FORM 49
[RULE 13.19]

CLERK'S STAMP

CLERK OF THE COURT
FILED
APR 15 2016
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	1601 - 01675
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	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 ARRANGEMENT OF ARGENT ENERGY TRUST, ARGENT ENERGY (CANADA) HOLDINGS INC. and ARGENT ENERGY (US) HOLDINGS INC.
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East 855 – 2nd Street SW Calgary, Alberta T2P 4K7 Attention: Kelsey Meyer / Sean Zweig Telephone No.: 403.298.3323 / 416.777.6254 Fax No.: 403.265.7219 / 416.863.1716 Client File No.: 68859.14

AFFIDAVIT OF SEAN BOVINGDON No. 3

Sworn on April 14, 2016

I, SEAN BOVINGDON, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the President and Chief Financial Officer of each of the Applicants, Argent Energy Trust (the "**Trust**"), Argent Energy (Canada) Holdings Inc. ("**Argent Canada**"), and Argent Energy (US) Holdings Inc. ("**Argent US**", and together with the Trust and Argent Canada, the "**Applicants**" or "**Argent**"). As such, I have personal knowledge of the

matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true.

2. I previously swore Affidavits in this Action on February 16, 2016 (my "**First Affidavit**") and on February 29, 2016 (my "**Second Affidavit**"). Where I use capitalized terms in this Affidavit No. 3, but do not define them, I intend them to bear their meanings as defined in my First Affidavit or my Second Affidavit, as applicable. Attached hereto as **Exhibits "1" and "2"**, respectively, are copies of my First Affidavit and my Second Affidavit, without exhibits.

3. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

Relief Sought

4. I make this Affidavit No. 3 in support of an Application:

   (a) for a Sale Approval and Vesting Order, in relation to the sale and vesting of assets of Argent US to BXP Partners IV, L. P. **("BXP" or the "Purchaser")**;

   (b) for an Order distributing the proceeds of the sale or otherwise reserving the proceeds of the sale for distribution at a later date;

   (c) An order extending the Stay of Proceedings granted in favour of Argent to June 30, 2016; and

   (d) Such further and other relief as set out in the Application filed herewith.

5. I am advised by the Monitor and do verily believe that the Monitor supports this Application.

Stay Extension

6. Since the commencement of these CCAA proceedings, and of particular relevance in this Application, since the Amended and Restated Initial Order was granted in these CCAA proceedings on March 9, 2016, the Applicants have been actively engaged in advancing

the restructuring proceedings for the benefit of all of their stakeholders. Among other things, the Applicants and/or their counsel have:

(a) cooperated with the Monitor to facilitate its monitoring of the Applicants' business and operations;

(b) communicated, in some cases very extensively, with various stakeholder groups and/or their advisers, including the Syndicate, the Ad Hoc Committee, critical suppliers, trade creditors, employees, contractors and others;

(c) worked with the Monitor and OGAC to pursue the Sale Solicitation Process which was approved in the Initial Order granted in the CCAA proceedings on February 17, 2016, and further approved and confirmed in the Amended and Restated Initial Order granted March 9, 2016;

(d) entered into a letter of intent and purchase and sale agreement with BXP for sale of the assets of Argent US to BXP, in accordance with the terms of the Court-approved Sale Solicitation Process;

(e) continued to investigate alternative financing with Durham Capital as Argent's advisor;

(f) liaised with US counsel and attended in Court in the US regarding the Chapter 15 Proceedings under the U.S. Bankruptcy Code that were commenced in respect of Argent Canada and Argent US, including obtaining an Order for recognition of the CCAA proceedings from the U.S. Bankruptcy Court, which recognition Order, among other things, recognized the approval of the Sale Solicitation Process; and

(g) continued to operate and manage Argent's business in the ordinary course, subject to the terms of the Initial Order and the Amended and Restated Initial Order.

7. I believe that the Applicants have been acting in good faith and with due diligence in these proceedings and believe it is in the best interest of the Applicants and all of their

stakeholders that the Stay Period be extended to June 30, 2016, and that such an extension is appropriate in the circumstances.

Chapter 15 Proceedings

8. On March 11, 2016, the U.S. Bankruptcy Court for the Southern District of Texas, Corpus Christi Division, granted Argent Canada and Argent US an Order, among other things, recognizing the CCAA Proceedings as a foreign main proceeding, or, in the alternative, as a foreign non-main proceeding. Attached hereto and marked as **Exhibit "3"** is a true copy of the Order.

The Sale Solicitation Process

9. The Sale Solicitation Process has continued in accordance with the Sale Solicitation Process as set out in Schedule "A" of the Amended and Restated Initial Order granted by this Honourable Court on March 9, 2016.

10. I am advised by Harrison Williams, CEO of OGAC, that the Sale Solicitation Process was a success. In total:

    (a) over 10,000 potentially interested parties were contacted by OGAC and were sent the teaser;

    (b) over 100 interested parties entered into confidentiality agreements allowing them to access the virtual data room ("VDR");

    (c) over 100 interested parties entered into the VDR; and

    (d) 7 potential bidders received data room presentations (at which OGAC engineers and geologists took the potential bidder through the data to explain the assets and the potential value); and

    (e) 19 interested parties submitted conforming bids in accordance with the Sale Solicitation Process, six of which were for all (or substantially all) assets of Argent US.

Bids Received

11. The deadline for bids pursuant to the Sale Solicitation Process was March 17, 2016 at 5:00 p.m. Central time (the **"Bid Deadline"**). Bids were received and reviewed by OGAC, the Monitor and Argent at that time.

12. In accordance with the Sale Solicitation Process, Argent and OGAC worked with the bidders to maximize the value to Argent. Attached hereto as **Confidential Exhibit "4"** is a true copy of a summary chart showing, on an anonymous basis, the initial bids received through the Sale Solicitation Process and the revised bid amounts, as a result of the efforts of Argent and OGAC in working with the bidders. Due to the commercially sensitive and competitive nature of the information contained in Confidential Exhibit "4", Argent seeks a Sealing Order in relation to Confidential Exhibit "4".

Communications with the Syndicate

13. Pursuant to the Interim Financing Credit Facility between Argent and the Syndicate, Argent has provided the Syndicate with regular (and at least weekly) updates regarding these CCAA proceedings and the Sale Solicitation Process, and otherwise in accordance with the terms of the Interim Financing Credit Facility.

14. Further, in accordance with the Sale Solicitation Process, Argent, along with OGAC and the Monitor, consulted with the Syndicate regarding the bids received through that process, and regarding the selection of the Successful Bid, as defined in the Sale Solicitation Process.

Communications with the Ad Hoc Committee

15. On March 18, 2016, counsel for the Ad Hoc Committee requested that the Monitor provide information regarding potential bids that were received by the Bid Deadline. Attached hereto as **Exhibit "5"** is a true copy of an email from counsel for the Monitor to Argent's counsel dated March 18, 2016 forwarding the request of counsel for the Ad Hoc Committee dated March 18, 2016.

16. The following day, on March 19, 2016, Argent's counsel wrote to counsel for the Monitor and advised that provided that counsel for the Ad Hoc Committee (i) confirmed that the Ad Hoc Committee would not attempt to bid or participate in any bid or otherwise attempt to directly or indirectly acquire the assets of Argent; and (ii) executed a non-disclosure agreement satisfactory to Argent to deal with non-disclosure of the information, Argent was prepared to send counsel for the Ad Hoc Committee a redacted summary of the bids received through the Sale Solicitation Process, which redacted summary would show the proposed purchase price and purchase assets for each bid, but would not identify the names of any bidders. Attached hereto as **Exhibit "6"** is a true copy of the email dated March 19, 2016. Similar terms were also agreed to by the Syndicate, including in the Court-approved Sale Solicitation Process.

17. On March 21, 2016, counsel for the Monitor advised Argent's counsel by email that the Ad Hoc Committee had advised that it would agree to the confidentiality restriction but that it would not agree to the restriction on participation. Attached hereto as **Exhibit "7"** is a true copy of the email from counsel to the Monitor dated March 21, 2016.

18. On March 23, 2016, counsel for Argent emailed counsel for the Ad Hoc Committee directly to set out its position regarding disclosure of information regarding the bids received through the Court-approved Sale Solicitation Process. Up until that time, all communications on this issue had flowed through the Monitor, due to the fact that counsel for the Ad Hoc Committee had communicated through the Monitor. Attached hereto as **Exhibit "8"** is a true copy of the email dated March 23, 2016.

19. Counsel for Argent, counsel for the Monitor, the Monitor and counsel for the Ad Hoc Committee had a conference call to discuss the disclosure of information received through the Sale Solicitation Process on March 24, 2016.

20. On March 25, 2016 (Good Friday), counsel for the Ad Hoc Committee emailed counsel for the Monitor and counsel for Argent to follow up on the conference call the previous day with regard to the disclosure of information regarding the bids, and information on the recent work of Durham Capital, pursuant to the Durham Capital refinancing process described in my First Affidavit. Counsel for Argent responded later that morning via

email advising that Argent was prepared to disclose to counsel for the Ad Hoc Committee the amount of the highest bid received in the Sale Solicitation Process, subject to the following two conditions:

(a) counsel for the Ad Hoc Committee was required to enter into a non-disclosure agreement satisfactory to Argent with respect to the said information. Further, to the extent any of the Ad Hoc Committee members wanted to see the said information as well, they were also required to enter into a non-disclosure agreement satisfactory to Argent; and

(b) counsel for the Ad Hoc Committee was required to confirm, on behalf of his clients, that the Ad Hoc Committee members would not participate as bidders in the Sale Solicitation Process.

21. Attached hereto as **Exhibits "9" and "10"** are true copies of email correspondence exchanges between counsel for Argent and counsel for the Ad Hoc Committee regarding the terms of disclosure of the highest bid amount. Counsel for Argent provided a form of non-disclosure agreement to counsel for the Ad Hoc Committee that same day, (Good Friday, March 25, 2016). Counsel for Argent next heard from counsel for the Ad Hoc Committee on March 28, 2016, at which time it provided an executed non-disclosure agreement and, by subsequent email, confirmation on behalf on the members of the Ad Hoc Committee that they would not participate as Bidders in the Sale Solicitation Process (each as defined in the Amended and Restated Initial Order). Attached hereto and marked as **Exhibit "11" and "12"** are true copies of the email correspondence exchanges between counsel for the Ad Hoc Committee and counsel for Argent on March 28, 2016.

22. Upon receipt of the signed non-disclosure agreement and the confirmation that the Ad Hoc Committee members would not participate as Bidders in the Sale Solicitation Process, counsel for Argent provided counsel for the Ad Hoc Committee with the amount of the highest bid received in the Sale Solicitation Process, and confirmed that the bid did not contain any material deviations from the terms in the Sale Solicitation Process, and that the only material condition would be court approval. Further, and in accordance with

the Sale Solicitation Process, once the Purchase and Sale Agreement was signed, that agreement would no longer be conditional on environmental or title diligence. Attached hereto as **Confidential Exhibit "13"** is a true copy of the email from counsel for Argent to counsel for the Ad Hoc Committee dated March 28, 2016. As the email includes the purchase price for the assets, Argent seeks a Sealing Order in relation to that Confidential Exhibit "13".

23. Counsel for the Ad Hoc Committee then requested further information regarding amounts owed to the Syndicate, including a sources and uses summary sheet, and again requested further information regarding the progress of the Durham Capital Process. Attached hereto as **Exhibit "14"** is a true copy of the email correspondence exchanges between counsel for the Ad Hoc Committee and counsel for Argent on March 28, 2016.

24. Two of the members of the Ad Hoc Committee also signed non-disclosure agreements, and were thereby permitted access to the confidential information that had been provided to their counsel.

25. On March 29, 2016, counsel for Argent responded to the requests of counsel for the Ad Hoc Committee for information regarding how the Purchase Price was expected to be allocated, and updated counsel for the Ad Hoc Committee regarding the Durham Capital Process seeking re-financing for Argent. Attached hereto as **Confidential Exhibit "15"** is a true copy of the email from counsel for Argent to counsel for the Ad Hoc Committee dated March 29, 2016. As the allocation summary includes the purchase price for the assets, Argent seeks a Sealing Order in relation to that Exhibit.

26. On March 29, 2016, counsel for the Ad Hoc Committee requested that counsel for Argent provide updated reserve runs based on current strip pricing as well as actual interim financing amounts utilized versus budgeted period. Attached hereto and marked as **Exhibit "16"** is a true copy of the email correspondence from counsel for the Ad Hoc Committee dated March 29, 2016.

27. On March 30, 2016, Argent emailed counsel for the Ad Hoc Committee and provided the latest reserve run, using pricing as at March 17, which was close to the current strip, and

using an effective date of April 1. The email also indicated the amounts drawn on the interim financing compared to the expected budget. Attached hereto as **Confidential Exhibit "17"** is a true copy of the email from Argent to counsel for the Ad Hoc Committee dated March 30, 2016, which includes the requested reserve run. Confidential Exhibit "17" contains commercially sensitive and confidential information, and accordingly, Argent seeks a sealing order in relation to this Confidential Exhibit. Argent and its counsel also confirmed that counsel for the Ad Hoc Committee could provide the reserve run to its clients, in accordance with and subject to the non-disclosure agreements executed by them.

28. Argent has accordingly made all efforts to respond to the queries and requests of the Ad Hoc Committee since the Amended and Restated Initial Order was granted on March 9, 2016. Further, counsel for Argent responded to most of these requests the same day they were made. Despite the comments from counsel to the Ad Hoc Committee that the confidential information provided to him and to certain of his clients was required in order for them to propose a restructuring plan, I am advised by counsel for Argent and by the Monitor and do verily believe that from March 30, 2016 until April 12, 2016, neither counsel for Argent nor the Monitor heard anything further from counsel for the Ad Hoc Committee. I am further advised by counsel for Argent, Sean Zweig, that on April 12, 2016, he left a voice mail message for counsel for the Ad Hoc Committee to follow up with him with respect to the proposed transaction and whether the Ad Hoc Committee has any proposed alternatives. After Mr. Zweig and counsel for the Ad Hoc Committee exchanged further emails in an attempt to find a time to speak, counsel for the Ad Hoc Committee responded, in a chain of emails, summarized as follows:

- That there has been no dialogue between Argent and the Ad Hoc Committee (as set out in this my Affidavit, there have been considerable communications between Argent's counsel and counsel for the Ad Hoc Committee, and repeated offers by Argent's counsel to discuss any proposed alternatives that the Ad Hoc Committee may have);

- That Argent should not be entering into a sale agreement without having meaningful discussions with the Ad Hoc Committee (as set out in this my Affidavit, and in my Second Affidavit, Argent and its counsel have made numerous attempts to communicate with the Ad Hoc Committee, and have repeatedly invited discussions; however, not once has the Ad Hoc Committee responded with any proposal that would address Argent's urgent liquidity situation, and in fact, since the Amended and Restated Initial Order was granted, and despite all information requested by counsel for the Ad Hoc Committee being provided to it, in a timely manner, the Ad Hoc Committee has not put forth any proposals whatsoever); and

- That Argent is obligated to pursue other paths and has done nothing to create value for stakeholders (along with pursuing the Sale Solicitation Process and the Durham Capital process to seek refinancing, as described herein, as well as all of the alternatives pursued by Argent prior to the filing of these CCAA proceedings as described in my First Affidavit, Argent has repeatedly advised counsel for the Ad Hoc Committee that it is willing to consider alternative proposals, none of which have been forthcoming).

Further, counsel for the Ad Hoc Committee continues to object to the Sale Solicitation Process and objects to this Application proceeding on April 25th. The Ad Hoc Committee has had all information requested by it from Argent since March 30, 2016, but has failed to present or discuss any viable alternatives to it. Attached hereto as **Exhibit "18"** is a true copy of the emails exchanged between counsel for Argent and counsel for the Ad Hoc Committee between April 12 and 14, 2016.

The Durham Capital Process

29. My First Affidavit addresses the process run by Durham Capital, beginning in the fall of 2015, to seek refinancing for Argent. That process has been ongoing since that time. Since the granting of the Initial Order in these CCAA Proceedings on February 17, 2016:

(a) Durham Capital has continued to reach out to potential financing parties – both those contacted in advance of the filing of the CCAA application (the **"CCAA Filing"**) and others. On the morning of March 29th, Argent signed another non-disclosure agreement with a party identified by Durham Capital;

(b) After the CCAA filing, Durham Capital contacted all parties that were contacted prior to the filing to advise of the filing, that the process permitted Argent to seek debt financing alternatives, and that parties should contact Durham Capital, Argent, the Monitor or OGAC if they had any interest in a debt re-financing or an asset purchase transaction;

(c) Several parties indicated to Durham Capital that they were working with third parties who were considering purchasing the assets through the Sale Solicitation Process;

(d) Durham Capital has had recent and repeated contact with multiple potential financing parties;

(e) On April 1, 2016, another potential financing party signed a non-disclosure agreement, and has since expressed interest in providing hedges to the Purchaser through the Sale Solicitation Process;

(f) According to Durham Capital, the feedback is that since the hedges were terminated, potential financing parties are only willing to loan on an amount less than the PDP PV-10 value, even if they obtain a significant equity stake as well;

(g) Notwithstanding that, Durham Capital continues to be in regular contact with potential financing parties and is continuing to try to find debt solutions for Argent despite the challenging low commodity price and forward curve outlook.

The Successful Bid

30. BXP was the Successful Bidder pursuant to the Sale Solicitation Process. Attached hereto and marked as **Confidential Exhibit "19"** is a true executed copy of the letter of intent between Argent US and BXP. As the letter of intent includes confidential

information regarding the purchase price for the Argent US assets, Argent seeks a Sealing Order in relation to that Exhibit.

31. Attached hereto as **Confidential Exhibit "20"** is a true copy of the Purchase and Sale Agreement between BXP and Argent US, which was executed by the parties on April 14, 2016 (the "PSA"). The PSA includes confidential information regarding the value of the assets, and accordingly, Argent seeks a Sealing Order in relation to that Confidential Exhibit "19".

32. Attached hereto as **Exhibit "21"** is a true copy of a redacted version of the Purchase and Sale Agreement between BXP and Argent US, without exhibits and schedules (the confidential information therein has been redacted).

Factors in Support of Approval of the Sale

33. The process leading to the proposed sale of the assets of Argent US was the Sale Solicitation Process which was approved by this Honourable Court on February 17, 2016 in the Initial Order, and again on March 9, 2016.

34. The Monitor and the Syndicate both supported the approval of the Sale Solicitation Process.

35. I am advised by the Monitor and do verily believe that the Monitor supports the proposed sale, and is of the opinion that the proposed sale would be more beneficial to the creditors of Argent than a sale or disposition under a bankruptcy.

36. Creditors, including the Syndicate (being the sole secured creditor of Argent) and the Ad Hoc Committee were consulted and actively engaged with respect to and during the Sale Solicitation Process. Argent has reported to and been in communication with the Syndicate at least weekly since the Amended and Restated Order was granted. Further, in addition to the communications with the Ad Hoc Committee and its counsel as referenced in this my Affidavit No. 3, Argent provided information regarding the bids received through the Sale Solicitation Process to the Syndicate and its advisors, in

accordance with the express terms of the Sale Solicitation Process and of the Interim Financing Credit Agreement.

37. In the circumstances where Argent undertook a thorough Sale Solicitation Process that had been approved by the Court and that generated considerable interest and participation, I believe that the proposed sale will maximize the value of the assets of Argent.

38. In consideration of the competitive and confidential negotiated bid process undertaken by Argent through the Sale Solicitation Process, and the number of bids received by way of that process, it is my opinion that the consideration to be received for the assets pursuant to the PSA is reasonable and fair, taking into account fair market value.

39. The Syndicate, which, based on the results of the Sale Solicitation Process, is Argent's fulcrum creditor, is supportive of the transaction between BXP and Argent US (the **"Transaction"**), notwithstanding that the Syndicate will not be repaid in full as a result of the Transaction.

40. Given that the Transaction is a going concern sale of all of Argent's business, it is a positive outcome for many of Argent's counterparties and other parties with which Argent has a commercial relationship.

41. BXP is not a related person to Argent, as defined in subsection 36(5) of the CCAA.

42. The boards of directors of Argent US has approved the Transaction. Attached hereto as **Exhibit "22"** is a true copy of the resolution of the board of directors of Argent US.

43. As described in paragraphs 73 and 74 of my First Affidavit and Exhibits "11" and "12" thereto, the Syndicate was the sole secured creditor of Argent. Counsel for Argent recently became aware of mines and minerals liens that have been registered against certain assets of Argent US, in the months of March and April, 2016. Attached hereto as **Exhibit "23"** is a summary of the lien registrations. As the validity, amounts, and priority of these liens has not been determined, Argent seeks to reserve funds from the proceeds of sale of the assets in the amount of the lien claims (the total amount of the lien

claims set out on Exhibit "23" hereto is US $96,114.47), and to seek determinations of the validity, amounts and priority of the lien claims from the U.S. Court.

44. Following the commencement of these CCAA proceedings, the Syndicate became the Applicants' Interim Lender pursuant to the Interim Financing Credit Agreement, which was approved by the Court.

45. Pursuant to the Interim Financing Credit Agreement, the Maturity Date of the Interim Financing Credit Agreement (as defined in Section 1.1 therein) is the earlier of five dates, the earliest of which is anticipated to be the closing of the Transaction. Pursuant to Section 4.1 of the Interim Financing Credit Agreement, Argent US is required to pay all Borrowings, as defined in Section 1.1 of the Interim Financing Credit Agreement, and all accrued and unpaid interest and fees then outstanding, on the Maturity Date. As such, Argent seeks an Order authorizing and directing the Monitor to distribute the net sale proceeds from the Transaction, in accordance with the Amended and Restated Initial Order, and otherwise to reserve funds from the net sale proceeds to be distributed at a later date, as set out in the draft form of Order attached as a Schedule to Argent's Application filed herewith.

46. I make this Affidavit in support of an Application for a Sale Approval and Vesting Order, a Distribution Order, and to extend the Stay of Proceedings in this Action.

SWORN BEFORE ME)
at Houston, Texas this 14th)
day of April, 2016.)

A Notary Public)
in and for the State of Texas)

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

SEAN BOVINGDON

EXHIBIT 1

THIS IS EXHIBIT " 1 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 20 16
Rose M. Ellis
A Commissioner for Oaths
in and for the Province of Alberta

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
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JUDICIAL CENTRE	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 ARRANGEMENT OF ARGENT ENERGY TRUST, ARGENT ENERGY (CANADA) HOLDINGS INC. and ARGENT ENERGY (US) HOLDINGS INC.
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East 855 – 2nd Street SW Calgary, Alberta T2P 4K7 Attention: Kelsey Meyer / Sean Zweig Telephone No.: 403.298.3323 / 416.777.6254 Fax No.: 403.265.7219 / 416.863.1716 Client File No.: 68859.14

AFFIDAVIT OF SEAN BOVINGDON

Sworn on February 16, 2016

I, SEAN BOVINGDON, of Calgary, Alberta, SWEAR AND SAY THAT:

1. Argent Energy Trust (the "**Trust**"), Argent Energy (Canada) Holdings Inc. ("**Argent Canada**"), and Argent Energy (US) Holdings Inc. ("**Argent US**", and together with the Trust and Argent Canada, the "**Applicants**" or "**Argent**"), bring an application seeking

relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**").

2. I am the President and Chief Financial Officer of each of the Applicants. As such, I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true.

3. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

4. For clarity, Argent Energy Ltd. ("**AEL**"), which is a company described and referred to below, is not a CCAA applicant in this proceeding and no relief is being sought in respect of AEL. Certain background information with respect to AEL is being provided in this Affidavit for additional context only.

I. RELIEF REQUESTED

5. This Affidavit is made in support of an application by Argent for an Order (the "**Initial Order**") pursuant to the CCAA, among other things:

   (a) declaring that the Applicants are entities to which the CCAA applies;

   (b) staying all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property, except as otherwise set forth in the Initial Order or otherwise permitted by law;

   (c) authorizing the Applicants to carry on business in a manner consistent with the preservation of their property and business;

   (d) appointing FTI Consulting Canada Inc. as the Monitor (the "**Monitor**") of the Applicants in these proceedings;

   (e) granting the Administration Charge (as defined below), the Directors' Charge (as defined below), the Interim Lender's Charge (as defined below), and the KERP and KEIP Charge (as defined below);

(f) authorizing Argent US to borrow funds under the Interim Loan (as defined below);

(g) approving the Applicants' Key Employee Retention Plan ("**KERP**") and Key Employee Incentive Plan ("**KEIP**"), each as described herein;

(h) authorizing the Applicants to, with the consent of the Monitor and the Syndicate (as defined below), pay for certain goods and services supplied to the Applicants prior to the date of the Initial Order;

(i) approving a proposed sale solicitation process (the "**Sale Solicitation Process**") and authorizing and directing The Oil & Gas Asset Clearinghouse, LLC ("**OGAC**"), the Monitor and the Applicants to perform their obligations thereunder;

(j) approving the Letter Agreement entered into between OGAC, Argent US and Argent Canada dated January 15, 2016;

(k) requesting the aid, recognition and assistance of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to the Initial Order;

(l) authorizing FTI Consulting Canada Inc. to act as the foreign representative in respect of the within proceedings for the purposes of having the CCAA proceedings of Argent US and Argent Canada recognized in the United States pursuant to Chapter 15 of Title 11 of the United States Bankruptcy Code ("**Chapter 15**");

(m) sealing on the Court file certain confidential information referred to herein; and

(n) deeming service of the Application for the Initial Order to be good and sufficient.

6. The Syndicate, which is the Applicants' only secured creditor, supports the relief sought in this application, including the charges proposed to be granted herein.

II. BACKGROUND

A. Corporate Structure

7. An organization chart of the Applicants is attached as **Exhibit "1"** to this Affidavit.

B. The Trust

8. The Trust, which is the parent entity in the Argent structure, is an unincorporated limited purpose open-ended trust established under the laws of Alberta on January 31, 2012.

9. The Trust was formed pursuant to a Trust Indenture dated January 31, 2012 between Computershare Trust Company of Canada, as trustee (the "**Trustee**"), and AEL (as amended and restated from time to time, the "**Trust Indenture**"). A copy of the Trust Indenture is attached as **Exhibit "2"** to this Affidavit.

10. The Trustee has been notified of the Applicants' intention to bring this application and has reviewed, and has had the opportunity to comment upon, the materials.

11. The Trust was established to indirectly acquire an interest in Argent US though its acquisition of the shares of Argent Canada. The Trust currently constitutes a "mutual fund trust" under the *Income Tax Act*.

12. The Trust's units (the "**Units**") are currently listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "AET.UN" and the Trust's Subordinated Debentures (as defined and described below) are traded on the TSX under the symbol "AET.DB" and "AET.DB.A". On February 2, 2016, the TSX issued a notice that the TSX is reviewing the Units and the Subordinated Debentures with respect to the meeting of the TSX's continued listing requirements. A copy of the TSX notice is attached as **Exhibit "3"** to this Affidavit.

13. The beneficiaries of the Trust are the holders of the Units (the "**Unitholders**"). The Unitholders are entitled to receive non-cumulative distributions from the Trust if, as and when declared by the Trust. As described below, the last distribution declared and paid

was in respect of the period from and including March 1, 2015 to March 31, 2015 for Unitholders of record on March 31, 2015.

14. While the Trustee is the trustee of the Trust, pursuant to the terms of an administrative services agreement dated May 9, 2012 between the Trustee and AEL (the "**Administrative Services Agreement**"), the Trustee has delegated a number of the management, administrative and governance duties relating to the Trust to AEL, as the administrator of the Trust. As a result, the directors of AEL fulfill the majority of the oversight and governance role for the Trust, with the balance of those duties remaining with the Trustee. A copy of the Administrative Services Agreement is attached as **Exhibit "4"** to this Affidavit.

C. Argent Canada

15. Argent Canada is a corporation incorporated under the laws of the Province of Alberta on May 4, 2012. A copy of Argent Canada's certificate of incorporation is attached as **Exhibit "5"** to this Affidavit.

16. Argent Canada is a direct wholly-owned subsidiary of the Trust. It was created to form, acquire, and hold all of the issued and outstanding shares of Argent US and to pass distributions from Argent US through to the Trust, to the extent available. Argent Canada is a holding company, and does not carry on any operations.

17. The principal and head office of the Trust and Argent Canada is located at Suite 500, 321 – 6th Avenue S.W. Calgary, Alberta, T2P 3H3. The registered office of Argent Canada is located at 4500 Bankers Hall East, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4K7.

D. Argent US

18. Argent US is a corporation incorporated under the laws of the State of Delaware on May 4, 2012. The sole shareholder of Argent US is Argent Canada. Argent US was created to acquire, operate and manage long-life petroleum properties in the United States. A copy of Argent US's certificate of incorporation is attached as **Exhibit "6"** to this Affidavit.

19. Argent US is the only Applicant that has active operations, and it directly owns all of the Applicants' petroleum properties.

20. The principal office of Argent US is located at 909 Fannin Street, 10th Floor, Houston, Texas 77010. Its registered office is located at The Corporate Trust Center, 1209 Orange Street, Wilmington, County of New Castle, Delaware, 19801.

E. Directors and Executive Officers

21. The officers of each of AEL (and therefore effectively the Trust) and Argent Canada are:

(a) Sean Bovingdon – President & Chief Financial Officer;

(b) R. Steven Hicks – Chief Operating Officer; and

(c) Mathew Wong - Vice President of Finance.

22. The officers of Argent US are the same individuals as for AEL and Argent Canada; however, Mr. Wong also holds the title of Secretary for Argent US.

23. The directors of each of Argent Canada and Argent US are myself and Mr. Hicks.

24. The Trust does not have directors; the Trustee is the trustee of the Trust, and as discussed above, the Trustee has delegated a number of the management, administrative and governance duties relating to the Trust to AEL. The directors of AEL are John Brussa, William D. Robertson, and Glen C. Schmidt.

F. Employees

25. The Applicants have 46 employees. With the exception of 2 employees that are employed by AEL and the Trust, all of the employees are employed by Argent US.

26. Argent previously had more than 75 employees but it has proactively reduced its workforce over the past 12 months in connection with cost-reduction measures to reduce ongoing operating, general and administrative expenses.

27. Argent does not operate a pension plan for its employees.

III. BUSINESS OF THE APPLICANTS

A. General

28. The Trust is an energy trust created to provide investors with a publicly traded, oil and natural gas focused, distribution-producing investment. The strategy of the Trust is to acquire, exploit, and develop, indirectly through Argent US, long-life crude oil and natural gas reserves in established producing basins located primarily in the US.

B. Oil and Gas Properties

29. Argent owns interests in oil and gas assets (the "**Assets**") in three states: Texas, Wyoming and Colorado. The Assets include: (i) the Austin Chalk and Eagle Ford Shale Oil Assets, (ii) the South Texas Natural Gas Assets, (iii) the South Texas Oil Assets, (iv) the Wyoming Oil Assets, and (v) the Colorado Assets.

i. Austin Chalk and Eagle Ford Shale Oil Assets

30. The Austin Chalk and Eagle Ford Shale Oil Assets include interests in approximately 16,376 gross (10,319 net) acres in the Austin Chalk and Eagle Ford Shale oil formation in Texas, mainly in Fayette and Gonzales Counties. As per Argent's 2014 Reserve Report, proved plus probable reserves attributed to the Austin Chalk and Eagle Ford Shale Oil Assets totalled 3,283 Mboe.

31. Argent operates 8 producing horizontal oil wells in the Austin Chalk oil formation and 12 producing horizontal oil wells in the Eagle Ford Shale oil formation, all of which were drilled prior to 2015. Argent owns a 100% interest in the 20 wells.

32. In December 2015, production from the Austin Chalk and Eagle Ford Shale Oil Assets averaged 576 boe/d to Argent's working interest before royalties.

ii. South Texas Natural Gas Assets

33. The South Texas Natural Gas Assets include interests in 4,388 gross (3,472 net) acres located in South Texas. These assets are primarily natural gas weighted and are anchored

by the South Escobas Field in Zapata County, Texas. Proved plus probable reserves attributed to the South Texas Natural Gas Assets in Argent's 2014 Reserve Report totalled 10,478 Mboe.

34. The South Texas Natural Gas Assets consist of 23 producing wells, 16 of which are operated by Argent, with various working interests of between 20% and 100%. Most of these assets produce from the Wilcox/Lobo formations, with some of the production from the Frio/Vicksburg formation.

35. Production from the South Texas Natural Gas Assets in December 2015 averaged approximately 966 boe/d before royalties.

iii. South Texas Oil Assets

36. The South Texas Oil Assets are comprised of the Newton, Livingston, Double A Wells North, Baffin Bay and Peeler Ranch Fields in southern Texas. The South Texas Oil Assets include operated interests in 25,333 gross (16,947 net) acres. All of the leases are held by production with an average working interest for Argent US of 100% in Newton, 99.25% in Livingston, 61% in Double A Wells North, and between 9% and 43% for the Baffin Bay and Peeler Ranch Fields. Proved plus probable reserves to Argent's gross working interest attributed to the South Texas Oil Assets in Argent's 2014 Reserve Report total 9,077 Mboe.

37. There are 73 producing wells in the South Texas Oil Assets, and 11 active water disposal wells. In December 2015, the average production attributable to Argent's working interest before royalties was approximately 1,078 boe/d.

iv. Wyoming Oil Assets

38. The Wyoming Oil Assets are comprised of high operated working interests in the Mellott Ranch, Reno, Reel and certain other minor fields and non-operated interests at House Creek and House Creek North fields in Wyoming. The Wyoming Oil Assets include operated interests in approximately 66,000 gross (46,850 net) acres. Proved plus probable

reserves to Argent's gross working interest attributed to the Wyoming Oil Assets in Argent's 2014 Reserve Report total 9,141 Mboe.

39. Argent operates 51 gross producing wells and 21 gross active injection wells in Wyoming. Argent owns further interests in approximately 216 gross non-operated wells in the Wyoming Oil Assets. In December 2015, the average production attributable to Argent's working interest before royalties was approximately 1,073 boe/d.

v. Colorado Assets

40. The Colorado Assets consist of 17 gross active producing wells and 2 gross active injection wells in the non-operated Mull Unit, and 3,546 gross (1,855 net) acres of land in Cheyenne County. Argent has a 19% working interest in the Mull Unit which is operated by Mull Drilling Company. Proved plus probable reserves to Argent's gross working interest attributed to the Colorado Assets in Argent's 2014 Reserve Report total 395 Mboe.

41. In December 2015, the average production attributable to Argent's working interest before royalties from the Colorado Assets was approximately 86 boe/d.

C. Bank Accounts and Cash Management

42. All of the Applicants' bank accounts are either with a member of the Syndicate or an affiliate of a member of the Syndicate. Each of the Applicants has a bank account in Canada.

43. All of Argent's revenues are received by Argent US, which, together with funds borrowed under the Credit Facility (as defined below) and the Intercompany Notes (as defined below), are used to pay all of Argent US's operating and administrative costs and expenses.

IV. CURRENT CIRCUMSTANCES

44. Argent prepares its public financial disclosure on a going concern basis in accordance with International Financial Reporting Standards ("**IFRS**"), which assumes that Argent

will continue in operation and will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements are prepared on a consolidated basis in accordance with IFRS.

45. A copy of Argent's audited financial statements for the year ended December 30, 2014 are attached as **Exhibit "7"** to this Affidavit. Argent's most recent interim unaudited financial statements, as at September 30, 2015, are attached as **Exhibit "8"** to this Affidavit.

A. Assets

46. As at September 30, 2015, Argent had total assets with a book value of $262,210,000. The assets included current assets with a book value of $33,608,000 and non-current assets with a book value of $228,602,000.

47. Current assets included cash ($1,334,000), trade and other receivables ($11,150,000), risk management (representing the then mark-to-market value of hedges) ($19,981,000) and prepaid expenses and deposits ($1,143).

48. Non-current assets included primarily the Applicants' oil and gas properties ($222,624,000).

49. As referred to above, the asset value is substantially owned by Argent US.

50. With respect to the oil and gas property assets, I do not believe that the current book values of the assets bears any resemblance to the realistic realization value of those assets as a result of the significant deterioration of commodity prices that has occurred since September 30, 2015.

B. Liabilities

51. As at September 30, 2015, Argent had total liabilities of $180,790,000. Although that is less than the book value of Argent's assets, I believe that it is materially higher than the realizable value of Argent's assets today.

52. Of those liabilities, $80,067,000 was in respect of the Credit Facility (as defined below) and $44,625,000 was in respect of the Subordinated Debentures (as defined below) (representing the then mark-to-market value of the Subordinated Debentures).

53. Given that, as described below, Argent is in default under its Credit Facility and its Subordinated Debentures, I believe that the full amount of the Credit Facility (which is now approximately USD $51.9 million) and the Subordinated Debentures (which is now approximately $153.44 million, inclusive of due but unpaid interest), as opposed to just the current portions, should be considered current liabilities.

54. Other significant liabilities as at September 30, 2015 included trade and other payables ($30,792,000) and a decommissioning liability ($19,081,000).

i. Credit Facility

55. Pursuant to the Amended and Restated Credit Agreement dated October 25, 2012 (as amended from time to time, the "**Credit Agreement**"), Argent US entered into a credit facility with a lending syndicate comprised of The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, Royal Bank of Canada, and Wells Fargo Bank, N.A., Canadian Branch (collectively, the "**Syndicate**"), with The Bank of Nova Scotia acting as the Administration Agent. A copy of the Credit Agreement (without exhibits and schedules) is attached as **Exhibit "9"** to this Affidavit.

56. The Credit Agreement provides for two tranches of financings which rank *pari passu* to one another:

(a) a revolving term credit facility provided by the Syndicate for acquisition, exploration, development, and production of oil and gas properties in the United States; and

(b) a revolving operating term credit facility provided by The Bank of Nova Scotia for general corporate purposes (collectively, the "**Credit Facility**").

57. The Credit Facility is subject to a borrowing base valuation of Argent US's oil and gas assets, and may be drawn in either US or Canadian dollars.

58. The Credit Facility is guaranteed by the Trust and Argent Canada. It is secured by a first priority security interest on substantially all of the property and assets of Argent US, including all of its oil and natural properties, and substantially all of the property and assets of the Trust and Argent Canada, including the shares of Argent US owned by Argent Canada.

59. The current amount owing under the Credit Facility is approximately USD $51.9 million.

60. The Credit Agreement is governed by the laws of the Province of Alberta.

ii. Convertible Subordinated Debenture Indenture

61. The Trust issued $75 million of 6.00% convertible debentures on June 4, 2013 and an additional $11.25 million of 6.00% convertible debentures on June 12, 2013 (collectively, the "**6.00% Subordinated Debentures**"). On October 31, 2013, the Trust issued $60 million of 6.50% convertible debentures and an additional $3 million of 6.50% convertible debentures on November 29, 2013 (collectively, the "**6.50% Subordinated Debentures**", and together with the 6.00% Subordinated Debentures, the "**Subordinated Debentures**"). The interest payable on the Subordinated Debentures is payable in equal installments semi-annually on June 30 and December 31 in each year, and the Subordinated Debentures mature on December 31, 2018.

62. The 6.00% Subordinated Debentures were issued pursuant to a convertible debenture indenture dated as of June 4, 2013 between the Trust and Computershare Trust Company of Canada (the "**Debenture Indenture**"). The 6.50% Subordinated Debentures were issued pursuant to a first supplemental indenture dated as of October 31, 2013 (the "**Supplemental Debenture Indenture**"). Copies of the Debenture Indenture and the Supplemental Debenture Indenture are attached as **Exhibit "10"** to this Affidavit.

63. The Subordinated Debentures are unsecured obligations of the Trust and rank equally with one another. Neither Argent Canada nor Argent US is an obligor in respect of the Subordinated Debentures.

64. On July 9, 2014, $500,000 of the 6.00% Subordinated Debentures were converted at the option of the debentureholder into 35,971 Units.

65. Pursuant to the Debenture Indenture, (i) the Subordinated Debentures are subordinate to the full and final payment of the Credit Facility and all other Senior Indebtedness (as defined in the Debenture Indenture, which includes ordinary trade debt of the Trust), and (ii) in the event of a default under the Credit Facility, the holders of the Subordinated Debentures are prohibited by the terms of the Debenture Indenture from taking any enforcement proceedings against the Trust until the default under the Credit Facility has been cured, waived or ceases to exist.

66. The closing prices of the 6.00% Subordinated Debentures and the 6.50% Subordinated Debentures on February 12, 2016 were $1.20 per $100.00 and $1.50 per $100.00, respectively.

67. The Debenture Indenture and the Supplemental Debenture Indenture are governed by the laws of the Province of Alberta.

iii. Intercompany Notes

68. Argent US issued four series of intercompany notes (the "**Intercompany Notes**") to Argent Canada from time to time in 2012. As at the date hereof, the total principal amount of Intercompany Notes outstanding is approximately $183.1 million.

69. Although the Intercompany Notes were initially issued to Argent Canada, they were distributed to the Trust concurrently or immediately following each issuance, such that, at all material times, the indebtedness owing under the Intercompany Notes has been owing by Argent US to the Trust.

70. The Intercompany Notes mature ten years after issuance with principal payments amortized over the ten year period. They bear interest at the rate of 9.50%, payable monthly, in arrears.

71. Payment of the principal amount and interest on the Intercompany Notes is subordinated in right of payment to the prior payment in full of the principal of and accrued and unpaid

interest on, all other amounts owing in respect of all senior indebtedness, which is defined as all indebtedness, liabilities and obligations of Argent US (other than trade payables) that, by the terms of the instrument creating or evidencing such indebtedness, is not expressed to rank in right of payment in subordination to or *pari passu* with the Intercompany Notes. The Intercompany Notes rank *pari passu* with Argent US's trade payables.

72. Effective as of October 1, 2015, the Trust, in its capacity as holder of the Intercompany Notes, executed a Waiver pursuant to which the Trust waived, in advance, all future interest that would have otherwise, but for the Waiver, accrued and become payable under each Intercompany Note. Pursuant to the Waiver, the Trust has no legal right to any accrual or payment of such waived interest and interest will no longer accrue and be payable on the indebtedness evidenced by the Intercompany Notes until the date the Trust provides a notice to Argent US that the Waiver is no longer in effect. In all other respects, the Trust expressly reserved all of its rights under each Intercompany Note, and the indebtedness evidenced by the Intercompany Notes remains in full force and effect.

iv. No Equipment Lessors or Other Secured Parties

73. The Syndicate is the only secured creditor of the Applicants. Alberta Personal Property Security Act registrations ("**PPSA Registrations**") do not reveal the existence of any Canadian secured equipment lessors or other secured interests. The PPSA Registrations, which are attached as **Exhibit "11"** to this Affidavit, do not list any secured creditors of the Applicants apart from the Syndicate.

74. Searches were also conducted under the Uniform Commercial Code (**"UCC"**) in Delaware, Texas and Wyoming, and the only registrations are in respect of the Syndicate. Copies of the UCC searches are attached as **Exhibit "12"** to this Affidavit.

C. Commodity Hedges

75. As part of Argent US's strategy to mitigate the impact of fluctuating commodity prices on its funds flowing from operations, it from time to time entered into various hedging

agreements with The Bank of Nova Scotia and Wells Fargo Bank, N.A., both of which are members of the Syndicate.

76. Given the recent plummeting of commodity prices, the hedges provided significant and important cash flow to Argent. At current prices, Argent remained cash flow positive from operations with the hedges in place, but cash flow negative without them.

77. On January 28, 2016, in accordance with the terms of the hedge agreements, each of The Bank of Nova Scotia and Wells Fargo Bank, N.A. terminated the hedges. The aggregate termination payment that was owing to Argent US as a result of the terminations was approximately USD $12.38 million, which amount was set-off by the Syndicate against the Credit Facility. Copies of the termination notices received are attached as **Exhibit "13"** to this Affidavit.

78. Accordingly, as at the date hereof, Argent no longer has any hedges and is cash flow negative.

D. Legal Proceedings

79. To the best of my knowledge, the Applicants are not parties to any lawsuits, claims, or proceedings.

V. EVENTS LEADING TO THE APPLICANTS' CURRENT CIRCUMSTANCES

A. Decline in the Oil Industry

80. The global decline of oil and gas prices is what has caused Argent to become insolvent. The severe decline in commodity prices has led to a significant reduction in the value of Argent's reserves, such that the current market value of the assets is now significantly less than Argent's outstanding liabilities.

81. In addition, the oversupply of global oil production, coupled with weakened demand for fuel in the global economy, has compressed the margins that oil and gas suppliers like Argent can command. Consequently, earnings are down for historically profitable oil and

gas companies, leading to a reduction in drilling activity, payroll cuts, and in some instances, insolvency.

B. Strategic Review Process, Asset Sales and Other Initiatives

82. On October 1, 2014, Argent announced a decision to initiate a process to explore a range of strategic alternatives (the "**Strategic Review Process**"). BMO Capital Markets was engaged to assist Argent with that process. A copy of the October 1, 2014 press release announcing the Strategic Review Process is attached as **Exhibit "14"** to this Affidavit.

83. As part of the Strategic Review Process, Argent considered all alternatives, including (i) a sale of a material portion of Argent's assets, (ii) a sale of Argent, either in one transaction or in a combination of transactions, (iii) a merger or other business combination, (iv) or a joint venture or a farmout on a material portion of Argent's assets.

84. As a result of the Strategic Review Process, effective January 1, 2015 Argent sold its interests in the Manvel Field, Texas for gross proceeds of USD $20.5 million, which proceeds were used to pay down the Credit Facility.

85. On March 31, 2015, Argent announced that the Strategic Review Process was a well-attended process which resulted in the receipt of a significant number of bids ranging from individual fields to the entire set of assets. However, with the then-recent plunge in commodity prices, bid levels failed to achieve an acceptable level and the Strategic Review process was concluded. The March 31, 2015 press release also announced that in order to preserve cash and maintain compliance and liquidity in the low commodity price environment, the Trust was suspending all monthly distributions to Unitholders commencing with the month of April, 2015. A copy of the March 31, 2015 press release is attached as **Exhibit "15"** to this Affidavit.

86. Notwithstanding the conclusion of the Strategic Review Process, Argent continued to market a combination of certain assets with the goal to utilize proceeds to pay down the Credit Facility. On July 1, 2015, Argent announced the sale of its interests in Oklahoma and Kansas for gross proceeds of USD $20 million. The proceeds of the sale were used to further pay down the Credit Facility.

87. In addition to the asset sales completed, Argent implemented various other cost-savings initiatives, including:

(a) reducing its technical and administrative staff by approximately 30% between April, 2015 and August, 2015;

(b) reducing its capital expenditure budget for 2015 to USD $12 million from an original amount of USD $39.5 million announced in November 12, 2014;

(c) reducing its operating costs from USD $12.57 per boe in Q3, 2014 to USD $9.37 per boe in Q3, 2015; and

(d) the members of AEL's board of directors agreed to, and did, defer all of their compensation since March 2014. The directors of Argent Canada and Argent US were never entitled to, and never received, compensation in their capacities as directors.

88. In or around August, 2015, Argent and its counsel began to engage with an ad hoc committee of holders of Subordinated Debentures (the "**Ad Hoc Committee**") and its counsel with respect to various alternatives, including a potential debt-for-equity transaction and different sale alternatives.

89. Argent proposed certain transactions which had the support of Argent and the Syndicate, but Argent and the Ad Hoc Committee were not able to agree on any transaction.

90. Argent has continued to have discussions with the Ad Hoc Committee and its counsel from time to time, but the Ad Hoc Committee has to date not been prepared to provide further financing to Argent in order to provide additional liquidity and runway to the Applicants.

C. Defaults under the Credit Agreement and the Debenture Indenture

91. On November 27, 2015, Argent US received a notice from The Bank of Nova Scotia, as administration agent under the Credit Agreement, that the borrowing base had been re-determined in accordance with the Credit Agreement to be USD $45.0 million, effective

immediately. That was an immediate reduction in the borrowing base, in the amount of USD $35.0 million. At such time, Argent US's borrowings were USD $66.3 million (inclusive of a letter of credit), which meant that there was a borrowing base shortfall of USD $21.3 million. Argent US had 60 days to cure the borrowing base shortfall, failing which there would be an Event of Default under the Credit Agreement.

92. On December 31, 2015, the Trust failed to make its semi-annual interest payments due in respect of the Subordinated Debentures. As a result of Argent's borrowing base shortfall under the Credit Facility, the Trust was prohibited by the terms of the Credit Agreement from making the interest payments in respect of the Subordinated Debentures. The Debenture Indenture provides for a 30 day cure period in which the Trust may make the interest payments.

93. The 60 day cure period under the Credit Agreement expired on January 26, 2016 without the borrowing base shortfall having been cured. The 30 day cure period under the Debenture Indenture expired on January 31, 2016 without the interest payments having been made. Accordingly, there is now an Event of Default under both the Credit Agreement and the Debenture Indenture.

D. Re-financing Process

94. In anticipation of the borrowing base redetermination that Argent received formal notice of on November 27, 2015, the Trust sought proposals in or around October, 2015, from a number of investment bankers to assist Argent in seeking new financing to either (i) refinance the Credit Facility in full, or (ii) provide a new second lien facility that would, among other things, cure the borrowing base shortfall.

95. After considering various proposals and consulting with the Ad Hoc Committee, the Trust engaged Durham Capital Canada Corporation ("**Durham**") for that role pursuant to an agreement dated October 30, 2015.

96. Durham ran a targeted process and contacted approximately 36 parties regarding the potential refinancing, and 16 of those parties signed non-disclosure agreements and conducted significant due diligence.

97. However, there has been significant volatility in oil prices since the start of the Durham process (when oil was at approximately USD $46/bbl). Almost immediately after the announcement from OPEC in early-December that it would not cut production, all but one of the parties in the Durham process lost interest in the refinancing opportunity and declined to make a proposal.

98. The Durham process has not resulted in any satisfactory refinancing offers to date, but Durham remains engaged and available to assist Argent if circumstances change such that a re-financing becomes a viable option again.

99. Given the inability to sell assets or refinance the Credit Facility, and the fact that Argent is now cash flow negative at current commodity prices (after the termination of the hedges), Argent has no ability to continue to operate without additional funding, which the Syndicate has said that it is not willing to provide other than in the context of a sales process within the contemplated insolvency proceedings. As provided above, the Ad Hoc Committee has not expressed any interest in providing additional funding.

100. In an effort to preserve option value for the Subordinated Debentures and other stakeholders that rank junior to the Syndicate, and notwithstanding Argent's recognition of the Syndicate's legal rights, Argent, along with its legal and financial advisors, attempted to convince (i) The Bank of Nova Scotia and Wells Fargo Bank, N.A. not to terminate the hedges, and (ii) the Syndicate to forbear from exercising remedies until commodity prices improve and/or to provide a non-confirming tranche to the Credit Facility to cure the borrowing base shortfall. But the Syndicate, in accordance with my understanding of its legal rights, was not prepared to do so.

101. Instead, the Syndicate has worked co-operatively with Argent with respect to these consensual CCAA proceedings, including agreeing to fund the process by way of the Interim Loan.

102. On February 16, 2016, the Syndicate accelerated the Credit Facility, demanded repayment thereof, and issued notices of intention to enforce security to the Trust and Argent Canada. As at that date approximately USD $51.9 million is outstanding under

the Credit Facility, and Argent is unable to repay the amounts owing. Attached as **Exhibit "16"** to this Affidavit are copies of the demand letters and the notices of intention to enforce security received by the Applicants.

103. If the Applicants did not bring this CCAA application, the Syndicate would be in a position to initiate enforcement steps to sell the Assets in accordance with its legal rights, and I believe that such an enforcement would have resulted in worse recoveries for Argent's creditors than the process being proposed in this CCAA application. Accordingly, given the current circumstances, I believe the Applicants had no choice but to initiate these proceedings and attempt to complete a sale transaction.

VI. SUMMARY OF THE APPLICANTS' EXPECTED CCAA PROCEEDING

104. The Applicants have been working cooperatively with their first-ranking creditor (the Syndicate) in order to best maximize value in the circumstances. The Applicants of course would have preferred to keep the hedges in place and not to be attempting to realize on the assets in this environment; however, Argent acknowledges that it is in default under the Credit Facility (and in respect of the Subordinated Debentures) and that it has no available option to cure those defaults.

105. The Applicants are therefore proposing to run a comprehensive and transparent sale process through coordinated insolvency proceedings in Canada and the United States that is intended to yield the best offer(s) available in these difficult circumstances.

106. The immediate objective of the proceeding is to repay the Syndicate in full, and Argent is hopeful that there could be value for other junior creditors.

VII. THE APPLICANTS MEET THE CCAA STATUTORY REQUIREMENTS

A. The Applicants are "Companies" under the CCAA

107. The Trust is an "income trust" to which the CCAA applies, and Argent Canada is a corporation incorporated under the ABCA. Accordingly, both the Trust and Argent Canada are "companies" to which the CCAA applies. Lastly, Argent US is a corporation incorporated in Delaware and has assets in Canada.

B. The Applicants have Claims Against them in Excess of $5 Million

108. As discussed above, each of the Trust, Argent Canada and Argent US have claims against them well in excess of $5 million.

C. The Applicants are Insolvent

109. I am advised by Sean Zweig of Bennett Jones LLP that under section 2 of the *Bankruptcy and Insolvency Act* ("**BIA**"), an insolvent person is one whose liabilities to creditors exceeds $1,000 and (i) is for any reason unable to meet his obligations as they generally become due, (ii) has ceased paying his current obligations in the ordinary course of business as they generally become due, or (iii) the aggregate of whose property is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due.

110. As a result of the Credit Facility becoming due and owing (in addition to other liabilities), each of the Applicants is unable to meet its obligations as they come due.

VIII. URGENT NEED FOR RELIEF UNDER THE CCAA

111. The Applicants do not have sufficient liquid assets to repay all amounts owing in respect of the Credit Facility, which is now due and owing. Accordingly, a stay of proceedings is essential to maintain the *status quo* in order to preserve the value of the Applicants' business and assets, and to ensure that no creditor of the Applicants obtains preferred treatment relative to other creditors.

112. On February 16, 2016, the respective directors of the Applicants (and the directors of AEL in the case of the Trust), resolved to grant authority to management to, among other things, approve the commencement of these proceedings under the CCAA.

A. Stay of Proceedings

113. The Applicants need a stay of proceedings to (i) maintain the *status quo* in order to preserve the value of the Applicants and to ensure that no creditor of the Applicants

obtains preferred treatment relative to other creditors, and (ii) provide the Applicants with the opportunity to complete the Sale Solicitation Process for the benefit of all of the Applicants' stakeholders.

B. Appointment of Monitor

114. I believe that FTI Consulting Canada Inc. is qualified and competent to act as Monitor in the CCAA proceedings of the Applicants and as the foreign representative for Argent US and Argent Canada in the Chapter 15 proceedings.

115. Attached as **Exhibit "17"** to this Affidavit is a copy of a Consent to Act as Monitor signed by FTI Consulting Canada Inc.

116. I understand that FTI Consulting Canada Inc. will be filing a Pre-Filing Report with this Honourable Court as proposed Monitor in conjunction with the Applicants' request for relief under the CCAA.

C. Payments During CCAA Proceeding

117. During the course of this CCAA proceeding, the Applicants intend to make payments for goods and services supplied post-filing as set out in the cash flow projections referred to below and as permitted by the Initial Order.

118. Additionally, the Applicants seek the Court's approval to pay certain critical suppliers for the provision of goods and services prior to the date of the Initial Order in an aggregate amount not to exceed USD $315,000. Any such payments would only be made with the consent of the Monitor and the Syndicate.

119. There are a small number of goods and services suppliers that are critical to the ongoing operations of the Applicants, and whose continued, uninterrupted provision of goods and services is crucial to allowing the Applicants to continue their business operations and preserve the value of the business operations.

120. In my view, given the importance of these critical suppliers in allowing the Applicants to continue operations, the potential disruption to the business operations should they not

continue to be paid in the ordinary course (and possibly withhold their goods and services while C.O.D. terms or other arrangements were put in place) could be material and could affect the cash flow forecast in a very material and negative way.

121. The Interim Lender and the Syndicate are prepared to support such payments being made, if required and approved by the Monitor.

D. Administration Charge

122. It is contemplated that the Monitor, counsel to the Monitor, counsel to the Applicants and the Syndicate's advisors would be granted a first priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges (the "**Administration Charge**") up to the maximum amount of USD $500,000 in respect of their respective fees and disbursements in connection with these proceedings. The Applicants believe the Administration Charge is fair and reasonable in the circumstances.

123. The Applicants require the expertise, knowledge and continuing participation of the proposed beneficiaries of the Administration Charge in order to complete a successful restructuring. I believe the Administration Charge is necessary to ensure their continued participation.

E. Interim Financing & Interim Lender's Charge

124. As set out in the cash flow forecast attached as **Exhibit "18"** to this Affidavit, the Applicants' principal use of cash during these proceedings will consist of the payment of ongoing day-to-day operational expenses, office related expenses, and the professional fees and disbursements in connection with the CCAA and Chapter 15 proceedings. As indicated in the cash flow forecast, it is projected that the Applicants will require additional credit during the CCAA proceedings, notwithstanding that the Applicants are seeking to complete these proceedings as quickly as reasonably possible in order to minimize costs and maximize recoveries for their stakeholders.

125. Argent US proposes to obtain such additional credit pursuant to an interim financing loan facility (the "**Interim Loan**") from the Syndicate, including The Bank of Nova Scotia, in

its capacity as agent for and on behalf of the Syndicate (collectively, in such capacities, the "**Interim Lender**") pursuant to the Interim Financing Credit Agreement attached as **Exhibit "19"** to this Affidavit (the "**Interim Financing Credit Agreement**"), the material terms of which include, among other things:

(a) An initial maximum credit amount of up to USD $7,300,000 (the "**Maximum Amount**");

(b) An interest rate equal to the U.S. Base Rate (as defined in the Credit Agreement) plus 4.00%;

(c) A maturity date of June 3, 2016;

(d) An upfront fee equal to 200 bps of the Maximum Amount; and

(e) Secured guarantees provided by each of the Trust and Argent Canada.

126. It is contemplated that the Interim Lender would be granted a second priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge (the "**Interim Lender's Charge**"). I have been advised by the Interim Lender that it will not provide the Interim Loan if the Interim Lender's Charge is not granted.

127. The financing provided by the Interim Lender is essential to a successful restructuring of the Applicants. Given the current financial situation of the Applicants (including its cash position and the lack of availability of alternate financing), the Applicants believe the Interim Loan is the best alternative for the Applicants and its stakeholders in the circumstances. Accordingly, the directors of the Applicants (including the directors of AEL in respect of the Trust) exercised their business judgment to accept the terms in the Interim Financing Credit Agreement. The Applicants believe the Interim Financing Credit Agreement and the Interim Lender's Charge is fair and reasonable in the circumstances.

F. Directors' Charge

128. It is contemplated that the Applicants' directors and officers (including the directors of AEL given their role, as discussed above) would be granted a third priority Court-ordered charge (the "**Directors' Charge**") on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge and the Interim Lender's Charge up to the maximum amount of USD $200,000. The Applicants believe the Directors' Charge is fair and reasonable in the circumstances.

129. A successful restructuring of the Applicants will only be possible with the continued participation of the beneficiaries of the Directors' Charge. These individuals have specialized expertise and relationships with Argent's stakeholders. In addition, the directors and officers have gained significant knowledge that cannot be easily replicated or replaced.

130. The Applicants maintain an insurance policy in respect of the potential liability of their directors and officers (the "**D&O Insurance Policy**"). Although the D&O Insurance Policy insures the directors and officers for certain claims that may arise against them in their capacity as directors and/or officers, coverage is subject to several exclusions and limitations and there is a potential for insufficient coverage in respect of potential director and officer liabilities. The directors and officers have expressed their desire for certainty with respect to potential personal liability if they continue in their current capacities in the context of a CCAA proceeding.

G. KERP, KEIP and KERP and KEIP Charge

131. In connection with my appointment as President and Mr. Hicks's appointment as Chief Operating Officer, on April 19, 2015, we were each entitled to a retention payment that would be payable on July 1, 2016.

132. In addition, in or around June, 2014, the Trust and Argent US put in place a key employee retention plan for other Canadian and US employees (which for certainty does not include myself or Mr. Hicks).

133. The retention plans were designed to incentivize key employees to remain in their employment during an anticipated restructuring. Without the retention of key employees, the Applicants' ability to successfully maintain their business operations and preserve asset value while they restructure, would be seriously compromised.

134. The total amount of retention payments that could become payable under the retention plans put in place in June, 2014 and April, 2015 to all current employees (including myself and Mr. Hicks) is approximately USD $840,000.

135. In addition, pursuant to employment agreements for each of myself, Mr. Hicks and Mr. Wong entered into upon commencement of our respective employments, and separate severance agreements entered into on or around June, 2015 by Argent US with certain other US employees, severance amounts are payable in the event of termination for any reason other than cause.

136. In anticipation of the Applicants' insolvency proceedings, the Applicants and the Syndicate agreed to the following KERP and KEIP to replace the Applicants' current retention and severance programs.

137. The key elements of the KERP are:

(a) eligible participants will receive a specific cash retention payment on the earlier of June 1, 2016, the date on which they are terminated without cause, and the date on which there is a sale of a material portion of the Applicants' assets;

(b) employees who resign or who are terminated with cause are not eligible to participate;

(c) the maximum aggregate amount of cash retention payments to all beneficiaries is USD $840,000, and if an employee quits or is terminated for cause, such employee's retention payment will be re-allocated to other beneficiaries of the KERP in recognition of the additional work that will be required of the remaining employees;

(d) the Applicants will fund their insurance provider to provide health benefits for the 90 days following the termination of each of Argent US's employees, the amount of which shall not exceed USD $90,000; and

(e) the directors of AEL will be entitled to certain payments in respect of part of their previously deferred fees (as described below) and their ongoing duties and support of Argent in the CCAA proceedings, to a maximum amount of USD $105,000 in the aggregate.

138. The KEIP provides a percentage recovery to the beneficiaries of the KEIP based on the proceeds obtained by Argent through the Sale Solicitation Process, a completed refinancing or any similar transaction. The percentage ranges from 2% - 4%, and there is a minimum threshold of sale or other proceeds that must be obtained before any amount is payable under the KEIP.

139. Now shown to me and marked as **Exhibit "20"** to this Affidavit is a copy of a spreadsheet that contains further details about the KEIP and details of the names of key employees, their annual salaries and the payments that will be made to them under the KERP (the "**Confidential Summary**"). The Confidential Summary contains sensitive commercial information, the disclosure of which would be very harmful to the Applicants' commercial interests, the Sale Solicitation Process, and the privacy interests of the Applicants' employees. Therefore, the Applicants are asking that the Confidential Summary in **Exhibit "20"** be sealed on the Court file.

140. The Syndicate and the Monitor have indicated their support for the KERP and KEIP.

141. It is contemplated that the beneficiaries under the KERP and KEIP would be granted a fourth priority Court-ordered charge on the assets, property and undertakings of the Applicants in priority to all other charges other than the Administration Charge, the Interim Lender's Charge and the Directors' Charge up to the maximum amount of USD $1,035,000 in respect of the KERP plus any additional amounts that become payable under the KEIP (the "**KERP and KEIP Charge**"). The Applicants believe the KERP and KEIP Charge is fair and reasonable in the circumstances.

142. Based on the books and records of the Applicants and the PPSA Registrations and UCC searches conducted by counsel to the Applicants, the only secured creditor which is likely to be affected by the Administration Charge, the Interim Lender's Charge, the Directors' Charge and the KERP and KEIP Charge is the Syndicate, which in the circumstances supports the charges being sought.

H. Sale Solicitation Process

143. In or around mid-December, 2015, Argent contacted eight parties who specialize in acquisition and divestiture services to solicit proposals to assist Argent with a potential sale process to be run either in or outside of a formal insolvency proceeding. Three parties declined to submit proposals due to Argent's size. The other five parties submitted proposals.

144. Argent considered all proposals received and on or about January 15, 2016, Argent US, Argent Canada and The Oil & Gas Asset Clearinghouse, LLC ("**OGAC**") entered into a letter agreement whereby OGAC will assist Argent in soliciting and evaluating offers for a sale of (i) all of the equity interests of Argent US held by Argent Canada, or (ii) some or all of Argent US's oil and gas properties. A copy of the letter agreement is attached as **Exhibit "21"** to this Affidavit.

145. The Sale Solicitation Process will include broad marketing to all potential purchasers.

146. I believe it is critically important that the Sale Solicitation Process be approved at this time, primarily because the Applicants' financing under the Interim Financing Credit Agreement is conditional on the Sale Solicitation Process being approved at this time and Argent has no alternative source of financing or liquidity.

147. The Sale Solicitation Process will be a fair and transparent process run by OGAC, under the oversight of the Monitor. It is intended to maximize value for the Applicants and all of their stakeholders.

148. The marketing of the assets began formally on February 11, 2016, with initial bids due to be received by OGAC on or before March 17, 2016. The timeline contemplated by the Sale Solicitation Process is as follows:

March 17, 2016	Initial bid deadline
March 24, 2016	Final bid deadline
March 25, 2016 – April 13, 2016	Confirmatory title and environmental diligence
April 14, 2016	Sign purchase and sale agreement(s)
On or around April 25, 2016	Obtain CCAA sale approval order
On or around May 10, 2016	Obtain order in Chapter 15 proceeding recognizing CCAA sale approval order
On or around May 13, 2016	Close sale transaction(s)

149. I am advised by Harrison Williams of OGAC, who has over 25 years of experience selling oil and gas assets, that the timeline for the Sale Solicitation Process is reasonable and consistent with other current sale processes in the US oil and gas market.

150. I also understand that the Monitor, who had input into the development of the Sale Solicitation Process, believes it is reasonable in the circumstances.

I. Chapter 15 Proceedings

151. Argent US and Argent Canada anticipate seeking a recognition order under Chapter 15 in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (the "**US Court**") to ensure that they are protected from creditor actions in the United States and elsewhere and to assist with the implementation of any sale transaction to be completed pursuant to these CCAA proceedings. Given that substantially all of Argent's assets are in the United States, the Applicants expect that a purchaser will likely require approval from the US Court to be comfortable that it is getting good and clean title to the assets.

152. The Applicants are accordingly seeking authorization in the Initial Order under the CCAA for FTI Consulting Canada Inc. to act as a foreign representative for the purposes of having the proceedings of Argent US and Argent Canada recognized in the United States pursuant to Chapter 15.

153. The Applicants intend that the initial relief that would be requested in the Chapter 15 proceeding will include, among other things:

(a) recognition of each of the CCAA proceedings of Argent US and Argent Canada as a "Foreign Main Proceeding", or in the alternative as a "Foreign Non-Main Proceeding";

(b) confirmation of FTI Consulting Canada Inc. as foreign representative;

(c) a stay of execution;

(d) interim recognition of the DIP Loan and the DIP Lender's Charge; and

(e) recognition of the Initial Order in the United States.

IX. CASH FLOW PROJECTIONS

154. As set out in the cash flow forecast previously attached, the Applicants' principal uses of cash during the next 13 weeks will consist of the payment of ongoing day-to-day operational expenses, such as payroll and office related expenses, and professional fees and disbursements in connection with the CCAA and Chapter 15 proceedings.

155. As at February 16, 2016, the Applicants had approximately USD $1.1 million available cash on hand. The Applicants' cash flow forecast projects that, subject to obtaining the relief outlined herein (including approval of the Interim Loan), it will have sufficient cash to fund its projected operating costs until the end of the stay period.

156. The Monitor has reviewed the cash flow forecast and I expect that the Monitor will report on the forecast in its Pre-Filing Report.

X. CONCLUSION

157. I swear this Affidavit in support of an application for the relief set out in paragraph 5 of this Affidavit.

SWORN (OR AFFIRMED) BEFORE ME)
at Calgary, Alberta this 16th)
day of February, 2016.)
)
)
A Commissioner for Oaths)
in and for the Province of Alberta)
)

Kelsey Meyer
Barrister & Solicitor

SEAN BOVINGDON

EXHIBIT 2

THIS IS EXHIBIT " 2 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 20 16

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

FORM 49
[RULE 13.19]

CLERK'S STAMP
CLERK OF THE COURT
FILED
FEB 29 2016
JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER	1601 - 01675
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	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 ARRANGEMENT OF ARGENT ENERGY TRUST, ARGENT ENERGY (CANADA) HOLDINGS INC. and ARGENT ENERGY (US) HOLDINGS INC.
DOCUMENT	**AFFIDAVIT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500 Bankers Hall East 855 – 2nd Street SW Calgary, Alberta T2P 4K7 Attention: Kelsey Meyer / Sean Zweig Telephone No.: 403.298.3323 / 416.777.6254 Fax No.: 403.265.7219 / 416.863.1716 Client File No.: 68859.14

AFFIDAVIT NO. 2 OF SEAN BOVINGDON

Sworn on February 29, 2016

I, SEAN BOVINGDON, of Calgary, Alberta, SWEAR AND SAY THAT:

1. I am the President and Chief Financial Officer of each of the Applicants, Argent Energy Trust (the "**Trust**"), Argent Energy (Canada) Holdings Inc. ("**Argent Canada**"), and Argent Energy (US) Holdings Inc. ("**Argent US**", and together with the Trust and Argent Canada, the "**Applicants**" or "**Argent**"). As such, I have personal knowledge of the

matters hereinafter deposed to, save where stated to be based on information and belief, in which case I verily believe the same to be true.

2. I previously swore an Affidavit in this Action on February 16, 2016 (my "**First Affidavit**"). Where I use capitalized terms in this Affidavit No. 2, but do not define them, I intend them to bear their meanings as defined in my First Affidavit. Attached hereto as **Exhibit "1"** is a copy of my First Affidavit, without exhibits.

3. All references to dollar amounts contained herein are to Canadian Dollars unless otherwise stated.

I. EXTENSION OF THE STAY

4. I make this Affidavit No. 2 in support of an application to extend the stay of proceedings granted in favour of Argent in the Initial Order granted by this Honourable Court on February 17, 2016 (the "**Initial Order**") to May 17, 2016, and for other relief as set out in the application filed herewith.

5. I am advised by the Monitor and do verily believe that the Monitor supports this application to extend the stay of proceedings. Further, I am advised by counsel for the Syndicate and do verily believe that the Syndicate also supports this application to extend the stay of proceedings.

6. Since the commencement of these CCAA proceedings, the Applicants have been actively engaged in advancing the restructuring proceedings for the benefit of all stakeholders. Among other things, the Applicants and/or their counsel have:

   (a) cooperated with the Monitor to facilitate its monitoring of the Applicants' business and operations;

   (b) communicated, in some cases very extensively, with various stakeholder groups and/or their advisors, including the Syndicate, the ad hoc committee of holders of Subordinated Debentures (the "**Ad Hoc Committee**"), critical suppliers, trade creditors, employees, contractors and others;

(c) worked with the Monitor and OGAC to pursue the sale solicitation process which was approved in the Initial Order;

(d) liaised with U.S. counsel and attended in Court in the U.S. regarding the Chapter 15 proceedings under the U.S. Bankruptcy Code that were commenced in respect of Argent Canada and Argent US; and

(e) continued to operate and manage Argent's business in the ordinary course, subject to the terms of the Initial Order.

7. I believe that the Applicants have been acting in good faith and with due diligence in these proceedings and I believe it is in the best interests of the Applicants and all their stakeholders that the Stay Period be extended to May 17, 2016, and that such an extension is appropriate in the circumstances.

8. Attached hereto as **Exhibit "2"** are true copies of press releases issued by Argent on or after February 17, 2016, the date that the Initial Order was applied for and granted.

9. On February 23, 2016, the TSX wrote to counsel for the Trust to advise that it has determined to delist the Units and the Subordinated Debentures effective at the close of market on March 24, 2016 for failure by the Trust to meet the continued listing requirements of the TSX. Attached hereto as **Exhibit "3"** is a true copy of the letter from the TSX.

II. COMMUNICATIONS WITH COUNSEL FOR THE AD HOC COMMITTEE

10. As is set out below in this my Affidavit No. 2, counsel for the Ad Hoc Committee has advised of its intent to oppose the granting of the Initial Order at the hearing of Argent's application to extend the stay of proceedings.

Service

11. I attended Argent's application in this Honourable Court on February 17, 2016 for the Initial Order that was granted on that date. At that time, counsel for Argent advised this

Honourable Court that the Ad Hoc Committee had not been served with notice of the application:

(a) the Syndicate, being the sole secured creditor of Argent, had been served, and supported the application;

(b) the Trust issued a press release prior to markets opening on the morning of February 17, 2016, advising of the application that morning; and

(c) as a courtesy, counsel for Argent contacted counsel for the Ad Hoc Committee to advise of the press release regarding the application that morning and to invite discussion of the same.

Attached hereto at the first 3 pages of **Exhibit "2"** is a true copy of the press release issued at 6:00 a.m. MST on February 17, 2016. Attached hereto as **Exhibit "4"** is a true copy of email correspondence exchanged between counsel for Argent and counsel for the Ad Hoc Committee on the morning of February 17, 2016. I am advised by Argent's counsel that counsel for the Ad Hoc Committee did not speak to Argent's counsel in advance of the application, despite the fact that Argent's counsel offer twice to speak, nor did counsel for the Ad Hoc Committee seek to appear at the application by way of telephone. Attached hereto as **Exhibit "5"** is a true copy of the transcript of the hearing of the application for the CCAA Initial Order on February 17, 2016, page 15, lines 6-22 of which include the submissions of Argent's counsel on this point.

Correspondence between Counsel

12. I believe that Argent disclosed all of the pertinent facts in relation to its application for the Initial Order, by way of my First Affidavit. Notwithstanding that, I am advised by counsel for Argent and do verily believe that since the granting of the Initial Order on February 17, 2016, counsel for the Ad Hoc Committee has raised a number of complaints regarding the Initial Order. I am advised by counsel for Argent and do verily believe that as at today's date, counsel for Argent and counsel for the Ad Hoc Committee have had the following communications since the Initial Order was granted on February 17, 2016

(along with a letter from counsel for the Monitor as described below and attached hereto as **Exhibit "13"**):

(a) email correspondence from counsel for Argent to counsel for the Ad Hoc Committee, attaching the Originating Application, my First Affidavit, the Monitor's First Report, the draft form of CCAA Initial Order, and the Bench Brief, as well as confirmation of the filing of the same, dated February 17, 2016, attached hereto as **Exhibit "6"** (without enclosures);

(b) email correspondence from counsel for Argent to counsel for the Ad Hoc Committee, attaching a service letter and the issued Initial Order, dated February 17, 2016, attached hereto as **Exhibit "7"**;

(c) email correspondence attaching a letter from counsel for the Ad Hoc Committee to the Monitor, its counsel, and Argent's counsel dated February 17, 2016, attached hereto as **Exhibit "8"**;

(d) counsel for Argent contacted counsel for the Ad Hoc Committee by telephone on the morning of February 18, 2016, to discuss the CCAA filing and the concerns of the Ad Hoc Committee. Argent's counsel reiterated that Argent is interested in seeking a consensual resolution if possible, and invited specific comments regarding the Initial Order or the Argent insolvency process generally. I am advised by Argent's counsel and do verily believe that to date, they have not received any specific suggestions or proposals from counsel for the Ad Hoc Committee that would, with certainty, effectively address Argent's immediate and urgent liquidity crisis.

(e) email correspondences between counsel for the Ad Hoc Committee and counsel for Argent wherein: (i) on February 18, 2016, counsel for the Ad Hoc Committee requested a copy of Confidential Exhibit "20" to my First Affidavit, being the KERP/KEIP summary; (ii) counsel negotiated and, on February 19, 2016, counsel for the Ad Hoc Committee entered into a non-disclosure agreement such that Confidential Exhibit "20" could be provided to counsel for the Ad Hoc

Committee; and (iii) on February 20, 2016, counsel for Argent provided counsel for the Ad Hoc Committee with a copy of Confidential Exhibit "20", as well as a filed copy of the Notice of Confidential Exhibit confirming the filing of the same;

(f) email correspondence dated February 18, 2016 between counsel for the Ad Hoc Committee and counsel for Argent wherein (i) counsel for Argent confirmed that the hearing on March 8, 2016 would be a "true comeback" hearing, and (ii) it was debated whether Argent should continue to pursue the Sale Solicitation Process in accordance with the Initial Order in advance of the March 8 hearing, attached hereto as **Exhibit "9"**;

(g) email correspondence attaching a letter from counsel for the Ad Hoc Committee to the Monitor, its counsel, and Argent's counsel dated February 18, 2016, attached hereto as **Exhibit "10"**;

(h) email correspondence attaching a letter from Argent's counsel to counsel for the Ad Hoc Committee dated February 19, 2016, attached hereto as **Exhibit "11"**;

(i) email correspondence attaching a letter from counsel for the Ad Hoc Committee to Argent's counsel dated February 19, 2016, attached hereto as **Exhibit "12"**;

(j) email correspondence attaching a letter from the Monitor's counsel to counsel for the Ad Hoc Committee dated February 22, 2016, which was copied to Argent's counsel, attached hereto as **Exhibit "13"**;

(k) email correspondence from Argent's counsel to counsel for the Ad Hoc Committee dated February 22, 2016, attached hereto as **Exhibit "14"**;

(l) email correspondence attaching a letter from Argent's counsel to counsel for the Ad Hoc Committee dated February 23, 2016, with enclosures, attached hereto as **Exhibit "15"**;

(m) email correspondence attaching a letter from counsel for the Ad Hoc Committee to Argent's counsel dated February 24, 2016, attached hereto as **Exhibit "16"**;

(n) email correspondence attaching a letter from Argent's counsel to counsel for the Ad Hoc Committee dated February 25, 2016, attached hereto as **Exhibit "17"** (without enclosures);

(o) email correspondences exchanged between counsel for the Ad Hoc Committee and Argent's counsel dated February 26, 2016, attached hereto as **Exhibit "18"**;

(p) email correspondence attaching a letter from Argent's counsel to counsel for the Ad Hoc Committee dated February 26, 2016, attached hereto as **Exhibit "19"**; and

(q) email correspondence from US counsel to the Ad Hoc Committee to US counsel for Argent Canada and others, attaching requests for documents, interrogatories and depositions in the Chapter 15 proceedings; attached hereto as **Exhibit "20"**.

13. I also had a without prejudice call with the members of the Ad Hoc Committee and a representative of the administration agent for the Syndicate on February 25, 2016.

14. In addition, I am advised by the Monitor and do verily believe that the Monitor and its counsel have had at least three discussions with counsel for the Ad Hoc Committee since the Initial Order was granted, in response to the letters and other emails and calls from counsel for the Ad Hoc Committee to the Monitor and its counsel. Counsel for the Syndicate and a representative of the administration agent for the Syndicate were also present for one of those discussions.

15. As is confirmed in the correspondence attached hereto as **Exhibit "13"**, as a result of the concerns raised by counsel to the Ad Hoc Committee, and its request that Argent not proceed with the Chapter 15 proceedings under the U.S. Bankruptcy Code (the "**Chapter 15 Proceedings**") without consultation with the Ad Hoc Committee and a comeback hearing before this Court, the Monitor (being the foreign representative for the purpose of the Chapter 15 Proceedings), Argent and the Syndicate agreed to delay the initial hearing in the Chapter 15 Proceedings from Friday, February 19, 2016 to the following week, to give the Ad Hoc Committee time to discuss its concerns. I am advised by the Monitor's

counsel that the only day the Judge in the Chapter 15 Proceedings had available during that next week was Monday, February 22, 2016.

16. I am further advised by the Monitor and by counsel for Argent that despite conference calls between the Monitor, its counsel, and counsel for the Ad Hoc Committee, and a conference call between the Monitor, its counsel, counsel for the Syndicate, the administration agent for the Syndicate, and counsel for the Ad Hoc Committee during that time, the Ad Hoc Committee did not (and still has not) put forward any specific proposals that provide certainty that Argent's urgent liquidity situation will be addressed.

The Chapter 15 Proceedings

17. On February 22, 2016, I attended at the application in the U.S. Bankruptcy Court for the Southern District of Texas, Corpus Christi Division, for initial recognition of the Initial Order. On the morning of February 22, 2016, in advance of the hearing of the application, U.S. counsel for the Ad Hoc Committee filed an Objection to the Chapter 15 Proceedings. Attached hereto as **Exhibit "21"** is a true copy of the Objection filed in the U.S. Bankruptcy Court on behalf of the Ad Hoc Committee. As a result of the filing of the Objection, and upon negotiations between Argent, the Monitor, the Syndicate, and the Ad Hoc Committee, the U.S. Bankruptcy Court granted an Order for interim recognition of part, but not all, of the Initial Order (the "**Interim Recognition Order**"), with the Objection and the application for final recognition of the Initial Order to be heard on March 9, 2016. Attached hereto as **Exhibit "22"** is a true copy of the Interim Recognition Order, entered February 24, 2016.

18. US Counsel for the Ad Hoc Committee made submissions during the hearing in the Chapter 15 Proceedings on February 22, 2016 that the urgency of Argent's situation is "manufactured", which at best reflects a complete misunderstanding of the facts. As described in detail in my First Affidavit (see paragraphs 76, 77 and 91 – 103 in particular):

(a) On or around October 30, 2015, Argent received a letter of intent from a third party to acquire the shares of Argent US or the assets thereof (the "**Wapiti**

Offer"), which was acceptable to Argent and the Syndicate (as it would have paid the Syndicate in full), but which the Ad Hoc Committee rejected. That offer, if consummated, would have resulted in the Subordinated Debentures owning a significant percentage of the equity in a restructured Argent and would have permitted the business to continue as a going concern (an earlier and less favourable offer from the same offeror had also been made and rejected by the Ad Hoc Committee on October 10, 2015);

(b) The Wapiti Offer (and the earlier offer on less favourable terms from the same offeror) are the only offers for the purchase of shares or assets of Argent that Argent has received in the last six months, other than an offer from another third party in the same structure as the Wapiti Offer but for a lower amount, which was rejected by Argent in favour of the Wapiti Offer;

(c) My First Affidavit addresses, at paragraphs 94 to 98, the Durham process to seek re-financing for Argent. As stated therein, only one participant in the Durham process made a refinancing proposal (the "**Melody Offer**"). The Melody Offer was unacceptable to the Syndicate, due to a number of terms that were problematic. In addition, the offer was for approximately US $55 Million, whereas the Syndicate was owed approximately US $65 Million at that time. Despite that, a representative of the administration agent for the Syndicate spoke with the offeror (with a representative of Argent present) to determine if the offer could be structured in a way that would be acceptable to the Syndicate; however, despite those efforts, no solution was found. The Melody Offer was conditional upon the hedges remaining in place; those hedges were terminated on or about January 26, 2016. At that point, the Melody Offer was no longer available, and there had been a precipitous decline in WTI since the Melody Offer had been made, along with continued volatility in the market, which caused the Syndicate concern in the circumstances where further due diligence remained to be conducted in that volatile market. In those circumstances, the offeror was no longer interested in pursuing a transaction with Argent;

(d) On November 27, 2015, in accordance with the terms of the Credit Agreement, the borrowing base for the Credit Facility was re-determined to be USD $45.0 million, which reflected the natural deterioration of the assets over time, and the plummeting of commodity prices. At that time, Argent US's borrowings were USD $66.3 million (inclusive of a letter of credit), resulting in a borrowing base shortfall;

(e) In November, 2015, I had discussions with representatives of members of the Ad Hoc Committee, and asked whether the Ad Hoc Committee would cure the borrowing base shortfall. They advised that they "were not prepared to put more money in" and that the Syndicate "should be prepared to fund or forbear the shortfall", while waiting for prices to recover;

(f) On December 31, 2015, the Trust failed to makes its scheduled interest payments due in respect of the Subordinated Debentures. The Trust was contractually prohibited from making the interest payments as a result of the borrowing base shortfall. Further, even if the Trust had not been contractually prohibited from making the interest payments and had, in fact, made the interest payments, that would not have addressed the borrowing base shortfall and would have further contributed to the liquidity crisis;

(g) Argent, with the assistance of Durham, attempted to (i) refinance the Credit Facility in full, or (ii) raise a new second lien facility that would, among other things, cure the borrowing base shortfall. Argent was not successful in doing so at that time (when commodity prices were higher than they are today);

(h) Argent and its advisors attempted to convince (i) the hedge lenders not to terminate the hedges, and (ii) the Syndicate to forbear from exercising remedies until commodity prices improve and/or to provide a non-conforming tranche to the Credit Facility;

(i) On January 28, 2016, in accordance with the terms of the hedge agreements, Argent US's hedges were terminated. As a result, Argent became cash flow negative in this commodity environment;

(j) In accordance with its rights, the Syndicate would not provide Argent with additional funding other than in the context of a sales process within formal insolvency proceedings. The Ad Hoc Committee has to date not expressed any interest to Argent or its counsel in providing additional funding; and

(k) On February 16, 2016, the Syndicate accelerated the Credit Facility, demanded repayment thereof, and issued notices of intention to enforce security to the Trust and Argent Canada. As at that date, approximately USD $51.9 million was outstanding under the Credit Facility, and Argent is unable to repay the amounts owing.

19. As such, Argent had no option available to it that would allow it to continue to operate and carry on business, other than to seek the Initial Order, including approval of the Sale Solicitation Process.

20. The Subordinated Debentureholders (including the members of the Ad Hoc Committee) are unsecured creditors of the Trust only. They are not creditors of Argent US or of Argent Canada, the two entities that are subject to the Chapter 15 Proceedings.

Argent's Response to Complaints Raised by the Ad Hoc Committee

21. On reviewing the emails and letters attached hereto as **Exhibits "6" to "20"**, in addition to the Objection attached hereto as **Exhibit "21"**, it appears to me that the complaints of the Ad Hoc Committee can be summarized as follows:

(a) the Ad Hoc Committee was not served with advance notice of the application for the Initial Order;

(b) the Ad Hoc Committee does not believe that the Sale Solicitation Process (attached as Schedule "A" to the Initial Order) protects and balances the interests of stakeholders and should not have been granted as part of the Initial Order;

(c) The Chapter 15 Proceedings are not the appropriate forum;

(d) The KERP and KEIP should not have been approved in the Initial Order; and

(e) Argent's objective is to provide a "quick exit for secured lenders at the expense of unsecured creditors".

22. With respect to the issue of service of the Ad Hoc Committee, I am advised by counsel for Argent and do verily believe that there was no requirement under the CCAA for Argent to serve notice of the application for the Initial Order upon the Subordinated Debentureholders or the Ad Hoc Committee. In addition, given that the Trust is a reporting issuer and was publicly traded as at February 17, 2016, Argent had serious disclosure concerns about serving the Ad Hoc Committee members or their counsel, none of which were subject to an ongoing non-disclosure agreement with Argent.

23. I refer specifically to paragraphs 143 to 150 of my First Affidavit regarding the need for, and the appropriateness of, the Sale Solicitation Process. I am advised by Argent's counsel and do verily believe that despite the complaints of counsel for the Ad Hoc Committee that the Sale Solicitation Process does not protect and balance the interests of stakeholders, there have been no proposals or suggestions by the Ad Hoc Committee that provide a commitment to finance Argent for any alternative processes. That is despite numerous requests for proposals by Argent's counsel, the Monitor and counsel to the Syndicate. The approval of the Sale Solicitation Process in the Initial Order was a condition of the Interim Financing, which Argent desperately needs to continue its business and operations during this restructuring process. I am advised by Argent's counsel and do verily believe that Canadian courts have approved sale processes as part of initial orders granted in other CCAA proceedings, without notice to unsecured creditors of the applicants.

24. I also understand from Harrison Williams at OGAC, and do verily believe, that he always believed that the Sale Solicitation Process (including the timelines therein) is fair and reasonable in the circumstances, and that the early results of the Sale Solicitation Process have been very positive. More than 60 parties have executed a confidentiality agreement,

and no party has expressed any concern with respect to the timelines or any other aspect of the Sale Solicitation Process. I understand that Mr. Williams will be swearing an Affidavit in support of this application with additional details regarding the Sale Solicitation Process and the results to date.

25. The Sale Solicitation Process is intended to be a fair and transparent process run by the OGAC, under the oversight of the Monitor, to maximize value for Argent and all of its stakeholders. In terms of value available to the Subordinated Debentureholders from the sale of Argent's assets, I note that there has been a significant decline in the value of oil and gas assets over the past year, and notably in the last five months as the forward curve pricing has decreased. Attached hereto as **Exhibit "23"** is a true copy of the price deck used by GLJ Petroleum Consultants in preparation of their draft reserve report effective December 31, 2015. This can be compared to GLJ's redraft of the reserve report, effective December 31, 2015, using a price deck as at February 1, 2016. A true copy of that price deck is attached hereto as **Exhibit "24"**. A comparison of those price decks demonstrates the significant difference in price, particularly in the years going forward.

26. With respect to the Ad Hoc Committee's complaint that the Chapter 15 Proceedings are not the appropriate forum, the Subordinated Debentureholders are not even creditors of either of the companies that are subject to the Chapter 15 Proceedings (Argent US and Argent Canada). The Subordinated Debentureholders are creditors of the Trust, only.

27. Regarding the KERP and KEIP, I refer to paragraphs 131 to 142 of my First Affidavit. I am advised by Argent's counsel and do verily believe that Canadian courts have approved KERPs and KEIPs and KERP and KEIP priority charges as part of initial orders granted in other CCAA proceedings, without notice to unsecured creditors of the applicants, and that notice to unsecured creditors is not required.

28. With respect to the suggestion that Argent is attempting to provide a "quick exit for secured lenders at the expense of unsecured creditors", that is simply not substantiated by the facts. Argent has been diligently working on restructuring efforts since October 2014, as is addressed in my First Affidavit (paragraphs 82 to 103). Argent is in default with the Syndicate and has no ability to repay the significant amounts that are now owing

under the Credit Facility. Accordingly, Argent engaged OGAC to run a robust sale process that is designed to maximize value in the circumstances. As I said in my First Affidavit, the objective of these proceedings is to repay the Syndicate and to create value for junior creditors if possible. I believe that if there is value for junior creditors (including the Ad Hoc Committee and the other Subordinated Debentureholders), the Sale Solicitation Process is the best method to realize that value in the circumstances.

29. Argent is committed to discussing and, where possible, resolving the concerns of its stakeholders. However, despite the repeated requests of Argent's counsel that counsel for the Ad Hoc Committee contact them to discuss any proposals that the Ad Hoc Committee has, none of the letters or emails from counsel for the Ad Hoc Committee disclose, nor am I aware of counsel for the Ad Hoc Committee otherwise communicating to Argent's counsel, any proposals to address, with certainty, Argent's urgent liquidity and cash flow crises that precipitated the application for the Initial Order. As a result, it appears as though the Ad Hoc Committee is simply disappointed with the situation, which I understand and can appreciate, but has nothing constructive to add to the process. Of course, if the Ad Hoc Committee does have anything constructive to add, Argent would be pleased to discuss that in the hope of finding a consensual resolution.

III. CONCLUSION

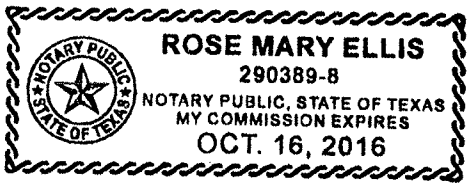
30. I swear this Affidavit in support of an application for the relief set out in paragraph 4 of this Affidavit.

SWORN (OR AFFIRMED) BEFORE ME)
at Calgary, Alberta this 29th)
day of February, 2016.)
)
)
A Commissioner for Oaths)
in and for the Province of Alberta)
)
Kelsey Meyer
Barrister & Solicitor

SEAN BOVINGDON

EXHIBIT 3

THIS IS EXHIBIT " 3 *"*
referred to in the Affidavit of ~~Declaration~~
Sean Boyingdon No. 3
Sworn before me this 14th
day of April *A.D. 20* 16
Rose M. Ellis
A Commissioner for Oaths
in [redacted] Province of Alberta



IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
CORPUS CHRISTI DIVISION

In re:	§	
	§	**CASE NO. 16-20060**
ARGENT ENERGY (CANADA)	§	
HOLDINGS, INC., *et al.*[1]	§	**Chapter 15**
	§	
Debtors in a foreign proceeding.	§	**(Jointly Administered)**

ORDER GRANTING RECOGNITION AS A FOREIGN MAIN PROCEEDING, OR, IN THE ALTERNATIVE, AS A FOREIGN NONMAIN PROCEEDING

(Docket No. 5)

Upon consideration of the *Petition for Recognition as a Foreign Main Proceeding Pursuant to Sections 1515 and 1517 of the Bankruptcy Code and Related Relief* (the "Petition") filed by FTI Consulting Canada Inc. ("FTI"), in its capacity as Monitor and authorized foreign representative (the "Foreign Representative") of the above-captioned debtors (the "Petitioners"), and all the evidence and argument of the parties, and after due deliberation and consideration of this Court's powers and discretion under 11 U.S.C. §§ 1515, 1517, 1520, and 1521, and sufficient cause appearing therefor, including for the reasons set forth on the record by the Court, the Court finds and concludes as follows:[2]

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(a) and (b) and 1334(a) and (b), and 11 U.S.C. §§ 109 and 1501. Venue is proper in this district pursuant to 28 U.S.C. § 1410.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

C. This Court has constitutional authority to enter final orders on this matter under *Stern v. Marshall*, 131 S. Ct. 2594 (2011), or, in the alternative, by consent of the parties.

D. The Petitioners are the following two entities: Argent Energy (Canada) Holdings, Inc. ("Argent Canada") and Argent Energy (US) Holdings, Inc. ("Argent US").

[1] The "Petitioners" in these chapter 15 cases are Argent Energy (Canada) Holdings, Inc. and Argent Energy (US) Holdings, Inc.

[2] All capitalized terms not defined herein are ascribed the meanings given to them in the Petition or the Initial Order as applicable.

E. On February 17, 2016, the Petitioners, along with Argent Energy Trust (collectively, the "Canadian Debtors"), filed an Application for the Commencement of Reorganization Proceedings (the "CCAA Application") pursuant to Canada's Companies' Creditors Arrangement Act (the "CCAA") in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "Canadian Court").

F. On February 17, 2016, the Canadian Court entered an order (the "Initial Order"), provisionally granting the CCAA Application, initiating the reorganization proceeding (the "Canadian Proceeding"), and appointing FTI to act as a foreign representative in these cases.

G. On March 9, 2016, the Canadian Court held a second hearing (the "Comeback Hearing") to determine whether to grant final approval to the terms of the Initial Order.

H. On March 10, 2016, the Canadian Court announced its intention to grant the terms of the Initial Order on a final basis (the "Amended and Restated Initial Order").

I. The Canadian Proceeding is entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.

J. The Foreign Representative is a person within the meaning of 11 U.S.C. § 101(41) and is the duly appointed foreign representative of the Petitioners within the meaning of 11 U.S.C. § 101(24).

K. This case was properly commenced pursuant to 11 U.S.C. §§ 1504 and 1515.

L. The Canadian Proceeding is a foreign proceeding within the meaning of 11 U.S.C. § 101(23).

M. Analyzing the Canadian Debtors in the aggregate, the Court finds that the center of main interest for both Argent Canada and Argent US is Canada. Accordingly, the Court finds that the Canadian Proceeding is a foreign main proceeding with respect to both Argent Canada and Argent US.

N. In the alternative, to the extent that the Court is required to analyze the Canadian Debtors independently, the Court finds: (i) the Canadian Proceeding is a foreign main proceeding with respect to Argent Canada; and (ii) the Canadian Proceeding is a foreign nonmain proceeding with respect to Argent US, based on the evidence presented at the Recognition Hearing and for the reasons announced on the record.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceeding is hereby recognized as a foreign main proceeding pursuant to 11 U.S.C. § 1517 with respect to Argent Canada and Argent US, the Petitioners.

2. In the alternative, to the extent that recognition of the Canadian Proceeding should be viewed independently as to each Petitioner, the Canadian Proceeding is recognized as a foreign main proceeding under 11 U.S.C. § 1517 with respect to Argent Canada; and the Canadian Proceeding is recognized as a foreign nonmain proceeding under 11 U.S.C. § 1517 with respect to Argent US.

3. The Foreign Representative is granted all of the relief afforded under 11 U.S.C. § 1520, including the following:

> (a) sections 361 and 362 apply with respect to the debtor and the property of the debtor that is within the territorial jurisdiction of the United States;
>
> (b) sections 363, 549, and 552 apply to a transfer of an interest of the debtor in property that is within the territorial jurisdiction of the United States to the same extent that the sections would apply to property of an estate;
>
> (c) unless the court orders otherwise, the foreign representative may operate the debtor's business and may exercise the rights and powers of a trustee under and to the extent provided by sections 363 and 552; and
>
> (d) section 552 applies to property of the debtor that is within the territorial jurisdiction of the United States;

4. To the extent the Canadian Proceeding is recognized as a foreign nonmain proceeding with respect to Argent US, the Court exercises its discretion under 11 U.S.C. § 1521 to grant Argent US all the relief afforded under 11 U.S.C. § 1520(a)(1)-(4).

5. All prior relief granted in the *Order Granting Emergency Application for Relief Pursuant to Section 105(a) and 1519 of the Bankruptcy Code* [Docket No. 30] is hereby extended on a final basis, to the extent not inconsistent with the relief granted under this Order.

6. The Foreign Representative and the Petitioners are authorized to implement the terms of the Initial Order and Amended and Restated Initial Order, as amended by the Canadian Court.

7. The Petitioners are authorized to maintain and enter into any addendums and/or extensions of the Client Service Agreement by and between the Petitioners and Insperity PEO Services, L.P. and perform any obligations under the same.

8. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these chapter 15 bankruptcy cases and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court. The relief provided herein shall survive the termination of the Canadian Proceeding subject to further order of this Court after notice and hearing.

9. This Order applies to all parties in interest in these chapter 15 cases and all of their agents, employees, and representatives, and all those who act in concert with them who receive notice of this Order.

Signed: March 11, 2016.

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 4

CONFIDENTIAL EXHIBIT "4"
TO THE AFFIDAVIT OF
SEAN BOVINGDON NO. 3

EXHIBIT 5

Kelsey Meyer

From: Collins, Sean F. <scollins@MCCARTHY.CA>
Sent: 18 March 2016 4:50 PM
To: Kelsey Meyer; Sean Zweig
Cc: Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com); MacLeod, Walker W.
Subject: FW: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]
Attachments: LTR to Nixon, J. (Laura Cho), March 18, 2016 re April 25 hearing.PDF

Kelsey, ad hoc committee request below. Please advise as to Argent's position. Let us know if you would like to discuss.

Regards,

mccarthy tetrault

Sean Collins
Partner | Associé
Bankruptcy & Restructuring | Faillite et restructuration

T: 403-260-3531
C: 403-607-8534
F: 403-260-3501
E: scollins@mccarthy.ca

McCarthy Tétrault LLP

Suite 4000
421 - 7th Avenue SW

Calgary AB T2P 4K9

THIS IS EXHIBIT " 5 *"*
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April *A.D. 20* 16
Rose Mary Ellis
~~A Commissioner for Oaths~~
~~in and for the Province of Alberta~~

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

Canada's Top 100 Employers 2016

2016 CANADA'S BEST DIVERSITY EMPLOYERS

From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Friday, March 18, 2016 4:44 PM
To: Helkaa, Deryck; Collins, Sean F.
Cc: Baulke, Ryan
Subject: Fw: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

Following up on my previous email for information concerning any potential bids, can you please provide us all relevant details. Company seems focused on one path. Timing is important. Thank you. Rob

From: Kelsey Meyer <MEYERK@bennettjones.com>
Sent: Friday, March 18, 2016 6:11 PM
To: BOURASSA, KELLY; ZAHARA, RYAN; PETERS, KELLY; Collins, Sean F.; MacLeod, Walker W.; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com); Chadwick, Robert; Baulke, Ryan
Cc: Sean Zweig; Harinder Basra

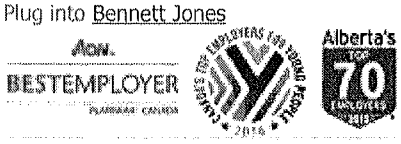
Subject: FW: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

Please see the attached letter, which was sent to Mr. Justice Nixon today to confirm the booking of the next hearing date.

Kelsey Meyer
Partner*, Bennett Jones LLP

*Denotes Professional Corporation
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3323 | F. 403 265 7219
E. meyerk@bennettjones.com

Plug into Bennett Jones



From: Jane Keefe
Sent: 18 March 2016 4:09 PM
To: Kelsey Meyer <MEYERK@bennettjones.com>
Subject: Argent Energy Trust et al - Plan of Arrangement

Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, ON M5K 1E6

EXHIBIT 6

Kelsey Meyer

From: Sean Zweig
Sent: 19 March 2016 10:11 PM
To: Collins, Sean F.
Cc: Kelsey Meyer; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com); MacLeod, Walker W.
Subject: Re: Argent Energy Trust et al - Plan of Arrangement

Sean,

Provided that Goodmans (i) confirms that the Ad Hocs will not attempt to bid or participate in any bid or otherwise attempt to directly or indirectly acquire the assets, and (ii) executes a NDA satisfactory to Argent to deal with non-disclosure of the information, Argent is prepared to send Goodmans a redacted summary of the bids. The redacted summary will show the proposed purchase price and purchased assets for each bid, but will not identify the names of any of the bidders. Assuming the Monitor has no issue with that, please feel free to go back to Rob on that basis. We will prepare the NDA if Rob is agreeable to those terms.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Collins, Sean F.
Sent: Friday, March 18, 2016 10:32 PM
To: Sean Zweig
Cc: Kelsey Meyer; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com); MacLeod, Walker W.
Subject: Re: Argent Energy Trust et al - Plan of Arrangement

Rob reminded me that he had made the request on Tuesday. Please let us know as soon as you are able.

Regards,

THIS IS EXHIBIT " 6 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 20 16
Rose M Ellis
A ~~Commissioner for Oaths~~
In and for the Province of ~~Alberta~~

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
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OCT. 16, 2016

Sean Collins

Partner

Bankruptcy & Restructuring

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E: scollins@mccarthy.ca<mailto:scollins@mccarthy.ca>

McCarthy Tétrault LLP

Suite 4000

421 - 7th Avenue SW<x-apple-data-detectors://1/1>

Calgary AB T2P 4K9<x-apple-data-detectors://1/1>

On Mar 18, 2016, at 8:19 PM, Sean Zweig <ZweigS@bennettjones.com<mailto:ZweigS@bennettjones.com>> wrote:

We have reached out to Sean and Steve to discuss with them, but given the timing of Rob's request and the fact that Sean B. is in the UK, we might not connect with them until Monday.

Also, as an aside, do you understand Rob's comment that the company seems focused on one path? The Court approved a sale process, and it is being followed. I am also not aware of Rob or the Ad Hocs reaching out since the comeback hearing to discuss an alternative path.

<image003.png>

Sean Zweig

Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com<mailto:zweigs@bennettjones.com>

From: Collins, Sean F. [mailto:scollins@MCCARTHY.CA]
Sent: Friday, March 18, 2016 6:50 PM
To: Kelsey Meyer; Sean Zweig
Cc: Helkaa, Deryck; Olver, Dustin
(Dustin.Olver@fticonsulting.com<mailto:Dustin.Olver@fticonsulting.com>); MacLeod, Walker W.
Subject: FW: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

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Regards,

<image007.png>

Sean Collins

Partner | Associé

Bankruptcy & Restructuring | Faillite et restructuration

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F: 403-260-3501

E: scollins@mccarthy.ca<mailto:scollins@mccarthy.ca>

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<image008.png> <image009.png>
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Sent: Friday, March 18, 2016 6:11 PM
To: BOURASSA, KELLY; ZAHARA, RYAN; PETERS, KELLY; Collins, Sean F.; MacLeod, Walker W.; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com<mailto:Dustin.Olver@fticonsulting.com>); Chadwick, Robert; Baulke, Ryan
Cc: Sean Zweig; Harinder Basra
Subject: FW: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

Please see the attached letter, which was sent to Mr. Justice Nixon today to confirm the booking of the next hearing date.

<image001.png>

Kelsey Meyer

Partner*, Bennett Jones LLP

*Denotes Professional Corporation
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3323 | F. 403 265 7219
E. meyerk@bennettjones.com<mailto:meyerk@bennettjones.com>

Plug into Bennett Jones<http://www.bennettjones.com>

<image010.png><http://www.bennettjones.com/>
From: Jane Keefe
Sent: 18 March 2016 4:09 PM
To: Kelsey Meyer <MEYERK@bennettjones.com<mailto:MEYERK@bennettjones.com>>
Subject: Argent Energy Trust et al - Plan of Arrangement

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Click here to unsubscribe<mailto:listmanager@mccarthy.ca?subject=I%20wish%20to%20unsubscribe%20from%20commercial%20electronic%20messages%20from%20McCarthy%20Tetrault> from commercial electronic messages. Please note that you will continue to receive non-commercial electronic messages, such as account statements, invoices, client communications, and other similar factual electronic communications.

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EXHIBIT 7

Kelsey Meyer

From: MacLeod, Walker W. <wmacleod@mccarthy.ca>
Sent: 21 March 2016 8:24 AM
To: Sean Zweig
Cc: Kelsey Meyer; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com); Collins, Sean F.
Subject: RE: Argent Energy Trust et al - Plan of Arrangement

Sean Z, the ad hoc committee has advised that it will agree to the confidentiality restriction but that it will not agree to the restriction on participation. Please let us know if the position of the company on the participation restriction remains as you have stated below and / or if you would like to discuss with the Monitor.

Regards,

mccarthy tetrault

Walker MacLeod
Partner | Associé
Bankruptcy & Restructuring | Faillite et restructuration

T: 403-260-3710
C: 403-463-1207
F: 403-260-3501
E: wmacleod@mccarthy.ca

McCarthy Tétrault LLP

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Calgary AB T2P 4K9

THIS IS EXHIBIT " 7 "
referred to in the Affidavit of ~~Declaration~~
Sean Boyington No. 3
Sworn before me this 14th
day of April A.D. 20 16
Rose M Ellis
~~a Commissioner for Oaths~~
~~in and for the Province of Alberta~~

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

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Sent: Saturday, March 19, 2016 10:11 PM
To: Collins, Sean F.
Cc: Kelsey Meyer; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com); MacLeod, Walker W.
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zweigs@bennettjones.com

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Sean Collins

Partner

Bankruptcy & Restructuring

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C: 403-607-8534<tel:403-607-8534>

F: 403-260-3501<tel:403-260-3501>

E: scollins@mccarthy.ca<mailto:scollins@mccarthy.ca>

McCarthy Tétrault LLP

Suite 4000

421 - 7th Avenue SW<x-apple-data-detectors://1/1>

Calgary AB T2P 4K9<x-apple-data-detectors://1/1>

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<image003.png>

Sean Zweig

Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com<mailto:zweigs@bennettjones.com>

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Sent: Friday, March 18, 2016 6:50 PM
To: Kelsey Meyer; Sean Zweig
Cc: Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com<mailto:Dustin.Olver@fticonsulting.com>); MacLeod, Walker W.
Subject: FW: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

Kelsey, ad hoc committee request below. Please advise as to Argent's position. Let us know if you would like to discuss.

Regards,

<image007.png>

Sean Collins

Partner | Associé

Bankruptcy & Restructuring | Faillite et restructuration

T: 403-260-3531

C: 403-607-8534

F: 403-260-3501

E: scollins@mccarthy.ca<mailto:scollins@mccarthy.ca>

McCarthy Tétrault LLP

Suite 4000

421 - 7th Avenue SW

Calgary AB T2P 4K9

<image008.png> <image009.png>
From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Friday, March 18, 2016 4:44 PM
To: Helkaa, Deryck; Collins, Sean F.
Cc: Baulke, Ryan
Subject: Fw: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

Following up on my previous email for information concerning any potential bids, can you please provide us all relevant details. Company seems focused on one path. Timing is important. Thank you. Rob

From: Kelsey Meyer <MEYERK@bennettjones.com<mailto:MEYERK@bennettjones.com>>
Sent: Friday, March 18, 2016 6:11 PM
To: BOURASSA, KELLY; ZAHARA, RYAN; PETERS, KELLY; Collins, Sean F.; MacLeod, Walker W.; Helkaa, Deryck; Olver, Dustin (Dustin.Olver@fticonsulting.com<mailto:Dustin.Olver@fticonsulting.com>); Chadwick, Robert; Baulke, Ryan
Cc: Sean Zweig; Harinder Basra
Subject: FW: Argent Energy Trust et al - Plan of Arrangement [BJ-L.FID3785772]

Please see the attached letter, which was sent to Mr. Justice Nixon today to confirm the booking of the next hearing date.

<image001.png>

Kelsey Meyer

Partner*, Bennett Jones LLP

*Denotes Professional Corporation
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3323 | F. 403 265 7219
E. meyerk@bennettjones.com<mailto:meyerk@bennettjones.com>

Plug into Bennett Jones<http://www.bennettjones.com>

<image010.png><http://www.bennettjones.com/>
From: Jane Keefe
Sent: 18 March 2016 4:09 PM
To: Kelsey Meyer <MEYERK@bennettjones.com<mailto:MEYERK@bennettjones.com>>
Subject: Argent Energy Trust et al - Plan of Arrangement

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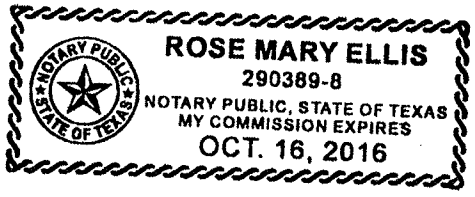
Suite 5300, TD Bank Tower, Box 48, 66 Wellington Street West, Toronto, ON M5K 1E6

EXHIBIT 8

THIS IS EXHIBIT " 8 *"*
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April *A.D. 20* 16

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



Kelsey Meyer

From: Kelsey Meyer
Sent: 23 March 2016 9:03 AM
To: Chadwick, Robert
Cc: Baulke, Ryan; Sean Zweig; Harinder S. Basra (basrah@bennettjones.com); Helkaa, Deryck; Olver, Dustin; 'Collins, Sean F.'; 'MacLeod, Walker W.'
Subject: Argent Energy Trust et al. [BJ-L.FID3785772]

Rob,

We are writing further to the requests that we understand you've made, through the Monitor and its counsel, for information regarding the bids that have been received through the court-approved Sale Solicitation Process. We understand that the Monitor has already communicated its and our position on this to you several times, and has advised you that Argent received several en bloc offers to purchase Argent's assets, which Argent is working through with the Monitor and the Syndicate in accordance with the Sale Solicitation Process. To confirm, Argent is willing to provide you with a summary of the bids received through the Sale Solicitation Process (which will show how many bids were received and the amount of each bid), provided that (1) you execute a non-disclosure agreement in a form that is acceptable to us; and (2) you confirm on behalf of your clients that they will not bid on or otherwise attempt to purchase the assets or shares of Argent. We understand that you are unable or unwilling to provide the confirmation in 2. As such, we are not willing to provide you with any further information regarding the bids received through the Sale Solicitation Process. We have discussed our position with the Monitor and its counsel, and we understand that we have the Monitor's support.

As you know, the Sale Solicitation Process is a court-approved sale process, and Argent intends to maintain the integrity of that process to ensure that it is successful. You have known about the Sale Solicitation Process since the Initial Order was granted and served upon you on February 17, 2016, and you and your clients knew that a sale process was being commenced even earlier than that. Despite that, your clients have not made any bids through that process, and the deadline to submit bids pursuant to the Sale Solicitation Process has passed. At the court application on March 8th, you sought an Order directing Argent to provide your clients with the same information that the Syndicate is entitled to pursuant to its Interim Financing Credit Agreement; that request for relief was dismissed. Notwithstanding that nothing in the Amended and Restated Initial Order requires Argent or the Monitor to provide you or your clients with <u>any</u> information about the bids received, in the interests of facilitating your clients' effective participation in these CCAA proceedings, we have agreed to provide a summary of the bids, on the two conditions referenced above. These are reasonable and typical conditions, and the Monitor and its counsel agrees with them. Further, the Syndicate and its advisors have agreed to these conditions. It would be disruptive to the Sale Solicitation Process to provide you and/or your clients with information regarding the bids without an assurance that your clients will not bid. The effect of providing information regarding the bids to your clients without that assurance could jeopardize the offers that have been received through the Sale Solicitation Process, as well as the integrity of the process itself.

We understand that you have commented to the Monitor in the context of a request for information about the bids that the Company appears to be focused on one path (the sale process). We find that comment to be surprising given that (i) there is a court-approved Sales Solicitation Process, which, of course, Argent is pursuing and working to ensure its success, and (ii) we are not aware of any alternatives to the sale path having been presented by you or your clients since the Court confirmed its approval of the Sale Solicitation Process at the comeback hearing on March 9th. Further, as per our submissions at the Court application on March 8th, the Durham Capital process (seeking refinancing) is ongoing.

If you are prepared to sign a non-disclosure agreement and confirm on behalf of your clients that they will not bid on or otherwise attempt to purchase the assets / shares of Argent, we will provide the summary of the bids received through the Sale Solicitation Process to you.

Since the comeback hearing, you have chosen to speak only to the Monitor and its counsel, which we have no objection to, but as a result, we wanted to make sure Argent's position is clear, and we also wanted to reiterate our and Argent's willingness to discuss this or any other matters with you and/or your clients. Should you and/or your clients wish to discuss this or any other matters relating to the Argent proceedings, please let us know, and we will arrange a call.

Regards,

Kelsey Meyer
Partner*, Bennett Jones LLP

*Denotes Professional Corporation
4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
P. 403 298 3323 | F. 403 265 7219
E. meyerk@bennettjones.com

EXHIBIT 9

THIS IS EXHIBIT " 9 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 20 16
Rose M. Ellis
~~A Commissioner for Oaths~~
~~[illegible]~~

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

Kelsey Meyer

From: Sean Zweig
Sent: 25 March 2016 12:31 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

We do not expect there to be any material deviations from the terms in the Sale Solicitation Process. The only material condition will be Court approval and once the PSA is signed, the deal will no longer be conditional on environmental or title diligence.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 2:17 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

We would also want to understand the terms of the bid (any holdbacks, price adjustments, key conditions etc). We would want to ensure we are provided all key information in order to properly make a determination. I assume that was what you were setting out in describing to us the bid. Please also confirm such additional point.

Original Message
From: Chadwick, Robert
Sent: Friday, March 25, 2016 2:04 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Just so I understand you and based on our discussion of yesterday, there would be no limitation or restrictions in advancing a restructuring plan by the notes. Please confirm.

Original Message
From: Sean Zweig
Sent: Friday, March 25, 2016 1:48 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

Rob,

We now have instructions from Argent, and we have had also had the opportunity to discuss matters with the Monitor. Although we continue to believe that your clients do not require any additional information to

formulate a restructuring proposal, in an effort to try to build consensus and maximize value, Argent is prepared to disclose to you the amount of the highest bid, subject to the two conditions below:

1) You must enter into an NDA satisfactory to Argent with respect to the information. And to the extent any of your clients want the information as well, they must also enter NDAs satisfactory to Argent. We do not expect that it would take very long to settle NDAs with you or your clients, particularly because we have previously agreed to forms.

2) You confirm, on behalf of your clients, that they will not participate as Bidders in the Sale Solicitation Process (each as defined in the Amended and Restated Initial Order). As you will note, this is a substantially scaled back condition from what was previously asked of you.

Please confirm that the two conditions are acceptable to you and your clients, in which case we will provide a form of NDA for Goodmans (and your clients if you tell us they would also like to know the amount of the highest bid).

To the extent you believe you require additional information after seeing the amount of the highest bid, we would be pleased to have a further discussion with you about that, but we would need to understand the rationale for needing any further information.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

-----Original Message-----
From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Friday, March 25, 2016 10:47 AM
To: MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Sean Zweig; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I am following up on our call of yesterday. You indicated you were going back to seek instructions. We expected to hear from you yesterday. You were also going to provide us more information of current work of durham which you were unaware of. As you know, time is of the essence. We are of the position, company should not be entering into any transaction agreement without the opportunity to consult with us. We also believe that all restructuring options need to be explored for the benefit of all stakeholders. Rob

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EXHIBIT 10

Kelsey Meyer

From: Sean Zweig
Sent: 25 March 2016 6:16 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.
Attachments: WS_BinaryComparison_#13196294v3_WSLegal_ - Goodmans NDA re Confidential ....pdf; Goodmans NDA re SSP.DOC

Further to the below, attached please find a draft of the Goodmans NDA, along with a blackline against the previous form entered into. This remains subject to Argent's review in all respects, but please let us know if you have any comments in the interim. Also, as a reminder, we will still require the confirmation requested below before providing any information.

One this form is settled and we have your confirmation, we can quickly dupe out a similar form for your clients if they want to know the bid amount as well.

THIS IS EXHIBIT " 10 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 20 16
Rose M Ellis
[redacted]

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

From: Sean Zweig
Sent: Friday, March 25, 2016 4:43 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

My point - which I'm sure you know - is that 'restructuring plan' is a very broad term, and I don't see any utility in debating what it means. The limitation is clear - your clients can't be a Bidder in the Sale Solicitation Process. Please confirm that is acceptable. Assuming you do, I will plan to send an NDA (with blackline) tonight.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 3:08 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Call me if you really need a explanation on what a restructuring plan is. Please send over the nda agreements(blacklined to our previous execution versions). Thanks. Rob

---

From: Sean Zweig
Sent: Friday, March 25, 2016 2:18 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I don't know exactly what 'restructuring plan' means, but we do not intend to limit anything beyond being a Bidder in the Sale Solicitation Process (which is what the Syndicate agreed to as well).

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 2:05 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Just so I understand you and based on our discussion of yesterday, there would be no limitation or restrictions in advancing a restructuring plan by the notes. Please confirm.

Original Message
From: Sean Zweig
Sent: Friday, March 25, 2016 1:48 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

Rob,

We now have instructions from Argent, and we have had also had the opportunity to discuss matters with the Monitor. Although we continue to believe that your clients do not require any additional information to formulate a restructuring proposal, in an effort to try to build consensus and maximize value, Argent is prepared to disclose to you the amount of the highest bid, subject to the two conditions below:

1) You must enter into an NDA satisfactory to Argent with respect to the information. And to the extent any of your clients want the information as well, they must also enter NDAs satisfactory to Argent. We do not expect that it would take very long to settle NDAs with you or your clients, particularly because we have previously agreed to forms.

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Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

-----Original Message-----
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Sent: Friday, March 25, 2016 10:47 AM
To: MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Sean Zweig; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

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notify us at your earliest convenience. In the absence of such notification, your consent is assumed. Should you choose to allow us to communicate by e-mail, we will not take any additional security measures (such as encryption) unless specifically requested.

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If you no longer wish to receive commercial messages, you can unsubscribe by accessing this link: http://www.bennettjones.com/unsubscribe

March [25], 2016

STRICTLY PRIVATE AND CONFIDENTIAL

Goodmans LLP
Bay Adelaide Centre
Suite 3400, 333 Bay Street
Toronto, Ontario M5H 2S7

Attention: Robert J. Chadwick

RE: SALE SOLICITATION PROCESS CONFIDENTIAL INFORMATION

We are aware that a committee (the "**Ad Hoc Committee**") of holders (the "**Debentureholders**") under the Convertible Debenture Indenture, dated as of June 4, 2013 between Argent Energy Trust (together with its subsidiaries, the "**Trust**") and Computershare Trust Company of Canada has been formed and that you have been retained as legal advisor to the Ad Hoc Committee. The Trust and/or its Representatives (as defined in paragraph 2 below) are furnishing you with certain confidential information (the "**Confidential Information**") with respect to the Sale Solicitation Process (as defined and described in the Amended and Restated CCAA Initial Order of the Court of Queen's Bench of Alberta (the "**Court**") on February 17, 2016, as amended and restated on March 9, 2016, in the proceeding of the Trust under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

1. As a condition to the receipt of the Confidential Information, you agree to treat the Confidential Information confidentially, whether furnished to you in written form, orally or through any electronic facsimile or computer-related communication, together with analyses, compilations, studies or other documents or records prepared by you to the extent that such analyses, compilations, studies, documents or records contain or otherwise reflect or are generated from the Confidential Information (collectively, the "**Materials**"). The term "**Materials**" does not include information that: (i) is or becomes generally available to the public other than as a result of a disclosure by you or any of your Representatives in breach of this agreement; (ii) is or becomes available to you on a non-confidential basis from a source other than the Trust or its Representatives, provided that such source is not known or ought reasonably to be known by you to be bound by a confidentiality agreement with, or other obligations of confidentiality to, the Trust with respect to such information; (iii) was independently acquired (subject to 1(ii)) or developed by you or any of your Representatives without reference to or use of the Materials; or (iv) an authorized Representative of the Trust agrees in writing is not confidential information.

2. As used in this agreement, the term "**Representative**" means, as to any party hereto, such party's and its affiliates' directors, officers, partners, employees, agents, and advisors. In addition, the Trust's Representatives shall include FTI Consulting Canada, Inc., in its capacity as Court-appointed monitor of the Trust, and its counsel. The term "**person**" as used in this agreement shall include, without limitation, any trust, corporation, company, partnership or individual.

3. You hereby agree that the Materials will be kept confidential by you and will not be disclosed to any person, except as provided herein; provided, however, that (a) nothing herein limits your or the Ad Hoc Committee's ability to challenge the Sale Solicitation Process or any aspect thereof before the Court in any way that does not result in the disclosure of the Materials to any person, and (b) the Materials may be disclosed: (i) to your Representatives who are not, to your knowledge, on the other side of an ethical wall or other information barrier with respect to your receipt of the Materials and who in your reasonable determination need to know the information contained therein solely for the purpose described above, provided that such Representatives shall be informed by you of the confidential nature of such information and the requirement to treat such information confidentially in accordance with the terms of this agreement, and that you shall be responsible for any breach of the terms of this agreement by you or any of your Representatives; (ii) upon request of any self-regulatory or any regulatory authority of any jurisdiction having authority over you subject to the provisions set forth below; (iii) pursuant to applicable law, subpoena or legal process subject to the provisions set forth below; (iv) to any Debentureholder (and its Representatives) who after the date hereof enters into a substantially similar confidentiality agreement with the Trust as this agreement; and (v) to other persons whom the Company or its Representatives agree in writing may have access to the Materials. The Trust acknowledges that you are acting as advisor to the Ad Hoc Committee and that you may, from time to time, provide updates, advice and recommendations to the members of the Ad Hoc Committee, including your analysis or opinions about the proposed course of action by the Trust in connection with the Sale Solicitation Process and the Trust's CCAA proceedings, so long as such updates, advice and recommendations do not disclose any of the Materials. In the event that you or any of your Representatives receive a subpoena, interrogatory or other request for any of the Materials or reasonably believe that you are legally required to disclose any of the Materials to a third party, you shall provide the Trust with reasonable written notice of any such request or requirement in advance to the extent practicable under the circumstances so that the Trust may seek, at its sole expense, a protective order or other appropriate remedy. If, in the absence of a protective order or other remedy, you nonetheless believe that you are legally compelled or requested to disclose Materials, you may disclose only that portion of the Materials which you reasonably believe that you are legally required or requested to disclose.

4. Upon the request of the Trust, all tangible Materials (regardless of the form or medium) furnished by the Trust and its Representatives to you shall either be: (i) at your option, destroyed or returned promptly to the Trust, without retention of any copy thereof; or (ii) if you reasonably believe that you are required to retain the Materials pursuant to regulatory guidelines or ethical or legal obligations, the Materials shall be held by you subject to this agreement. Notwithstanding the foregoing, you (x) may retain, subject to the terms of this agreement, in a secure location, copies of such Materials for use in connection with any dispute concerning information covered hereby, (y) shall not be required to return or destroy attorney work product containing advice or legal strategy in connection with the Trust prepared by you or your legal advisors based on, containing or reflecting any Materials (which attorney work product shall continue to be held in confidence, subject to the terms of this agreement), and (z) shall not be required to expunge from your electronic records internally generated files, references, notes, analyses or memoranda (which files, references, notes, analyses or memoranda shall continue to be held in confidence, subject to the terms of this agreement). In the event of such a request, all

other Materials that have been furnished by the Trust or its Representatives to you that have been incorporated into any analyses, compilations, studies, personal notes, or other documents prepared by you, or any of your Representatives, shall, at your option, either be destroyed or retained by you and kept subject to the terms of this agreement. Notwithstanding the return, destruction or retention of any Materials, you will continue to be bound by your obligation of confidentiality and other obligations hereunder.

5. You agree that the disclosure of the Materials to you or your Representatives shall not in any way operate as a waiver by the Trust of privilege, solicitor or client, or otherwise.

6. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

7. It is further understood and agreed that money damages may not be a sufficient remedy for any breach of this agreement and that the Trust shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for any breach of this confidentiality agreement but shall be in addition to all other remedies available at law or equity to the Trust.

8. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. You irrevocably submit to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding for the enforcement of this agreement.

9. No amendment or modification of this agreement shall be effective unless made or agreed to in writing signed by each party hereto. This agreement shall not be assigned by either party without the prior written consent of the other party.

10. Notices authorized or required by this agreement shall be delivered by hand or reputable third-party courier service. Notices to the Trust shall be delivered to the Trust, Argent Energy Trust, 500 – 321 6th Avenue S.W., Calgary, Alberta, T2P 3H3, Attention: Sean Bovingdon, with a copy to Bennett Jones LLP, 3400 One First Canadian Place, P.O. Box 130, Toronto, Ontario, M5X 1A4, Attention: Sean Zweig. Notices to you shall be delivered to Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7, Attention: Robert J. Chadwick. Each party may change its address for notices hereunder by written notice to the other party.

11. If any provision of this agreement is held to be illegal, void or unenforceable, such action shall have no effect on the enforceability of any other provision of this agreement.

12. This agreement may be executed in counterparts and signature pages exchanged by facsimile or other electronic means, and each counterpart shall be deemed to be an original, but both counterparts of the agreement shall constitute the same agreement.

13. This agreement constitutes the entire agreement between the parties with respect to the disclosure and use of the Materials.

[The remainder of this page is intentionally left blank]

Very truly yours,

ARGENT ENERGY TRUST

Per:_____
Name:
Title:

I have authority to bind the Trust

AGREED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE

GOODMANS LLP

Per: _____
Name: Robert J. Chadwick
Title: Partner

I have authority to bind the firm

~~February 18,~~**March [25],** 2016

STRICTLY PRIVATE AND CONFIDENTIAL

Goodmans LLP
Bay Adelaide Centre
Suite 3400, 333 Bay Street
Toronto, Ontario M5H 2S7

Attention: Robert J. Chadwick

RE: SALE SOLICITATION PROCESS CONFIDENTIAL ~~EXHIBIT~~INFORMATION

We are aware that a committee (the "**Ad Hoc Committee**") of holders (the "**Debentureholders**") under the Convertible Debenture Indenture, dated as of June 4, 2013 between Argent Energy Trust (together with its subsidiaries, the "**Trust**") and Computershare Trust Company of Canada has been formed and that you have been retained as legal advisor to the Ad Hoc Committee. The Trust and/or its Representatives (as defined in paragraph 2 below) are furnishing you with certain **confidential** information (the "**Confidential Information**") ~~filed under seal pursuant to the Initial Order (the "~~**with respect to the Sale Solicitation Process (as defined and described in the Amended and Restated CCAA** Initial Order~~")~~ of the Court of Queen's Bench of Alberta (the "**Court**") on February 17, ~~2016~~**2016, as amended and restated on March 9, 2016,** in the proceeding of the Trust under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

1. As a condition to the receipt of the Confidential Information, you agree to treat the Confidential Information confidentially, whether furnished to you in written form, orally or through any electronic facsimile or computer-related communication, together with analyses, compilations, studies or other documents or records prepared by you to the extent that such analyses, compilations, studies, documents or records contain or otherwise reflect or are generated from the Confidential Information (collectively, the "**Materials**"). The term "**Materials**" does not include information that: (i) is or becomes generally available to the public other than as a result of a disclosure by you or any of your Representatives in breach of this agreement; (ii) is or becomes available to you on a non-confidential basis from a source other than the Trust or its Representatives, provided that such source is not known or ought reasonably to be known by you to be bound by a confidentiality agreement with, or other obligations of confidentiality to, the Trust with respect to such information; (iii) was independently acquired (subject to 1(ii)) or developed by you or any of your Representatives without reference to or use of the Materials; or (iv) an authorized Representative of the Trust agrees in writing is not confidential information.

2. As used in this agreement, the term "**Representative**" means, as to any party hereto, such party's and its affiliates' directors, officers, partners, employees, agents, and advisors. **In addition, the Trust's Representatives shall include FTI Consulting Canada, Inc., in its capacity as Court-appointed monitor of the Trust, and its counsel.** The term "**person**" as used in this agreement shall include, without limitation, any trust, corporation, company, partnership or individual.

3. You hereby agree ~~that the Materials will be used by you solely for the purpose of evaluating the KERP and KEIP (each as defined in the Initial Order), and~~ that the Materials will be kept confidential by you and will not be disclosed to any person, except as provided herein; provided, however, that (a) nothing herein limits your or the Ad Hoc Committee's ability to challenge the ~~KERP and/or the KEIP~~**Sale Solicitation Process or any aspect thereof** before the Court in any way that does not result in the disclosure of the Materials to any person~~, or to seek an order of the Court that the Materials be unsealed and made public~~, and (b) the Materials may be disclosed: (i) to your Representatives who are not, to your knowledge, on the other side of an ethical wall or other information barrier with respect to your receipt of the Materials and who in your reasonable determination need to know the information contained therein solely for the purpose described above, provided that such Representatives shall be informed by you of the confidential nature of such information and the requirement to treat such information confidentially in accordance with the terms of this agreement, and that you shall be responsible for any breach of the terms of this agreement by you or any of your Representatives; (ii) upon request of any self-regulatory or any regulatory authority of any jurisdiction having authority over you subject to the provisions set forth below; (iii) pursuant to applicable law, subpoena or legal process subject to the provisions set forth below; (iv) to any Debentureholder (and its Representatives) who after the date hereof enters into a substantially similar confidentiality agreement with the Trust as this agreement; and (v) to other persons whom the Company or its Representatives agree in writing may have access to the Materials. The Trust acknowledges that you are acting as advisor to the Ad Hoc Committee and that you may, from time to time, provide updates, advice and recommendations to the members of the Ad Hoc Committee, including your analysis or opinions about the proposed course of action by the Trust in connection with the ~~KERP, the KEIP~~**Sale Solicitation Process** and the Trust's CCAA proceedings, so long as such updates, advice and recommendations do not disclose any of the Materials. In the event that you or any of your Representatives receive a subpoena, interrogatory or other request for any of the Materials or reasonably believe that you are legally required to disclose any of the Materials to a third party, you shall provide the Trust with reasonable written notice of any such request or requirement in advance to the extent practicable under the circumstances so that the Trust may seek, at its sole expense, a protective order or other appropriate remedy. If, in the absence of a protective order or other remedy, you nonetheless believe that you are legally compelled or requested to disclose Materials, you may disclose only that portion of the Materials which you reasonably believe that you are legally required or requested to disclose.

4. Upon the request of the Trust, all tangible Materials (regardless of the form or medium) furnished by the Trust and its Representatives to you shall either be: (i) at your option, destroyed or returned promptly to the Trust, without retention of any copy thereof; or (ii) if you reasonably believe that you are required to retain the Materials pursuant to regulatory guidelines or ethical or legal obligations, the Materials shall be held by you subject to this agreement. Notwithstanding the foregoing, you (x) may retain, subject to the terms of this agreement, in a secure location, copies of such Materials for use in connection with any dispute concerning information covered hereby, (y) shall not be required to return or destroy attorney work product containing advice or legal strategy in connection with the Trust prepared by you or your legal advisors based on, containing or reflecting any Materials (which attorney work product shall continue to be held in confidence, subject to the terms of this agreement), and (z) shall not be required to expunge from your electronic records internally generated files, references, notes,

analyses or memoranda (which files, references, notes, analyses or memoranda shall continue to be held in confidence, subject to the terms of this agreement). In the event of such a request, all other Materials that have been furnished by the Trust or its Representatives to you that have been incorporated into any analyses, compilations, studies, personal notes, or other documents prepared by you, or any of your Representatives, shall, at your option, either be destroyed or retained by you and kept subject to the terms of this agreement. Notwithstanding the return, destruction or retention of any Materials, you will continue to be bound by your obligation of confidentiality and other obligations hereunder.

5. You agree that the disclosure of the Materials to you or your Representatives shall not in any way operate as a waiver by the Trust of privilege, solicitor or client, or otherwise.

6. It is understood and agreed that no failure or delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any right, power or privilege hereunder.

7. It is further understood and agreed that money damages may not be a sufficient remedy for any breach of this agreement and that the Trust shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach. Such remedy shall not be deemed to be the exclusive remedy for any breach of this confidentiality agreement but shall be in addition to all other remedies available at law or equity to the Trust.

8. This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. You irrevocably submit to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding for the enforcement of this agreement.

9. No amendment or modification of this agreement shall be effective unless made or agreed to in writing signed by each party hereto. This agreement shall not be assigned by either party without the prior written consent of the other party.

10. Notices authorized or required by this agreement shall be delivered by hand or reputable third-party courier service. Notices to the Trust shall be delivered to the Trust, Argent Energy Trust, 500 – 321 6th Avenue S.W., Calgary, Alberta, T2P 3H3, Attention: Sean Bovingdon, with a copy to Bennett Jones LLP, 3400 One First Canadian Place, P.O. Box 130, Toronto, Ontario, M5X 1A4, Attention: Sean Zweig. Notices to you shall be delivered to Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, Ontario, M5H 2S7, Attention: Robert J. Chadwick. Each party may change its address for notices hereunder by written notice to the other party.

11. If any provision of this agreement is held to be illegal, void or unenforceable, such action shall have no effect on the enforceability of any other provision of this agreement.

12. This agreement may be executed in counterparts and signature pages exchanged by facsimile or other electronic means, and each counterpart shall be deemed to be an original, but both counterparts of the agreement shall constitute the same agreement.

13. This agreement constitutes the entire agreement between the parties with respect to the disclosure and use of the Materials.

[The remainder of this page is intentionally left blank]

Very truly yours,

ARGENT ENERGY TRUST

Per:_____
Name:
Title:

I have authority to bind the Trust

AGREED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE

GOODMANS LLP

Per: _____
Name: Robert J. Chadwick
Title: Partner

I have authority to bind the firm

Document comparison by Workshare Professional on Friday, March 25, 2016 8:11:50 PM

Input:	
Document 1 ID	interwovenSite://bjdocs/WSLegal/13196294/3
Description	#13196294v3<WSLegal> - Goodmans NDA re Confidential Exhibit
Document 2 ID	interwovenSite://bjdocs/WSLegal/13345490/1
Description	#13345490v1<WSLegal> - Goodmans NDA re SSP
Rendering set	standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	11
Deletions	11
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	22

EXHIBIT 11

Kelsey Meyer

From: Baulke, Ryan <rbaulke@goodmans.ca>
Sent: 28 March 2016 11:06 AM
To: Sean Zweig; Kelsey Meyer
Cc: Chadwick, Robert
Subject: RE: Argent.
Attachments: Scanned from Copitrak.pdf

Please find attached our signature to the NDA. Please return a fully executed copy when you have a chance and provide the requested information.

THIS IS EXHIBIT "11"
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 2016
Rose Ellis
A Commissioner, etc.

Thanks,

Ryan Baulke
Goodmans LLP

416.849.6954
rbaulke@goodmans.ca
goodmans.ca

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: Friday, March 25, 2016 8:16 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

Further to the below, attached please find a draft of the Goodmans NDA, along with a blackline against the previous form entered into. This remains subject to Argent's review in all respects, but please let us know if you have any comments in the interim. Also, as a reminder, we will still require the confirmation requested below before providing any information.

One this form is settled and we have your confirmation, we can quickly dupe out a similar form for your clients if they want to know the bid amount as well.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Sean Zweig
Sent: Friday, March 25, 2016 4:43 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

My point - which I'm sure you know - is that 'restructuring plan' is a very broad term, and I don't see any utility in debating what it means. The limitation is clear - your clients can't be a Bidder in the Sale Solicitation

Process. Please confirm that is acceptable. Assuming you do, I will plan to send an NDA (with blackline) tonight.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 3:08 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Call me if you really need a explanation on what a restructuring plan is. Please send over the nda agreements(blacklined to our previous execution versions). Thanks. Rob

---

From: Sean Zweig
Sent: Friday, March 25, 2016 2:18 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I don't know exactly what 'restructuring plan' means, but we do not intend to limit anything beyond being a Bidder in the Sale Solicitation Process (which is what the Syndicate agreed to as well).

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 2:05 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Just so I understand you and based on our discussion of yesterday, there would be no limitation or restrictions in advancing a restructuring plan by the notes. Please confirm.

Original Message
From: Sean Zweig
Sent: Friday, March 25, 2016 1:48 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

Rob,

We now have instructions from Argent, and we have had also had the opportunity to discuss matters with the Monitor. Although we continue to believe that your clients do not require any additional information to

formulate a restructuring proposal, in an effort to try to build consensus and maximize value, Argent is prepared to disclose to you the amount of the highest bid, subject to the two conditions below:

1) You must enter into an NDA satisfactory to Argent with respect to the information. And to the extent any of your clients want the information as well, they must also enter NDAs satisfactory to Argent. We do not expect that it would take very long to settle NDAs with you or your clients, particularly because we have previously agreed to forms.

2) You confirm, on behalf of your clients, that they will not participate as Bidders in the Sale Solicitation Process (each as defined in the Amended and Restated Initial Order). As you will note, this is a substantially scaled back condition from what was previously asked of you.

Please confirm that the two conditions are acceptable to you and your clients, in which case we will provide a form of NDA for Goodmans (and your clients if you tell us they would also like to know the amount of the highest bid).

To the extent you believe you require additional information after seeing the amount of the highest bid, we would be pleased to have a further discussion with you about that, but we would need to understand the rationale for needing any further information.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

***** Attention *****

This communication is intended solely for the named addressee(s) and may contain information that is privileged, confidential, protected or otherwise exempt from disclosure. No waiver of confidence, privilege, protection or otherwise is made. If you are not the intended recipient of this communication, or wish to unsubscribe, please advise us immediately at privacyofficer@goodmans.ca and delete this email without reading, copying or forwarding it to anyone. Goodmans LLP, 333 Bay Street, Suite 3400, Toronto, ON, M5H 2S7, www.goodmans.ca. You may unsubscribe to certain communications by clicking here.

-----Original Message-----
From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Friday, March 25, 2016 10:47 AM
To: MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Sean Zweig; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I am following up on our call of yesterday. You indicated you were going back to seek instructions. We expected to hear from you yesterday. You were also going to provide us more information of current work of durham which you were unaware of. As you know, time is of the essence. We are of the position, company should not be entering into any transaction agreement without the opportunity to consult with us. We also believe that all restructuring options need to be explored for the benefit of all stakeholders. Rob

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Very truly yours,

ARGENT ENERGY TRUST

Per:_____
Name:
Title:

I have authority to bind the Trust

AGREED AND ACCEPTED AS OF THE DATE FIRST WRITTEN ABOVE

GOODMANS LLP

Per: _____
Name: Robert J. Chadwick
Title: Partner

I have authority to bind the firm

EXHIBIT 12

Kelsey Meyer

From: Chadwick, Robert <rchadwick@goodmans.ca>
Sent: 28 March 2016 1:51 PM
To: Sean Zweig; Baulke, Ryan; Kelsey Meyer
Subject: RE: Argent.

Agree on condition and exchange as outlined in our exchange of emails below. We reserve all of our rights to object that the sale process is proper etc as we have previously outlined to you.

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: Monday, March 28, 2016 1:08 PM
To: Baulke, Ryan; Kelsey Meyer
Cc: Chadwick, Robert
Subject: RE: Argent.

As per the below, please first provide your confirmation, on behalf of your clients, that they will not participate as Bidders in the Sale Solicitation Process (each as defined in the Amended and Restated Initial Order).

THIS IS EXHIBIT "12"
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 2016
Rose M. Ellis
A Commissioner for Oaths

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

From: Baulke, Ryan [mailto:rbaulke@goodmans.ca]
Sent: 28 March 2016 1:06 PM
To: Sean Zweig <ZweigS@bennettjones.com>; Kelsey Meyer <MEYERK@bennettjones.com>
Cc: Chadwick, Robert <rchadwick@goodmans.ca>
Subject: RE: Argent.

Please find attached our signature to the NDA. Please return a fully executed copy when you have a chance and provide the requested information.

Thanks,

Ryan Baulke
Goodmans LLP

416.849.6954
rbaulke@goodmans.ca
goodmans.ca

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Sent: Friday, March 25, 2016 8:16 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

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One this form is settled and we have your confirmation, we can quickly dupe out a similar form for your clients if they want to know the bid amount as well.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

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To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

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Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

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Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

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Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
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Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
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E. zweigs@bennettjones.com

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To: MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Sean Zweig; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I am following up on our call of yesterday. You indicated you were going back to seek instructions. We expected to hear from you yesterday. You were also going to provide us more information of current work of durham which you were unaware of. As you know, time is of the essence. We are of the position, company should not be entering into any transaction agreement without the opportunity to consult with us. We also believe that all restructuring options need to be explored for the benefit of all stakeholders. Rob

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communications may be vulnerable to interception by unauthorized parties. If you do not wish us to communicate with you by e-mail, please notify us at your earliest convenience. In the absence of such notification, your consent is assumed. Should you choose to allow us to communicate by e-mail, we will not take any additional security measures (such as encryption) unless specifically requested.

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EXHIBIT 13

CONFIDENTIAL EXHIBIT "13"
TO THE AFFIDAVIT OF
SEAN BOVINGDON NO. 3

EXHIBIT 14

Kelsey Meyer

From: Sean Zweig
Sent: 28 March 2016 6:07 PM
To: Chadwick, Robert; Baulke, Ryan; Kelsey Meyer
Cc: 'Helkaa, Deryck'; Olver, Dustin; Sean F. Collins (scollins@mccarthy.ca); MacLeod, Walker W.
Subject: Re: Argent.

We expect to be able to get you both those pieces of information tomorrow.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Monday, March 28, 2016 4:14 PM
To: Sean Zweig; Baulke, Ryan; Kelsey Meyer
Cc: 'Helkaa, Deryck'; Olver, Dustin; Sean F. Collins (scollins@mccarthy.ca); MacLeod, Walker W.
Subject: RE: Argent.

How much is Bank owed (including dip expenses etc and less kerp or other payments amounts being netted off.) Please provide me sources and uses summary sheet (as I expect it was completed for Bank or Board or Company). You were also going to advise us from last week what Durham Capital has been doing with more details etc. Rob

[Redacted]

THIS IS EXHIBIT " 14 *"*
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April *A.D. 20* 16
Rose M. Ellis
~~A Commissioner for Oaths~~
in [redacted]

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: 28 March 2016 3:51 PM
To: Sean Zweig <ZweigS@bennettjones.com>; Baulke, Ryan <rbaulke@goodmans.ca>; Kelsey Meyer

<MEYERK@bennettjones.com>
Subject: RE: Argent.

Agree on condition and exchange as outlined in our exchange of emails below. We reserve all of our rights to object that the sale process is proper etc as we have previously outlined to you.

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: Monday, March 28, 2016 1:08 PM
To: Baulke, Ryan; Kelsey Meyer
Cc: Chadwick, Robert
Subject: RE: Argent.

As per the below, please first provide your confirmation, on behalf of your clients, that they will not participate as Bidders in the Sale Solicitation Process (each as defined in the Amended and Restated Initial Order).

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Baulke, Ryan [mailto:rbaulke@goodmans.ca]
Sent: 28 March 2016 1:06 PM
To: Sean Zweig <ZweigS@bennettjones.com>; Kelsey Meyer <MEYERK@bennettjones.com>
Cc: Chadwick, Robert <rchadwick@goodmans.ca>
Subject: RE: Argent.

Please find attached our signature to the NDA. Please return a fully executed copy when you have a chance and provide the requested information.

Thanks,

Ryan Baulke
Goodmans LLP

416.849.6954
rbaulke@goodmans.ca
goodmans.ca

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: Friday, March 25, 2016 8:16 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

Further to the below, attached please find a draft of the Goodmans NDA, along with a blackline against the previous form entered into. This remains subject to Argent's review in all respects, but please let us know if you have any comments in the interim. Also, as a reminder, we will still require the confirmation requested below before providing any information.

One this form is settled and we have your confirmation, we can quickly dupe out a similar form for your clients if they want to know the bid amount as well.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Sean Zweig
Sent: Friday, March 25, 2016 4:43 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

My point - which I'm sure you know - is that 'restructuring plan' is a very broad term, and I don't see any utility in debating what it means. The limitation is clear - your clients can't be a Bidder in the Sale Solicitation Process. Please confirm that is acceptable. Assuming you do, I will plan to send an NDA (with blackline) tonight.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 3:08 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Call me if you really need a explanation on what a restructuring plan is. Please send over the nda agreements(blacklined to our previous execution versions). Thanks. Rob

From: Sean Zweig
Sent: Friday, March 25, 2016 2:18 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I don't know exactly what 'restructuring plan' means, but we do not intend to limit anything beyond being a Bidder in the Sale Solicitation Process (which is what the Syndicate agreed to as well).

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Friday, March 25, 2016 2:05 PM
To: Sean Zweig; MacLeod, Walker W.; Kelsey Meyer

Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

Just so I understand you and based on our discussion of yesterday, there would be no limitation or restrictions in advancing a restructuring plan by the notes. Please confirm.

Original Message
From: Sean Zweig
Sent: Friday, March 25, 2016 1:48 PM
To: Chadwick, Robert; MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: RE: Argent.

Rob,

We now have instructions from Argent, and we have had also had the opportunity to discuss matters with the Monitor. Although we continue to believe that your clients do not require any additional information to formulate a restructuring proposal, in an effort to try to build consensus and maximize value, Argent is prepared to disclose to you the amount of the highest bid, subject to the two conditions below:

1) You must enter into an NDA satisfactory to Argent with respect to the information. And to the extent any of your clients want the information as well, they must also enter NDAs satisfactory to Argent. We do not expect that it would take very long to settle NDAs with you or your clients, particularly because we have previously agreed to forms.

2) You confirm, on behalf of your clients, that they will not participate as Bidders in the Sale Solicitation Process (each as defined in the Amended and Restated Initial Order). As you will note, this is a substantially scaled back condition from what was previously asked of you.

Please confirm that the two conditions are acceptable to you and your clients, in which case we will provide a form of NDA for Goodmans (and your clients if you tell us they would also like to know the amount of the highest bid).

To the extent you believe you require additional information after seeing the amount of the highest bid, we would be pleased to have a further discussion with you about that, but we would need to understand the rationale for needing any further information.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

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-----Original Message-----
From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Friday, March 25, 2016 10:47 AM
To: MacLeod, Walker W.; Kelsey Meyer
Cc: Baulke, Ryan; Sean Zweig; Harinder Basra; Collins, Sean F.; Helkaa, Deryck; Olver, Dustin
Subject: Re: Argent.

I am following up on our call of yesterday. You indicated you were going back to seek instructions. We expected to hear from you yesterday. You were also going to provide us more information of current work of durham which you were unaware of. As you know, time is of the essence. We are of the position, company should not be entering into any transaction agreement without the opportunity to consult with us. We also believe that all restructuring options need to be explored for the benefit of all stakeholders. Rob

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EXHIBIT 15

CONFIDENTIAL EXHIBIT "15"
TO THE AFFIDAVIT OF
SEAN BOVINGDON NO. 3

EXHIBIT 16

Kelsey Meyer

From: Chadwick, Robert <rchadwick@goodmans.ca>
Sent: 29 March 2016 9:26 PM
To: Sean Zweig; Baulke, Ryan; Kelsey Meyer
Cc: 'Helkaa, Deryck'; Olver, Dustin; Sean F. Collins (scollins@mccarthy.ca); MacLeod, Walker W.; Sean Bovingdon
Subject: Re: Argent.

Can Company please provide us the updated reserve runs based on current strip pricing. Please also provide us actual DIP amounts utilized versus budgeted. I would assume ahead of budget based on increase in commodity prices since pre-filing preparation of dip. Thank you. We would appreciate receiving information asap.

THIS IS EXHIBIT "16"
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 2016
Rose M. Ellis
[redacted]

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

[Redacted]

EXHIBIT 17

CONFIDENTIAL EXHIBIT "17"
TO THE AFFIDAVIT OF
SEAN BOVINGDON NO. 3

EXHIBIT 18

Kelsey Meyer

From: Chadwick, Robert <rchadwick@goodmans.ca>
Sent: 14 April 2016 6:27 AM
To: Sean Zweig
Cc: Kelsey Meyer
Subject: RE: Argent

No need for multiple emails. We will deal with it before the Courts once we receive the materials

---

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: Thursday, April 14, 2016 8:25 AM
To: Chadwick, Robert
Cc: Kelsey Meyer
Subject: RE: Argent

I am copying in Kelsey. We intend to proceed on the 25th, and we will file our materials in accordance with the Alberta rules. We trust you will as well. We will also make our affiants (Sean Bovingdon and Harrison Williams) available for cross-examination if you want to do that.

As you will recall, you argued for different litigation procedures at the comeback hearing, and that relief was not granted.

THIS IS EXHIBIT "18"
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 2016
Rose M Ellis
A ~~Commissioner for Oaths~~
in ~~and for the Province of Alberta~~

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Thursday, April 14, 2016 8:08 AM
To: Sean Zweig
Subject: Re: Argent

April 25 won't be enough time if that is the path. We should set a proper schedule for cross, filing materials, bench briefs etc.

From: Sean Zweig
Sent: Thursday, April 14, 2016 8:03 AM
To: Chadwick, Robert
Subject: RE: Argent

No one has/is suggesting that your clients need to do anything alone. We and the Monitor have repeatedly said we are happy to work with you. But as you know, for any alternative to be viable, there would need to be capital brought to the table, and despite the Durham process, Argent has not been able to source that capital. And your clients have expressed no interest in providing additional capital to Argent and/or taking out the banks.

Your characterization of the court-approved sale process is clearly not accurate, but there is no utility in debating that point with you via email.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Thursday, April 14, 2016 7:25 AM
To: Sean Zweig
Subject: Re: Argent

We can agree to disagree. Below email is not correct. No need for multiple emails. I have said all along other paths cannot be left to the creditor alone. The debtor has the role and obligation to pursue all pathes. Debtor is in ccaa and not the creditors. Company has all the resources and information. You have 2 FA's and a monitor and all current information and cashflows. You know all of this. Anyone can run a fire sale and liquidate the assets in a few weeks. The debtor has done nothing to try to create value for all stakeholders. The process todate is akin to a private receiver for the banks. Rob

---

From: Sean Zweig
Sent: Thursday, April 14, 2016 7:12 AM
To: Chadwick, Robert
Subject: RE: Argent

I was not calling to "check the box"; I was calling to find out where you and your clients are at. We were candidly very surprised not to hear anything from you after you and your clients both signed NDAs and received the purchase price and additional information you requested. You repeatedly told us you needed the information to put together a "restructuring proposal" which you said you could only do once you knew what number the banks were willing to take, but we have not seen or heard anything further on that front since providing you all of the information you asked for more than 2 weeks ago. Like we have said throughout this process, if your clients have a different proposed path that is viable, we are happy to discuss it.

We do intend to proceed with our application on April 25. You received all of the information you requested more than two weeks ago, and you received notice of the April 25 date even before that. And the application is still 11 days away. You are not being jammed here in any way.

And I don't understand your comment about "based on no dialogue and no information". Both we and Argent have repeatedly told you and your clients (and the Court) that we are ready, willing and able to discuss any alternative paths your side wants to discuss. Again, we are surprised not to have heard from you in that regard over the last two weeks (and prior to that as well). And in terms of information, we have provided you with everything you have asked for. If there are outstanding information requests which I am not aware of, please let me know.

I will leave it to you as to whether it makes sense to speak. If you are just going to tell me that you do no support the proposed sale, I agree there is no need. If you have a restructuring proposal you want to discuss, then we should find a time.

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Thursday, April 14, 2016 6:23 AM
To: Sean Zweig
Subject: Re: Argent

I have a meeting before 930 so after better. I can step out before, if needed. As you know, there has been no dialogue with the debtor and us, notwithstanding we are subject to a nda. We have told the debtor and the Monitor that the debtor should not be entering into an agreement without having meaningful discussions with us on other routes. The proposed transaction value you showed us previously makes no sense. The market has changed significantly since the time the debtor and banks were planning for ccaa (oil is now above $41 dollars). We collectively should find avenues to maximize value. We have previously outlined our views to the Monitor. We are very concerned with the debtor's approach and timing. We don't believe based on no dialogue and no information a motion cannot proceed on April 25. If the purpose of the call is to simply "check the box" in saying you spoke to us before you serve a motion which you know we will not support, not sure we need to speak. If you want to discuss how we get to a consensual resolution or other avenues, we are available to discuss. Let me know. Rob

---

From: Sean Zweig
Sent: Wednesday, April 13, 2016 11:38 PM
To: Chadwick, Robert
Subject: Re: Argent

Do you have some time before 9:30 tomorrow?

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Wednesday, April 13, 2016 10:48 AM
To: Sean Zweig
Subject: RE: Argent

I have a 2pm and around after.

From: Sean Zweig [mailto:ZweigS@bennettjones.com]
Sent: Wednesday, April 13, 2016 9:46 AM
To: Chadwick, Robert
Subject: RE: Argent

Tied up for a while now. What's your afternoon like?

Sean Zweig
Partner, Bennett Jones LLP

3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4
P. 416 777 6254 | F. 416 863 1716
E. zweigs@bennettjones.com

From: Chadwick, Robert [mailto:rchadwick@goodmans.ca]
Sent: Wednesday, April 13, 2016 9:37 AM
To: Sean Zweig
Subject: Re: Argent

I just tried you back. Rob

From: Sean Zweig
Sent: Wednesday, April 13, 2016 9:34 AM
To: Chadwick, Robert
Subject: Re: Argent

Left you a vmail. Let me know when you have some time to speak.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

From: Chadwick, Robert
Sent: Tuesday, April 12, 2016 8:57 PM
To: Sean Zweig
Subject: Re: Argent

I am around tomorrow

From: Sean Zweig
Sent: Tuesday, April 12, 2016 7:07 PM
To: Chadwick, Robert
Subject: Argent

I'm just about to board a plane. Can we chat tomorrow morning? I have a 9:30, but anytime before then is good.

Sean Zweig
Bennett Jones LLP
(416) 777-6254
zweigs@bennettjones.com

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EXHIBIT 19

CONFIDENTIAL EXHIBIT "19"
TO THE AFFIDAVIT OF
SEAN BOVINGDON NO. 3

EXHIBIT 20

CONFIDENTIAL EXHIBIT "20"
TO THE AFFIDAVIT OF
SEAN BOVINGDON NO. 3

EXHIBIT 21

EXECUTION VERSION

THIS IS EXHIBIT " 21 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 20 16
Rose M. Ellis

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

PURCHASE AND SALE AGREEMENT

BY AND BETWEEN

Argent Energy (US) Holdings Inc.

AS "SELLER"

AND

BXP Partners IV, L.P.

AS "BUYER"

DATED as of April 14, 2016

TABLE OF CONTENTS

EXHIBITS

SCHEDULES

PURCHASE AND SALE AGREEMENT

This **Purchase and Sale Agreement** (this "**Agreement**") is made and entered into as of this 14th day of April, 2016 (the "**Execution Date**"), by and between **Argent Energy (US) Holdings Inc.**, a Delaware corporation ("**Seller**"), and **BXP Partners IV, L.P.**, a Texas limited partnership ("**Buyer**"). Buyer and Seller are sometimes referred to herein, collectively, as the "**Parties**" and, individually, as a "**Party**."

W I T N E S S E T H:

WHEREAS, on February 17, 2016, Seller obtained an initial order (the **"Initial Order"**) under the Companies' Creditors Arrangement Act ("**CCAA**") from the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the **"Canadian Court"**);

WHEREAS, on February 17, 2016, Seller filed a petition pursuant to Chapter 15 of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (**"Chapter 15"**), as codified in title 11 of the United States Code, 11 U.S.C. §§ 101 through 1532, as may have been or as amended from time to time (the **"Bankruptcy Code"**), in the United States Bankruptcy Court for the Southern District of Texas, Corpus Christi Division (the **"Bankruptcy Court"**) jointly administered under case number 16-20060 (the **"Bankruptcy Case"**);

WHEREAS, Seller obtained provisional relief in Texas in the Bankruptcy Court on February 24, 2016 and a hearing on its petition for recognition and related relief was conducted on March 9, 2016 to recognize and enforce the Initial Order under Chapter 15;

WHEREAS, a comeback hearing was held in the CCAA on March 8, 2016 and an Amended and Restated CCAA Initial Order was filed on March 17, 2016 (the **Amended Order"**).

WHEREAS, on February 17, 2016, Seller applied for and ultimately obtained Canadian Court approval for a Sale and Investment Solicitation Process (the **"SISP"**) and obtained Bankruptcy Court recognition of the SISP on a final basis on March 11, 2016 (the "**CCAA Order**");

WHEREAS, the CCAA Order, through its recognition of the Initial Order and the Amended Order, named FTI Consulting Canada Inc. to act as Monitor (the "**Monitor**");

WHEREAS, Seller has continued in the ownership and possession of its assets and the management of its Business;

WHEREAS, Seller desires to sell and assign, and Buyer desires to purchase and acquire, all of Seller's right, title and interest in, to and under the Assets (as defined herein) effective as of the Effective Time (as defined hereinafter);

WHEREAS, on April 4, 2016 Seller and Buyer entered into a Letter of Intent (the **"LOI")** binding themselves to consummate a proposed transaction evidenced by this Agreement, subject only to certain terms and conditions relating to title and environmental due diligence, the

treatment of Title Defects and Environmental Defects and adjustments to the Purchase Price relating to Title Defects and Environmental Defects, if any, and as otherwise provided herein;

WHEREAS, upon execution of the LOI, Seller paid to the Monitor the Earnest Money (as defined herein) to hold in accordance with the terms and conditions set forth herein; and

WHEREAS, the transactions contemplated hereunder are subject to the authorization and approval of the Canadian Court and the Bankruptcy Court as set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual promises, representations, warranties, covenants, conditions and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party, the Parties agree as follows:

ARTICLE I. DEFINITIONS

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"**Adjusted Purchase Price**" shall have the meaning given that term in **Section 3.01**.

"**Advisors**" shall have the meaning given that term in **Section 6.01**.

"**AFEs**" shall have the meaning given that term in **Section 5.01(l)**.

"**Affiliate**" shall mean any Person that, directly or indirectly, through one or more entities, controls, is controlled by or is under common control with the Person specified. For the purpose of the immediately preceding sentence, the term "control" and its syntactical variants mean the power, direct or indirect, to direct or cause the direction of the management of such Person, whether through the ownership of voting securities, by contract, agency or otherwise.

"**Agreement**" shall have the meaning given that term in the preamble.

"**Allocated Value**" shall have the meaning given that term in **Section 3.03(a)**.

"**Amended Order**" shall have the meaning given that term in the Recitals.

"**Assets**" shall have the meaning given that term in **Section 2.02**.

"**Assignments**" shall have the meaning given that term in **Section 9.03(b)**.

"**Assumed Obligations**" shall have the meaning given that term in **Section 12.01**.

"**Bankruptcy Case**" shall have the meaning given that term in the Recitals.

"**Bankruptcy Code**" shall have the meaning given that term in the Recitals.

"**Bankruptcy Court**" shall have the meaning given that term in the Recitals.

"**Bid**" shall have the meaning given that term in the Bidding Procedures.

"**Bidding Procedures**" shall have the meaning given that term in the Bidding Procedures Order.

"**Bidding Procedures Order**" shall mean the bid procedures authorized under the CCAA Order for the Sale and Investment Solicitation Process.

"**Business**" shall mean the business activities and endeavors conducted or to be conducted by Seller

"**Business Day**" shall mean any day other than a Saturday, a Sunday or a day on which banks in Houston, Texas are authorized or obligated by Law to close.

"**Buyer**" shall have the meaning given that term in the preamble.

"**Buyer Affiliates**" shall mean Buyer and its members, partners, shareholders and Affiliates, and the officers, board of directors and/or managers, employees, agents and representatives of all of the foregoing Persons.

"**Canadian Case**" shall mean the case pending in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary, Court File No. 1601-01675.

"**Canadian Court**" shall have the same meaning given that term in the Recitals.

"**Canadian Sale Order**" shall mean an order of the Canadian Court, in a form acceptable to Seller and Buyer, approving this Agreement and the transactions contemplated hereby.

"**CCAA**" shall have the same meaning given that term in the Recitals.

"**CCAA Order**" shall have the same meaning given that term in the Recitals.

"Chapter 15" shall have the meaning given that term in the Recitals.

"**Closing**" shall have the meaning given that term in **Section 9.01**.

"**Closing Date**" shall have the meaning given that term in **Section 9.01**.

"**Closing Statement**" shall have the meaning given that term in **Section 9.02**.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended and any successor statute thereto.

"**Consent**" shall have the meaning given that term in **Section 5.01(c)**.

"**Consent Deposit Amount**" shall have the meaning given that term in **Section 4.01(a)**.

"**Contracts**" shall have the meaning given that term in **Section 2.02(g)**.

"**Deeds**" shall have meaning given that term in **Section 9.03(c)**.

"**Dispute Notice**" shall have the meaning given that term in **Section 9.02(c)**.

"**Dispute Resolution Period**" shall have the meaning given that term in **Section 9.02(d)**.

"**Earnest Money**" shall mean [REDACTED] paid by Buyer to the Monitor upon execution of the LOI, plus any earnings thereon,

"**Easements**" shall have the meaning given that term in **Section 2.02(e)**.

"**Effective Time**" shall mean 7:00 a.m. Houston, Texas time on April 1, 2016.

"**Environmental Defects**" shall have the meaning given that term in the LOI.

"**Environmental Laws**" shall mean applicable federal, state and local Laws (in each case, as the same are in effect at the relevant date or for the relevant period) pertaining to the environment (including ambient air, indoor air, surface water, groundwater, land surfaces, sediment or subsurface strata) or natural resources, the prevention of pollution, the Release of Hazardous Substances, the remediation of Hazardous Substances, or the restoration of the environment, including the Clean Air Act, the Clean Water Act, the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Occupational Safety and Health Act of 1970, the Resource Conservation and Recovery Act of 1976, the Safe Drinking Water Act, the Toxic Substances Control Act and the Oil Pollution Act of 1990.

"**Escrow Account**" shall the meaning given that term in **Section 4.01(a)**.

"**Escrow Agent**" shall the meaning given that term in **Section 4.01(a)**.

"**Excluded Assets**" shall have the meaning given that term in **Section 2.03**.

"**Excluded Liabilities**" shall have the meaning given that term in **Section 2.04**.

"**Execution Date**" shall have the meaning given that term in the Recitals.

"**Facilities**" shall have the meaning given that term in **Section 2.02(d)**.

"**Fee Minerals**" shall have the given that term in **Section 2.02(a)**.

"**Files**" shall have the meaning given that term in **Section 2.02(i)**.

"**Final Accounting Statement**" shall have the meaning given that term in **Section 9.02(c)**.

"**Final Order**" shall mean an order of the Canadian Court or Bankruptcy Court as to which the time to appeal has expired and as to which no appeal, stay, petition for certiorari, or other proceedings for reconsideration shall then be pending.

"**Financial Records**" shall mean, to the extent in Seller's possession, or readily available to Seller, all available financial information relating to the Assets for the last two years, including, but not be limited to, all general ledgers, journals, revenue logs, operating reports, invoices and any other underlying supporting documents that may be needed to prepare audited and pro forma financial statements of the Assets as a result of this transaction.

"**GAAP**" shall mean generally accepted accounting principles in the United States of America as in effect from time to time.

"**Governmental Authority**" shall mean any federal, state, local or foreign government or any court of competent jurisdiction, regulatory or administrative agency, commission or other governmental authority that exercises jurisdiction over any of the Assets.

"**Hazardous Substances**" shall mean any substance, material or waste which is defined or regulated as a "hazardous substance," "hazardous material" or "hazardous waste" under or otherwise regulated by any Environmental Laws or for which Liability can be imposed under any Environmental Law.

"**Hydrocarbons**" shall mean oil and gas and other hydrocarbons produced or processed in association therewith.

"**Imbalance**" shall mean any imbalance at the wellhead related to the Assets between the amount of Hydrocarbons produced from a Well and allocable to the interests of Seller therein and the shares of production from the relevant Well to which Seller is entitled, together with any appurtenant rights and obligations concerning future in kind and/or cash balancing at the wellhead all as disclosed on **Schedule 5.01(n)**.

"**Income Taxes**" shall mean any income, capital gains, franchise and similar Taxes.

"Initial Order" shall have the meaning given that term in the Recitals.

"Intellectual Property" means all worldwide intellectual property and rights, title and interests arising from or in respect of the following: proprietary computer software, technology, patents, trade secrets, copyrights, names, trademarks, logos and other intellectual property, including without limitation, seismic, engineering, geological and geophysical data together with all rights of action and remedies for past, present and future infringement of any of the foregoing Intellectual Property.

"**Interim Period**" shall mean that period commencing on the date of the execution of the LOI and terminating upon the earlier of the Closing or the termination of this Agreement.

"**Knowledge**" shall mean, with respect to Seller and Buyer, the actual knowledge of the Persons listed on **Schedule 1.01** hereto, provided, however, such Persons shall have undertaken a good faith and ordinary course investigation of any relevant matter.

"**Lands**" shall have the meaning given that term in **Section 2.02(a)**.

"**Law**" shall mean any applicable statute, law, rule, regulation, ordinance, order, code, ruling, writ, injunction, decree or other official act of or by any Governmental Authority.

"**Leases**" shall have the meaning given that term in **Section 2.02(a)**.

"**Legal Proceeding**" means any claim, demand, litigation, action, cause of action, suit, audit, dispute, review, hearing, charge, indictment, complaint or other judicial or administrative proceeding, at law or in equity, before or by any Governmental Body or arbitration or other similar dispute resolution proceeding.

"**Liabilities**" shall mean, except as provided in **Section 12.04**, any and all existing claims or claims threatened in writing, causes of action, payments, charges, judgments, assessments, liabilities, losses, damages, penalties, fines or costs and expenses, including any attorneys' fees, legal or other expenses incurred in connection therewith and including liabilities, costs, losses and damages for personal injury or death or property damage or environmental damage or remediation.

"**Liens**" shall mean any mortgage, lien, security interest or other charge or encumbrance, or any financing lease having substantially the same economic effect as any of the foregoing.

"**LOI**" shall have the meaning given that term in the Recitals.

"**Material Adverse Effect**" shall mean (a) any change, effect, state of facts, occurrence, event or circumstance that results, individually or in the aggregate, in a material adverse effect on the use, ownership or operation of the Assets, as currently operated as of the date of this Agreement, or (b) any change, effect, state of facts, occurrence, event or circumstance that prevents or materially impedes the consummation by Buyer and Seller of the transactions contemplated by this Agreement; provided, however, that no change, effect, state of facts, occurrence, event or circumstance, individually or in the aggregate, that arises or results from the following shall be deemed to constitute or be considered in determining whether a Material Adverse Effect has occurred: (i) changes in general economic, capital market, regulatory or political conditions or changes in applicable Law or the interpretation thereof that, in any case, do not materially affect the Assets in any area or areas where the Assets are located as compared to similarly situated properties; (ii) changes that affect generally the oil and gas industry in any area or areas where the Assets are located that, in any case, do not disproportionately affect the Assets as compared to similarly situated properties; (iii) the declaration by the United States of a national emergency or acts of war or terrorism or acts of God that, in any case, do not disproportionately affect the Assets as compared to similarly situated properties; (iv) the entry into or announcement of the transactions contemplated by this Agreement, or the consummation of the transactions contemplated hereby; (v) changes in Law or GAAP; (vi) any changes in commodity prices, including any Hydrocarbons or other commodities relating to the Business of Seller or the Assets; (vii) any action or omission of Buyer; (viii) changes relating to or arising from (A) the filing, pendency or conduct of the Canadian Case and/or Bankruptcy Case, (B) any orders of the Canadian Court and/or Bankruptcy Court or (C) the fact that Seller is operating as a debtor-in-possession under the Bankruptcy Code; or (ix) any action or omission of Seller taken in accordance with the terms of this Agreement without the violation thereof or with the prior written consent of Buyer. Provided, however, if the value of an asserted Material Adverse Effect

is less than Fifty Thousand Dollars ($50,000.00) it shall not be deemed to be an Material Adverse Effect for purposes of this Agreement.

"**Material Contract**" shall mean the following (excluding any Leases) to the extent relating to the Assets and that would be binding upon Buyer after the consummation of the transactions contemplated hereby:

(a) any Contract that (i) can reasonably be expected to result in aggregate payments by Seller of more than Fifty Thousand Dollars ($50,000.00) during the current or any subsequent fiscal year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues) and (ii) cannot be terminated without penalty on thirty (30) days or less notice;

(b) any Contract that can reasonably be expected to result in aggregate revenues to Seller of more than Fifty Thousand Dollars ($50,000.00) during the current or any subsequent fiscal year (based solely on the terms thereof and without regard to any expected increase in volumes or revenues);

(c) any purchase and sale, transportation, processing, refining or similar Contract (in each case) to which Seller is a party or to which the Assets are subject to that is not terminable without penalty on thirty (30) days or less notice;

(d) any indenture, mortgage, loan, note, credit, sale-leaseback or similar Contract (in each case) to which any of the Assets are subject and all related security agreements or similar agreements associated therewith, unless such Assets are to be released from such Contracts on or before the Closing; and

(e) any Contract between an Affiliate of Seller, on the one hand, and Seller, on the other hand, that would be binding upon Buyer following Closing and will not be terminated on or prior to Closing.

"**Material Liability**" shall mean liabilities in excess of Fifty Thousand Dollars ($50,000.00).

"**Monitor**" shall have the meaning given that term in the Recitals.

"**Operating Expenses**" means all GAAP operating expenses (including costs of insurance and Production Taxes) and capital expenditures incurred in the ownership, operation or maintenance of the Assets and, where applicable, in accordance with the relevant operating or unit agreement, if any, and Overhead Costs charged or attributable to the Assets, but excluding (a) Liabilities for personal injury or death, property damage or violation of any Law, (b) obligations to plug Wells, dismantle Facilities, close pits or restore the surface around such Wells, Facilities and pits, (c) environmental Liabilities, including obligations to remediate any contamination of groundwater, surface water, soil, sediments, Facilities or personal property under applicable Environmental Laws, (d) obligations with respect to Imbalances, and (e) obligations to pay working interests, royalties, overriding royalties or other interest owners revenues or proceeds attributable to sales of Hydrocarbons relating to the Properties, including those held in suspense.

"**Order**" means any order, injunction, judgment, decree, ruling, writ, assessment, consent or arbitration award of any Government Authority.

"**Outside Date**" shall mean May 31, 2016.

"**Overhead Costs**" shall mean with respect to any Well that is operating between the Effective Time and the Closing Date, (a) the overhead amount under the joint operating agreement applicable to such Well that would be attributable to Seller's interest therein for the period of time from and after the Effective Time up to (and including) the Closing Date, or (b) if no such joint operating agreement is in existence with respect to any producing or injection Well, then the amount obtained by multiplying (i) Thirty Dollars ($30.00) per day for such Well by (ii) the number of days elapsing from and after the Effective Time up to (and including) the Closing Date.

"**Party**" or "**Parties**" shall have the meaning given that term in the preamble.

"**Permits**" means any approvals, authorizations, consents, franchises, licenses, permits, waivers, operating permits, easements, qualifications, grants, concessions, exceptions, rulings, waivers, variances, registrations, certificates or other forms of permission, exemptions, plans and the like, of any Governmental Body.

"**Person**" shall mean an individual, corporation, partnership, association, trust, limited liability company or any other entity or organization, including government or political subdivisions or an agency, unit or instrumentality thereof.

"**Petition Date**" shall mean February 17, 2016.

"**Production Taxes**" means ad valorem, property, severance, production and similar Taxes based upon or measured by the ownership or operation of the Assets or the production of Hydrocarbons therefrom, but excluding, for the avoidance of doubt, (a) Income Taxes and (b) Transfer Taxes.

"**Properties**" shall have the meaning given that term in **Section 2.02(b)**.

"**Purchase Price**" shall have the meaning given that term in **Section 3.01**.

"**Purchase Price Allocation**" shall have the meaning given that term in **Section 3.03(a)**.

"Purchased Intellectual Property" means any and all Intellectual Property solely and exclusively related to the Assets and owned by Seller or its Affiliates relating to seismic, engineering, geological and geophysical data, including all rights of action and remedies for past, present and future infringements thereof which may be sold or assigned to the Buyer by the Seller pursuant to the Bankruptcy Code, or for which consents have been obtained, at no cost to the Seller.

"**Qualified Bidder**" shall have the meaning given that term in the Bidding Procedures.

"Real Property" shall have the meaning given that term in **Section 2.02(c)**.

"**Release**" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, migration or leaching into or through the indoor or outdoor environment, or into or out of any property.

"**Sale Order**" is an order of the Bankruptcy Court, in a form acceptable to Seller and Buyer, entered pursuant to Sections 105, 363, 365, 1508, 1520, and 1521 of the Bankruptcy Code (a) approving this Agreement and the transactions contemplated hereby; (b) approving the sale and transfer of the Assets to Buyer free and clear of all Liens, claims and interests (other than Liens created by Buyer), pursuant to Section 363(f) of the Bankruptcy Code, (c) approving the assumption and assignment to Buyer of the Contracts; (d) finding that Buyer is a good-faith purchaser entitled to the protections of Section 363(m) of the Bankruptcy Code; (e) finding that due and adequate notice of the Sale Motion and an opportunity to be heard were provided to all Persons entitled thereto, including but not limited to all lien holders and federal, state and local taxing and regulatory authorities; (f) confirming that Buyer is acquiring the Assets free and clear of all liabilities, other than the Assumed Obligations; and (g) providing that the provisions of Federal Rules of Bankruptcy Procedure 6004(h) and 6006(d) are waived and there will be no stay of execution of the Sale Order under Rule 62(a) of the Federal Rules of Civil Procedure.

"**Seller**" shall have the meaning given that term in the preamble.

"**Seller Indemnitees**" shall mean Seller, its Affiliates, and each of their respective directors, officers, employees, agents, and other representatives.

"**Seller Retained Records**" shall have the meaning given that term in **Section 2.03(j).**

"SISP" shall have the meaning given that term in the Recitals.

"**Successful Bidder**" shall have the meaning given that term in the Bidding Procedures.

"**Tax Allocation Statement**" shall have the meaning given that term in **Section 3.03(b).**

"**Tax Returns**" shall mean any report, return, information statement, payee statement or other information required to be provided to any Governmental Authority with respect to Taxes or any schedule or attachment thereto or any amendment thereof, including any return of an affiliated, combined or unitary group, and any and all work papers relating to any Tax Return.

"**Taxes**" means any taxes, assessments and other governmental charges imposed by any Governmental Authority, including net income, gross income, profits, gross receipts, license, employment, stamp, occupation, premium, alternative or add-on minimum, ad valorem, real property, personal property, transfer, real property transfer, value added, sales, use, environmental (including taxes under Code Section 59A), customs, duties, capital stock, franchise, excise, withholding, social security (or similar), unemployment, disability, payroll, fuel, excess profits, windfall profit, severance, estimated or other tax, including any interest, penalty or addition thereto, whether disputed or not, and any reasonable expenses incurred in connection with the determination, settlement or litigation of the Tax liability.

"**Third Party**" shall mean any Person other than a Party to this Agreement or an Affiliate of a Party to this Agreement.

"**Title Defects**" shall have the meaning given that term in the LOI.

"**Transfer Taxes**" shall have the meaning given that term in **Section 14.01**.

"Transition Services Agreement" shall mean the Transition Services Agreement substantially in the form of Exhibit F hereto.

"**Un-obtained Consent**" shall have the meaning given that term in **Section 4.01(a)**.

"**Unit Interests**" shall have the meaning given that term in **Section 2.02(a)**.

"**Wells**" shall have the meaning given that term in **Section 2.02(b)**.

Section 1.02. Interpretation. As used in this Agreement, unless the context otherwise requires, the term "includes" and its syntactical variants means "includes but is not limited to." The headings and captions contained in this Agreement have been inserted for convenience only and shall not be deemed in any manner to modify, explain, enlarge or restrict any of the provisions hereof. Preparation of this Agreement has been a joint effort of the Parties and the resulting document shall not be construed more severely against one of the Parties than against the other. All references herein to "Sections" and "Articles" in this Agreement shall refer to the corresponding section and article of this Agreement unless specific reference is made to such sections of another document or instrument. The words "hereof," "herein" and "hereunder" and words of similar import when used in any agreement or instrument shall refer to such agreement or instrument as a whole and not to any particular provision of such agreement or instrument.

ARTICLE II. ASSETS

Section 2.01. Agreement to Sell and Purchase. Pursuant to Sections 363 and 365 of the Bankruptcy Code, for the consideration hereinafter set forth and subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of Seller's right, title and interest in and to the Assets.

Section 2.02. Assets. Subject to Section 2.03, the term "**Assets**" shall mean the Seller's right, title and interest in the following:

(a) (i) the oil, gas and mineral leases, described or referred to on **Exhibit A-1**, in whole or in part, including without limitation all royalty and overriding royalty interests, working interests, net profit interests, carried interests, reversionary interests, production payments and/or any other rights of whatever character derived therefrom (collectively, the "**Leases**"), (ii) all lands and mineral interests owned in fee, in whole or in part, including without limitation those set forth on Exhibit A-1 (the "**Fee Minerals**"), (iii) the lands covered by the Leases and the Fee Minerals (the "**Lands**") and (iv) all presently existing unitization, pooling and/or communitization agreements, declarations or designations, and statutorily, judicially or administratively created drilling, spacing and/or production units, whether recorded or unrecorded, which relate to the Leases and Fee Minerals, and the interests of Seller in any units, or pooled or communitized lands arising on account of the Leases and/or Fee Minerals having been unitized or pooled into such units or with such Lands (the "**Unit Interests**");

(b) all wells on or attributable to the Leases, Fee Mineral or Unit Interests, whether producing or non-producing, including but not limited to those wells set forth on **Exhibit A-2** (the "**Wells**"), (the Leases, Fee Minerals, Unit Interests, and Wells being collectively referred to hereinafter as the "**Properties**");

(c) the Real Property owned by Seller in whole or in part in fee, excluding the Fee Minerals, described on **Exhibit A-3** (the "**Real Property**");

(d) all improvements, production facilities, structures, tubular goods, tanks, well equipment, lease equipment, production equipment, pipelines, gathering lines, inventory and other real, personal and mixed property, fixtures and facilities to the extent located on or appurtenant to or used solely in connection with the Properties, whether or not currently in use or in operating or usable condition (collectively, the "**Facilities**") and all computers, furniture and other personal property owned by Seller located at or on the Properties and used in the operation thereof;

(e) to the extent assignable at no additional cost to Seller, all permits, licenses, servitudes, easements, rights-of-way, surface use agreements and other rights, privileges, benefits and powers, to the extent used in connection with the ownership, occupation or operation of the Properties or the Facilities, including without limitation, those described in **Exhibit A-4** (collectively the "**Easements**");

(f) all Hydrocarbons in, under or otherwise attributable to the Leases, Fee Minerals, Real Property or Unit Interests, or produced from the Wells on or after the Effective Time, held on the Lands in tanks or as line fill and any accounts receivable created on or after the Effective Time from the sale of Hydrocarbons produced from the Wells and all proceeds thereof. For the avoidance of doubt, the Assets shall not include any Hydrocarbons produced and sold in the ordinary course of business prior to the Effective Time or any uncollected accounts receivable related thereto;

(g) to the extent assignable, all gas purchase and sale contracts, crude oil and other liquid hydrocarbon purchase and sale agreements, operating agreements, farm-in and farm-out agreements, acreage contribution agreements, joint venture agreements, transportation agreements, processing agreements and real property leases related to the Assets (other than the Leases) including without limitation those listed on **Exhibit A-5** (collectively, the "**Contracts**");

(h) all Imbalances relating to the Properties arising in the ordinary course of business;

(i) all files, books and records of the Seller relating to the Assets (but excluding the Seller's Retained Records), including plats, surveys, maps, cross-sections, production records, electric logs, cuttings, cores, core data, pressure data, decline and production curves, well files and related matters, division of interest records, division orders, lease files, title opinions, abstracts of title, title curative documents, lease operating statements and all other accounting information, marketing reports, statements, gas balancing information and all other documents relating to customers, sales

information, supplier lists, records, literature and correspondence, physical maps, geologic or geophysical interpretations, electronic and physical project files, including, without limitation, geologic and geophysical project files in electronic format (collectively referred to as the "**Files**");

(j) all vehicles, boats and similar rolling stock described in **Exhibit A-6**;

(k) all trade credits, accounts receivable, proceeds or revenues attributable to the Assets and accruing after the Effective Time;

(l) to the extent consent has been granted or waived (if consent is required), all seismic licenses, seismic data and other geological and seismic records and related technical data and information related to the Leases, including any geologic and geophysical interpretations, in each case to the extent (i) such licenses, data and information is currently owned and may be assigned without Third Party consent or expenditures beyond tape copying costs and expenses or (ii) the Buyer desires to acquire any such license, data or information and bear the cost, if any, of assignment or transfer;

(m) all warranties, guarantees and similar rights related to the Assets, including warranties and guarantees made by suppliers, manufacturers and contractors under the Assets, and claims against other third parties in connection with the Contracts;

(n) the Purchased Intellectual Property; and

(o) all the Seller's Financial Records to the extent related to the Assets and exclusive of any personally identifiable information of the Seller's employees.

Section 2.03. Excluded and Reserved Assets. The Assets shall not include, and there is excepted, reserved and excluded from the purchase and sale contemplated hereby, the Excluded Assets. The "**Excluded Assets**" shall mean all assets of the Seller not specifically included in the Assets including, but not limited to, the following:

(a) all refunds of costs, Production Taxes or expenses attributable to any periods of time prior to the Effective Time, and all refunds, credits, net operating losses and similar Tax assets attributable to Income Taxes imposed on Seller, its Affiliates and/or its direct and indirect owners;

(b) all guarantees, letters of credit, comfort letters, surety bonds, support agreements and other credit support, but excluding any cash or cash equivalents or other security or collateral provided therefor by Seller or Seller's Affiliates in support of the obligations of Seller with respect to the Assets;

(c) subject to **Section 4.02**, all rights, titles, claims and interests of Seller or its Affiliates relating to claims and causes of action, including under any insurance policy or agreement, to any insurance proceeds or to or under any bond or bond proceeds, in each such case attributable to acts, events or occurrences prior to the Effective Time; provided, however, that Seller will either repair or replace, as the case may be, such damaged Equipment and/or Facilities before the Closing Date or it will assign at Closing

applicable insurance proceeds for any repairs that have not been completed, plus any applicable deductible, including damages to Equipment and Facilities in the Newton Field, Newton County, Texas from March 2016 flooding;

(d) all privileged attorney-client (i) communications and (ii) other documents (other than title opinions);

(e) all materials and information that cannot be disclosed to Buyer as a result of confidentiality obligations to Third Parties;

(f) all audit rights arising under any of the Contracts with respect to any periods of time prior to the Effective Time or to any of the Excluded Assets, except for any Imbalances;

(g) all valuations, bidder lists, presentations and communications with marketing advisors developed or prepared in connection with marketing the Assets;

(h) all amounts paid by any Person to Seller or its Affiliates for operating costs and overhead for periods of time accruing prior to the Effective Time under any joint operating agreements or other agreements affecting the Assets;

(i) unless listed as a Contract on Exhibit A-5, all master service agreements between Seller and any Third Party and all rights and privileges thereunder;

(j) all corporate, financial, income and franchise tax and litigation records that relate to Seller's Business generally, materials, analyses and information developed or prepared in connection with marketing the Assets and all books and records related to the Excluded Assets and copies of the Files retained by Seller (the "**Seller Retained Records**");

(k) all rights of Seller under Contracts attributable to periods before the Effective Time insofar as such rights relate to any liabilities of Seller retained under this Agreement;

(l) all Intellectual Property, excluding the Purchased Intellectual Property;

(m) except as otherwise expressly provided in this Agreement, all cash and cash equivalents (including marketable securities and short-term investments);

(n) causes of action of Seller under Section 549 of the Bankruptcy Code, if any;

(o) all claims and rights under contracts, supplier agreements, purchase orders, work orders, leases of equipment, machinery, production machinery, tooling and other forms of personal property, in each case relating to the Assets and which are not an Excluded Asset;

(p) equipment leases, software, data and other licenses, and other contracts and agreements not expressly described a Contract in **Section 2.02(g)**; and

(q) all assets listed on Exhibit B.

Section 2.04. Excluded Liabilities. Notwithstanding anything to the contrary set forth herein, the Buyer shall not assume and shall not be deemed to have assumed, and the Seller shall remain liable with respect to, any and all Liabilities of the Seller arising out of, relating to or otherwise in respect of the Business, its employees, or the Assets prior to the Effective Time, and all other Liabilities of Seller, other than the Assumed Obligations (collectively, the "**Excluded Liabilities**"). Without limiting the foregoing, for the avoidance of doubt, except to the extent that any of the following constitute an Assumed Obligation, the Buyer shall not be obligated to assume, and does not assume, and hereby disclaims all of the Excluded Liabilities, including all of the following Liabilities of Seller (each of which shall constitute an Excluded Liability hereunder) to the extent the same arose or accrued prior to the Effective Time:

(a) all Liabilities arising out of or relating to the Business, the Assets or the ownership, operation or conduct thereof;

(b) all Liabilities for accrued expenses, accounts payable, or other obligations incurred in the operation of the Sellers' Business or Assets;

(c) all Liabilities arising out of or related to any of the Excluded Assets;

(d) except as otherwise expressly provided in this Agreement with respect to Transfer Taxes, if any, and Production Taxes, all Liabilities for any Taxes of Seller and all liability for Taxes with respect to the Assets that are attributable to any period, or portion thereof, before the Effective Time;

(e) all Liabilities arising as a result of any Legal Proceedings, whether initiated prior to or following the Effective Time, to the extent related to the Business or the Assets that first arose on or prior to the Effective Time, including, but not limited to, any actions for breach of contract, product liability or any tort actions;

(f) all Liabilities arising under any indebtedness of Seller or any obligations or Liabilities to preferred or common equityholders or debtholders of Seller;

(g) all Liabilities with respect to any costs, fees and expenses (including all legal, accounting, financial advisory, valuation, investment banking and other Third Party advisory or consulting fees and expenses) incurred by or on behalf of Seller in connection with or arising from the Canadian Case and/or the Bankruptcy Case or the transactions contemplated by this Agreement and each other agreement, document or instrument contemplated hereby or thereby;

(h) all Liabilities: (i) existing prior to the filing of the Bankruptcy Case, including those that are compromised under the Bankruptcy Case; and (ii) to the extent not otherwise expressly assumed herein, incurred subsequent to the filing of the Bankruptcy Case and prior to the Closing;

(i) all Liabilities relating to any theories of law or equity involving successors or transferees;

(j) all Liabilities and obligations of Seller under this Agreement and each other agreement, document or instrument contemplated hereby or thereby or any Contract entered into in connection herewith or therewith; and

(k) all liability, warranty and similar claims for damages or injury to person or property and all other Liabilities, regardless of when made or asserted, to the extent arising out of or incurred in connection with the conduct of the Business, on or before the Closing Date.

Section 2.05. Revenues and Expenses. Subject to the provisions hereof, including Section 9.02(a)(iv) and Section 12.01, Seller shall remain entitled to all of the rights of ownership (including the right to all production, proceeds of production and other proceeds) and shall remain responsible for all Operating Expenses (in each case) attributable to the Assets for the period of time prior to the Effective Time. Subject to the provisions hereof, from and after Closing, Buyer shall be entitled to all of the rights of ownership (including the right to all production, proceeds of production and other proceeds) and shall be responsible for all Operating Expenses (in each case) attributable to the Assets for the period of time from and after the Effective Time. All Operating Expenses attributable to the Assets (in each case) that are: (a) incurred with respect to operations conducted or Hydrocarbons produced prior to the Effective Time shall be paid by or allocated to Seller and (b) incurred with respect to operations conducted or Hydrocarbons produced from and after the Effective Time shall be paid by or allocated to Buyer. Seller shall, upon receipt of any amounts owed to Buyer under this section that are not accounted for in the Final Accounting Statement, promptly deliver any such amounts to Buyer. Buyer shall, upon its receipt of any amounts owed to Seller under this **Section 2.05** that are not accounted for in the Final Accounting Statement, promptly deliver any such amounts to Seller.

ARTICLE III. CONSIDERATION

Section 3.01. Purchase Price. The consideration for the purchase, sale and assignment of the Assets by Seller to Buyer is Buyer's payment to Seller at Closing of the sum of [REDACTED] (the "**Purchase Price**"), as adjusted pursuant to **Section 3.02** and **Section 9.02** (the "**Adjusted Purchase Price**") plus the assumption by Buyer of the Assumed Obligations.

Section 3.02. Earnest Money. Pursuant to the LOI, the Earnest Money has been paid to Monitor in immediately available funds. If Closing occurs, the Earnest Money shall be disbursed to Seller as an adjustment to the Purchase Price at Closing, and is not refundable except as provided in the LOI and this Agreement; otherwise the Earnest Money shall be disbursed pursuant to and in accordance with the terms of the LOI and this Agreement.

Section 3.03. Asset Allocated Values.

(a) Buyer and Seller agree that the Purchase Price is allocated among the Assets in the amounts set forth in Exhibit C (the "**Purchase Price Allocation**"). The "**Allocated Value**" for any Asset equals the portion of the Purchase Price allocated to

such Asset on Exhibit C and such Allocated Value shall be used in calculating adjustments to the Purchase Price as provided herein. Buyer and Seller shall use commercially reasonable efforts to update the Purchase Price Allocation in a manner consistent with the prior Purchase Price Allocation following any adjustment to the Purchase Price pursuant to this Agreement. The Purchase Price Allocation is set forth for the sole purpose of determining purchase price adjustments, and for no other reason.

(b) Within 90 days after Closing, the Buyer shall deliver to Seller a statement (the "**Tax Allocation Statement**") allocating, for tax purposes, the Purchase Price. The Allocation Statement shall be subject to the approval of Seller, which approval shall not be unreasonably withheld or delayed. The Allocation Statement shall be reasonable and prepared in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. The parties to this Agreement hereby agree to (i) be bound by the Tax Allocation Statement after Seller shall have approved it in writing, (ii) act in accordance with the Tax Allocation Statement in connection with the preparation, filing and audit of any tax return (including, without limitation, in the filing of IRS Form 8594 and any other corresponding tax forms), and (iii) take no position inconsistent with the Tax Allocation Statement for any tax purpose (including, without limitation, in any audit, judicial or administrative proceeding). In the event that the Seller and the Buyer cannot agree to the Tax Allocation Statement, the Tax Allocation Statement shall be submitted to a mutually agreeable arbitrator, whose determination shall be binding on all parties. The expenses of the arbitrator shall be borne equally by Seller and Buyer.

ARTICLE IV. CONSENTS; CASUALTIES

Section 4.01. Consents to Assign. With respect to each Consent set forth on **Schedule 5.01(c)**, after execution of the LOI, Seller sent to the holder of each such Consent a notice in material compliance with the contractual provisions applicable to such Consent seeking such holder's consent as required.

(a) To the extent that a Consent is required for the assumption and assignment of any Contract or Lease, if Seller fails to obtain a Consent set forth on **Schedule 5.01(c)** prior to Closing and the failure to obtain such Consent (i) could, after giving effect to the operation of applicable Law, including the CCAA and the Bankruptcy Code, cause (A) the assignment of the Lease or Well affected thereby to Buyer to be void under the express terms thereof or (B) the termination of a Lease under the express terms thereof, then the Asset (or portion thereof) affected by such un-obtained Consent (each an "**Un-obtained Consent**") shall be excluded from the Assets to be assigned to Buyer at Closing, and the Purchase Price shall be reduced by the Allocated Value of such Asset (or portion thereof) so excluded and Buyer shall deposit in an Escrow Account to be established at Wells Fargo Bank (the "**Escrow Agent**") by Seller and Buyer at Closing an amount equal to such Allocated Value (such amount, the "**Consent Deposit Amount**"). For purposes of administrating the Consent Deposit Amount, at Closing, Seller, Buyer and the Escrow Agent shall enter into an Escrow Agreement in substantially the same form as **Exhibit G** (the "**Escrow Agreement**"). In the event that an Un-obtained Consent that was not obtained prior to Closing is obtained within thirty (30) days following Closing, then, within ten (10) days after such Consent is obtained (x) Buyer shall

purchase the Asset (or portion thereof) that was so excluded as a result of such Un-obtained Consent and the Parties shall instruct the Escrow Agent to disburse to Seller from the Escrow Account, an amount equal to the Allocated Value of the Asset (or portion thereof) so excluded pursuant to the terms of the Escrow Agreement, together with all interest earned thereon, and (y) Seller shall assign to Buyer the Asset (or portion thereof) so excluded pursuant to an instrument in a form substantially similar to the Assignments or otherwise mutually acceptable to Seller and Buyer.

(b) Prior to Closing and during the thirty (30) day period following Closing, Seller shall use commercially reasonable efforts to obtain all Consents listed on **Schedule 5.01(c)**, to the extent required for assumption and assignment of the Contracts and Leases listed thereunder notwithstanding the provisions of Section 365 of the Bankruptcy Code. Subject to the foregoing, Buyer agrees to provide Seller with any information or documentation that may be reasonably requested by Seller and/or the Third Party holder(s) of such Consents in order to facilitate the process of obtaining such Consents. If, following the thirty (30) day period following Closing, Seller fails to obtain a Consent or Consents set forth on **Schedule 5.01(c)**, Seller shall instruct the Escrow Agent to disburse to Buyer from the Escrow Account, an amount equal to the Allocated Value of the Asset (or portion thereof) attributable to such Consent pursuant to the terms of the Escrow Agreement, together with all interest earned thereon, and such Asset (or portion thereof) shall be retained by Seller; provided, however, such amount shall not exceed the amount placed into the Escrow Account for the affected Asset.

Section 4.02. Casualty or Condemnation Loss.

(a) Notwithstanding anything herein to the contrary, from and after the Effective Time, subject to the occurrence of Closing, Buyer shall assume all risk of loss with respect to production of Hydrocarbons through normal depletion (including watering out of any well, collapsed casing or sand infiltration of any well) and the depreciation of personal property due to ordinary wear and tear, in each case, with respect to the Assets.

(b) If, during the Interim Period, any portion of the Assets is destroyed by fire or other casualty or is taken in condemnation or under right of eminent domain, or there is any injury or damage to any person or property (including property owned by unaffiliated third parties), Buyer shall nevertheless be required to consummate the Closing, and Seller shall elect (in its sole discretion) by written notice to Buyer prior to Closing either (i) to cause the Assets, persons or property affected by such casualty or taking to be repaired or restored or settled, as the case may be, to at least its condition prior to such casualty or taking, at Seller's sole cost, as promptly as reasonably practicable (which work must be completed prior to the Closing Date) or (ii) at Closing, to pay to Buyer all sums paid or payable to Seller by Third Parties by reason of such casualty or taking insofar as with respect to the Assets and shall assign, transfer and set over to Buyer or subrogate Buyer to all of Seller's right, title and interest (if any) in insurance claims, unpaid awards and other rights against Third Parties (excluding any Liabilities, other than insurance claims, of or against any Seller Indemnitees) arising out of such casualty or taking insofar as with respect to the Assets, plus any applicable deductible; provided, however, that in the case of (ii), Seller shall reserve and retain (and

Buyer shall assign to Seller) all rights, title, interests and claims against Third Parties for the recovery of Seller's reasonable costs and expenses incurred prior to the Closing Date in pursuing or asserting any such insurance claims or other rights against Third Parties or in defending or asserting rights in such condemnation or eminent domain action with respect to the Assets. In the case of (i), Seller shall retain all rights to insurance, condemnation awards and other claims against Third Parties with respect to the casualty or taking except to the extent the Parties otherwise agree in writing. If with regard to (ii) above, the damage was to a person or an unaffiliated third party's property, then Seller shall promptly report same to its insurance carrier. If there is any release entered into by Seller and such damaged third party, Seller will cause any release entered into by Seller to also include a release of Buyer.

(c) If any action for condemnation or taking under right of eminent domain is pending or threatened with respect to any Asset or portion thereof after the date of this Agreement, but no taking of such Asset or portion thereof occurs prior to the Closing Date, Buyer shall nevertheless be required to close and Seller, at Closing, shall assign, transfer and set over to Buyer or subrogate Buyer to all of Seller's right, title and interest (if any) in such condemnation or eminent domain action, including any future awards therein, insofar as they are attributable to the Assets threatened to be taken, except that Seller shall reserve and retain (and Buyer shall assign to Seller) all rights, titles, interests and claims against Third Parties for the recovery of Seller's costs and expenses incurred prior to the Closing in defending or asserting rights in such action with respect to the Assets.

ARTICLE V. REPRESENTATIONS AND WARRANTIES

Section 5.01. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

(a) Organization. Argent Energy (US) Holdings Inc., is a corporation duly formed, validly existing and in good standing under the Laws of the state of Delaware.

(b) Qualification. Seller is duly qualified to do business and is in good standing in each jurisdiction in which the nature of its Business as now conducted makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect.

(c) Authorization/Consents. The execution and delivery by Seller of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action by Seller's governing body and under its organizational documents. Other than as set forth on **Schedule 5.01(c)**, such authorization as is required by the Canadian Court and the Bankruptcy Court, those consents of Governmental Authorities customarily obtained post-Closing and such Consents that the failure to obtain, individually or in the aggregate, would not have a Material Adverse Effect, Seller is not required to (i) give any notice to, make any filing with or obtain any authorization, consent or approval from any Governmental Authority or (ii) to Seller's Knowledge,

obtain any consent from any other Third Party (in each case) in order for Seller to consummate the transactions contemplated by this Agreement ("**Consent**").

(d) Enforceability. Subject to the entries of the Canadian Sale Order by the Canadian Court and the Sale Order by the Bankruptcy Court, this Agreement has been duly executed and delivered by Seller, and constitutes the valid and legally binding obligation of Seller, enforceable in accordance with its terms and conditions except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at Law or in equity.

(e) Noncontravention. Except as described on **Schedule 5.01(e)**, and assuming (i) the entries of the Canadian Sale Order by the Canadian Court and the Sale Order by the Bankruptcy Court, (ii) compliance with all consent requirements and preferential rights to purchase or similar rights applicable to the transactions contemplated hereby and (iii) the release at the Closing of the mortgages and security interests affecting the Assets securing Seller's and/or its Affiliates' credit facilities, neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by Seller will violate or breach the terms of, cause a material default under, result in acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under: (A) any applicable Law, (B) the organizational documents of Seller, or (C) any Material Contract, other than, in the case of clauses (A) and (C), any such items that, individually or in the aggregate, would not have a Material Adverse Effect.

(f) Litigation. Except for the Canadian Case and the Bankruptcy Case and the litigation described on **Schedule 5.01(f)**, as of the date of this Agreement there are no Legal Proceedings pending or, to Seller's Knowledge, threatened against Seller or any of the Assets that could result in Material Liabilities to the Seller.

(g) Brokers' Fees. Except as described on **Schedule 5.01(g)**, Seller has no Liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Buyer will be liable or obligated.

(h) Taxes. Except as described on **Schedule 5.01(h)**, (i) Seller has timely filed or caused to be filed on its behalf all Tax Returns attributable to Production Taxes that are required to be filed by it (taking into account any valid extension of the due date for filing), and all such Tax Returns are true and correct in all material respects; (ii) during the period of Seller's ownership of the Assets, all Production Taxes that have become due and payable have been duly paid, except to the extent being disputed in good faith; (iii) there are no administrative proceedings or lawsuits pending against the Assets by any Governmental Authority with respect to such Taxes; and (iv) there are no Liens on any of the Assets that arose in connection with the failure (or alleged failure) to pay any such Tax other than Taxes not yet delinquent or, if delinquent, that are being disputed in good faith.

(i) Hydrocarbon Sales. Except as described on **Schedule 5.01(i)**, Seller is not obligated by virtue of a production payment or any other arrangement, other than gas balancing arrangements, to deliver Hydrocarbons produced from the Properties at some future time without then or thereafter receiving payment for the production commensurate with Seller's ownership in and to the Assets.

(j) Environmental Matters. Except as described on **Schedule 5.01(j)**: (a) with respect to the Assets, to Seller's Knowledge, Seller is not the subject of any outstanding Order nor has Seller received any written notice, complaint or inquiry from any Governmental Authority or any other Person with respect to a violation of Environmental Law.

(k) Contracts. To Seller's Knowledge, **Exhibit A-5** lists all Material Contracts related to the Assets as of the execution of this Agreement.

(l) AFEs. **Schedule 5.01(l)** contains a true and correct list as of the execution of this Agreement of all material authorities for expenditures (collectively, "**AFEs**") to drill or rework Wells or for capital expenditures with respect to the Assets that have been proposed by any Person having authority to do so other than internal AFEs of Seller not delivered to Third Parties. For the purposes of this **Section 5.01(l)**, an AFE shall be material if, net to Seller's interest, such AFE exceeds Fifty Thousand Dollars ($50,000.00) and such AFE is (or was as of the Execution Date) valid and outstanding.

(m) Preferential Purchase Rights. To Seller's Knowledge, **Schedule 5.01(m)** sets forth those preferential rights to purchase or similar rights that are applicable to the transfer of the Assets in connection with the transactions contemplated hereby.

(n) Imbalances. Except as set forth on **Schedule 5.01(n)**, to Seller's Knowledge, where Seller is the operator, there are no material Imbalances.

(o) Foreign Person. Seller is not a "foreign person" within the meaning of Section 1445 of the Code.

Section 5.02. Representations and Warranties of Buyer. Buyer represents and warrants to Seller as follows:

(a) Organization. Buyer is a limited partnership duly organized, validly existing and in good standing under the Laws of Texas.

(b) Qualification. Buyer is duly qualified to do business and is in good standing in each jurisdiction in which the Assets are located, except where the failure to be so qualified or in good standing would not materially hinder or impede the consummation by Buyer of the transactions contemplated by this Agreement.

(c) Authorization. The execution and delivery by Buyer of this Agreement and the performance of its obligations hereunder have been duly and validly authorized by all requisite action by Buyer's governing body and under its organizational documents. Subject to the entries of the Canadian Sale Order by the Canadian Court and

the Sale Order by the Bankruptcy Court and except as would not materially hinder or impede the consummation by Buyer of the transactions contemplated by this Agreement, Buyer is not required to give any notice to, make any filing with or obtain any authorization, consent, or approval from any Governmental Authority or, except as set forth on **Schedule 5.02(c)** hereto, any Third Party in order for Buyer to consummate the transactions contemplated by this Agreement.

(d) Enforceability. This Agreement has been duly executed and delivered by Buyer and constitutes the valid and legally binding obligation of Buyer, enforceable in accordance with its terms and conditions, except insofar as the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other similar Laws affecting the enforcement of creditors' rights generally and by general principles of equity, regardless of whether such principles are considered in a proceeding at Law or in equity.

(e) Noncontravention. Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby by Buyer will violate or breach the terms of, cause a default under, result in acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under: (i) any applicable Law, (ii) the organizational documents of Buyer, or (iii) any material contract of Buyer, other than, in the case of clauses (i) and (iii), any such items that, individually or in the aggregate, would not materially hinder or impede the consummation by Buyer of the transactions contemplated by this Agreement.

(f) Litigation. There are no suits, actions or litigation before or by any Governmental Authority that are pending or, to Buyer's Knowledge, threatened against Buyer or any Affiliate of Buyer that would materially hinder or impede the consummation by Buyer of the transactions contemplated by this Agreement.

(g) Brokers' Fees. Buyer has no Liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Seller will be liable or obligated.

(h) Financing. Buyer has (and at the Closing will have) sufficient cash, available lines of credit or other sources of immediately available funds (in United States dollars) to enable Buyer to pay the Adjusted Purchase Price to Seller at the Closing.

(i) Adequate Assurances Regarding Contracts. Buyer will be capable of satisfying the conditions contained in Sections 365(b)(1)(C) and 365(f)(2)(B) of the Bankruptcy Code with respect to the Contracts.

(j) Investment. Buyer is an experienced and knowledgeable investor in the oil and gas business. Prior to entering into this Agreement, Buyer was advised by and has relied solely on its own legal, tax and other professional counsel concerning this Agreement, the Assets and the value thereof.

(k) Accredited Investor. Buyer is an "accredited investor," as such term is defined in Regulation D of the Securities Act of 1933, as amended. Buyer is acquiring the Assets for its own account and not for distribution or resale in any manner that would violate any state or federal securities Law.

ARTICLE VI. CERTAIN COVENANTS

Section 6.01. Confidentiality. Buyer agrees (a) to keep any non-public information or documents obtained in connection with this Agreement confidential, (b) not to use any such information or documents for any purpose other than to evaluate, negotiate and consummate the transactions contemplated by this Agreement and (c) not to disclose the terms hereof or thereof to any Person other than Buyer's Affiliates and Buyer's and its Affiliates' professional advisors, consultants, financial advisors, lenders, bankers and attorneys ("**Advisors**"), except in each case with the prior written consent of Seller, which consent may be granted, conditioned or withheld in Seller's sole and absolute discretion; provided that Buyer shall ensure that all of Buyer's and its Affiliates' Advisors are made aware, prior to the disclosure of such confidential information to the Advisors, of the confidential nature thereof, that the Advisors shall owe a duty of confidence to Seller as well as Buyer and obtain the Advisors' written undertaking for the benefit of Seller to hold such confidential information in confidence. Notwithstanding the foregoing, if required by Law or judicial or administrative order or process, Buyer may disclose information and documents required to be held confidential hereunder to the extent, and only to the extent, necessary to comply with such Law or judicial or administrative order or process. Buyer shall promptly notify Seller of such required disclosure and shall request that confidential treatment be afforded any such disclosed information. If the Closing should occur, the foregoing confidentiality restriction on Buyer shall terminate (except as to the Excluded Assets).

Section 6.02. Dispositions of Assets. During the Interim Period, Seller shall not, without the prior consent of Buyer (which consent shall not be unreasonably withheld or delayed), transfer, farmout, sell, encumber or otherwise dispose of any Assets, except for (a) sales and dispositions of Hydrocarbon production in the ordinary course of business, (b) sales of equipment that is no longer necessary in the operation of the Assets or for which replacement equipment is obtained, and (c) sales, transfers or similar dispositions of Assets in accordance with the exercise of any preferential rights to purchase or similar rights set forth on Schedule 5.01(m) (and, following any such sale, transfer or disposition pursuant to this clause (c), the Purchase Price shall be reduced by the Allocated Value of the Assets, or portion thereof, so sold or transferred).

Section 6.03. Operations. During the Interim Period, except as set forth on **Schedule 6.03** and except as otherwise ordered by the Canadian Court and/or the Bankruptcy Court or as otherwise permitted by the orders of the Canadian Court and/or the Bankruptcy Court, Seller shall not, without Buyer's prior consent, to be granted in its sole discretion, (a) propose, under any joint operating agreement, any operation with respect to the Assets reasonably expected to cost Seller in excess of Fifty Thousand Dollars ($50,000.00); (b) consent to any operation with respect to the Assets reasonably expected to cost Seller in excess of Fifty Thousand Dollars ($50,000.00) that is proposed by any Third Party, or elect not to participate in any operation with respect to the Assets that is proposed by any Third Party that would result in loss of a Lease or Well or have a Material Adverse Effect on an Asset or the Assets; (c) enter into any contract that

would constitute a Material Contract hereunder; except in each case of subsections (a) through (c) above, where such operation is (i) in connection with an AFE listed on **Schedule 5.01(l)**, (ii) in response to an emergency, or (iii) necessary to maintain or prevent forfeiture of a Lease or other Property; (d) reduce or terminate (or cause to be reduced or terminated) any insurance coverage now held in connection with the Assets; (e) change the mode or method of operations in the field with respect to any Well or Lease, without the Buyer's prior consent, to be granted in its sole discretion; or (f) except for any Liens that would not attach to or encumber the Assets following Closing, mortgage or pledge or create any encumbrance on any of the Assets. Buyer acknowledges that Seller owns undivided interests in certain of the Properties comprising the Assets that it may not be the operator thereof, and Buyer agrees that the acts or omissions of the other working interest owners (including the operators) who are not Seller or Affiliates of Seller shall not constitute a breach of the provisions of this **Section 6.03**, nor shall any action required by a vote of working interest owners constitute such a breach so long as Seller has voted its interest in a manner that complies with the provisions of this **Section 6.03**.

Section 6.04. Governmental and Other Bonds; Operator. Buyer acknowledges that none of the bonds, letters of credit and guarantees, if any, posted by Seller or its Affiliates and relating to the Assets, are transferable or are to be transferred to Buyer, which bonds, letters of credit and guarantees are more particularly described on **Schedule 6.04**. On or before the Closing Date, Buyer shall obtain, or cause to be obtained in the name of Buyer or its designee, replacements for all such bonds, letters of credit and guarantees to the extent such replacements are necessary to permit the cancellation of the bonds, letters of credit and guarantees posted by Seller and/or its Affiliates.

Section 6.05. Amendment of Schedules. During the Interim Period, Seller and Buyer may mutually agree to correct or supplement any Schedule hereto by furnishing such corrected or supplemented Schedule to the other Party, as the case may be (and such corrected or supplemented information shall be deemed to amend this Agreement for all purposes).

Section 6.06. Bankruptcy Actions. Buyer covenants and agrees that it shall cooperate with Seller in connection with furnishing information or documents to Seller to satisfy the requirements of adequate assurance of future performance under Section 365(f)(2)(B) of the Bankruptcy Code.

Section 6.07. Reasonable Best Efforts. Subject to any applicable order of the Canadian Court and/or the Bankruptcy Court, and otherwise on the terms and subject to the conditions of this Agreement, Seller and Buyer shall each use its reasonable best efforts to cause the Closing to occur as promptly as practicable, and neither Party shall take any action to prevent or delay, or fail to take any action in order to prevent or delay, the Closing from occurring as promptly as practicable. Without limiting the generality of the foregoing, the Parties shall (and shall cause their respective directors, officers and subsidiaries, and use their reasonable best efforts to cause their respective Affiliates, employees, agents, attorneys, accountants and representatives, to) consult and cooperate with and provide reasonable assistance to each other and otherwise use reasonable best efforts in connection with (a) obtaining all necessary consents, licenses, qualifications or other permission or action by, and giving all necessary notices to and making all necessary filings with and applications and submissions to, any Governmental Authority or other

Person with respect to the consummation of the transactions contemplated by this Agreement, and (b) in general, consummating and making effective the transactions contemplated hereby.

ARTICLE VII. BANKRUPTCY MATTERS

Section 7.01. SISP and Bidding.

(a) SISP. Consummation of the transactions provided for herein is subject to the determination by Seller that the Purchase Price and the terms of this Agreement represent the highest or otherwise best offer from a Qualified Bidder for the Assets. In connection with this determination, Seller conducted the SISP in accordance with the CCAA and Section 363 of the Bankruptcy Code and the Bidding Procedures, as may be modified by the Bidding Procedures Order, and determined that the Buyer was the Qualified Bidder making the highest or otherwise best offer for the Assets.

(b) Bidding. Seller offered the Assets for sale in accordance with the Bidding Procedures and solicited Bids from Qualified Bidders, and conducted the SISP in accordance with the Bidding Procedures and the Bidding Procedures Order.

Section 7.02. Certain Contract Matters.

(a) Leases. The Leases listed on **Exhibit A-1** are to be transferred to Buyer as part of the sale of the Assets. To the extent any Lease constitutes an executory contract or unexpired lease of real property under Section 365 of the Bankruptcy Code, such Lease shall be assumed by Seller and assigned by Seller to Buyer pursuant to Section 365 of the Bankruptcy Code.

(b) Contracts. Seller shall assign to Buyer, and Buyer shall assume, the Contracts other than Leases under Section 365 of the Bankruptcy Code pursuant to the Sale Order. To the extent any Contract does not constitute an executory contract subject to assumption and assignment under Section 365 of the Bankruptcy Code, then the rights and obligations under such Contracts shall be transferred to Buyer as part of the sale of the Assets with such rights and obligations being expressly assumed by Buyer.

(c) Appeal. In the event the Bidding Procedures Order, the Canadian Sale Order or the Sale Order shall be appealed, Seller and Buyer shall use reasonable best efforts to defend such appeal. In no event will Buyer be required to extend any such efforts past the Outside Date.

ARTICLE VIII. CONDITIONS TO CLOSING

Section 8.01. Conditions to Seller's Obligations. The obligations of Seller to consummate the transactions provided for herein are subject, at the option of Seller, to the fulfillment on or prior to the Closing Date of each of the following conditions:

(a) Execution and Delivery of Closing Documents. Buyer shall have executed and acknowledged, as appropriate, and shall be ready, willing and able to deliver to Seller and the Escrow Agent, as applicable, all of the documents described in **Section 9.04**.

(b) Performance. Buyer shall have materially performed or complied with all obligations, agreements and covenants contained in this Agreement as to which performance or compliance by Buyer is required prior to or at the Closing and Buyer shall be ready, willing and able to deliver to Seller the Adjusted Purchase Price.

(c) Representations. The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all respects on and as of the Closing Date (provided that any representations and warranties expressly qualified by materiality or a like standard shall be true and correct in all respects on and as of the Closing Date), with the same force and effect as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that are made as of another date, which shall be so true and correct as of such date only).

(d) Performance Bonds. Unless waived by Seller, Buyer shall have obtained, or caused to be obtained, in the name of Buyer, bonds, letters of credit and guarantees related to the Assets, and such escrows and other bonds, letters of credit and guarantees to the extent required by **Section 6.04**.

Section 8.02. Conditions to Buyer's Obligations. The obligations of Buyer to consummate the transactions provided for herein are subject, at the option of Buyer, to the fulfillment on or prior to the Closing Date of each of the following conditions:

(a) Representations. The representations and warranties of Seller set forth in this Agreement shall be true and correct in all respects on and as of the Closing Date (provided that any representations and warranties expressly qualified by materiality or a like standard shall be true and correct in all respects on and as of the Closing Date), with the same force and effect as though such representations and warranties had been made or given on and as of the Closing Date (other than representations and warranties that are made as of another date, which shall be so true and correct as of such date only).

(b) Performance. Seller shall have materially performed or complied with all obligations, agreements and covenants contained in this Agreement as to which performance or compliance by Seller is required prior to or at the Closing.

(c) Execution and Delivery of Closing Documents. Seller shall have executed and acknowledged, as appropriate, and shall be ready, willing and able to deliver to Buyer all of the documents described in **Section 9.03**.

Section 8.03. Conditions to the Parties' Obligations.

(a) Final Order. The Canadian Sale Order and the Sale Order shall have been entered and shall have become a Final Order.

(b) No Injunctions or Restraints. No applicable Law enacted, entered, promulgated, enforced or issued by any Governmental Authority or other legal restraint or prohibition preventing the consummation of the transactions contemplated by this Agreement shall be in effect.

Section 8.04. Closing Over Breaches or Unsatisfied Conditions. Notwithstanding anything to the contrary contained in this Agreement and except as otherwise agreed upon by Seller and Buyer in writing, if there is a failure of any condition to be satisfied in favor of Buyer and Buyer elects to proceed with the Closing, then the condition that is unsatisfied will be deemed waived by Buyer, and Buyer will be deemed to fully release and forever discharge Seller on account of any and all Liabilities with respect to the same, including any claims for indemnification hereunder, and Buyer agrees, on behalf of itself and the Buyer Affiliates, not to make, file or bring any claim or cause of action with respect to such released Liabilities.

Section 8.05. Failure of Closing Conditions. Neither Buyer nor Seller may rely on the failure of any condition set forth in this Article VIII to be satisfied if such failure was caused by such Party's failure to use its reasonable best efforts to cause the Closing to occur, as required by **Section 6.07**.

ARTICLE IX. CLOSING

Section 9.01. Time and Place of Closing. If the conditions referred to in Article VIII have been satisfied or waived in writing, the sale by Seller and the purchase by Buyer of the Assets pursuant to this Agreement (the "**Closing**") shall take place at the offices of Locke Lord LLP, counsel to Seller, located at 600 Travis Street, Suite 2800, Houston, Texas 77002, at 10:00 a.m., Houston time, as soon as practicable after entry of the Sale Order but no later than the fifth (5^{th}) Business Day following the satisfaction (or, to the extent permitted, the waiver) of the conditions set forth in Article VIII or such earlier or later date as is mutually agreed to by the Parties (the date on which the Closing occurs is referred to in this Agreement as the "**Closing Date**"); provided, that without the express written consent of Seller and Buyer the Closing Date shall not be earlier than May 13, 2016 or later than the Outside Date.

Section 9.02. Closing Statement; Adjustments to Purchase Price at Closing. Seller shall prepare and deliver to Buyer, not later than three (3) Business Days prior to Closing, a statement which sets forth Seller's good faith estimate of the adjustments to the Purchase Price (accompanied by supporting documentation) made in accordance with the following provisions (the "**Closing Statement**"):

(a) At the Closing, the Purchase Price shall be increased, as set forth in the Closing Statement, in the following amounts:

(i) all costs and expenses (including Production Taxes, Operating Expenses, and overhead, but excluding rentals, lease renewals, and other lease maintenance payments) actually paid by Seller that are (A) attributable to the Assets and (B) attributable to any period of time from and after the Effective Time, but not including any of such expenses attributable to periods of time prior to the Effective Time and billed after the Effective Time;

(ii) the Overhead Costs related to the Assets (less any amounts received or invoiced by Seller or its affiliates from Third Parties pursuant to any applicable joint operating agreement affecting the Assets);

(iii) the net amount of any Imbalances related to the Assets as of the Effective Time, if such net amount is positive, with the value to be based upon the sales price as of the Effective Time under the applicable marketing or sales contract;

(iv) Ad valorem Taxes for 2016 shall be prorated at Closing based upon tax rates and valuations for 2015 ad valorem Taxes, which proration shall be final;

(v) At Closing, the Seller shall deliver to the Escrow Agent pursuant to the Escrow Agreement, Five Hundred Thousand Dollars ($500,000.00) from the proceeds it receives from Buyer for the purpose of ensuring that funds are available to satisfy any unpaid obligation of Seller with respect to the Final Accounting Statement. Upon resolution of the Final Accounting Statement the Parties shall provide the Escrow Agent joint written instructions as to the distribution of the funds held in escrow. The amounts to be distributed shall be determined pursuant to the terms of this Agreement.

(vi) the value of oil in Seller's tanks as of the Effective Time, based upon gauged volumes and March 2016 pricing, less applicable royalties and other burdens and less applicable Production Taxes of merchantable oil and other liquids in storage in the tanks (above the pipeline connection, if applicable) as of the Effective Time.

(vii) any other amount provided for in this Agreement or agreed upon by Seller and Buyer.

(b) At the Closing, the Purchase Price shall be decreased, as set forth in the Closing Statement, in the following amounts:

(i) except for any Excluded Asset and the Assets removed from the transaction pursuant to **Section 4.01(a)** or **Section 6.02(c)**, the amount of all proceeds received by Seller with respect to the Assets that are attributable to the period of time from and after the Effective Time (but in no event including Hydrocarbons produced prior to the Effective Time);

(ii) the Allocated Value of any Assets removed from the transaction pursuant to **Section 4.01(a)** or **Section 6.02(c)**;

(iii) the net amount of any Imbalances as of the Effective Time, if such net amount is negative, with the value to be based upon the sales price as of the Effective Time under the applicable marketing or sales contract;

(iv) the amount of the Earnest Money plus accrued interest retained by Seller and credited to the Purchase Price; and

(v) any other amount provided for in this Agreement or agreed upon by Seller and Buyer.

(c) Seller shall prepare within ninety (90) days after the Closing Date and furnish to Buyer a final accounting statement setting forth the adjustments and pro-rating of any amounts provided for in this Article IX or elsewhere in this Agreement (the "**Final Accounting Statement**") together with reasonable supporting documentation. Buyer shall within seven (7) Business Days after receipt of the Final Accounting Statement deliver to Seller a written report (together with reasonable supporting documentation) containing any changes that Buyer proposes be made to such Final Accounting Statement (the "**Dispute Notice**"). The Parties shall undertake to agree on the final adjustment amounts and such final adjustment amounts shall be paid by Buyer or Seller, as appropriate, not later than five (5) Business Days after such agreement.

(d) If Seller and Buyer are unable to resolve the matters addressed in the Dispute Notice within ten (10) Business Days after the receipt of such Dispute Notice by Buyer (the "**Dispute Resolution Period**"), then Buyer and Seller shall each summarize its position with regard to such dispute in a written document and submit such summaries to the Bankruptcy Court within two (2) Business Days after the expiration of the Dispute Resolution Period, together with the Dispute Notice, the Final Accounting Statement and any other documentation such Party may desire to submit. Any decision rendered by the Bankruptcy Court pursuant hereto shall be final, conclusive and binding on Seller and Buyer and will be enforceable against any of the Parties in any court of competent jurisdiction, and such final adjustment amounts shall be paid by Buyer or Seller, as appropriate, not later than five (5) Business Days after such decision.

Section 9.03. Actions of Seller at Closing. At the Closing, Seller shall:

(a) Retain the Earnest Money as a credit toward the Purchase Price;

(b) execute and deliver to Buyer executed and notarized assignments, substantially in the form of **Exhibit D** (the "**Assignments**"), in sufficient counterparts to facilitate recording in the applicable counties relating to the Assets, and such other instruments, in form and substance mutually agreed upon by Buyer and Seller, as may be necessary or desirable to convey ownership, title and possession of the Assets to Buyer;

(c) execute and deliver to Buyer executed and notarized conveyances substantially in the form of **Exhibit E** (the "**Deeds**"), in sufficient counterparts to facilitate recording in the applicable states and counties relating to the Real Property, and such other instruments, in form and substance mutually agreed upon by Seller and Buyer, as may be necessary or desirable to convey ownership, title and possession of the Real Property to Buyer;

(d) deliver to Buyer on forms reasonably acceptable to Buyer, transfer orders or letters in lieu thereof directing all purchasers of production to make payment to Buyer of proceeds attributable to production from the Assets from and after the Effective Time, for delivery by Buyer to the purchasers of production;

(e) deliver an executed statement described in Treasury Regulation §1.1445-2(b)(2) certifying that Seller is not a "foreign person" within the meaning of the Code, substantially in the form of **Exhibit H**;

(f) execute and deliver all applicable federal, state and tribal change of operator forms with respect to applicable Assets acquired by Buyer at Closing;

(g) execute and deliver to Buyer a copy of the Transition Services Agreement; and

(h) execute and deliver any other agreements that are provided for herein or are necessary or desirable to effectuate the transactions contemplated hereby.

Section 9.04. Actions of Buyer at Closing. At the Closing, Buyer shall:

(a) pay to Seller the Adjusted Purchase Price in immediately available funds;

(b) execute and deliver to Seller executed and notarized Assignments, in sufficient counterparts to facilitate recording in the applicable counties relating to the Assets, and such other instruments, in form and substance mutually agreed upon by Buyer and Seller, as may be necessary or desirable to convey ownership, title and possession of the Assets to Buyer;

(c) execute and deliver to Seller executed and notarized Deeds, in sufficient counterparts to facilitate recording in the applicable states and counties relating to the Real Property, and such other instruments, in form and substance mutually agreed upon by Seller and Buyer, as may be necessary or desirable to convey ownership, title and possession of the Real Property to Buyer;

(d) deliver to Seller a certificate executed by a duly authorized office of Buyer, dated as of the Closing Date, attaching, and certifying on behalf of Buyer, complete and correct copies of (A) the resolutions of the General Partner of Buyer authorizing the execution, delivery, and performance by Buyer of this Agreement and the transactions contemplated hereby and (B) any required approval by Buyer's General Partner of this Agreement and the transactions contemplated hereby;

(e) deliver to Seller copies of all bonds, letters of credit and guarantees related to the Assets, and such escrows and other bonds, letters of credit and guarantees to the extent required by **Section 6.04** or other written evidence that Buyer is not required under **Section 6.04** to obtain such items;

(f) execute and deliver all applicable federal, state and tribal change of operator forms with respect to applicable Assets acquired by Buyer at Closing;

(g) execute and deliver to Buyer a copy of the Transition Services Agreement; and

(h) execute, acknowledge and deliver any other agreements provided for herein or necessary or desirable to effectuate the transactions contemplated hereby.

ARTICLE X. CERTAIN POST-CLOSING OBLIGATIONS

Section 10.01. Operation of the Assets After Closing; Transition Services. Seller shall provide to Buyer those transition services set forth in the Transition Services Agreement. Other than as set forth in the Transition Services Agreement, it is expressly understood and agreed that neither Seller nor any of its Affiliates shall be obligated to continue operating any of the Assets, or to provide any support services relating thereto, upon and after the Closing and Buyer hereby assumes full responsibility for operating (or causing the operation of) all Assets upon and after the Closing. Seller and Buyer shall execute, and Buyer shall promptly file, change of operator regulatory forms as may be required with the appropriate Governmental Authority. Seller agrees to reasonably cooperate (without any obligation to expend money) with Buyer following Closing to assist Buyer in its efforts to be named successor operator with respect to the Assets.

Section 10.02. Files. Seller shall make the Files available for pickup by Buyer fifteen (15) Business Days after the Closing and Buyer shall pick up such Files on such date or within five (5) Business Days thereafter, unless provided for otherwise in the Transition Services Agreement. Seller may make copies of any Files it deems necessary and retain any Files associated with any Excluded Assets. Should Seller be asked to deliver the Files to Buyer, all cost and expense associated with said delivery will be borne by Buyer.

Section 10.03. Financial Records and Access to Information. For a period of up to twenty-four (24) months following the Closing Date, Buyer shall make the Financial Records available to Seller and its representatives at Buyer's offices, and shall provide Seller with reasonable access, at reasonable times and upon prior notice, and at no cost to Seller, to the employees of Buyer associated with the preparation of those Financial Records for purposes of performing Seller's audits and financial and tax filings required by a Governmental Authority.

Section 10.04. Further Cooperation. After the Closing, and subject to the terms and conditions of this Agreement, each Party, at the request of the other and without additional consideration, shall execute and deliver, or shall cause to be executed and delivered from time to time, such further instruments of conveyance and transfer and shall take such other action as the other Party may reasonably request to convey and deliver the Assets to Buyer in the manner contemplated by this Agreement. After the Closing, the Parties will cooperate to have all proceeds received attributable to the Assets paid to the proper Party hereunder and to have all expenditures to be made with respect to the Assets made by the proper Party hereunder.

Section 10.05. Document Retention.

(a) Inspection. Subject to the provisions of **Section 10.05**, Buyer agrees, and will cause its respective assigns to agree, that the Files shall be open for inspection by representatives of Seller at reasonable times and upon reasonable notice during regular business hours for a period of four (4) years following the Closing Date (or for such longer period as may be required by Law or Governmental Authorities) and that Seller

may, during such period and at its expense, make such copies thereof as it may reasonably request.

(b) Destruction. Without limiting the generality of the foregoing, for a period of four (4) years after the Closing Date (or for such longer period as may be required by Law or by Governmental Authorities), Buyer shall not, and shall cause its respective assigns to agree that they shall not destroy or give up possession of any original or final copy of the Files without first offering Seller the opportunity, at Seller's expense (without any payment to Buyer), to obtain such original or final copy or a copy thereof.

(c) Limitation. Notwithstanding the foregoing, the Seller and representatives of the Seller shall have no right to inspect the Files if such inspection is for commercial purposes and the Buyer reasonably concludes that the Seller will use the information to compete with the Buyer or otherwise cause an adverse impact on the Buyer.

Section 10.06. Suspense Accounts. At Closing, Seller shall retain and be responsible for all funds held by Seller in suspense, if any, as of the Closing Date related to proceeds of production and attributable to Third Parties' interests in the Properties or Hydrocarbon production from the Properties, including funds suspended awaiting minimum disbursement requirements, funds suspended under division orders and funds suspended for title and other defects, together with backup documentation as to when such obligations were incurred, what efforts were taken to pay such obligations, and all payor information related to each such obligation. Such retained suspense accounts shall not be deemed Assumed Obligations.

ARTICLE XI. TERMINATION

Section 11.01. Right of Termination. This Agreement and the transactions contemplated hereby may be completely terminated at any time at or prior to the Closing:

(a) by mutual written consent of the Parties;

(b) by either Party, by written notice to the other Party, if the Closing does not occur on or prior to the Outside Date; provided, however, that the right to terminate this Agreement under this **Section 11.01(b)** shall not be available to any Party whose breach of a representation or warranty in this Agreement or whose action or failure to act in breach of this Agreement has been a principal cause or resulted in the failure of the Closing to occur on or before such date;

(c) by either Party, by written notice to the other Party, if, prior to the Outside Date the Bankruptcy Case is dismissed, the Canadian Court dismisses the application for the Canadian Sale Order, or if the Bankruptcy Court dismisses the application for Sale Order;

(d) by either Party, by written notice to the other Party if prior to the Outside Date both (i) the Canadian Case is not recognized as a foreign main proceeding by the Bankruptcy Court and (ii) the Bankruptcy Court does not apply section 363 of the Bankruptcy Code by and through section 1521 of the Bankruptcy Code in the Bankruptcy Case;

(e) In the event that the Closing does not occur as a result of either Party exercising its right not to close pursuant to **Section 11.01**, then, except for the provisions of **Section 1.01**, **Section 1.02**, **Section 6.01**, this **Section 11.01**, **Article XIII** and **Article XIV** (other than **Section 14.01**, **Section 14.02**, and **Section 14.03**), this Agreement shall thereafter be null and void and neither Party shall have any rights or obligations under this Agreement.

(f) If this Agreement terminates pursuant to **Section 11.01(b)** solely on account of the failure of one or more of the conditions set forth in **Section 8.01**, then Seller shall be entitled to immediate disbursement by the Monitor of the Earnest Money and all interest earned thereon. In such event, the delivery of the Earnest Money to Seller shall constitute liquidated damages for any loss suffered by Seller, and Buyer shall have no further liability to the Seller of any kind or character (except as provided under **Section 6.01**).

(g) If this Agreement is terminated for any reason other than as provided in **Section 11.01(b)**, then within five (5) days following such termination, the Monitor shall immediately disburse the Earnest Money and all interest earned thereon, if any, to Buyer. In such event, the disbursement of the Earnest Money to Buyer shall constitute liquidated damages for any loss suffered by Buyer, and Seller shall have no further liability to the Buyer or Buyer Affiliates of any kind or character.

(h) THE PARTIES ACKNOWLEDGE AND AGREE THAT (i) EACH PARTY'S ACTUAL DAMAGES RESULTING FROM ANY SUCH TERMINATION UNDER THIS **ARTICLE XI** WOULD BE DIFFICULT, IF NOT IMPOSSIBLE TO CALCULATE, (ii) THE EARNEST MONEY IS A FAIR AND REASONABLE ESTIMATE OF THE TERMINATING PARTY'S LIQUIDATED DAMAGES IN LIGHT OF THE UNCERTAINTIES IN CALCULATING THE ACTUAL DAMAGES THAT WOULD BE SUFFERED BY SUCH PARTY UNDER THE CIRCUMSTANCES SET FORTH IN THIS **ARTICLE XI**, AND (iii) SUCH LIQUIDATED DAMAGES ARE NOT A PENALTY. Notwithstanding anything to the contrary in this Agreement, in no event shall either Party be entitled to receive any indirect, consequential, punitive or exemplary damages, or damages for lost profits of any kind or loss of business opportunity.

(i) The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that damages at law may be an inadequate remedy for the breach of any of the covenants, promises and agreements contained in this Agreement, and, accordingly, any party hereto shall be entitled to injunctive relief to prevent any such breach, and to specifically enforce the terms and provisions of this Agreement, including without limitation specific performance of such covenants, promises or agreements or an order enjoining a party from any threatened, or from the continuation of any actual, breach of the covenants, promises or agreements contained in this Agreement. The rights set forth in this section shall be in addition to any other rights which a party hereto may have at law or in equity pursuant to this Agreement.

(j) The parties hereby agree not to raise any objections to the availability of the equitable remedy of specific performance to prevent or restrain breaches of this Agreement by the Buyer or Seller, as applicable, and to specifically enforce the terms and provisions of this Agreement to prevent breaches or threatened breaches of, or to enforce compliance with, the respective covenants and obligations of the Buyer or Seller, as applicable, under this Agreement all in accordance with the terms of this section.

ARTICLE XII. ASSUMPTION

Section 12.01. Assumption. As of the Closing, Buyer assumes and agrees to pay, perform and discharge, or cause to be paid, performed, and discharged, the following obligations and Liabilities with respect to the Assets:

(a) all obligations (whether arising by Law or by contract) to properly plug, and abandon all Wells and dismantle, cap and bury all associated flow lines associated with the Assets, decommission or remove all personal property, fixtures and related equipment now located on the land covered by or attributable to the Properties or other Assets or hereafter placed thereon, and all such obligations to cleanup and restore such lands;

(b) all Production Taxes attributable to the time period on and after the Effective Time and allocable to Buyer pursuant to **Section 2.04** (except to the extent any such Production Tax is economically borne by Seller pursuant to the application of **Section 9.02(a)(i)**), provided, however, Production Taxes that accrue prior to the Effective Time shall be the obligation of the Seller and those that accrue on or after the Effective Time shall be the obligation of the Buyer. Any yet to be paid accrued ad valorem taxes for 2015 shall be included on the Closing Statement as a Purchase Price adjustment. Accrued 2016 taxes for the time period prior to the Effective Time shall be estimated using 2015 tax rates and also included on the Closing Statement as a Purchase Price adjustment. The Parties agree that any adjustment made to the Purchase Price at Closing for 2015 and 2016 ad valorem taxes shall be deemed final;

(c) all Liabilities relating in any way to the Assets for all time periods (including Seller's operation of such Assets at any time) arising under Environmental Law or arising from, attributable to or alleged to be arising from or attributable to, a violation of or the failure to perform any obligation imposed by any Environmental Law or otherwise relating to the environmental condition of the Assets; FOR AVOIDANCE OF DOUBT, BUYER'S ASSUMPTION, AND AGREEMENT TO PAY, PERFORM OR DISCHARGE SUCH LIABILITIES APPLIES REGARDLESS OF WHETHER THE LIABILITIES ARE THE RESULT OF: (i) STRICT LIABILITY, (ii) THE VIOLATION OF ANY LAW BY ANY PERSON INCLUDING SELLER OR BY A PRE-EXISTING CONDITION OR (iii) THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE OF ANY PERSON INCLUDING SELLER BUT NOT THE GROSS NEGLIGENCE OR INTENTIONAL MISCONDUCT OF SELLER;

(d) all obligations to settle any Imbalances related to the Assets; and

(e) all Liabilities and obligations with respect to the ownership or operation of the Assets and Properties arising on or after the Effective Time, including Operating Expenses relating to the Leases and Contracts arising on or after the Effective Time.

All such assumed obligations and Liabilities described above in this **Section 12.01** are collectively referred to herein as the "**Assumed Obligations**."

Section 12.02. Indemnification by Buyer. Effective as of Closing, Buyer hereby defends, releases, indemnifies and holds harmless the Seller Indemnitees from and against any and all Liabilities caused by, arising from, attributable to or alleged to be caused by, arising from or attributable to (a) any Assumed Obligation or (b) the breach by Buyer of any of its representations, warranties, covenants or agreements contained in this Agreement.

Section 12.03. Buyer's Environmental Indemnification. Notwithstanding anything herein to the contrary, in addition to the indemnities set forth in **Section 12.02**, effective as of the Closing, Buyer and its successors and assigns shall assume (as part of the Assumed Obligations), be responsible for, shall pay on a current basis and defend, indemnify, hold harmless and forever release the Seller Indemnitees from and against any and all Liabilities arising from, based on, related to or associated with (a) any environmental condition or other environmental matter related or attributable to the Assets, (b) Hazardous Substances, including NORM or (c) Environmental Law including any violation or alleged violation thereof, regardless of whether such Liabilities arose prior to, on or after the Effective Time, including the presence, disposal or removal of any Hazardous Substances, NORM, pollutant, contaminant, or hazardous or toxic substance, waste or material of any kind regulated under any Environmental Law in, on or under the Assets or any property (whether neighboring or otherwise) and including any Liability of any Seller Indemnitees with respect to the Assets under any Environmental Laws, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 *et seq.*), the Clean Water Act (33 U.S.C. §§ 466 *et seq.*), the Safe Drinking Water Act (14 U.S.C. §§ 1401-1450), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 *et seq.*), the Toxic Substance Control Act (15 U.S.C. §§ 2601-2629), the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Oil Pollution Act (33 U.S.C. § 2701 *et seq.*), any and all amendments to the foregoing, and all state and local Environmental Laws; provided, however that such indemnity of Seller by Buyer shall not include Seller's gross negligence or intentional misconduct.

Section 12.04. Negligence and Fault. THE DEFENSE, RELEASE, INDEMNIFICATION AND HOLD HARMLESS OBLIGATIONS SET FORTH IN THIS AGREEMENT SHALL ENTITLE THE INDEMNITEE TO SUCH DEFENSE, RELEASE, INDEMNIFICATION AND HOLD HARMLESS HEREUNDER IN ACCORDANCE WITH THE TERMS HEREOF, REGARDLESS OF WHETHER THE CLAIM GIVING RISE TO SUCH OBLIGATION IS THE RESULT OF: (A) STRICT LIABILITY (INCLUDING UNDER ENVIRONMENTAL LAW), (B) THE VIOLATION OF ANY LAW BY SUCH INDEMNITEE OR BY A PRE-EXISTING CONDITION, OR (C) THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE OF SUCH INDEMNITEE, BUT IN ALL INSTANCES EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE PROVISIONS OF ANY ANTI-INDEMNITY STATUTE RELATING TO THE OILFIELD SERVICES AND

ASSOCIATED ACTIVITIES SHALL NOT BE APPLICABLE TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 12.05. Expenses. Notwithstanding the foregoing or anything herein to the contrary, each Party shall be solely responsible for all expenses, including due diligence expenses, legal expenses, and financial and/or transaction advisor expenses, incurred by it to enter into, and consummate the transactions contemplated by this Agreement.

Section 12.06. Survival. The representations and warranties of Seller in Article V shall terminate upon Closing. Unless terminating earlier in accordance with their terms, the covenants and agreements of Seller shall terminate upon the determination of the Final Accounting Statement in accordance with **Section 9.02(c)** or **Section 9.02(d)**, as applicable. The representations and warranties of Buyer in Article V (other than the representations in **Section 5.02(a) – (d)** and **(f)**) shall survive the Closing for a period of eighteen (18) months. Subject to the foregoing, the remainder of this Agreement shall survive the Closing without time limit. Representations, warranties, covenants and agreements shall be of no further force and effect after the date of their expiration; provided, however, that there shall be no termination of any bona fide claim asserted pursuant to this Agreement with respect to such a representation, warranty, covenant or agreement prior to its expiration date.

Section 12.07. Non-Compensatory Damages. Neither the Buyer, the Buyer Affiliates nor the Seller shall be entitled to recover from Seller or Buyer, or their respective Affiliates, any indirect, consequential, punitive or exemplary damages or damages for lost profits of any kind or loss of business opportunity arising under or in connection with this Agreement or the transactions contemplated hereby. Subject to the preceding sentence, Buyer, on behalf of each of the Buyer Affiliates, and Seller, waive any right to recover punitive, special, exemplary and consequential damages, including damages for lost profits or loss of business opportunity, arising in connection with or with respect to this Agreement or the transactions contemplated hereby.

ARTICLE XIII. DISCLAIMERS OF REPRESENTATIONS AND WARRANTIES

(a) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN **Section 5.01** OF THIS AGREEMENT, (I) SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, STATUTORY OR IMPLIED AND (II) SELLER EXPRESSLY DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER OR ANY OF ITS AFFILIATES, EMPLOYEES, AGENTS, CONSULTANTS OR REPRESENTATIVES (INCLUDING, WITHOUT LIMITATION, ANY OPINION, INFORMATION, PROJECTION OR ADVICE THAT MAY HAVE BEEN PROVIDED TO BUYER BY ANY OFFICER, DIRECTOR, SUPERVISOR, EMPLOYEE, AGENT, CONSULTANT, REPRESENTATIVE OR ADVISOR OF SELLER OR ANY OF ITS AFFILIATES).

(b) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN **Section 5.01**, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EXPRESS, STATUTORY OR IMPLIED, AS TO (I) TITLE TO OR

ANY LIENS OR ENCUMBRANCES AFFECTING ANY OF THE ASSETS, (II) THE CONTENTS, CHARACTER OR NATURE OF ANY REPORT OF ANY PETROLEUM ENGINEERING CONSULTANT, OR ANY ENGINEERING, GEOLOGICAL OR SEISMIC DATA OR INTERPRETATION, RELATING TO THE ASSETS, (III) THE QUANTITY, QUALITY OR RECOVERABILITY OF HYDROCARBONS IN OR FROM THE ASSETS, (IV) ANY ESTIMATES OF THE VALUE OF THE ASSETS OR FUTURE REVENUES GENERATED BY THE ASSETS, (V) THE PRODUCTION OF HYDROCARBONS FROM THE ASSETS, (VI) THE MAINTENANCE, REPAIR, CONDITION, QUALITY, SUITABILITY, DESIGN OR MARKETABILITY OF THE ASSETS, (VII) THE CONTENT, CHARACTER OR NATURE OF ANY INFORMATION (FINANCIAL OR OTHERWISE), MEMORANDUM, REPORTS, BROCHURES, CHARTS OR STATEMENTS PREPARED BY SELLER OR THIRD PARTIES WITH RESPECT TO THE ASSETS, (VIII) ANY OTHER MATERIALS OR INFORMATION THAT MAY HAVE BEEN MADE AVAILABLE TO BUYER, ITS AFFILIATES OR THEIR EMPLOYEES, AGENTS, CONSULTANTS, REPRESENTATIVES OR ADVISORS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY DISCUSSION OR PRESENTATION RELATING THERETO, AND (IX) ANY IMPLIED OR EXPRESS WARRANTY OF FREEDOM FROM PATENT OR TRADEMARK INFRINGEMENT.

(c) EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN **Section 5.01**, SELLER EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER HEREBY WAIVES (I) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (II) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (III) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (IV) ANY RIGHTS OF BUYER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (V) ANY CLAIMS BY BUYER FOR DAMAGES BECAUSE OF DEFECTS OR FLAWS IN THE SALE OR ASSETS, WHETHER KNOWN OR UNKNOWN AS OF THE EFFECTIVE TIME OR THE CLOSING DATE, AND (VI) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW; IT BEING THE EXPRESS INTENTION OF BOTH BUYER AND SELLER THAT, EXCEPT AS AND TO THE EXTENT EXPRESSLY SET FORTH IN **Section 5.01** OF THIS AGREEMENT, THE ASSETS SHALL BE CONVEYED TO BUYER IN THEIR PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS," WITH ALL FAULTS, AND THAT BUYER HAS MADE OR SHALL MAKE PRIOR TO CLOSING SUCH INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(d) OTHER THAN EXPRESSLY SET FORTH IN **Section 5.01(j)** OF THIS AGREEMENT, SELLER HAS NOT AND WILL NOT MAKE ANY REPRESENTATION OR WARRANTY REGARDING ANY MATTER OR CIRCUMSTANCE RELATING TO ENVIRONMENTAL LAWS, THE RELEASE OF MATERIALS INTO THE ENVIRONMENT, THE PROTECTION OF HUMAN HEALTH, SAFETY, NATURAL RESOURCES OR THE ENVIRONMENT OR ANY OTHER ENVIRONMENTAL CONDITION OF THE ASSETS, AND NOTHING IN

THIS AGREEMENT OR OTHERWISE SHALL BE CONSTRUED AS SUCH A REPRESENTATION OR WARRANTY. UPON CLOSING, BUYER SHALL BE DEEMED TO BE TAKING THE ASSETS "AS IS" AND "WHERE IS," WITH ALL FAULTS FOR PURPOSES OF THEIR ENVIRONMENTAL CONDITION, AND BUYER ACKNOWLEDGES IT HAS MADE OR CAUSED TO BE MADE SUCH ENVIRONMENTAL INSPECTIONS AS BUYER DEEMS APPROPRIATE.

(e) AS PARTIAL CONSIDERATION FOR THIS AGREEMENT, EACH PARTY HEREBY EXPRESSLY WAIVES THE PROVISIONS OF THE TEXAS DECEPTIVE TRADE PRACTICES CONSUMER PROTECTION ACT, ARTICLES 17.41 ET SEQ. OF THE TEXAS BUSINESS & COMMERCE CODE, OTHER THAN ARTICLE 17.555 WHICH IS NOT WAIVED, AND ALL OTHER CONSUMER PROTECTION LAWS OF THE STATE OF TEXAS THAT MAY BE WAIVED BY THE PARTIES TO THE EXTENT PERMITTED BY APPLICABLE LAW.

(f) SELLER AND BUYER AGREE THAT THE DISCLAIMERS OF CERTAIN WARRANTIES CONTAINED IN THIS **ARTICLE XIII** ARE "CONSPICUOUS" DISCLAIMERS FOR THE PURPOSES OF ANY APPLICABLE LAW, RULE OR ORDER.

ARTICLE XIV. MISCELLANEOUS

Section 14.01. Transfer Taxes. All sales, use or other similar Taxes (other than, for the avoidance of doubt, Income Taxes) and duties, levies or other governmental charges, if any, incurred by or imposed with respect to the transfer undertaken pursuant to this Agreement ("**Transfer Taxes**") shall be the responsibility of, and shall be paid by the Buyer.

Section 14.02. Cooperation on Tax Returns and Tax Proceedings. Buyer and Seller shall cooperate fully as and to the extent reasonably requested by the other Party (without the need to incur any expenses unreimbursed by the asking party), in connection with the filing of Tax Returns and any audit, litigation or other proceeding with respect to Taxes imposed on or with respect to the Assets.

Section 14.03. Filings, Notices and Certain Governmental Approvals. As soon as reasonably possible after the Closing, but in no event later than six (6) months after such Closing, unless otherwise consented to in writing by Seller, Buyer shall remove the names of Seller and its Affiliates, and all variations thereof, from the Assets. Promptly after Closing, Buyer shall make all requisite filings with, and provide the requisite notices to, the appropriate Governmental Authorities to accomplish all transactions contemplated by this Agreement.

Section 14.04. Entire Agreement. This Agreement and the LOI, the documents to be executed pursuant hereto and the exhibits and schedules attached hereto constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining to the subject matter hereof. No supplement, amendment, alteration, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the

Parties and specifically referencing this Agreement as being supplemented, amended, altered, modified, waived or terminated.

Section 14.05. Waiver. No waiver of any of the provisions of this Agreement or rights hereunder shall be deemed or shall constitute a waiver of any other provisions hereof or right hereunder (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 14.06. Publicity. Each Party shall consult with the other Party prior to making any public release concerning this Agreement or the transactions contemplated hereby and, except as required by applicable Law or by any Governmental Authority or stock exchange, no Party shall issue any such release without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

Section 14.07. No Third Party Beneficiaries. Except with respect to the Persons included within the definition of Seller Indemnitees (and in such cases, only to the extent expressly provided herein), nothing in this Agreement shall provide any benefit to any Third Party or entitle any Third Party to any claim, cause of action, remedy or right of any kind, it being the intent of the Parties that this Agreement shall not be construed as a Third Party beneficiary contract.

Section 14.08. Assignment. Buyer may not assign or delegate any of its rights or duties hereunder without the prior written consent of Seller and any assignment made without such consent shall be void. Any assignment made by Buyer as permitted hereby shall not relieve Buyer from any Liability or obligation hereunder. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted successors, assigns and legal representatives.

Section 14.09. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL. SUBJECT TO **SECTION 14.13**, THIS AGREEMENT AND THE LEGAL RELATIONS AMONG THE PARTIES SHALL BE GOVERNED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICTS OF LAW RULE OR PRINCIPLE THAT MIGHT REFER CONSTRUCTION OF SUCH PROVISIONS TO THE LAWS OF ANOTHER JURISDICTION, EXCEPT TO THE EXTENT THE LAWS OF THE STATE WHERE A LEASE OR FEE MINERALS IS LOCATED MANDATORILY APPLICABLE TO TITLE AND REAL PROPERTY MATTERS. ALL ACTIONS AND PROCEEDINGS WITH RESPECT TO, ARISING DIRECTLY OR INDIRECTLY IN CONNECTION WITH, OUT OF, RELATED TO, OR FROM THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE EXCLUSIVELY LITIGATED, HEARD AND DETERMINED IN THE BANKRUPTCY COURT, AND THE PARTIES HEREBY UNCONDITIONALLY AND IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION AND AUTHORITY OF THE BANKRUPTCY COURT TO HEAR AND DETERMINE ANY SUCH ACTION OR PROCEEDING; PROVIDED, HOWEVER, THAT IF THE BANKRUPTCY CASE IS CLOSED, THE PARTIES HEREBY UNCONDITIONALLY AND IRREVOCABLY SUBMIT TO THE JURISDICTION OF THE COURTS OF THE STATE OF TEXAS OR OF THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF TEXAS. EACH PARTY HERETO WAIVES, TO THE FULLEST EXTENT

PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 14.10. Notices. Any notice, communication, request, instruction or other document required or permitted hereunder shall be given in writing and delivered in person or sent by United States mail (postage prepaid, return receipt requested), telex, facsimile or telecopy to the addresses of Seller and Buyer set forth below. Any such notice shall be effective upon receipt only if received during normal business hours or, if not received during normal business hours, on the next Business Day.

Seller:

Argent Energy (US) Holdings Inc.
Attn: R. Steven Hicks
2 Houston Center
909 Fannin Street, 10th Floor
Houston, Texas 77010
Telephone: 281-847-1888 Ext. 223
e-mail: shicks@argentenergytrust.com

with a copy to:

Locke Lord LLP
Attn: David Patton
600 Travis Street, Suite 2800
Houston, Texas 77002
Telephone: 713-226-1254
e-mail: dpatton@lockelord.com

with a copy to:

FTI Consulting
Attn: Dustin Olver
720, 440 – 2nd Avenue S.W.
Calgary AB T2P 5E9 Canada
Telephone: 1-403-454-6032
e-mail: dustin.olver@fticonsulting.com

Buyer:

BXP Partners IV, L.P.
Attn: C. Douglas Brown
3860 W. Northwest Highway, Suite 325
Dallas, Texas 75220
Telephone: 214-368-5716
e-mail: dbrown@bxpld.com

with a copy to:

Sussman & Moore, LLP
Attn: Ronald L. Sussman
4645 N. Central Expressway, Suite 300
Dallas, Texas 75205
Telephone: 214-378-8270
e-mail: rsussman@csmlaw.net

Either Party may, by written notice so delivered, change its address for notice purposes hereunder.

Section 14.11. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any adverse manner to either Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

Section 14.12. Counterparts. This Agreement may be executed in any number of counterparts, and each counterpart hereof shall be deemed to be an original instrument, but all such counterparts shall constitute but one instrument. Any signature hereto delivered by a Party by facsimile or electronic transmission shall be deemed an original signature hereto.

Section 14.13. Approval of the Canadian Court and the Bankruptcy Court. Notwithstanding anything herein to the contrary, any and all obligations under this Agreement are subject to approval of the Canadian Court and the Bankruptcy Court.

Section 14.14. Amendment. This Agreement may be amended only by an instrument in writing executed by all Parties.

Section 14.15. Schedules and Exhibits. The inclusion of any matter upon any Schedule or any Exhibit attached hereto does not constitute an admission or agreement that such matter is material with respect to the representations and warranties contained herein.

Section 14.16. Time of the Essence. Time is of the essence in this Agreement and with respect to the covenants, obligations and agreements evidenced hereby.

[*Signature page follows*]

IN WITNESS WHEREOF, Seller and Buyer have executed this Agreement as of the date first written above.

SELLER:

Argent Energy (US) Holdings Inc.,
a Delaware Corporation

By: _____
Name: R. Steven Hicks
Title: Chief Operating Officer

BUYER:

BXP Partners IV, L.P.,
a Texas Limited Partnership

By: BXP Energy Resources IV, LLC
a Texas Limited Liability Company,
General Partner

By: _____
Name: C. Douglas Brown, Manager

EXHIBIT 22

ARGENT ENERGY (US) HOLDINGS INC.
WRITTEN CONSENT OF DIRECTORS
IN LIEU OF SPECIAL MEETING OF THE BOARD

The undersigned, constituting a majority of the Board of Directors (the "Board") pursuant to the bylaws of Argent Energy (US) Holdings Inc., a Delaware corporation (the "Corporation"), acting pursuant to Section 141(f) of the General Corporation Law of the State of Delaware, hereby adopt, by written consent, the following resolutions:

NOW, THEREFORE, BE IT:

RESOLVED, that the Board hereby approves, adopts and authorizes the execution of that proposed Purchase and Sale Agreement by and between BXP Partners IV, L.P., and the Corporation, effective as of the 1st day of April, 2016, in the form attached hereto as Exhibit A, together with all exhibits, schedules and agreements thereto and contemplated therein (the "PSA") and all other agreements, documents or instruments and the performance of all transactions contemplated by the PSA by the Corporation;

RESOLVED, that the officers of the Corporation, and any of them, be, and they hereby are, authorized, empowered and directed to take such further action and to execute such documents and to perform any and all such other acts as such officer or officers shall determine to be necessary or appropriate to effect the intent of the foregoing resolutions; and

RESOLVED, that any and all action taken in good faith by the officers of the Corporation prior to the date hereof on behalf of the Corporation and in furtherance of the transactions contemplated by the foregoing resolutions are in all respects ratified, confirmed and approved by the Corporation, as the case may be, as the Corporation's own act and deed and shall be conclusively deemed to be such corporate act and deed for all purposes.

[*Signature Page Follows*]

THIS IS EXHIBIT " 22 *"*
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April *A.D. 20* 16
[redacted]

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016

IN WITNESS WHEREOF, the undersigned, constituting a majority of the members of the Board of Directors of the Corporation, hereby consent to and adopt the foregoing actions and resolutions and have duly executed this Consent effective as of the 14th day of April, 2016.

Sean Bovingdon

R. Steven Hicks

EXHIBIT 23

Chart of Liens Asserted Against Argent

Lienholder Name	Amount Asserted	Nature of Lien	Notes
Baker Hughes Oilfield Operations, Inc.	$7,764.14	M&M Lien	Asserted 3/23/2016 re: Reno, WY property
Baker Hughes Oilfield Operations, Inc.	$636.00	M&M Lien	Asserted 3/22/2016 re: Mellott Ranch (Crook), WY property
Baker Hughes Oilfield Operations, Inc.	$636.00	M&M Lien	Asserted 3/22/2016 re: Mellott Ranch (Campbell), WY property
Basic Energy Services, L.P.	$9,888.23	M&M Lien	Asserted 3/2/2016 re: Tilicek, TX property
Basic Energy Services, L.P.	$24,206.78	M&M Lien	Asserted 3/2/2016 re: Hrncir, TX property
Basic Energy Services, L.P.	$11,376.64	M&M Lien	Asserted 3/2/2016 re: Haydens, TX property
Key Energy Services, LLC	$838.00	M&M Lien	Asserted 4/7/2016 re: Haydens, TX property
Key Energy Services, LLC	$21,424.59	M&M Lien	Asserted 4/7/2016 re: Hrncir, TX property
Key Energy Services, LLC	$2,997.88	M&M Lien	Asserted 4/7/2016 re: Trevino, TX property
Baker Hughes Oilfield Operations, Inc.	$7,764.14	M&M Lien	Asserted 4/5/2016 re: Johnson, WY property
Liberty Lift Solutions, LLC	$4,522.69	M&M Lien	Asserted 4/11/2016 re: Fayette, TX property
Liberty Lift Solutions, LLC	$4,059.38	M&M Lien	Asserted 4/11/2016 re: Gonzales, TX property

THIS IS EXHIBIT " 23 "
referred to in the Affidavit of ~~Declaration~~
Sean Bovingdon No. 3
Sworn before me this 14th
day of April A.D. 2016

A Commissioner for Oaths
in and for the Province of Alberta

ROSE MARY ELLIS
290389-8
NOTARY PUBLIC, STATE OF TEXAS
MY COMMISSION EXPIRES
OCT. 16, 2016