bids or Superior Offers

If at any point during the SISP, the Monitor determines, in consultation with the Financial Advisor and the RLA, that a Superior Offer will not be obtained by the Phase 2 Bid Deadline, (i) it will advise the Board, the Financial Advisor, the Agent and the Required Lenders of that fact; and (ii) following that advice, if the Credit Bid Party submitted its Credit Bid, the Monitor and the TEC Entities shall promptly, and if they do not, the RLA may, apply for Court approval of the Credit Bid in accordance with the Bid Procedures Order, including completion of the transactions contemplated by the terms of the Credit Bid, subject to satisfaction of the conditions precedent under and compliance with the terms and conditions of such transactions.

If no Qualified Bids and no Credit Bid were submitted prior to the Phase 2 Bid Deadline, the Monitor shall advise the Required Lenders and the Court and seek advice and directions from the Court.

If one or more Qualified Bids were submitted but none of the Qualified Bids constitute Superior Offers and the Credit Bid Party submitted its Credit Bid, then the TEC Entities shall promptly, and if they do not, the RLA may, apply for Court approval of the Credit Bid in accordance with the Bid Procedures Order, including completion of the transactions contemplated by the terms of the Credit Bid, subject to satisfaction of the conditions precedent under and compliance with the terms and conditions of such transactions.

The TEC Entities and their respective officers and directors will co-operate with the Credit Bid Party and the Monitor to give effect to and complete the closing of the transactions contemplated by the Credit Bid.

Superior Cash Offer is Received

If the Monitor determines in its reasonable business judgment following consultation with the Financial Advisor, that one or more of the Qualified Bids is a Superior Cash Offer, the Monitor, in consultation with the Financial Advisor shall recommend (the "**Superior Cash Offer Recommendation**") to the RLA that the most favourable Superior Cash Offer be selected and that a definitive agreement be negotiated and settled in respect of that Superior Cash Offer, conditional upon approval of the Court, CCAA Senior Lender Approval (to the extent implemented through a plan of arrangement under the CCAA) and on the Superior Cash Offer closing within 30 days after the Phase 2 Bid Deadline, or such longer period as shall be agreed to by the Monitor, in consultation with the Financial Advisor and consented to by the RLA.

If the RLA accepts the Superior Cash Offer Recommendation, the Monitor shall make the Superior Cash Offer Recommendation to the Board and if the Board accepts the Superior Cash Offer Recommendation, the Monitor in consultation with the Financial Advisor and the RLA shall negotiate and settle a definitive agreement in accordance with the recommendation.

If the RLA or the Board does not wish to proceed with the Superior Cash Offer recommended by the Monitor, the Monitor shall advise the Court and seek advice and directions from the Court with respect to the SISP.

Superior Alternative Offer is Received

If the Monitor receives one or more Qualified Bids which the Monitor determines, in consultation with the Financial Advisor and the RLA, is a Potential Superior Alternative Offer, the Monitor shall so advise the RLA of such bids and they shall collectively evaluate such Potential Superior Alternative Offers, and identify the best Sale Proposal or Investment Proposal of all such offers (the “**Successful Potential Superior Alternative Offer**”). For greater certainty, it is understood that as between a Superior Cash Offer and a Superior Alternative Offer, the Superior Cash Offer shall be deemed to be the highest and the best offer, unless otherwise agreed by the Monitor and the RLA.

If the RLA provides written confirmation to the Monitor that the Required Lenders do not support pursuing the Successful Potential Superior Alternative Offer, it shall be deemed that there is no reasonable prospect of the Successful Potential Superior Alternative Offer resulting in a Superior Alternative Offer or a Successful Bid. In such event, if the Credit Bid Party submitted a Credit Bid, the Credit Bid shall be deemed to be the Successful Bid and the corresponding provisions of the SISP Procedures shall apply to give effect to and cause the completion of the Credit Bid. If, however, the Credit Bid Party did not submit a Credit Bid, then the Monitor shall notify the Court and seek the advice and directions from the Court.

If the RLA notifies the Monitor that the Required Lenders support the Successful Potential Superior Alternative Offer or another Potential Superior Alternative Offer, the Monitor, in consultation with the Financial Advisor, shall recommend the offer that the Required Lenders support (the “**Superior Alternative Offer Recommendation**”) to the Board.

In the event that the Board does not accept the Superior Alternative Offer Recommendation, the Monitor shall forthwith so advise the Court and seek its advice and directions with respect to the SISP.

In the event that the Board accepts the Superior Alternative Offer Recommendation or the Court approves the selection of the Superior Alternative Offer Recommendation rejected by the Board, the Monitor, in consultation with the Financial Advisor and the RLA shall negotiate a definitive agreement in respect of the Successful Potential Superior Alternative Offer, conditional upon approval of the Court, CCAA Senior Lender Approval and on the Superior Alternative Offer closing within 30 days after the Phase 2 Bid Deadline, or such longer period as shall be agreed to by the Monitor in consultation with the Financial Advisor and consented to by the RLA.

Successful Bid

Once a definitive agreement has been negotiated and settled in respect of the Superior Offer which has been selected by the Monitor, in consultation with the Financial Advisor and the RLA and approved by the Board or by Court Order (the “**Selected Superior Offer**”) in accordance with the provisions hereof, the Selected Superior Offer shall be the

“**Successful Bid**” hereunder and the person(s) who made the Selected Superior Offer shall be the “**Successful Bidder**” hereunder.

Approval Motion

The Court hearing to authorize some or all of the TEC Entities to enter into agreements with respect to the Successful Bid (the “**Approval Motion**”) will be held on a date to be scheduled by the Court upon application by the Monitor. The Approval Motion may be adjourned or rescheduled by the Monitor with the consent of the RLA (as applicable), without further notice by an announcement of the adjourned date at the Approval Motion. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

Deposits

All Deposits shall be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Approval Motion shall be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder shall be returned to such bidders within five Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five Business Days of the date upon which the SISP is terminated in accordance with these procedures.

Approvals

For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or are otherwise required at law in order to implement a Successful Bid.

No Amendment

There shall be no amendments to this SISP, including, for greater certainty the process and procedures set out herein, without the consent of the RLA unless otherwise ordered by the Court.

Further Orders

At any time during the SISP Process, the Monitor may, following consultation with the Financial Advisor and the RLA apply to the Court for advice and directions with respect to the discharge of its powers and duties hereunder.

Senior Operational Management

In recognition of the additional efforts required to be made by the Chief Executive Officer, Chief Financial Officer and other senior operational management of the TEC Entities (the “**Senior Operational Management**”) to facilitate the success of these bidding procedures

and the solicitation process generally, the Monitor in consultation with the Financial Advisor, the RLA and the Board shall assess and determine whether any additional cash incentives are necessary and appropriate to be made to the Senior Operational Management in the circumstances.

After consulting with the Financial Advisor, the RLA and the Board, the Monitor will provide its recommendations to the Court for approval.

Schedule "1"

Address for Notices and Deliveries

To the Financial Advisor:

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Email: neil.augustine@us.rothschild.com

Facsimile: (212) 403-5454

Action No.: 0901-13483
Deponent: Reema Kapoor
Date Sworn: January 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. 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.**

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