

COURT FILE NUMBER 1601-06765

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 ENDURANCE
ENERGY LTD.

DOCUMENT

ORDER (SECOND DIP EXTENSION)

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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**Attention: Robert I. Thornton /
Leanne Williams / Rachel Bengino**

Client File No: 1751-001

DATE ON WHICH ORDER WAS PRONOUNCED: October 6, 2016

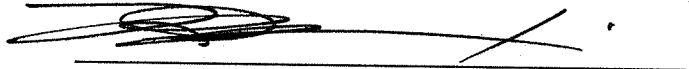
LOCATION OF HEARING OR TRIAL: Calgary Courts Centre

NAME OF JUDGE WHO MADE THIS ORDER: The Honourable Mr. Justice Yamauchi

UPON THE APPLICATION of Endurance Energy Ltd. ("**Endurance**") filed October 4, 2016 (the "**Application**"); AND UPON reading the pleadings and proceedings filed herein; AND UPON hearing the submissions of counsel for Endurance, and the other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. Service of the Notice of Application for this Order is hereby validated and deemed good and sufficient, this application is properly returnable today, and no person other than other than those persons served is entitled to service of the Notice of Application.
2. Any terms not defined herein have the meaning ascribed to them in the Initial Order granted May 30, 2016, as amended and restated, pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36, as amended.
3. The Second Amending Agreement to the Amended and Restated DIP Facility Loan Agreement dated as of June 14, 2016 (attached as Schedule "A" to this Order) is hereby approved.



J.C.Q.B.A. or Clerk of the Court

Schedule "A"

SECOND AMENDING AGREEMENT TO THE AMENDED AND RESTATED DIP FACILITY LOAN AGREEMENT DATED AS OF JUNE 14, 2016

RECITALS:

- (a) On May 30, 2016, Endurance Energy Ltd. (the "Borrower") and WP Private Equity XI Inc. (the "DIP Lender") entered into a *DIP Facility Loan Agreement* (the "Initial DIP Loan Agreement") pursuant to which the DIP Lender agreed to make certain advances to the Borrower in accordance with the terms and conditions set forth thereunder;
- (b) On the same date, the Initial DIP Loan Agreement was approved by order (the "Initial Order") of the Alberta Court of Queen's Bench (the "Court") rendered pursuant to the *Companies' Creditors Arrangement Act* (the "CCAA"), subject only to the right of the Canadian Imperial Bank of Commerce (the "Agent"), as agent for and on behalf of a syndicate of lenders, to object to such order;
- (c) On June 1, 2016, the Agent filed a formal contestation to, *inter alia*, the Initial Order, objecting, in part, to the terms and conditions of the Initial DIP Loan Agreement;
- (d) On June 14, 2016, after discussions with, *inter alia*, the Borrower, the DIP Lender agreed to revise the terms of the Initial DIP Loan Agreement, and to enter into an *Amended and Restated DIP Facility Loan Agreement* with the former (the "DIP Loan Agreement");
- (e) On June 22, 2016, the Court approved the DIP Loan Agreement;
- (f) On August 31, 2016, at the request of the Borrower, the Borrower and the DIP Lender entered into an *Amending Agreement to the Amended and Restated DIP Facility Loan Agreement Dated as of June 14, 2016* (the "First Amending Agreement") in order to amend the DIP Loan Agreement such that the "Maturity Date", as defined in the DIP Loan Agreement (the "Maturity Date"), be extended until September 30, 2016; and
- (g) On September 23, 2016, the Borrower requested, and the DIP Lender agreed, that the DIP Loan Agreement be amended again such that the Maturity Date, as extended by the First Amending Agreement, be extended until the earlier of: (i) the closing of the sale of all or substantially all of the Borrower's assets (the "Sale") or (ii) October 30, 2016.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

2. Defined Terms.

Capitalized terms used in this Amending Agreement and not otherwise defined have the meanings specified in the DIP Loan Agreement.

3. Headings.

Section headings in this Second Amending Agreement are included for convenience of reference only and shall not constitute a part of this Second Amending Agreement for any other purpose.

4. Amendment to the DIP Loan Agreement.

Paragraph a) of the "*Repayment and Maturity Date*" section of the DIP Loan Agreement, as amended by the First Amending Agreement, is hereby deleted and replaced by the following text:

"a) the earlier of: (i) the closing of the sale of all or substantially all of the Borrower's assets or (ii) October 30, 2016;"

5. Amendment Fee.

In consideration of the amendment and the extension of the Maturity Date contemplated in accordance with Section 4 hereof, the Borrower agrees to pay to the DIP Lender on the execution hereof a fee in the amount of \$120,000.00 (the "Fee").

6. No Additional Drawdown

The Borrower hereby agrees that unless otherwise agreed upon in writing with the DIP Lender, there shall be no additional DIP Advance or drawdown on the DIP Facility.

7. Reference to and Effect on the DIP Loan Agreement.

Upon this Second Amending Agreement becoming effective, each reference in the DIP Loan Agreement to "*this Agreement*" (or any similar expression contained in the DIP Loan Agreement) and each reference to the DIP Loan Agreement in any and all other agreements, documents and instruments delivered by the DIP Lender, the Borrower or any other person, shall mean and be a reference to the DIP Loan Agreement, as amended by this Second Amending Agreement.

Other than the amendment contemplated above, all terms and conditions of the DIP Loan Agreement shall remain in full force and effect, unamended.

8. Effectiveness.

This Second Amending Agreement shall become effective once duly executed signature pages for this Second Amending Agreement, as signed by the Borrower, shall have been delivered to the DIP Lender, and the DIP Lender shall have duly executed this Second Amending Agreement, and the Fee shall have been paid by the Borrower to the DIP Lender.

9. Governing Law.

This Second Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

10. Time is of the Essence.

Time is of the essence in this Second Amending Agreement.

11. Counterparts.

This Second Amending Agreement may be executed in any number of counterparts and by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

[Signature page follows]


IN WITNESS WHEREOF, the parties have executed this Second Amending Agreement on
October __, 2016.

ENDURANCE ENERGY LTD.

Per: _____
Name:
Title:

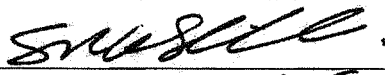
WP PRIVATE EQUITY XI INC.

Per: _____
Name:
Title:



IN WITNESS WHEREOF, the parties have executed this Second Amending Agreement on
October __, 2016.

ENDURANCE ENERGY LTD.

Per: 
Name: STEVEN VAN SICKLE
Title: PRES. & CEO

WP PRIVATE EQUITY XI INC.

Per: _____
Name:
Title: