

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF LONG RUN EXPLORATION LTD. AND
CALGARY SINOENERGY INVESTMENT CORP.

DOCUMENT

AFFIDAVIT #1 OF ZIQING (EDDIE) ZOU

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors
3500 Bankers Hall East
855 – 2nd Street SW
Calgary, Alberta T2P 4J8

Attention: Kelly J. Bourassa / Christopher Keliher
Telephone: 403-260-9697 / 403-260-9760
Fax No.: 403-260-9700
Email: kelly.bourassa@blakes.com /
christopher.keliher@blakes.com

File: 14438/2

AFFIDAVIT OF ZIQING (EDDIE) ZOU

Affirmed on July 2, 2024

I, Ziqing (Eddie) Zou, of the City of Toronto, in the Province of Ontario, **SOLEMNLY AFFIRM AND
DECLARE THAT:**

1. I am the Deputy Head of Corporate Banking of the China Construction Bank Toronto Branch ("CCBT").
2. I am authorized to affirm this affidavit on behalf of CCBT in its capacity as collateral agent (in such capacity, the "**Agent**") pursuant to the Intercreditor Agreement (as defined below).

Form 49
[Rule 13.19]

Clerk's Stamp:

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, RSC 1985, c C-36, AS AMENDED

AND IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF LONG RUN EXPLORATION LTD. AND
CALGARY SINOENERGY INVESTMENT CORP.

DOCUMENT

AFFIDAVIT #1 OF ZIQING (EDDIE) ZOU

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

BLAKE, CASSELS & GRAYDON LLP

Barristers and Solicitors
3500 Bankers Hall East
855 – 2nd Street SW
Calgary, Alberta T2P 4J8

Attention: Kelly J. Bourassa / Christopher Keliher
Telephone: 403-260-9697 / 403-260-9760
Fax No.: 403-260-9700
Email: kelly.bourassa@blakes.com /
christopher.keliher@blakes.com

File: 14438/2

AFFIDAVIT OF ZIQING (EDDIE) ZOU

Affirmed on July 2, 2024

I, Ziqing (Eddie) Zou, of the City of Toronto, in the Province of Ontario, **SOLEMNLY AFFIRM AND
DECLARE THAT:**

1. I am the Deputy Head of Corporate Banking of the China Construction Bank Toronto Branch ("CCBT").
2. I am authorized to affirm this affidavit on behalf of CCBT in its capacity as collateral agent (in such capacity, the "**Agent**") pursuant to the Intercreditor Agreement (as defined below).

3. I have been directly involved with the CCB Facilities (as defined below), Long Run Exploration Ltd. ("**Long Run**"), and Calgary Sinoenergy Investment Corp. (the "**Guarantor**" and together with Long Run, the "**Debtors**"), the corporate parent of Long Run, since 2016. As such, I have personal knowledge of the facts and matters deposed to in this Affidavit except where based on information from other sources, in which case I have specified the source of that information and I verily believe it to be true.
4. I have reviewed the records maintained by CCBT in respect of the matters at issue, which I believe were collected in the ordinary and usual course of business, and where I do not have direct personal knowledge of matters deposed herein, my knowledge is derived from my review of the records of CCBT, relevant copies of which are attached to this Affidavit. I have also had the opportunity to review Long Run's most recent financial statements (as discussed further below).
5. Where I refer to matters pertaining to the structure and business of the Debtors and their business, my information is derived from files maintained by CCBT and information obtained from the Debtors either directly or through FTI Consulting Canada Inc. ("**FTI**"), the financial advisor engaged by Blake, Cassels & Graydon LLP ("**Blakes**") in its capacity as counsel to the Agent, in respect of the Debtors, as described more fully herein.
6. I am affirming this Affidavit in support of an originating application (the "**Initial Application**"), filed by the Agent, seeking an initial order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), among other things:
 - a. abridging the time for service of the notice of the Initial Application and all supporting materials, and deeming service thereof to be good and sufficient;
 - b. confirming that the Debtors are companies to which the CCAA applies;
 - c. granting a stay of proceedings in favour of Long Run up to and including July 14, 2024 (the "**Initial Stay Period**");
 - d. appointing FTI as the monitor in the Debtors' CCAA proceedings (if appointed, the "**Monitor**") with enhanced powers (as will be further discussed below);
 - e. confirming that the Debtors shall remain in possession and control of their Property (as defined below) and that they shall be entitled to continue to carry on business in a manner consistent with the preservation of their business and the Property, subject to the enhanced powers of the Monitor;

- f. granting a first priority charge over all of the Debtors' current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**") in favour of the Monitor, counsel to the Monitor, and counsel to the Agent (the "**Administration Charge**") up to a maximum amount of \$250,000; and
 - g. granting a second priority charge over the Property in favour of the directors and officers of the Debtors to secure obligations and liabilities that the directors and officers may incur as directors and officers of the Debtors after the commencement of these CCAA proceedings (the "**Directors' Charge**"), up to a maximum amount of \$250,000.
7. If the Initial Order is granted, this Affidavit is also sworn in support of certain additional relief to be sought by the Monitor at a comeback hearing in respect of the Initial Order, which will be heard within 10 days of the granting of the Initial Order (the "**Comeback Hearing**"). The Comeback Hearing is currently scheduled to occur on July 12, 2024.
8. At the Comeback Hearing, I understand that the Monitor, through the exercise of its enhanced powers, if granted, will seek, among other things, to amend and restate the Initial Order (as amended and restated, the "**ARIO**") to:
- a. extend the initial stay period up to and including August 30, 2024 (as may be extended from time to time, the "**Stay Period**");
 - b. authorize the Debtors to obtain interim financing;
 - c. approve a proposed sale and investment solicitation process for the sale of all or substantially all of the Property of the Debtors; and
 - d. approve and grant the following charges against the Property in the following relative priorities:
 - i. First – an increased Administration Charge up to the maximum amount of \$500,000;
 - ii. Second – a charge in favour of the Interim Lender in respect of amounts advanced pursuant to the Interim Financing Term Sheet, with the quantum of such charge still to be determined; and
 - iii. Third – the Directors' Charge, equal to the amount, if any, approved pursuant to the Initial Order, up to a maximum amount of \$250,000.

9. All monetary references in this Affidavit are in Canadian Dollars, unless otherwise stated.

BACKGROUND

10. Long Run is a privately owned intermediate oil and gas production and exploration company headquartered in Calgary, Alberta. Attached hereto as Exhibit "**A**" is a copy of the results of a current search of Long Run conducted at the Government of Alberta Corporate Registration System (the "**Corporate Registry**") on June 27, 2024.
11. Long Run describes its operations as being throughout central and northwest Alberta, in the Boyer, Peace River, Deep Basin and Redwater areas and produces a mix of oil and gas products. I am advised by FTI that, in total, Long Run is the operator of 4,696 licensed wells, of which only 1,787 are active.
12. Long Run is a wholly owned subsidiary of the Guarantor, a privately owned Alberta corporation. Attached hereto as Exhibit "**B**" is a copy of the results of a current search of the Guarantor conducted at the Corporate Registry on June 27, 2024.
13. To my knowledge, the Guarantor does not have any operations.

CREDIT FACILITIES AND SECURITY DOCUMENTS

14. The Agent was appointed as collateral agent in respect of two senior secured lending facilities (the "**CCB Facilities**"), pursuant to a collateral agent and intercreditor agreement made as of October 27, 2020 (the "**Intercreditor Agreement**") among the Borrower, as borrower, the Guarantor, as guarantor, CCBT, as CCBT lender, CCBQ and the other lenders from time to time party thereto, as CCBQ lenders, CCBQ, as CCBQ SBLC Provider (as defined below), Bank of China (Qingdao Branch) ("**BOCQ**"), as BOCQ SBLC Provider (as defined below), CCBT, as administrative agent, CCBT, as collateral agent, and CCB Qingdao Sifang Sub-branch, as parent creditor agent. A copy of the Intercreditor Agreement is attached hereto as Exhibit "**C**".
15. The CCB Facilities were evidenced and governed by:
- a. an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run, as borrower, the Guarantor, as guarantor, CCBT as lender, and the Agent, as collateral agent. A copy of the CCBT Credit Agreement is attached hereto as Exhibit "**D**"; and
 - b. a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement,

collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, CCBQ and the other lenders from time-to-time party thereto, as lenders, and the Agent, as administrative agent and collateral agent. A copy of the CCBQ Credit Agreement is attached hereto as Exhibit "**E**".

16. To secure amounts advanced pursuant to the Credit Agreements, Long Run executed, among other things:
 - a. an amended and restated fixed and floating charge demand debenture dated October 27, 2020, in favour of the Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other secured parties (the "**Debenture**"). A copy of the Debenture is attached hereto as Exhibit "**F**";
 - b. a debenture pledge agreement dated October 27, 2020, in favour of the Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other secured parties (the "**Debenture Pledge**"). A copy of the Debenture Pledge is attached hereto as Exhibit "**G**"; and
 - c. a general security agreement made as of October 27, 2020, between Long Run, as debtor, and the Agent, as agent (the "**GSA**"). A copy of the GSA is attached hereto as Exhibit "**H**".
17. To further support and secure amounts advanced pursuant to the Credit Agreement, the Guarantor, pursuant to the terms of the Credit Agreements, jointly and severally, unconditionally and irrevocably, guaranteed payment of amounts owing to the Agent, and agreed to make payment, on demand, to the Agent the full amount of same. As continuing security for this guarantee, the Guarantor granted to the Agent an amended and restated securities pledge agreement, made as of October 27, 2020, between the Guarantor, as pledgor, and the Agent, in its capacity as agent (the "**Pledge Agreement**"). A copy of the Pledge Agreement is attached hereto as Exhibit "**I**";
18. To support the indebtedness owing to CCBT under the CCBT Credit Agreement, CCBQ (in such capacity, the "**CCBQ SBLC Provider**") issued a standby letter of credit on January 26, 2017, in favour of CCBT, (the "**CCBQ SBLC**"), which in turn was supported by a standby letter of credit issued by BOCQ (in such capacity, the "**BOCQ SBLC Provider**"), on January 25, 2017, in favour of CCBQ (the "**BOCQ SBLC**"). Copies of the CCBQ SBLC and the BOCQ SBLC are attached hereto as Exhibits "**J**" and "**K**", respectively.
19. The CCBQ SBLC and BOCQ SBLC in turn are supported by indemnity and reimbursement agreements, each dated October 27, 2020, granted by the Debtors, as Obligors, in favour of CCBQ (the "**CCBQ Indemnity**") and BOCQ (the "**BOCQ Indemnity**") in their capacities as CCBQ

SBLC Provider and BOCQ SBLC Provider, respectively. Copies of the CCBQ Indemnity and the BOCQ Indemnity are attached hereto as Exhibits "**L**" and "**M**", respectively.

20. A copy of the search results in respect of Long Run obtained from the Alberta Personal Property Registry ("**PPR**"), dated June 27, 2024, is attached hereto as Exhibit "**N**".
21. A copy of the search results in respect of the Guarantor obtained from the PPR, dated July 2, 2024, is attached hereto as Exhibit "**O**".

FINANCIAL OVERVIEW OF THE DEBTORS

22. I am advised by Christopher Kelihier of Blakes that, in connection with this Initial Application, copies of all the Debtors' financial statements, audited or unaudited, prepared during the year before the Initial Application or, if no such statement was prepared in that year, a copy of the most recent financial statements, must be filed with the Court.
23. A draft copy of Long Run's internal financial statements for the year ending December 31, 2023 (the "**FYE23 FS**") are attached hereto as Exhibit "**P**". I understand from Long Run that due to ongoing financial constraints faced by the Debtors, these statements have not yet been finalized.
24. A copy of Long Run's audited financial statements for the year ending December 31, 2022 ("**FYE22 FS**") are attached hereto as Exhibit "**Q**".
25. A draft copy of the Guarantor's internally prepared financial statements for the year ending December 31, 2023, are attached hereto as Exhibit "**R**".
26. As set out in the FYE23 FS:
 - a. the recorded value of Long Run's assets as at December 31, 2023, equaled approximately \$782,133,000. These assets were primarily composed of:
 - i. current assets, with a book value of approximately \$26,632,000; and
 - ii. property and equipment, valued at approximately \$738,190,000;
 - b. the total book value of Long Run's liabilities as at December 31, 2023, equaled approximately \$1,359,804,000. These liabilities were primarily composed of:
 - i. accounts payable, valued at approximately \$52,422,000;

- ii. amounts owing in connection with the CCB Facilities, which were then valued at approximately \$350,097,000;
 - iii. amounts owing to the Guarantor pursuant to a loan facility, valued at approximately \$543,934,000; and
 - iv. environmental decommissioning liabilities, valued at approximately \$308,352,000.
27. In total, Long Run's liabilities, as at December 31, 2023, exceeded its assets by approximately \$577,671,000.
28. Further, based on records and correspondence provided by Long Run and forwarded by FTI, it also appears that Long Run has significant and immediate liquidity needs which are negatively impacting Long Run's finances and operations. For example:
- a. on January 30, 2024, Pembina Gas Service LP issued a notice of exercise of default remedies (the "**Default Remedies Notice**") to Long Run relating to ongoing defaults by Long Run pursuant to a gas handling agreement entered into between the parties (the "**GHA**"). A copy of the Default Remedies Notice is attached hereto as Exhibit "**S**";
 - b. on March 8, 2024, Long Run was evicted from its head office lease due to its failure to address ongoing lease payments. A copy of the lease termination notice is attached hereto as Exhibit "**T**". Subsequently, the landlord filed a statement of claim (the "**Landlord Litigation**") against Long Run, a copy of an amended statement of claim in respect of this action is attached hereto as Exhibit "**U**". In addition to the Landlord Litigation, Long Run is the defendant in several significant litigation claims which have been filed against it. A copy of a Court of King's Bench of Alberta litigation search dated June 27, 2024, is attached hereto as Exhibit "**V**";
 - c. on May 13, 2024, Long Run received a letter from counsel to the Municipal District of Smoky River No. 130 ("**Smoky River**") in respect of unpaid 2023 municipal taxes advising that Long Run had not made a payment towards its tax obligations for approximately six months. A copy of the letter received is attached hereto as Exhibit "**W**". Further, on June 28, 2024, Long Run received a second letter from counsel to Smoky River confirming that its existing tax debt of \$1,070,427 had not been paid, that Smoky River was going to proceed with formal enforcement measures, and that it had already filed a special lien in the PPR. A copy of the June 28, 2024, letter and the PPR verification statement confirming the filing of the special lien are attached hereto as Exhibits "**X**" and "**Y**" respectively; and

- d. on May 23, 2024, Long Run received a notice of non-compliance from the Alberta Energy Regulator (the "**AER**") in respect of unpaid 2024 Orphan Fund Levy, which notes that failure to pay the outstanding invoices will result in AER imposing Global Refer Status and may result in an AER Order. A copy of the notice of non-compliance is attached hereto as Exhibit "**Z**". Further, on June 18, 2024, the AER e-mailed a meeting request to Long Run to discuss the AER's ongoing concerns in respect of Long Run's ability to meet its regulatory obligations and liabilities throughout the energy lifecycle. A copy of the June 18, 2024, correspondence is attached hereto as Exhibit "**AA**".
29. In advance of filing the Initial Application, FTI (in its capacity as financial advisor, as described more fully below) prepared a 13-week cash flow forecast for the period commencing on June 24, 2024 (the "**Pre-filing CFS**"). I understand that FTI intends to file a copy of the Pre-filing CFS to a pre-filing report of FTI, in its capacity as proposed Monitor (the "**Pre-filing Report**").
30. Based on my review of the Pre-filing CFS, it appears that Long Run will run out of cash and will have zero liquidity in the near term absent obtaining interim financing.

DEMANDS, RESERVATION OF RIGHTS, AND CALLS ON THE LETTERS OF CREDIT

31. The Credit Agreements matured on December 9, 2023 (the "**Maturity Date**").
32. On December 12, 2023, the Agent sent Long Run:
- a. a demand letter demanding full payment of amounts owing in connection with the Credit Agreements (a "**Demand**");
 - b. a notice of intention to enforce security in accordance with section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**244 Notice**"); and
 - c. a reservation of rights letter (the "**ROR#1**"), in which, following the completion of certain conditions precedent, the Agent agreed not to commence enforcement until January 31, 2024.
33. The Agent also sent a Demand and ROR#1 to the Guarantor on December 12, 2023.
34. Copies of the Demand sent to Long Run (with the 244 Notice), the Demand sent to the Guarantor, and ROR#1 are attached hereto as Exhibits "**BB**", "**CC**", and "**DD**", respectively.
35. As set out in ROR#1, the Agent:

- a. agreed not to commence enforcement under the Loan Documents (as defined therein) until the earlier of January 31, 2024, or the failure of certain restructuring proceedings undertaken by the ultimate parent of Long Run, Qingdao Sinoenergy Co. Ltd (the "**Parent**"), then taking place in China; provided, however, that the Borrower and the Guarantor countersign the letter and acknowledge, among other things, amounts owing under the Credit Agreements as well as their maturity; and
 - b. advised that that the Agent, in its capacity as Agent under the CCBT Credit Agreement, intended to call upon the CCBQ SBLC in order to satisfy certain obligations owing to CCBT owing under the CCBT Credit Agreement.
36. The Debtors each executed ROR#1 and forwarded a signed copy to the Agent on December 18, 2023.
37. I understand that on December 19, 2023, following CCBT's call on the CCBQ SBLC, CCBQ wired approximately \$112,100,958 to CCBT (the "**CCBQ SBLC Amount**"). CCBQ in turn called upon the BOCQ SBLC in the amount of \$112,100,958 (the "**BOCQ SBLC Amount**").
38. While the call on the CCBQ SBLC and the subsequent call on the BOCQ SBLC reduced amounts owing under the Credit Agreements, the CCBQ SBLC Amount and the BOCQ SBLC Amount each continue to be obligations of both Long Run and the Guarantor pursuant to the CCBQ Indemnity and the BOCQ Indemnity, respectively.
39. Following the execution of ROR#1, the Agent and the Lenders gave the Debtors time to resolve their ongoing financial and operating challenges. The Debtors were unable to do so and, on April 26, 2024, the Agent sent a second reservation of rights letter to Long Run and the Guarantor ("**ROR#2**").
40. As set out in ROR#2, the Agent again agreed that it would not commence any enforcement under the Loan Documents (as defined therein) against Long Run or the Guarantor. However, this reservation was limited until May 6, 2024, and was conditional on the Borrower signing an engagement letter forwarded from FTI Consulting Canada Inc., dated April 1, 2024, acknowledging and approving FTI's engagement as financial advisor to Blakes.

41. Further, ROR#2 required that Long Run acknowledge and agree, among other things, that:
- a. the Credit Agreements continued to be in full force and effect (and interest continued to accrue thereunder, including, for certainty, interest on the entire principal amount owing under each Credit Agreement);
 - b. neither the Agent, CCBT nor CCBQ had, nor shall they be deemed to have, waived or extended the Final Maturity Date pursuant to either Credit Agreement or to have waived any other Default or Event of Default as defined therein (including, without limitation, any prior Events of Default) that was then or may in the future occur under either Credit Agreement or any other Loan Documents (as defined therein);
 - c. the 10-day period described in the Demands and in the 244 Notice had expired and the Agent, CCBT and CCBQ were at liberty to exercise all rights and remedies available to them under the Loan Documents (as defined therein), or at law; and
 - d. CCBT retained all rights to apply any cash collateral in its possession against any demands made on any outstanding letters of credit and to exercise any of its rights as issuer of any outstanding letters of credit, including to provide notification of non-renewal of any outstanding letters of credit issued by it.
42. On May 3, 2024, Long Run and the Guarantor acknowledged and agreed to ROR#2 and forwarded an executed copy to the Agent. An executed copy of ROR#2 is attached hereto as Exhibit "EE".
43. On May 8, 2024, the Agent advised through counsel that the reservation of rights period referenced in ROR#2 was extended from May 6, 2024, to May 20, 2024.

CCAA PROTECTION IS REQUIRED

44. The CCB Facilities have matured and are repayable. As of June 28, 2024, the secured obligation owing to CCBQ is \$243,606,593 plus interest and penalties from that date. It is my understanding that, as at December 21, 2023, BOCQ is also owed at least \$112,100,958 plus accruing interest and penalties.
45. The Agent is entitled to enforce on its security.
46. Based on the FYE 23 FS, Long Run's liabilities exceed its assets by approximately \$577,671,000 and, as set out in the Pre-filing CFS prepared by FTI in consultation with Long Run, Long Run anticipates running out of cash in the near term.

47. Long Run does not have the resources to maintain the status quo.
48. The Agent, in consultation with Long Run and FTI, has determined that commencing CCAA proceedings is preferable to bankruptcy or receivership proceedings to preserve value for all stakeholders. In addition to allowing Long Run to continue operations under the guidance of the Monitor, commencing the CCAA proceedings will provide Long Run with breathing room to advance a sale and investment solicitation process for all or substantially all of its Property.

CCAA RELIEF AT THE INITIAL APPLICATION

49. As set out above, this Affidavit has been filed in support of the Agent's application to commence the CCAA proceedings in respect of the Debtors, as well as to seek certain ancillary relief at the hearing of the Initial Application and the Comeback Hearing. Additional information with respect to the various relief is provided below.

A. Appointment of FTI as Monitor with Enhanced Powers

50. In addition to seeking the appointment of FTI as Monitor, the Agent is also seeking to have the Monitor granted enhanced powers to manage the business and affairs of Long Run during the CCAA Proceedings. These enhanced powers include, among other things, the power to:
 - a. access Long Run's property, including the premises, books, records, data, including data in electronic form and other financial documents of Long Run to the extent necessary;
 - b. engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers or performance of its obligations;
 - c. hold funds in trust or in escrow, to the extent required, to facilitate settlements between Long Run and any other person;
 - d. exercise any power which may be properly exercised by an officer or the board of directors of Long Run;
 - e. take any steps in order to direct or cause Long Run to exercise any right or fulfil any of its duties under the Initial Order;
 - f. take any and all steps in order to direct or cause Long Run to manage the business, including the power to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, cease to perform any contracts of Long Run and/or disclaim any leases on behalf of Long Run;

- g. take any and all steps in order to direct or cause Long Run to administer the Property or to perform such other functions or duties as the Monitor considers necessary or desirable to deal with the Property;
 - h. execute, assign, issue, and endorse documents of whatever nature in respect of the Property and/or the business in the name and on behalf of Long Run;
 - i. subject to the requirement for Court approval set forth in section 36 of the CCAA, negotiate, enter into, direct or cause Long Run to complete one or more expedited transactions for the sale of all or any part of the business, or the Property, or any part thereof, and conduct, supervise, and recommend to the Court any procedure regarding the allocation and/or distribution of proceeds of any sales; and
 - j. perform such other duties as required by the Initial Order, the ARIO, or any other order of the Court.
51. As set out above, FTI was appointed as the financial advisor to Blakes on April 1, 2024. Since that time, Long Run and FTI have worked diligently together to allow FTI to assess the financial and operating capabilities of Long Run. As a result, FTI is already familiar with the business, operations and key personnel of Long Run.
52. Given the ongoing insolvency proceedings of the Parent in China (as described above), and given that the directors of both Long Run and the Guarantor reside overseas, the Agent is of the view that the enhanced powers are required to ensure that: (a) there are necessary protections in place throughout the CCAA proceedings, and (b) the CCAA proceedings can be administered in a timely and cost effective manner for the benefit of all stakeholders.
53. Further, the enhanced powers will allow FTI, which has significant experience with distressed oil and gas companies, to work collaboratively with and streamline communications to the AER and other stakeholders during the course of the CCAA Proceedings. This will ensure meaningful consultation with relevant governmental authorities, and reduce the likelihood that Long Run's 4,000+ wells will be abandoned or otherwise transferred to the Orphan Well Association.

B. Administration Charge

54. The Agent seeks the Administration Charge as a super-priority charge over the Property in favour of the Monitor, counsel to the Monitor, and counsel to the Agent (collectively, the "**Professional Group**") to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order.

55. The proposed Administration Charge being sought at the Initial Application is for a maximum amount of \$250,000 which will secure the payment of fees and expenses incurred to advance the CCAA proceeding. The Administration Charge sought in connection with the Initial Application is proposed to rank as a first-priority charge on all of the property and assets of the Debtors in priority over the claim of any secured creditors given notice of this Application.
56. It is contemplated that the Professional Group will have extensive involvement during the CCAA proceedings. The Professional Group have contributed and will continue to contribute to an orderly sale and/or liquidation of the Long Run's business, and will ensure that there is no unnecessary duplication of roles among them.
57. Accordingly, I believe the quantum of the Administration Charge sought is reasonable and necessary to secure the professional fees of the Professional Group.

C. Directors' Charge

58. The Agent also seeks the Directors' Charge in the amount of \$250,000 in favour of the directors and officers of the Debtors to secure obligations and liabilities that the directors and officers may incur as directors and officers of the Debtors after the commencement of these CCAA proceedings (the "**Post-filing Obligations**").
59. The Directors' Charge is intended to supplement and support a court-ordered indemnity (the "**Indemnity**") to be provided by the Debtors for the Post-Filing Obligations, but only to the extent the directors and officers do not have coverage under any directors' and officers' insurance policy or to the extent such coverage is insufficient to address the Indemnity.
60. The Directors' Charge is proposed to rank as a second-priority charge on all of the property and assets of the Debtors in priority over the claim of any secured creditors given notice of this Application.
61. I understand that FTI supports the quantum of the Directors' Charge and is of the view that it is reasonable and necessary to ensure the ongoing support of the Debtors' directors and officers during the CCAA proceedings.

D. Relief to be sought at the Comeback Hearing

62. If the Initial Order is granted, I understand the Monitor, through the exercise of its enhanced powers, if granted, will return to this Court for a Comeback Hearing on July 12, 2024.

63. Additional information about the ARIO and the relief to be sought at the Comeback Hearing including approval of a sale and investment solicitation process, interim financing, and amendments to the priority and quantum of the proposed charges described herein will be provided in a subsequent report to be filed by the Monitor.


CONCLUSION

64. The Debtors are financially distressed and require immediate CCAA protection to maintain operations while advancing the sale of their business or assets in an orderly manner.

65. Granting the Initial Order, which includes granting enhanced powers of the Monitor, appears to be in the best interest of the Debtors and their stakeholders, including the Agent, the AER, and other creditors.

66. I make this Affidavit in support of the relief set out in the Initial Application, and any subsequent application relating to any matter set out herein and for no purpose.

THIS AFFIDAVIT OF ZIQING (EDDIE) ZOU
AFFIRMED BEFORE ME at the City of
Toronto, in the Province of Ontario, this 2nd
day of July, 2024.



A NOTARY PUBLIC IN AND FOR ONTARIO
Jake Harris CSO #85481T



ZIQING (EDDIE) ZOU

This is **Exhibit "A"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/06/27
 Time of Search: 07:36 AM
 Search provided by: BLAKE CASSELS & GRAYDON LLP
 Service Request Number: 42435404
 Customer Reference Number: 14438/2 JMKN

Corporate Access Number: 2018396933
Business Number: 868176942
Legal Entity Name: LONG RUN EXPLORATION LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2014/08/07 YYYY/MM/DD

Registered Office:

Street: 1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0R3

Records Address:

Street: 1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0R3

Email Address: CSANNUALMAINTENANCEGROUP-CALGARY@BLG.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
JIN	XIAODI		BORDEN LADNER GERVAIS LLP	1900, 520 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0R3	CORPCGY@BLG.COM

Directors:

Last Name: HUNG
First Name: KIT YING
Street/Box Number: FL A,24/F,BLK A,GALAXY CT,PICTORAL GDN,PHASE 2 23
City: ON KING STREET SHATIN - SHATIN NT HK
Country: HONG KONG

Last Name: ZHANG
First Name: LEI
Street/Box Number: 402HU, UNIT4, BLDG3, NO8, XINGLONG ROAD, SHIBEI
City: QINGDAO / SHANDONG
Country: CHINA

Voting Shareholders:

Legal Entity Name: CALGARY SINOENERGY INVESTMENT CORP.
Corporate Access Number: 2019378120
Street: 1500, 444 5 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2T8
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE A ATTACHED HERETO.
Share Transfers Restrictions: NONE
Min Number Of Directors: 3
Max Number Of Directors: 20
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE B ATTACHED HERETO.

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2018394490	CROCOTTA ENERGY INC.
2017082393	LONG RUN EXPLORATION LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2024/01/22

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/08/07	Amalgamate Alberta Corporation
2016/06/29	Update Plan of Arrangement - No Amendment
2017/10/06	Change Address
2020/02/21	Update BN
2023/02/10	Change Director / Shareholder
2024/01/22	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/08/07
Other Rules or Provisions	ELECTRONIC	2014/08/07
Statutory Declaration	10000207115604545	2014/08/07
Statutory Declaration Notice Error	10000007115603957	2014/09/24
Articles/Plan of Arrangement/Court Order	10000607115604124	2016/06/29

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



SCHEDULE A

The authorized capital of the Corporation shall consist of an unlimited number of Common Shares, an unlimited number of Common Non-Voting Shares, an unlimited number of Non-Voting Convertible Shares and an unlimited number of First Preferred Shares, which shares shall have the following rights, privileges, restrictions and conditions:

COMMON SHARE PROVISIONS

The unlimited number of common shares ("Common Shares") of the Corporation shall have attached thereto the following rights, privileges, restrictions and conditions:

1. The holders of Common Shares shall be entitled to notice of, to attend and to one vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such);
2. The holders of Common Shares shall be entitled to receive dividends as and when declared by Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends; and
3. The holders of Common Shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Common Non-Voting Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

COMMON NON-VOTING SHARE PROVISIONS

The rights, privileges, restrictions and conditions of the unlimited number of non-voting common shares ("Common Non-Voting Shares") of the Corporation shall have attached thereto the following:

1. The holders of Common Non-Voting Shares shall be entitled to receive notice of and to attend any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Non-Voting Shares as such) provided that, except as required by law, the holders of the Common Non-Voting Shares shall not be entitled as such to vote at any meeting of the shareholders of the Corporation. The holders of the Common Non-Voting Shares shall be entitled to receive all informational documents and other communications:
 - (a) required to be sent to the holders of Common Shares by applicable law or by any stock exchange on which the Common Shares of the Corporation are listed; and
 - (b) voluntarily sent by the Corporation to the holders of Common

Shares in connection with any meeting of shareholders.

2. The holders of Common Non-Voting Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Non-Voting Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of dividends, provided that no dividend may be declared in respect of, or any other benefit conferred upon the holders of, Common Shares unless concurrently therewith the same dividend in respect of, or the same benefit is conferred upon the holders of, Common Non-Voting Shares.

3. The holders of Common Non-Voting Shares shall be entitled, in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Non-Voting Shares in respect of return of capital on dissolution, to share rateably, together with the holders of Common Shares and of shares of any other class of shares of the Corporation ranking equally with the Common Non-Voting Shares in respect of return of capital on dissolution, in such assets of the Corporation as are available for distribution.

4. For the purposes of these provisions:

(a) "business day" means a day on which securities may be traded on the floor of the Toronto Stock Exchange or any other stock exchange on which the Common Shares are then listed;

(b) "Offer" means an offer to purchase Common Shares (or an acceptance of an offer to sell Common Shares) which must, by reason of applicable securities legislation or by laws, regulations or policies of a stock exchange on which the Common Shares are listed, be made to each holder of Common Shares whose last address on the records of the Corporation is in a province or territory of Canada to which the relevant requirement applies;

(c) "Offer Date" means the date on which an Offer is made;

(d) "Redemption Price" means the value of the consideration offered under an Offer which, in the case of non cash consideration shall be determined solely by the Board of Directors of the Corporation, acting reasonably; and

(e) "Redemption Period" means the period of time commencing on the seventh business day after the Offer Date and terminating on the last date upon which holders of Common Shares may accept the Offer.

5. Subject to Sections 6, 8 and 9 and applicable law, if an Offer is made, each outstanding Common Non-Voting Share shall be redeemed by the Corporation at the Redemption Price per Common Non-Voting Share at the option of the holder during the Redemption Period. The redemption right provided for in this Section 5 may be exercised by notice in writing given to the Corporation accompanied by the share certificate or certificates representing the Common Non-Voting Shares in respect of which the holder desires to exercise such right of redemption, and such notice shall be executed by the holder of the Common Non-Voting Shares

registered on the books of the Corporation, or by his duly authorized attorney, and shall specify the number of Common Non-Voting Shares which the holder desires to have redeemed. The holder shall pay any governmental or other tax imposed on or in respect of such redemption. Upon receipt by the Corporation of such notice and share certificate or certificates, the Corporation shall issue or cause to be issued a cheque for the aggregate Redemption Price to be paid to such holder (less any tax required to be withheld) in accordance with Sections 6 and 8. If less than all of the Common Non-Voting Shares represented by any share certificate are to be redeemed, the holder shall be entitled to receive a new share certificate representing in the aggregate the number of Common Non-Voting Shares represented by the original share certificate which are not to be redeemed.

6. The redemption right provided for in Section 5 shall not come into effect if:

(a) one or more shareholders of the Corporation who did not make or act in concert with the person or persons making the Offer and who, in the aggregate, beneficially own, directly or indirectly, or exercise control or direction over, not less than 50% of the outstanding Common Shares, determine within five business days after the Offer Date that he or they will continue to so own or exercise control or direction over, in the aggregate, 50% or more of the outstanding Common Shares;

(b) contemporaneously with the Offer, an offer is made to the holders of Common Non-Voting Shares upon the same terms and conditions as those contained in the Offer, including the consideration to be paid to the holders of Common Shares and the offer is for the same percentage of Common Non-Voting Shares as the percentage of Common Shares sought to be acquired under the Offer, excluding in each case the number of shares then owned by the offeror;

(c) the Board of Directors of the Corporation determines within five business days after the Offer Date that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring Common Shares; or

(d) the Offer is not completed in accordance with its terms; provided that:

(e) in the case of Section 6(a) above, within six business days after the Offer Date, a certificate signed by or on behalf of the one or more shareholders of the Corporation is delivered to the Secretary of the Corporation confirming that: (A) such shareholders did not make or act in concert with the person or persons making the Offer; (B) such shareholders beneficially own, directly or indirectly, or exercise control or direction over in the aggregate not less than 50% of the outstanding Common Shares; and (C) such shareholders have determined that they will not accept the Offer and provided further that upon any variation of the Offer, including an increase in price, such shareholders of the Corporation shall be deemed not to have accepted the Offer as varied and the certificate delivered by or on behalf of them as described above shall be deemed to continue to apply and no further certificate need be filed for purposes of these provisions unless and until one or more of such shareholders determine to accept the Offer as varied and the result of such acceptance would be to reduce the aggregate holdings of the remaining shareholders who delivered such certificate to less than 50% of the outstanding Common Shares in which case a certificate to that effect signed by

or on behalf of such shareholders would determine to accept the Offer as varied shall be delivered to the Corporation forthwith after such determination and, in any event, not less than five business days prior to termination of the Redemption Period;

(f) in the case of Section 6(c), the Secretary of the Corporation delivers to the transfer agent within six business days after the Offer Date a certified copy of a resolution of the Board of Directors of the Corporation determining that the Offer is not bona fide or is made primarily for the purpose of causing the redemption right provided for in Section 5 to come into effect and not primarily for the purpose of acquiring the Common Shares and stating the reason for such determination; and

(g) as soon as reasonably possible after the receipt of a certificate under Section 6(e) or a certified copy of the resolution under Section 6(f), the Corporation shall send to the holders of Common Non-Voting Shares notice of and a brief description of the effect of the determination under Section (6)(a) or Section 6(c), as the case may be.

7. If the events described in Sections 6(a), (b) or (c) hereof shall not have occurred within five business days after the Offer Date, or if an amended certificate as described in Section 6(e) shall have been delivered, the Corporation shall send as soon as reasonably possible to the holders of Common Non-Voting Shares a notice containing a brief description of the rights of such holders hereunder.

8. The redemption of all Common Non-Voting Shares delivered to the Corporation for redemption pursuant to Section 5 shall be subject to the provisions of this Section 8 and the provisions of Section 9 and the Corporation shall make all arrangements necessary or desirable to give effect to this Section 8. All Common Non-Voting Shares delivered for redemption pursuant to Section 5 shall be redeemed subject to completion of the Offer but no cheques representing the Redemption Price for the Common Non-Voting Shares so redeemed shall be delivered to the holders of such Common Non-Voting Shares unless and until the Offer is completed in accordance with its terms. Upon completion of the Offer (the "Redemption Date"), the Corporation shall deliver to the holders entitled thereto all moneys owing to the holders of the Common Non-Voting Shares redeemed. If the Offer is not completed, the right provided in Section 5 shall not be effective and the Corporation shall return or issue and deliver to the holders entitled thereto share certificates representing Common Non Voting Shares delivered to the Corporation pursuant to Section 5.

9. Neither the Common Shares nor the Common Non-Voting Shares shall be subdivided, consolidated, reclassified or otherwise changed unless, contemporaneously therewith, the shares of the other of such classes are subdivided, consolidated, reclassified or otherwise changed in the same proportion and in the same manner.

10. The rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares as a class may be added to, changed or removed but only with approval of the holders of Common Non- Voting Shares given as herein specified.

11. The rights, privileges, restrictions and conditions attached to the Common Non-Voting Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the

sanction of the holders of the Common Non-Voting Shares given in such a manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution passed by the affirmative vote of at least two thirds of the votes cast at a meeting of holders of Common Non-Voting Shares duly called for such purpose and held upon at least 21 days notice at which a quorum is present comprising at least two persons holding or representing by proxy at least 20% of the outstanding Common Non-Voting Shares. If any such quorum is not present within half an hour after the time appointed for the meeting then the meeting shall be adjourned to a date being not less than 15 days later and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a Common Non-Voting Share shall be entitled to one vote in respect of each Common Non-Voting Share held.

12. Any cheque representing payment of the Redemption Price not presented to the Corporation's bankers for payment, or otherwise not claimed within six years after the Redemption Date, shall be irrevocably forfeited to the Corporation.

13. From and after the Redemption Date, the Common Non-Voting Shares redeemed shall cease to be entitled to dividends, and the parties that were the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect of such redeemed shares, unless payment of the Redemption Price shall not be duly made by the Corporation.

14. All Common Non-Voting Shares which are redeemed, in accordance with the rights, privileges, restrictions and conditions attaching to the Common Non-Voting Shares, shall, subject to applicable law, be deemed to be returned to the authorized but unissued capital of the Corporation.

NON-VOTING CONVERTIBLE SHARE PROVISIONS

The non-voting convertible shares in the capital of the Corporation (the "Non-Voting Convertible Shares") shall have attached thereto the following rights, privileges, restrictions and conditions:

1.1 Dividends

The holders of the Non-Voting Convertible Shares shall be entitled to receive and the Corporation shall pay thereon, dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner (and whether in money or otherwise) as the board of directors may from time to time determine, equally, on a share-for-share basis, with the holders of Common Shares.

1.2 Voting Rights

The holders of Non-Voting Convertible Shares shall be entitled to receive notice of and to attend at any meeting of the shareholders of the Corporation but shall not be entitled to vote at any such meeting, except with respect to such matters and in the manner as to which voting rights are accorded to the holders of specified

classes of shares pursuant to the provisions of the Business Corporations Act (Alberta).

1.3 Liquidation, Dissolution and Winding-up Rights

In the event of liquidation, dissolution or winding-up of the affairs of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, or in the event of a reduction or redemption of the capital stock of the Corporation, the holders of the Non-Voting Convertible Shares shall be entitled to receive an amount per share equal to that amount that is the fair market value of any property received by the Corporation as consideration for the issuance of such Non-Voting Convertible Shares divided by the number of Non-Voting Convertible Shares issued, in lawful money of Canada, the whole before any amount shall be paid by the Corporation or any assets of the Corporation shall be distributed to holders of Common Shares. After payment to the holders of the Non-Voting Convertible Shares of the amount so payable to them in accordance with this Section, they shall not be entitled to share in any further distribution of property or assets of the Corporation.

1.4 Transfer

(a) Transfer Rights of Holders

Each holder of Non-Voting Convertible Shares shall have the right to transfer to any Person all or any of the holder's Non-Voting Convertible Shares, provided (i) the transferee would not be a Control Person (as defined below) of the Corporation after giving effect to the transfer and (ii) such transfer was made in compliance with all applicable securities laws.

(b) Notice of Transfer

(i) A notice of transfer (the "Notice of Transfer") of any Non-Voting Convertible Shares shall be given by a holder thereof to the Corporation not less than seven (7) calendar days prior to the date specified for transfer.

(ii) A Notice of Transfer shall be in writing and shall be validly and effectively given on the date on which it is received, if delivered personally, or sent, if sent by telecopy, telegram or facsimile (which is confirmed by the intended recipient) to the Corporation.

(iii) A Notice of Transfer given by a holder of Non-Voting Convertible Shares to the Corporation shall set out:

(A) the date on which the transfer is expected to take place;

(B) the number of Non-Voting Convertible Shares which are to be transferred;

(C) the name and address of each transferee or, in the case of a public or secondary offering completed by way of prospectus, the name and address of the underwriter(s) or agent(s);

(D) whether the transfer is exempt from the prospectus requirement under applicable securities laws, or a distribution to the public or a secondary offering completed by way of prospectus; and

(E) the representation that, to the knowledge of the holder of the Non-Voting Convertible Shares after due inquiry, the transferee would not be a Control Person of the Corporation after giving effect to the transfer of the Non-Voting Convertible Shares.

1.5 Conversion

(a) Interpretation

In this Section 1.5, the following terms shall have the following respective meanings:

"CDS" means the CDS Clearing and Depository Services Inc. and its successors;

"CDS Participant" means a broker, dealer, bank, other financial institution or other person who, directly or indirectly, from time to time, effects book-based transfers with CDS and pledges of securities deposited with CDS;

"Change of Control Transaction" means any of the following:

(i) an amalgamation, merger, business combination, consolidation, recapitalization, reorganization, liquidation, dissolution or winding-up in respect of the Corporation or any other transaction of the Corporation with another Corporation or entity, other than a wholly-owned subsidiary, or an arrangement pursuant to the Business Corporations Act (Alberta) involving the Corporation or another transaction pursuant to which a Person, or group of Persons acting jointly or in concert, acquires all of the issued and outstanding Common Shares;

(ii) the direct or indirect sale, lease or other disposition (or any long-term supply arrangement, licence or other arrangement having the same economic effect as a sale) of all or substantially all of the consolidated assets, revenues or earnings, as applicable, or undertaking of the Corporation;

(iii) the direct or indirect acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction over an aggregate of 50% or more of the outstanding Common Shares, by take-over bid, issuance of Common Shares or otherwise; or

(iv) any similar transaction or series of transactions involving the Corporation or any of its subsidiaries, directly or indirectly.

"Control Person" means (a) a person or company who holds more than 20 per cent of the voting rights attached to all outstanding voting securities of the Corporation, or (b) each person or company in a combination of persons or companies, acting in concert by virtue of an agreement, arrangement, commitment or understanding, which holds more than 20 per cent of the voting rights attached to all outstanding voting securities of the Corporation;

"Conversion Ratio" means the number of Common Shares issuable upon conversion of each Non-Voting Convertible Share, which shall initially be one Common Share, subject to adjustment in accordance with Section 1.5(g);

"Exchange" means the Toronto Stock Exchange or, if applicable, such other stock exchange on which the Common Shares are

principally traded; and

"Person" means an individual, partnership, corporation, trust, unincorporated association, joint venture or other entity and includes a group of Persons acting jointly or in concert.

(b) Conversion Rights of Holders

Each holder of Non-Voting Convertible Shares shall have the right to convert all or any of the holder's Non-Voting Convertible Shares into Common Shares at the Conversion Ratio in the following circumstances:

(i) at any time, provided that the holder would not be a Control Person of the Corporation after giving effect to the conversion; or

(ii) upon a Change of Control Transaction, regardless of whether or not such Change of Control Transaction has been approved by the board of directors of the Corporation.

(c) Automatic Conversion

Each Non-Voting Convertible Share shall and shall be deemed to convert into Common Shares at the Conversion Ratio immediately upon the sale, transfer, conveyance or other disposition of such Non-Voting Convertible Share, whether by way of a sale, transfer, conveyance or other disposition that is exempt from the prospectus requirements under applicable securities laws, or a distribution to the public or a secondary offering completed by way of prospectus, provided that the transferee would not be a Control Person of the Corporation after giving effect to the sale, transfer, conveyance or other disposition and the conversion of such Non-Voting Convertible Shares.

(d) Conversion Right of the Corporation

The Corporation shall have the right, following the date that is three years after the issuance date of the Non-Voting Convertible Shares, at its sole option to require that holders of Non-Voting Convertible Shares convert all issued and outstanding Non-Voting Convertible Shares held by them into Common Shares.

(e) Notice of Conversion

(i) A notice of conversion (the "Notice of Conversion") of Non-Voting Convertible Shares shall be given by a holder thereof to the Corporation:

(A) in the case of Section 1.5(b)(i), not less than seven (7) calendar days prior to the date fixed for conversion;

(B) in the case of Section 1.5(c), not less than seven (7) calendar days prior to the date of the proposed sale, transfer, conveyance or other disposition; and

(C) in any other case, at any time after the public announcement or other public disclosure of the proposed Change of Control Transaction, but not less than three (3) business days prior to the closing date of such transaction.

(ii) A Notice of Conversion under Section 1.5(d) shall be given by the Corporation to all holders of Non-Voting Convertible Shares not less than ten (10) calendar days prior to the date fixed for conversion.

(iii) A Notice of Conversion shall be in writing and shall be validly and effectively given on the date on which it is received, if delivered personally, or sent, if sent by telecopy, telegram or facsimile (which is confirmed by the intended recipient) to the Corporation or the holder of Non-Voting Convertible Shares, as applicable.

(iv) A Notice of Conversion given by a holder of Non-Voting Convertible Shares to the Corporation shall set out:

(A) the date on which the conversion into Common Shares is to take place (the "Conversion Date") which, in the case of Section 1.5(b)(i) and Section 1.5(c), shall be specified by the holder, and in the case of Section 1.5(b)(ii), shall be the date on which the Change of Control Transaction is consummated and shall take effect immediately prior to such consummation, or shall be such earlier date as may be required to permit the holder to tender the Common Shares issuable upon such conversion to the Change of Control Transaction;

(B) unless all the Non-Voting Convertible Shares held by the holder who delivered the Notice of Conversion are to be converted (which, if such is the case, shall be stated in the notice), the number of Non-Voting Convertible Shares which are to be converted; and

(C) the representation that such Common Shares into which the Non-Voting Convertible Shares are to be converted will be registered in the name of the registered holder of the Non-Voting Convertible Shares to be converted unless the transfer agent of the Corporation (the "Transfer Agent") receives from such holder, on or before the seventh calendar day prior to the Conversion Date, at the principal transfer office of the Transfer Agent in the City of Calgary, written notice in a form and executed in a manner satisfactory to the Transfer Agent directing the Corporation to register such Common Shares in some other name or names (the "Transferee") and stating the name or names (with addresses) accompanied by payment by the holders to the Transfer Agent of any transfer tax that may be payable by reason thereof.

(f) Delivery of Share Certificates and Recording of Beneficial Interest upon Conversion

(i) On the Conversion Date, a holder of Non-Voting Convertible Shares shall receive, upon surrender for cancellation of the certificate or certificates representing the Non-Voting Convertible Shares, a certificate evidencing the Common Shares issuable to such holder in accordance with this Section 1.5, which Common Shares so issued shall be listed on the Exchange. Alternatively, such holder may request, in the Conversion Notice or by written request in writing delivered to the Corporation not later than ten calendar days prior to the Conversion Date, that the Corporation record or cause to be recorded, in the book-based system administered by CDS in respect of the Common Shares, such holder's interest in such shares, in which case the Conversion Notice (or the subsequent written request) shall provide the account particulars of the holder's CDS Participant and other details necessary to record such interest in the CDS system.

(ii) Any Non-Voting Convertible Shares so converted shall be converted effective on the Conversion Date. From and after the Conversion Date, a holder of Non-Voting Convertible Shares so converted shall cease to be entitled to exercise any of the rights attributable to such shares (but, for greater certainty, will

continue to be entitled to receive dividends on the Non-Voting Convertible Shares so converted in respect of which the ex dividend date occurs prior to the Conversion Date but are paid on or after the Conversion Date), and shall become a holder of Common Shares of record, effective on the Conversion Date.

(iii) If less than all of the Non-Voting Convertible Shares of a holder are converted on any Conversion Date, the Corporation shall issue to such holder on the Conversion Date a new share certificate representing the balance of the Non-Voting Convertible Shares not converted.

(g) Adjustments for Subdivision, Consolidation, Reorganizations

(i) If at any time or from time to time after the original issuance of the Non-Voting Convertible Shares, the Common Shares shall be subdivided based on a subdivision ratio which would result in an increase in the number of Common Shares outstanding, the Conversion Ratio in effect immediately before that subdivision shall be proportionately increased in accordance with the subdivision ratio. If at any time or from time to time after the original issuance of the Non-Voting Convertible Shares, the Common Shares shall be consolidated or combined based on a consolidation ratio which would result in a decrease in the number of Common Shares outstanding, the Conversion Ratio in effect immediately before that consolidation or combination shall be proportionately decreased in accordance with the consolidation ratio.

(ii) If at any time or from time to time after the original issuance of the Non-Voting Convertible Shares, the Common Shares shall be changed into the same or a different number of shares of any class, including for greater certainty any conversion of the Common Shares at a ratio other than 1 to 1, whether by capital reorganization, reclassification, or otherwise (other than pursuant to paragraph (a) above or the conversion at a ratio of 1 to 1 of the Common Shares), then and in each such event, holders of the Non-Voting Convertible Shares shall have the right thereafter to convert such shares into the kind and amount of shares and other securities and property receivable, upon such reorganization, reclassification, or other change, that would have otherwise been receivable by the holders of the number of Common Shares into which such Non-Voting Convertible Shares would have been convertible immediately prior to such reorganization, reclassification, or other change, all subject to further adjustments as provided herein.

(iii) If at any time or from time to time after the original issuance of the Non-Voting Convertible Shares, the Non-Voting Common Shares or the Common Shares are adjusted in a manner not addressed by clauses (i) or (ii) above, an appropriate adjustment shall be made in the rights and conditions attached to the Non-Voting Common Shares so as to maintain the relative rights of the holders of such shares.

1.6 Tax Election

An election in prescribed form and within the prescribed time limit shall be made by the Corporation under subsection 191.2(1) of the Income Tax Act (Canada) with respect to the Non-Voting Convertible Shares.

FIRST PREFERRED SHARE PROVISIONS

The rights, privileges, restrictions and conditions of the unlimited number of first preferred shares ("First Preferred Shares") of the Corporation shall have attached thereto the following:

1. The First Preferred Shares may at any time or from time to time be issued in one or more series. Before any shares of a particular series are issued, the Directors of the Corporation shall, by resolution, fix the number of shares that will form such series and shall, subject to the limitations set out herein, by resolution fix the designation, rights, privileges, restrictions and conditions to be attached to the First Preferred Shares of such series, including, but without in any way limiting or restricting the generality of the foregoing, the rate, amount or method of calculation of dividends thereon, the time and place of payment of dividends, the consideration for and the terms and conditions of any purchase for cancellation, retraction or redemption thereof, conversion or exchange right (if any), and whether into or for securities of the Corporation or otherwise, voting rights attached thereto (if any), the terms and conditions of any share purchase or retirement plan or sinking fund, and restrictions on the payment of dividends on any shares other than First Preferred Shares or payment in respect of capital on any shares in the capital of the Corporation, or creation or issue of debt or equity securities; the whole subject to the filing with the Registrar (as defined in the Business Corporations Act (Alberta)) of Articles of Amendment setting forth a description of such series including the designation, rights, privileges, restrictions and conditions attached to the shares of such series.

2. Notwithstanding paragraph (1), the Directors of the Corporation may at any time or from time to time change the rights, privileges, restrictions and conditions attached to unissued shares of any series of First Preferred Shares, subject to the filing with the Registrar (as defined in the Business Corporations Act (Alberta)) of Articles of Amendment setting forth the changes in rights, privileges, restrictions and conditions attached to the shares of such series.

3. The First Preferred Shares of each series shall rank on a parity with the First Preferred Shares of every other series with respect to accumulated dividends and return of capital. The First Preferred Shares shall be entitled to a preference over any other shares of the Corporation ranking junior to the First Preferred Shares with respect to priority in the payment of dividends and in the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the First Preferred Shares of all series shall participate rateably in respect of such dividends, including accumulations, if any, in accordance with the sums that would be payable on such shares if all such dividends were declared and paid in full, and in respect of any repayment of capital in accordance with the sums that would be payable on such repayment of capital if all sums so payable were paid in full; provided, however, that in the event of there being insufficient assets to satisfy in full all such claims as aforesaid, the claims of the holders of the First Preferred Shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining thereafter shall be applied towards the payment in satisfaction of claims in respect of dividends. The First Preferred Shares of any series may also be given such other preferences not inconsistent with paragraphs (1) to (5) hereof

over any shares ranking junior to the First Preferred Shares as may be determined in the case of each such series of First Preferred Shares.

4. The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class may be added to, changed or removed but only with the approval of the holders of the First Preferred Shares given as herein specified.

5. The rights, privileges, restrictions and conditions attaching to the First Preferred Shares as a class as provided herein and as may be provided from time to time may be repealed, altered, modified, amended or amplified or otherwise varied only with the sanction of the holders of the First Preferred Shares given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by resolution in writing by the holders of at least two thirds of the First Preferred Shares or by resolution passed by the affirmative vote of at least two-thirds of the votes cast at a meeting of holders of First Preferred Shares duly called for such purpose and held upon at least twenty-one (21) days' notice at which a quorum is present comprising at least two persons present, holding or representing by proxy at least twenty percent (20%) of the outstanding First Preferred Shares. If any such quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to a date being not less than fifteen (15) days after and at such time and place as may be appointed by the chairman and at such meeting a quorum will consist of that number of shareholders present in person or represented by proxy. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those which may from time to time be prescribed in the by-laws of the Corporation with respect to meetings of shareholders. On every vote taken at every such meeting or adjourned meeting each holder of a First Preferred Share shall be entitled to one (1) vote in respect of each one (\$1.00) dollar of stated value of First Preferred Shares held.

SCHEDULE B

(a) The directors of the corporation may, without authorization of the shareholders:

(i) borrow money on the credit of the Corporation;

(i). issue, reissue, sell or pledge debt obligations of the Corporation;

(iii) subject to the Business Corporations Act (Alberta), give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

(b) The directors may, by resolution, delegate the powers referred to in subsection (a) hereof to a director, a committee of directors or an officer.

(c) The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation.

(d) Meetings of the shareholders may be held:

(i) at any place within Alberta that the directors determine from time to time; and

(ii) at any place outside Alberta that the directors determine from time to time, including, without limitation, the following cities: Vancouver, British Columbia; Victoria, British Columbia; Winnipeg, Manitoba; Toronto, Ontario; Ottawa, Ontario; Montreal, Quebec; or Halifax, Nova Scotia.

This is **Exhibit "B"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO #85481T



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2024/06/27
 Time of Search: 07:35 AM
 Search provided by: BLAKE CASSELS & GRAYDON LLP
 Service Request Number: 42435385
 Customer Reference Number: 14438/2 JMKN

Corporate Access Number: 2019378120
Business Number: 790230296
Legal Entity Name: CALGARY SINOENERGY INVESTMENT CORP.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2015/12/09 YYYY/MM/DD
Date of Last Status Change: 2023/02/07 YYYY/MM/DD

Registered Office:

Street: 1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0R3

Records Address:

Street: 1900, 520 - 3RD AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P0R3

Email Address: CSANNUALMAINTENANCEGROUP-CALGARY@BLG.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
JIN	XIAODI		BORDEN LADNER GERVAIS LLP	1900, 520 - 3RD AVENUE SW	CALGARY	ALBERTA	T2P0R3	CSANNUALMAINTENANCEGROUP- CALGARY@BLG.COM

Directors:

Last Name: HUNG
First Name: KIT YING
Street/Box Number: FL A,24/F,BLK A,GALAXY CT,PICTORAL GDN,PHASE 2 23

City: ON KING STREET SHATIN - SHATIN NT HK
Country: HONG KONG

Last Name: ZHANG
First Name: LEI
Street/Box Number: 402HU, UNIT4, BLDG3, NO8, XINGLONG ROAD, SHIBEI
City: QINGDAO / SHANDONG
Country: CHINA

Voting Shareholders:

Last Name: SINOENERGY OIL INVESTMENT LTD.
Street: AKARA BLDG. 24 DE CASTRO STREET
City: WICKHAMS CAY I. ROAD TOWN TORTOLA
Country: BRITISH VIRGIN ISLANDS
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE RE AUTHORIZED SHARES
Share Transfers Restrictions: SEE SCHEDULE RE SHARE TRANSFER RESTRICTIONS
Min Number Of Directors: 1
Max Number Of Directors: 8
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE SCHEDULE RE OTHER PROVISIONS

Holding Shares In:

Legal Entity Name
LONG RUN EXPLORATION LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2024/03/13

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
------------------------	----------------

2015/12/09	Incorporate Alberta Corporation
2016/02/10	Name/Structure Change Alberta Corporation
2017/10/06	Change Address
2020/02/22	Update BN
2023/02/02	Status Changed to Start for Failure to File Annual Returns
2023/02/10	Change Director / Shareholder
2024/03/13	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2016/02/10
Restrictions on Share Transfers	ELECTRONIC	2016/02/10
Other Rules or Provisions	ELECTRONIC	2016/02/10
Letter - For Legal Name Change	10000107123797476	2016/02/22

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



SCHEDULE RE AUTHORIZED SHARES

The authorized capital of the Corporation shall consist of an unlimited number of Common Shares without nominal or par value and an unlimited number of First Preferred Shares without nominal or par value. The rights, privileges, restrictions and conditions attaching to the Common Shares and First Preferred Shares are as set out herein.

1. The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

- (a) Payment of Dividends: The holders of the Common Shares shall be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Common Shares, the board of directors may in its sole discretion declare dividends on the Common Shares to the exclusion of any other class of shares of the Corporation.
- (b) Participation upon Liquidation, Dissolution or Winding Up: In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Common Shares shall, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the Common Shares, be entitled to participate in the distribution. Such distribution shall be made in equal amounts per share on all the Common Shares at the time outstanding without preference or distinction.
- (c) Voting Rights: The holders of the Common Shares shall be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one (1) vote in respect of each Common Share held at all such meetings.

2. The rights, privileges, restrictions and conditions attaching to the First Preferred Shares are as follows:

- (a) Series: The First Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the provisions of clauses 2(b) and (c), the board of directors of the Corporation may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of First Preferred Shares.
- (b) Idem: The First Preferred Shares shall be entitled to priority over the Common Shares and all other shares ranking junior to the First Preferred Shares with respect to the payment of dividends and the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.
- (c) Idem: The First Preferred Shares of each series shall rank on

a parity with the First Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of the Corporation in the event of any liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs.

SCHEDULE RE SHARE TRANSFER RESTRICTIONS

No share of the Corporation may be transferred unless its transfer complies with the restriction on the transfer of securities set out in the Schedule re Other Provisions to these Articles.

SCHEDULE RE OTHER PROVISIONS

- (1) The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting but the number of additional directors shall not at any time exceed one-third (1/3) of the number of directors who held office at expiration of the last annual meeting.
- (2) No security of the Corporation, other than a non-convertible debt security, may be transferred without the consent of:
- (a) the board of directors of the Corporation, expressed by a resolution duly passed at a meeting of the directors;
 - (b) a majority of the directors of the Corporation, expressed by an instrument or instruments in writing signed by such directors;
 - (c) the holders of the voting shares of the Corporation, expressed by a resolution duly passed at a meeting of the holders of voting shares; or
 - (d) the holders of the voting shares of the Corporation representing a majority of the votes attached to all the voting shares, expressed by an instrument or instruments in writing signed by such holders.
- (3) Meetings of shareholders may be held outside of Alberta.

This is **Exhibit "C"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



LONG RUN EXPLORATION LTD., as Borrower

- and -

CALGARY SINOENERGY INVESTMENT CORP., as Guarantor

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, as CCBT Lender

- and -

**CHINA CONSTRUCTION BANK CORPORATION, QINGDAO BRANCH, as CCBQ
SBLC Provider**

- and -

BANK OF CHINA (QINGDAO BRANCH), as BOCQ SBLC Provider

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, as Administrative Agent

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, as Collateral Agent

- and-

CCB QINGDAO SIFANG SUB-BRANCH, as Parent Creditor Agent

COLLATERAL AGENT AND INTERCREDITOR AGREEMENT

Made as of October 27, 2020

TABLE OF CONTENTS

Page 1

ARTICLE 1 DEFINITIONS; PRINCIPLES OF CONSTRUCTION	3
1.1 DEFINED TERMS.....	3
1.2 RULES OF INTERPRETATION.....	10
ARTICLE 2 PRIORITY OF THE LIENS; CERTAIN AGREEMENTS	11
2.1 COLLATERAL SHARED EQUALLY AND RATEABLY.....	11
2.2 INSURANCE AND EXPROPRIATION PROCEEDS.....	11
ARTICLE 3 OBLIGATIONS AND POWERS OF COLLATERAL AGENT	11
3.1 APPOINTMENT OF COLLATERAL AGENT; UNDERTAKING OF THE COLLATERAL AGENT.....	11
3.2 RELEASE OR SUBORDINATION OF LIENS.....	12
3.3 REMEDIES UPON ACTIONABLE DEFAULT.....	13
3.4 APPLICATION OF PROCEEDS.....	13
3.5 POWERS OF THE COLLATERAL AGENT.....	14
3.6 DOCUMENTS AND COMMUNICATIONS.....	14
3.7 FOR SOLE AND EXCLUSIVE BENEFIT OF HOLDERS OF SECURED OBLIGATIONS.....	14
ARTICLE 4 REGISTRATION	15
4.1 COLLATERAL AGENT NOT REQUIRED TO SERVE, FILE OR RECORD.....	15
4.2 LAND REGISTRY OFFICES.....	15
ARTICLE 5 IMMUNITIES OF THE COLLATERAL AGENT	15
5.1 NO IMPLIED DUTY.....	15
5.2 APPOINTMENT OF AGENTS AND ADVISORS.....	15
5.3 CO-COLLATERAL AGENTS.....	16
5.4 OTHER AGREEMENTS.....	17
5.5 SOLICITATION OF INSTRUCTIONS.....	17
5.6 LIMITATION OF LIABILITY.....	17
5.7 DOCUMENTS IN SATISFACTORY FORM.....	17
5.8 ENTITLED TO RELY.....	18
5.9 SECURED DEBT DEFAULT.....	18
5.10 ACTIONS BY COLLATERAL AGENT.....	18
5.11 SECURITY OR INDEMNITY IN FAVOUR OF THE COLLATERAL AGENT.....	18
5.12 RIGHTS OF THE COLLATERAL AGENT.....	19
5.13 LIMITATIONS ON DUTY OF COLLATERAL AGENT IN RESPECT OF COLLATERAL.....	19
5.14 ASSUMPTION OF RIGHTS, NOT ASSUMPTION OF DUTIES.....	20
5.15 NO LIABILITY FOR CLEAN UP OF HAZARDOUS MATERIALS.....	20
ARTICLE 6 RESIGNATION AND REMOVAL OF THE COLLATERAL AGENT	20
6.1 RESIGNATION OR REMOVAL OF COLLATERAL AGENT.....	20
6.2 APPOINTMENT OF SUCCESSOR COLLATERAL AGENT.....	21
6.3 SUCCESSION.....	21
6.4 MERGER, CONVERSION, CONSOLIDATION OR AMALGAMATION OF COLLATERAL AGENT.....	21
ARTICLE 7 REPRESENTATIONS AND WARRANTIES	22
7.1 REPRESENTATIONS AND WARRANTIES OF THE OBLIGORS.....	22

TABLE OF CONTENTS

(continued)

Page 2

7.2	CONCERNING THE SECURED DEBT REPRESENTATIVES AND COLLATERAL AGENT.....	22
7.3	SURVIVAL OF REPRESENTATIONS AND WARRANTIES.....	23
ARTICLE 8 COVENANTS		23
8.1	AFFIRMATIVE COVENANTS OF THE BORROWER.....	23
ARTICLE 9 MISCELLANEOUS PROVISIONS		23
9.1	AMENDMENT.....	23
9.2	VOTING.....	24
9.3	PROVISION OF INFORMATION: MEETINGS.....	24
9.4	FURTHER ASSURANCES.....	25
9.5	SUCCESSORS AND ASSIGNS.....	26
9.6	SECURED PARTIES IN THEIR INDIVIDUAL CAPACITIES.....	26
9.7	DELAY AND WAIVER.....	27
9.8	NOTICES.....	27
9.9	ENTIRE AGREEMENT.....	29
9.10	COMPENSATION; EXPENSES.....	30
9.11	INDEMNITY.....	31
9.12	SEVERABILITY.....	33
9.13	HEADINGS.....	33
9.14	OBLIGATIONS SECURED.....	33
9.15	GOVERNING LAW.....	33
9.16	CONSENT TO JURISDICTION.....	33
9.17	WAIVER OF JURY TRIAL.....	34
9.18	COUNTERPARTS.....	34
9.19	EFFECTIVENESS.....	35
9.20	ADDITIONAL OBLIGORS.....	35
9.21	CONTINUING NATURE OF THIS AGREEMENT.....	35
9.22	INSOLVENCY.....	35
9.23	FORCE MAJEURE.....	35
9.24	ANTI-MONEY LAUNDERING.....	35
ARTICLE 10 ADDITIONAL INTERCREDITOR MATTERS.....		36
10.1	LEGAL NATURE OF CHINA CONSTRUCTION BANK BRANCHES.....	36
10.2	SHARING OF CCBQ SBLC.....	36
10.3	CCBQ CREDIT AGREEMENT CASH COLLATERAL FOR LETTERS OF CREDIT.....	37
10.4	BOCQ SBLC PROVIDER.....	37

COLLATERAL AGENT AND INTERCREDITOR AGREEMENT

THIS COLLATERAL AGENT AND INTERCREDITOR AGREEMENT is made effective as of October 27, 2020,

AMONG:

LONG RUN EXPLORATION LTD., as Borrower

- and -

CALGARY SINOENERGY INVESTMENT CORP., as Guarantor

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, as CCBT Lender

- and -

**CHINA CONSTRUCTION BANK CORPORATION, QINGDAO BRANCH, as CCBQ
SBLC Provider**

- and -

BANK OF CHINA (QINGDAO BRANCH), as BOCQ SBLC Provider

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, as Administrative Agent

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, as Collateral Agent

- and -

CCB QINGDAO SIFANG SUB-BRANCH, as Parent Creditor Agent

RECITALS:

- (A) Long Run Exploration Ltd. (the "**Borrower**") is party to a credit agreement made as of October 27, 2020, (as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, the "**CCBQ Credit Agreement**") among the Borrower, as borrower, Calgary Sinoenergy Investment Corp., as guarantor ("**Calgary Sinoenergy**"), China Construction Bank Corporation, Qingdao Branch ("**CCBQ**") and the other lenders from time to time party thereto (including CCBQ, collectively, the "**CCBQ Lenders**"), China Construction Bank Toronto Branch ("**CCBT**"), as Administrative Agent (as defined below) and Collateral Agent (as defined below), pursuant to which a portion of the principal amount outstanding under the Original Credit Agreement is re-financed and continued.
- (B) The Borrower is party to a credit agreement made as of January 31, 2017 (as amended, the "**Original Credit Agreement**") which was amended and restated pursuant to the amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented, amended and restated or otherwise modified and in effect from time to

time, the "**CCBT Credit Agreement**") between the Borrower, as borrower, Calgary Sinoenergy, as guarantor, CCBT, as lender (in such capacity, together with its successors and assigns in such capacity, the "**CCBT Lender**"), pursuant to which the remaining outstanding principal amount outstanding under the Original Credit Agreement is continued.

- (C) Qingdao Sinoenergy Co. Ltd. (the "**Parent**") is party to a guarantee syndicate contract dated January 23, 2017 (as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, the "**Parent Credit Agreement**") among the Parent, as applicant, **CCB Qingdao Sifang Sub-branch**, as agent bank (in such capacity, together with its successors and assigns in such capacity, the "**Parent Creditor Agent**"), CCB Qingdao Branch, as lead bank, BOC Qingdao Branch, as co-lead bank, and CCB Qingdao Sifang Sub-branch and BOC Qingdao High-tech Industrial Park Sub-branch, as guarantee providers (collectively, together with the Parent Creditor Agent, the "**Parent Creditors**").
- (D) The Borrower and Calgary Sinoenergy are party to an indemnity and reimbursement agreement made effective as of October 27, 2020 (as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, the "**CCBQ SBLC Indemnity**") provided to CCBQ as provider of the CCBQ SBLC (in such capacity, together with its successors and assigns in such capacity, the "**CCBQ SBLC Provider**") and the Parent Creditors in respect of the Parent Credit Agreement.
- (E) The Borrower and Calgary Sinoenergy are party to an indemnity and reimbursement agreement made effective as of October 27, 2020 (as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, the "**Parent Creditor Indemnity**") provided to the Parent Creditors in respect of the Parent Credit Agreement.
- (F) The Borrower and Calgary Sinoenergy are party to an indemnity and reimbursement agreement made effective as of October 27, 2020 (as amended, supplemented, amended and restated or otherwise modified and in effect from time to time, the "**BOCQ SBLC Indemnity**") provided to Bank of China (Qingdao Branch) as provider of the BOCQ SBLC (in such capacity, together with its successors and assigns in such capacity, the "**BOCQ SBLC Provider**").
- (G) The Obligors intend to secure the Secured Obligations with Liens in all present and future Collateral to the extent that such Liens have been provided for in the applicable Security Documents.
- (H) This Agreement sets forth the terms on which each Secured Party has appointed the Collateral Agent to act as the agent for the present and future holders of the Secured Obligations to receive, hold, maintain, administer and distribute the Collateral at any time delivered to the Collateral Agent or the subject of the Security Documents, and to enforce the Security Documents and all interests, rights, powers and remedies of the Collateral Agent with respect thereto or thereunder and the proceeds thereof.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein set forth, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**ARTICLE 1
DEFINITIONS; PRINCIPLES OF CONSTRUCTION**

1.1 Defined Terms.

The following terms will have the following meanings:

"Act of Instructing Debtholders" means, as to any matter at any time a direction in writing delivered to the Collateral Agent by or with the written consent of the Secured Debt Representatives representing the Required Debtholders.

"Actionable Default" means:

- (a) the occurrence of any event of default under any Secured Debt Document, which is or the result of which is that:
 - (i) the holders of Secured Obligations under such Secured Debt Document have the right to declare all of the Secured Obligations thereunder to be due and payable prior to the stated maturity thereof;
 - (ii) such Secured Obligations have become due and payable at the stated maturity thereof and remain unpaid at such time; or
 - (iii) such Secured Obligations automatically become due and payable prior to the stated maturity thereof.

"Administrative Agent" means China Construction Bank Toronto Branch or any successor agent appointed under the CCBQ Credit Agreement.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, **"control,"** as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; provided, that beneficial ownership of 20% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "common control with" have correlative meanings.

"Agreement" means this collateral agent and intercreditor agreement, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"BOCQ SBLC" means the standby letter of credit dated January 25, 2017 issued by the BOCQ SBLC Provider to the beneficiary described therein in an original aggregate total amount of Cdn.\$152,000,000, as amended to the date hereof, and as further amended, supplemented or

otherwise modified from time to time (with the consent of the beneficiary thereof in its sole discretion).

"**BOCQ SBLC Indemnity**" has the meaning set forth in Recital E.

"**BOCQ SBLC Provider**" has the meaning set forth in Recital E.

"**Borrower**" has the meaning set forth in Recital A.

"**Business Day**" means any day that is neither a Saturday or Sunday nor a legal holiday on which the commercial banks are authorized or required to be closed in Calgary, Alberta, Toronto, Ontario or New York, New York.

"**Calgary Sinoenergy**" has the meaning set forth in Recital A.

"**Canadian Dollars**" and "**Cdn.\$**" mean the lawful money of Canada.

"**CCBQ**" has the meaning set forth in Recital A.

"**CCBQ Credit Agreement**" has the meaning set forth in Recital A.

"**CCBQ Lenders**" has the meaning set forth in Recital A.

"**CCBQ SBLC**" means the standby letter of credit dated January 26, 2017 issued by the CCBQ SBLC Provider to the beneficiary described therein in an original aggregate total amount of Cdn.\$454,000,000 and held by the Collateral Agent pursuant to Section 10.2, as amended to the date hereof, and as further amended, supplemented or otherwise modified from time to time (with the consent of the beneficiary thereof in its sole discretion).

"**CCBQ SBLC Indemnity**" has the meaning set forth in Recital D.

"**CCBQ SBLC Provider**" has the meaning set forth in Recital D.

"**CCBT**" has the meaning set forth in Recital A.

"**CCBT Credit Agreement**" has the meaning set forth in Recital B.

"**CCBT Lender**" has the meaning set forth in Recital B.

"**Collateral**" means, all property and assets of the Borrower, the Guarantors and the other Obligors now owned or hereafter owned or acquired in which Liens have been granted to the Collateral Agent under any of the Security Documents to secure the Secured Obligations.

"**Collateral Agent**" means China Construction Bank Toronto Branch and its successors appointed in accordance herewith from time to time as the collateral agent (including, for certainty, for the purposes of holding the CCBQ SBLC pursuant to Section 10.2) and in whose name Liens in the Collateral will be granted for the benefit of the Secured Parties under and pursuant to this Agreement and the other Security Documents, and including any Affiliate of the Collateral Agent which carries on business in a jurisdiction outside of Canada where the

Collateral is located for the purpose of holding the Liens in the Collateral on behalf of the Secured Parties.

"Collateral Agreement Joinder" means a document substantially in the form of Exhibit A.

"Credit Agreements" means, collectively, the CCBQ Credit Agreement and the CCBT Credit Agreement.

"Credit Agreement Documents" means each Credit Agreement, the Guarantees in respect of each Credit Agreement (including those Guarantees contained therein), and all other agreements, instruments and other documents governing, securing or relating thereto (including the Security Documents).

"Credit Facilities" means one or more credit facilities, including those under the Credit Agreements, or other financing arrangements (including, without limitation, commercial paper facilities or indemnities) in favour of an Obligor providing for revolving credit facilities, term loans, letters of credit or other indebtedness, including any note, mortgages, guarantees, collateral documents, instruments, agreements and other documents executed in connection therewith, and any amendments, supplements, modifications, extensions, renewals, restatements or refundings thereof and any indemnities or credit facilities or commercial paper facilities that replace, refund or refinance any part of the loans, notes, other credit facilities or commitments thereunder, including any such replacement, refunding or refinancing facility or indemnity that increases the amount permitted to be borrowed thereunder or alters the maturity thereof (provided that such increase in borrowings is permitted pursuant to the Secured Debt Documents) or adds Guarantors as additional borrowers or guarantors.

"Fair Market Value" means, with respect to any asset, property or service, the price that could be negotiated in an arm's length free market transaction, for cash, between a willing seller and a willing buyer, neither of whom is under pressure or compulsion to complete the transaction.

"GAAP" means generally accepted accounting principles, consistently applied, which are in effect in Canada from time to time and applicable to the Borrower, including International Financial Reporting Standards as issued by the International Financial Accounting Standards Board, or any successor principles so in effect.

"Guarantee" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any all debt, financial liabilities and obligations (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"Guarantors" means the Initial Guarantors and each other Person (if any) that at any time provides a guarantee and security in respect of any of the Secured Obligations, and their respective successors and assigns.

"Indemnified Liabilities" means any and all liabilities (including all environmental liabilities), obligations, losses, damages, penalties, actions, judgments, suits, costs, taxes, expenses or

disbursements of any kind or nature whatsoever with respect to the execution, delivery, performance, administration or enforcement of this Agreement or any of the other Security Documents, including any of the foregoing relating to the use of proceeds of any Secured Obligations or the violation of, non-compliance with or liability under, any law (including environmental laws) applicable to or enforceable against the Borrower, any Obligor or any of their respective Subsidiaries or any of the Collateral and all reasonable costs and expenses (including reasonable fees and expenses of legal counsel selected by the Indemnitee (on a solicitor and his own client full indemnity basis)) incurred by any Indemnitee in connection with any claim, action, investigation or proceeding in any respect relating to any of the foregoing, whether or not suit is brought.

"**Indemnitee**" has the meaning set forth in Section 9.11(a).

"**Initial Guarantors**" means Calgary Sinoenergy.

"**Insolvency Proceeding**" means:

- (a) any proceeding for the reorganization, recapitalization or adjustment or marshalling of the assets or liabilities of the Borrower or any other Obligor, any bankruptcy, insolvency, receivership or assignment for the benefit of creditors relating to the Borrower or any other Obligor or any similar case or proceeding relative to the Borrower or any other Obligor including any case proceeding under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangements Act* (Canada), the *Winding-up and Restructuring Act* (Canada), Title 11 of the United States Code entitled "Bankruptcy" or any comparable law, or any successor bankruptcy law, in each case whether or not voluntary;
- (a) any liquidation, dissolution, marshalling of assets or liabilities or other winding up of or relating to the Borrower or any other Obligor, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency; or
- (b) any other proceeding of any type or nature in which substantially all claims of creditors of the Borrower or any other Obligor are determined and any payment or distribution is or may be made on account of such claims.

"**Lien**" means with respect to any assets, any mortgage, lien (statutory or otherwise) pledge, charge, security interest or encumbrance upon with respect to any property of any kind, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement (but excluding a title retention agreement to the extent it constitutes an operating lease under Canadian law), any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the PPSA of any jurisdiction.

"Notice of Actionable Default" means a written notice given to the Collateral Agent stating that an Actionable Default has occurred and is continuing, delivered by the Secured Debt Representative for the holders of Secured Obligations that are governed by the Secured Debt Document pursuant to which the Actionable Default has occurred.

"Obligor" means each of the Borrower, the Guarantors and each other Person (if any) that at any time provides collateral security for any Secured Obligations and **"Obligors"** means every Obligor.

"Officers' Certificate" means a certificate with respect to compliance with a condition or covenant provided for in this Agreement, signed on behalf of the Borrower by at least 2 officers thereof (one of whom must be a Responsible Officer), including:

- (a) a statement referencing the condition or covenant in question;
- (b) a statement that the Person making such certificate has read such covenant or condition;
- (c) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate are based;
- (d) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been satisfied; and
- (e) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

"Original Credit Agreement" has the meaning set forth in Recital A.

"Parent" has the meaning set forth in Recital C.

"Parent Creditors" has the meaning set forth in Recital C.

"Parent Creditor Agent" has the meaning set forth in Recital C.

"Parent Credit Agreement" has the meaning set forth in Recital C.

"Parties" means the parties to this Agreement, and **"Party"** means any one of them.

"Person" means any natural person, corporation, partnership, limited liability company, firm, association, trust, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

"Plan" means a plan of compromise, arrangement or reorganization in any Insolvency Proceeding.

"**PPSA**" means the *Personal Property Security Act* as in effect in any province or territory of Canada, the Uniform Commercial Code or similar statute as in effect in any state of the United States or any similar legislation in any other jurisdictions (in each case, together with the regulations thereunder), as applicable.

"**Proposal**" means a proposal under the *Bankruptcy and Insolvency Act* (Canada).

"**Required Debtholders**" means, at any time in respect of any action or matter, the holders of more than 50% of the sum of the Secured Obligations.

"**Responsible Officer**" means, (a) with respect to the Collateral Agent, any Secured Debt Representative, any officer within the corporate trust department of the Collateral Agent or any officer of any such Party, as the case may be, including, in either case, any managing director, director, vice president, assistant vice president, associate, trust officer or any other officer thereof, as the case may be, who customarily performs functions similar to those performed by the Persons who at the time will be such officers, respectively, or to whom any matter related hereto is referred because of such Person's knowledge of and familiarity with the particular subject and who will have direct responsibility for the administration of this Agreement, and (b) with respect to any Obligor, the principal executive officer, principal financial officer, the treasurer or principal accounting officer of such Obligor or, if applicable, the general or managing partner or trustee of such Obligor.

"**Secured Debt Default**" means any event or condition which, under the terms of any credit agreement, indemnities or other agreement governing any Secured Obligations causes, or permits holders of Secured Obligations outstanding thereunder (with or without the giving of notice or lapse of time, or both, and whether or not notice has been given or time has lapsed) to cause, the Secured Obligations outstanding thereunder to become immediately due and payable.

"**Secured Debt Documents**" means, collectively, the Credit Agreement Documents, the BOCQ SBLC, the BOCQ SBLC Indemnity, the CCBQ SBLC, the CCBQ SBLC Indemnity, the Parent Creditor Indemnity, and, in each case, all related Guarantees and other agreements, instruments and other documents governing, securing or relating to any Secured Obligations (including the Security Documents).

"**Secured Debt Representative**" means:

- (a) in the case of the CCBQ Credit Agreement, the Administrative Agent;
- (a) in the case of CCBT Credit Agreement, the CCBT Lender;
- (b) in the case of the CCBQ SBLC Indemnity, the CCBQ SBLC Provider;
- (c) in the case of the Parent Creditor Indemnity, the Parent Creditor Agent; and
- (d) in the case of the BOCQ SBLC Indemnity, the BOCQ SBLC Provider.

"**Secured Obligations**" means with respect to each Secured Party (collectively, without duplication):

- (a) all debt, financial liabilities and obligations of the Obligors of whatsoever nature and howsoever evidenced (including principal, interest, fees, reimbursement obligations, cash cover obligations, penalties, indemnities and legal and other expenses, whether due after acceleration or otherwise) to the Secured Parties or to any agent, trustee or other representative of such Secured Parties under or pursuant to each agreement, document or instrument evidencing, securing, guaranteeing or relating to such financial liabilities or obligations (including Secured Debt Documents applicable thereto), in each case, direct or indirect, primary or secondary, fixed or contingent, now or hereafter arising out of or relating to any such agreement, document or instrument;
- (b) any and all sums advanced by the Collateral Agent or any other Person in order to preserve the Collateral or any other collateral securing such debt, financial liabilities and obligations or to preserve the Liens and security interests in the Collateral or any other collateral, securing such debt, financial liabilities and obligations; and
- (c) the costs and expenses of collection and enforcement of the obligations referred to in clauses (a) and (b) of this definition, including: (i) the costs and expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on any Collateral or any other collateral; (ii) the costs and expenses of any exercise by the Collateral Agent or any other Person of its rights under the Security Documents or any other security documents; and (iii) reasonable legal fees and court costs.

"Secured Parties" means, collectively, the Collateral Agent, the Administrative Agent, CCBQ and the other CCBQ Lenders, the CCBT Lender, the BOCQ SBLC Provider, the CCBQ SBLC Provider and the Parent Creditors.

"Security Documents" means this Agreement and one or more security agreements, debentures, pledge agreements, collateral assignments, mortgages, collateral agency agreements, control agreements, deeds of trust or other grants or transfers for security executed and delivered by the Borrower and each other Obligor creating (or purporting to create) a Lien upon Collateral in favour of the Collateral Agent, for the benefit of the Secured Parties, in each case, as amended, supplemented, amended and restated or otherwise modified and in effect from time to time in accordance with its terms.

"Subsidiary" means, with respect to any person ("**X**"):

- (a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;

- (b) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or
- (c) any other person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to "Subsidiary" or "Subsidiaries" shall be and shall be deemed to be references to Subsidiaries of the Borrower.

"**Voting Stock**" of any Person as of any date means the capital stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

1.2 **Rules of Interpretation.**

- (a) All terms used in this Agreement that are defined in the PPSA, and not otherwise defined herein have the meanings therein set forth.
- (b) Unless otherwise indicated, any reference to any agreement or instrument will be deemed to include a reference to that agreement or instrument as assigned, amended, supplemented, amended and restated, or otherwise modified and in effect from time to time or replaced in accordance with the terms of this Agreement.
- (c) The use in this Agreement or any of the other Security Documents of the word "include" or "including," when following any general statement, term or matter, will not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but will be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The word "will" shall be construed to have the same meaning and effect as the word "shall".
- (d) References to "Sections", "clauses" and "Recitals" will be to Sections, clauses and Recitals, respectively, of this Agreement unless otherwise specifically provided.
- (e) References to "Articles" will be to Articles of this Agreement unless otherwise specifically provided.
- (f) References to "Exhibits" will be to Exhibits to this Agreement unless otherwise specifically provided.

- (g) This Agreement, the other Security Documents and any documents or instruments delivered pursuant hereto will be construed without regard to the identity of the party who drafted it. Each and every provision of this Agreement, the other Security Documents and any instruments and documents entered into and delivered in connection therewith will be construed as though the parties participated equally in the drafting of it. Consequently, each of the parties acknowledges and agrees that any rule of construction that a document is to be construed against the drafting party will not be applicable either to this Agreement or the other Security Documents and any instruments and documents entered into and delivered in connection with this Agreement or any of the other Security Documents.

ARTICLE 2 PRIORITY OF THE LIENS; CERTAIN AGREEMENTS

2.1 Collateral Shared Equally and Rateably.

Subject to Sections 10.2 and 10.3, the Parties agree that the payment and satisfaction of all of the Secured Obligations will be secured equally and rateably by the Liens established in the Collateral in favour of the Collateral Agent for the benefit of the Secured Parties.

2.2 Insurance and Expropriation Proceeds.

At any time after a Notice of Actionable Default has been delivered to the Collateral Agent, any insurance proceeds or compensatory amounts to which an Obligor would otherwise be entitled in respect of expropriation, other forced disposition or sale to any expropriating authority under threat of expropriation shall be dealt with according to the provisions hereof as though such insurance proceeds or compensatory amounts were paid or payable as proceeds of disposition of the Collateral for which they compensate.

ARTICLE 3 OBLIGATIONS AND POWERS OF COLLATERAL AGENT

3.1 Appointment of Collateral Agent; Undertaking of the Collateral Agent.

- (a) Subject to, and in accordance with, this Agreement, the Collateral Agent is hereby appointed as the agent for and on behalf of the present and future Secured Parties for, under and in connection with the **Security Documents** and all Liens created thereunder and all Collateral subject thereto and the Collateral Agent will, as agent, for the benefit solely and exclusively of the present and future Secured Parties:
- (i) accept, enter into, hold, maintain, administer and enforce all Security Documents, including all Collateral subject thereto, and all Liens created thereunder, perform its obligations under the Security Documents and protect, exercise and enforce the interests, rights, powers and remedies granted or available to it under, pursuant to or in connection with the Security Documents;

- (ii) take all lawful and commercially reasonable actions permitted under the Security Documents that it may deem necessary or advisable to protect or preserve its interest in the Collateral subject thereto and such interests, rights, powers and remedies;
 - (iii) deliver and receive notices pursuant to the Security Documents;
 - (iv) sell, assign, collect, assemble, foreclose on, institute legal proceedings with respect to, or otherwise exercise or enforce the rights and remedies of a secured party (including a mortgagee, trust deed beneficiary and insurance beneficiary or loss payee) with respect to the Collateral under the Security Documents and its other interests, rights, powers and remedies;
 - (v) remit as provided in Section 3.4 all cash proceeds received by the Collateral Agent from the collection, foreclosure or enforcement of its interest in the Collateral under the Security Documents or any of its other interests, rights, powers or remedies;
 - (vi) execute and deliver such additional Security Documents as may from time to time be authorized and directed by an Act of Instructing Debtholders; and
 - (vii) execute and deliver amendments to the Security Documents as from time to time authorized by an Act of Instructing Debtholders accompanied by an Officers' Certificate to the effect that the amendment was permitted by each applicable Secured Debt Document.
- (b) Each Party acknowledges and consents to the appointment and undertaking of the Collateral Agent set forth in Section 3.1(a) and agrees to each of the other provisions of this Agreement applicable to it.
- (c) Notwithstanding anything to the contrary contained in this Agreement, the Collateral Agent will not commence any exercise of remedies or any foreclosure actions or otherwise take any action or proceeding against any of the Collateral (other than actions as necessary to prove, protect or preserve the Liens securing the Secured Obligations) unless and until it shall have received a Notice of Actionable Default, and then only in accordance with the provisions of this Agreement.

3.2 **Release or Subordination of Liens.**

The Collateral Agent will not release or subordinate any Lien of the Collateral Agent or consent to the release or subordination of any Lien of the Collateral Agent, except:

- (a) as directed by an Act of Instructing Debtholders accompanied by an Officers' Certificate to the effect that the release or subordination was permitted by each applicable Secured Debt Document; or
- (b) as ordered pursuant to applicable law under a final and non-appealable order or judgment of a court of competent jurisdiction.

3.3 **Remedies Upon Actionable Default.**

If the Collateral Agent at any time receives a Notice of Actionable Default, the Collateral Agent will promptly deliver written notice thereof to each Secured Debt Representative. Thereafter, the Collateral Agent may await direction by an Act of Instructing Debtholders and will (subject to Section 3.1(c)) act, or decline to act, as directed by an Act of Instructing Debtholders, in the exercise and enforcement of the Collateral Agent's interests, rights, powers and remedies in respect of the Collateral or under the Security Documents or applicable law and, following the initiation of such exercise of remedies, the Collateral Agent will act, or decline to act, with respect to the manner of such exercise of remedies as directed by an Act of Instructing Debtholders. Unless it has been directed to the contrary by an Act of Instructing Debtholders, the Collateral Agent in any event may (but will not under any circumstances be obligated to) take or refrain from taking such action with respect to any Actionable Default as it may deem advisable and in the best interest of the holders of Secured Obligations.

3.4 **Application of Proceeds.**

- (a) Subject to Sections 10.2 and 10.3, the Collateral Agent will apply the proceeds of any collection, sale, foreclosure or other enforcement of the Liens, in respect of the Collateral, and Security Documents or realization upon any Collateral and the proceeds of any insurance policy, including any title insurance policy, in the following order of application and pursuant to wiring instructions as specified in an Act of Instructing Debtholders:
 - (i) FIRST, to the payment of all amounts payable under this Agreement on account of the Collateral Agent's direct or indirect fees and any reasonable legal fees, costs and expenses or other liabilities or debts of any kind incurred by the Collateral Agent or any co-trustee or agent in connection with this Agreement or any other Security Document; and
 - (ii) SECOND, to the repayment of the other Secured Obligations; and
 - (iii) THIRD, any surplus remaining after the irrevocable and unconditional payment in full in cash of all of the Secured Obligations entitled to the benefit of such Collateral will be paid to the Borrower or the other applicable Obligors, as the case may be, or its successors or assigns, or as a court of competent jurisdiction may direct or as may be required by applicable law.

- (b) Except for proceeds collected or received by the Collateral Agent, pursuant to Section 10.2, or the CCBT Lender, pursuant to Section 10.3, if any Secured Debt Representative or other Secured Party collects or receives any proceeds in respect of the Secured Obligations that should have been applied to the payment of the Secured Obligations in accordance with subparagraph (a) above and a Responsible Officer of such Secured Debt Representative shall have received written notice, or shall have actual knowledge, of the same prior to such Secured Debt Representative's distribution of such proceeds, whether after the commencement of an Insolvency Proceeding or otherwise, such Secured Debt Representative or such other Secured Party, as the case may be, will forthwith deliver the same to the Collateral Agent, for the account of the holders of such Secured Obligations, in the form received, duly endorsed to the Collateral Agent, for the account of the holders of such Secured Obligations or to be applied in accordance with subparagraph (a) above.

Until so delivered, such proceeds will be held by such Secured Debt Representative or such other Secured Party, as the case may be, in trust for the benefit of the Secured Parties. This Section 3.4(b) shall not apply to payments received by any holder of Secured Obligations if such payments are not proceeds of any collection, sale, foreclosure, enforcement or other realization upon any Collateral.

3.5 **Powers of the Collateral Agent.**

The Collateral Agent is irrevocably authorized and empowered to enter into and perform its obligations and protect, perfect, exercise and enforce its interest, rights, powers and remedies under the Security Documents and applicable law and in equity and to act as set forth in this ARTICLE 3 or as requested in any lawful directions given to it from time to time in respect of any matter by an Act of Instructing Debtholders.

3.6 **Documents and Communications.**

The Collateral Agent will permit each Secured Debt Representative and each Secured Party upon reasonable written notice from time to time to inspect and copy, at the cost and expense of the party requesting such copies, any and all Security Documents and other documents, notices, certificates, instructions or communications received by the Collateral Agent in its capacity as such.

3.7 **For Sole and Exclusive Benefit of Holders of Secured Obligations.**

The Collateral Agent will accept, hold, administer and enforce all Liens at any time transferred or delivered to it and all other interests, rights, powers and remedies at any time granted to or enforceable by the Collateral Agent with respect to the Collateral solely and exclusively for the benefit of the present and future holders of present and future Secured Obligations, and will distribute all proceeds received by it in realization thereon or from enforcement thereof solely and exclusively pursuant to the provisions of Section 3.4.

ARTICLE 4 REGISTRATION

4.1 Collateral Agent not Required to Serve, File or Record.

The Collateral Agent is not required to serve, file, register or record any instrument releasing or subordinating its Liens in any Collateral; provided, however, that if the Borrower or any other Obligor shall make a written demand for a termination statement (or financing change statement or discharge to like effect) under the PPSA, the Collateral Agent shall comply with the written request of the Borrower or such Obligor to comply with the requirements of the PPSA, provided, that the Collateral Agent must first confirm with the Secured Debt Representatives that the requirements of the PPSA have been satisfied.

4.2 Land Registry Offices.

Nothing in this Agreement shall obligate any Party to register the Liens in respect of the Collateral at any land registry office (including the Alberta Department of Energy in the case of Crown leases forming part of the Collateral) until a Secured Debt Representative requests such registration by notice in writing to the Collateral Agent but only to the extent permitted by the applicable Secured Debt Documents.

ARTICLE 5 IMMUNITIES OF THE COLLATERAL AGENT

5.1 No Implied Duty.

The Collateral Agent will not have any fiduciary duties nor will it have responsibilities or obligations other than those expressly assumed by it in this Agreement and the other Security Documents. The Collateral Agent will not be required to take any action that is contrary to applicable law or any provision of this Agreement or the other Security Documents. The Collateral Agent shall have no duty to monitor compliance by the Borrower or the other Obligors with its duties and obligations under this Agreement or the other Security Documents, except to the extent expressly provided herein or therein.

5.2 Appointment of Agents and Advisors.

The Collateral Agent may execute any of the rights or powers hereunder or perform any duties hereunder either directly or by or through agents, legal counsel, accountants, appraisers or other experts or advisors selected by it in good faith as it may reasonably require for the purpose of discharging its duties hereunder and will not be responsible for any misconduct or negligence on the part of any of them. The Collateral Agent may pay remuneration for all services performed for it in the discharge of its duties hereunder without taxation for costs or fees of any counsel, solicitor or attorney. The Collateral Agent may act and rely and shall be protected in acting in good faith on the opinion or advice of or information obtained from any agent, counsel, accountant, engineer, appraiser or other expert or advisor, whether retained or employed by the Collateral Agent or any other Party, in relation to any matter arising in the performance of its duties under this Agreement.

5.3 **Co-Collateral Agents.**

- (a) At any time or times, for the purposes of meeting the legal requirements of any jurisdiction in which any of the Collateral may at the time be located, the Collateral Agent shall have power to appoint and, upon written request of the Collateral Agent upon the written instructions of a Secured Debt Representative or otherwise, the Obligors shall for such purpose join with the Collateral Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint one or more Persons approved by the Collateral Agent to act as co-agent, jointly with the Collateral Agent, of all or any part of the Collateral, with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section 5.3; provided that any person appointed as a co-agent hereunder must meet the requirements of Section 6.2 (other than Section 6.2(b)).
- (b) Should any written instrument from an Obligor be required by any co-agent so appointed for more fully confirming to such co-agent such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by such Obligor.
- (c) Every co-agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:
 - (i) All rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other tangible personal property held by, or required to be deposited or pledged with, the Collateral Agent hereunder, shall be exercised solely by the Collateral Agent.
 - (ii) The rights, powers, duties and obligations hereby conferred or imposed upon the Collateral Agent in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Collateral Agent or by the Collateral Agent and such co-agent jointly, as shall be provided in the instrument appointing such co-agent, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Collateral Agent shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-agent.
 - (iii) The Collateral Agent at any time, by an instrument in writing executed by it, may accept the resignation of or remove any co-agent appointed under this Section 5.3. Upon the written request of the Collateral Agent, each relevant Obligor shall join with the Collateral Agent in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-agent so resigned or removed may be appointed in the manner provided in this Section 5.3.

- (iv) No co-agent hereunder shall be personally liable by reason of any act or omission of the Collateral Agent, or any such other agent hereunder.
- (v) Any notice, direction or instruction delivered to the Collateral Agent shall be deemed to have been delivered to each such co-agent.

5.4 **Other Agreements.**

The Collateral Agent has accepted and is bound by the Security Documents executed by the Collateral Agent as of the date of this Agreement and, as directed by an Act of Instructing Debtholders, the Collateral Agent may execute additional Security Documents delivered to it after the date of this Agreement, provided, however, that such additional Security Documents do not adversely affect the rights, privileges, benefits and immunities of the Collateral Agent. The Collateral Agent will not otherwise be bound by, or be held obligated by, the provisions of any credit agreement, indemnity or other agreement governing Secured Obligations (other than this Agreement and the other Security Documents).

5.5 **Solicitation of Instructions.**

- (a) The Collateral Agent may at any time solicit written confirmatory instructions, in the form of an Act of Instructing Debtholders, an Officers' Certificate or an order of a court of competent jurisdiction, as to any action that it may be requested or required to take, or that it may propose to take, in the performance of any of its obligations under this Agreement and the other Security Documents.
- (b) Any written direction given to the Collateral Agent by an Act of Instructing Debtholders that in the sole judgment of the Collateral Agent imposes, purports to impose or might reasonably be expected to impose upon the Collateral Agent any obligation or liability not set forth in or arising under this Agreement and the other Security Documents will not be binding upon the Collateral Agent unless the Collateral Agent elects, at its sole option, to accept such direction.

5.6 **Limitation of Liability.**

The Collateral Agent will not be responsible or liable for any action taken or omitted to be taken by it hereunder or under any other Security Documents except for its own gross negligence, bad faith or wilful misconduct as determined by a court of competent jurisdiction.

5.7 **Documents in Satisfactory Form.**

The Collateral Agent will be entitled to require that all agreements, certificates, opinions, instruments and other documents at any time submitted to it, including those expressly provided for in this Agreement, be delivered to it in a form and with substantive provisions reasonably satisfactory to it.

5.8 **Entitled to Rely.**

The Collateral Agent may conclusively rely upon, and shall be fully protected in relying upon, any writing, certificate, notice, statement, order or other document (including any facsimile) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons and need not investigate any fact or matter stated in any such document. The Collateral Agent may seek and rely upon, and shall be fully protected in relying upon, any judicial order or judgment, upon any advice, opinion or statement of legal counsel, independent consultants and other experts selected by it in good faith and upon any certification, instruction, notice or other writing delivered to it by the Borrower or any other Obligor in compliance with the provisions of this Agreement or delivered to it by any Secured Debt Representative as to the Secured Parties for whom it acts, without being required to determine the authenticity thereof or the correctness of any fact stated therein or the propriety or validity of service thereof. The Collateral Agent may act in reliance upon any instrument comporting with the provisions of this Agreement or any signature reasonably believed by it to be genuine and may assume that any Person purporting to give notice or receipt or advice or make any statement or execute any document in connection with the provisions hereof or the other Security Documents has been duly authorized to do so. To the extent a certificate, Officers' Certificate or opinion of counsel is required or permitted under this Agreement to be delivered to the Collateral Agent in respect of any matter, the Collateral Agent may rely conclusively on such certificate, Officers' Certificate or opinion of counsel as to such matter and such certificate, Officer's Certificate or opinion of counsel shall be full warranty and protection to the Collateral Agent for any action taken, suffered or omitted by it under the provisions of this Agreement and the other Security Documents.

5.9 **Secured Debt Default.**

The Collateral Agent will not be required to inquire as to the occurrence or absence of any Secured Debt Default and will not be affected by or required to act upon any notice or knowledge as to the occurrence of any Secured Debt Default unless and until it receives a Notice of Actionable Default.

5.10 **Actions by Collateral Agent.**

As to any matter not expressly provided for by this Agreement or the other Security Documents, the Collateral Agent will act or refrain from acting as directed by an Act of Instructing Debtholders and will be fully protected if it does so, and any action taken, suffered or omitted pursuant to hereto or thereto shall be binding on the Secured Parties.

5.11 **Security or Indemnity in Favour of the Collateral Agent.**

The Collateral Agent will not be required to advance or expend any funds or otherwise incur any financial liability in the performance of its duties or the exercise of its powers or rights hereunder unless it has been provided with security or indemnity reasonably satisfactory to it against any and all liability or expense which may be incurred by it by reason of taking or continuing to take such action.

5.12 **Rights of the Collateral Agent.**

In the event of any conflict between any terms and provisions set forth in this Agreement and those set forth in any other Security Document, the terms and provisions of this Agreement shall supersede and control the terms and provisions of such other Security Document. In the event there is any bona fide, good faith disagreement between the other parties to this Agreement or any of the other Security Documents resulting in adverse claims being made in connection with Collateral held by the Collateral Agent and the terms of this Agreement or any of the other Security Documents do not unambiguously mandate the action the Collateral Agent is to take or not to take in connection therewith under the circumstances then existing, or the Collateral Agent is in doubt as to what action it is required to take or not to take hereunder, it will be entitled to refrain from taking any action (and will incur no liability for doing so) until directed otherwise in writing by a request signed jointly by the Parties entitled to give such direction or by order of a court of competent jurisdiction.

5.13 **Limitations on Duty of Collateral Agent in Respect of Collateral.**

- (a) Beyond the exercise of reasonable care in the custody of Collateral in its possession, the Collateral Agent will have no duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and the Collateral Agent will not be responsible for filing any financing statements, financing change statements or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien in the Collateral. The Collateral Agent will be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property, and the Collateral Agent will not be liable or responsible for any loss or diminution in the value of any of the Collateral by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Collateral Agent in good faith.
- (b) The Collateral Agent will not be responsible for the existence, genuineness or value of any of the Collateral or for the validity, perfection, priority or enforceability of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence, bad faith or wilful misconduct on the part of the Collateral Agent, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of any Obligor to the Collateral, for insuring the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral. The Collateral Agent hereby disclaims any representation or warranty to the present and future holders of the Secured Obligations concerning the perfection of the Liens granted hereunder or in the value of any of the Collateral.

5.14 **Assumption of Rights, Not Assumption of Duties.**

Notwithstanding anything to the contrary contained herein:

- (a) each of the parties thereto will remain liable under each of the Security Documents (other than this Agreement) to the extent set forth therein to perform all of their respective duties and obligations thereunder to the same extent as if this Agreement had not be executed;
- (b) the exercise by the Collateral Agent of any of its rights, remedies or powers hereunder will not release such parties from any of their respective duties or obligations under the other Security Documents; and
- (c) the Collateral Agent will not be obligated to perform any of the obligations or duties of any of the parties thereunder other than the Collateral Agent.

5.15 **No Liability for Clean Up of Hazardous Materials.**

In the event that the Collateral Agent is required to acquire title to an asset for any reason, or take any managerial action of any kind in regard thereto, in order to carry out any fiduciary or trust obligation for the benefit of another, which in the Collateral Agent's sole discretion may cause the Collateral Agent to be considered an "owner or operator" under any environmental laws or otherwise cause the Collateral Agent to incur, or be exposed to, any environmental liability or any liability under any other federal, provincial or local law, the Collateral Agent reserves the right, instead of taking such action, either to resign as Collateral Agent or to arrange for the transfer of the title or control of the asset to a court appointed receiver. The Collateral Agent will not be liable to any Person for any environmental liability or any environmental claims or contribution actions under any federal, provincial or local law, rule or regulation by reason of the Collateral Agent's actions and conduct as authorized, empowered and directed hereunder or relating to any kind of discharge or release or threatened discharge or release of any hazardous materials into the environment.

**ARTICLE 6
RESIGNATION AND REMOVAL OF THE COLLATERAL AGENT**

6.1 **Resignation or Removal of Collateral Agent.**

Subject to the appointment of a successor Collateral Agent as provided in Section 6.2 and the acceptance of such appointment by the successor Collateral Agent:

- (a) the Collateral Agent may resign at any time by giving not less than 45 days' notice of resignation to each Secured Debt Representative and the Borrower, provided that such notice period may be waived by each Secured Debt Representative and the Borrower; and
- (b) the Collateral Agent may be removed at any time, with or without cause, by an Act of Instructing Debtholders.

6.2 **Appointment of Successor Collateral Agent.**

Upon any such resignation or removal, a successor Collateral Agent may be appointed by an Act of Instructing Debtholders. If no successor Collateral Agent has been so appointed and accepted such appointment within 30 days after the predecessor Collateral Agent gave notice of resignation or was removed, the retiring Collateral Agent may (at the expense of the Borrower), at its option, appoint a successor Collateral Agent, or petition a court of competent jurisdiction for appointment of a successor Collateral Agent. Any successor Collateral Agent must be a trust company or other financial institution:

- (a) authorized to exercise corporate trust powers;
- (b) maintaining an office in Calgary, Alberta or Toronto, Ontario; and
- (c) authorized to carry on business in each jurisdiction where the Collateral is located (except to the extent it utilizes co-agents pursuant to Section 5.3).

The Collateral Agent will fulfill its obligations hereunder until a successor Collateral Agent meeting the requirements of this Section 6.2 has accepted its appointment as Collateral Agent and the provisions of Section 6.3 have been satisfied.

6.3 **Succession.**

When the Person so appointed as successor Collateral Agent accepts such appointment:

- (a) such Person will succeed to and become vested with all the rights, powers, privileges and duties of the predecessor Collateral Agent, and the predecessor Collateral Agent will be discharged from its duties and obligations hereunder; and
- (b) the predecessor Collateral Agent will (at the expense of the Borrower) promptly transfer all Liens in the Collateral and collateral security and Collateral within its possession or control to the possession or control of the successor Collateral Agent and will execute instruments and assignments as may be necessary or desirable or reasonably requested by the successor Collateral Agent to transfer to the successor Collateral Agent all Liens, interests, rights, powers and remedies of the predecessor Collateral Agent in respect of the Security Documents, Collateral.

Thereafter, the predecessor Collateral Agent will remain entitled to enforce the immunities granted to it in ARTICLE 5 and the provisions of Sections 9.10 and 9.11.

6.4 **Merger, Conversion, Consolidation or Amalgamation of Collateral Agent.**

Any Person into which the Collateral Agent may be merged or converted or with which it may be consolidated or amalgamated, or any Person resulting from any merger, conversion, consolidation or amalgamation to which the Collateral Agent shall be a party, or any Person succeeding to the corporate trust business of the Collateral Agent (by acquisition or otherwise) shall be the successor of the Collateral Agent pursuant to Section 6.3, provided that (a) without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto, except where an instrument of transfer or assignment is required by law to

effect such succession, anything herein to the contrary notwithstanding, such Person satisfies the eligibility requirements specified in clauses (a) through (c) of Section 6.2 and (b) prior to any such merger, conversion, consolidation or amalgamation, the Collateral Agent shall have notified the Borrower and each Secured Debt Representative thereof in writing.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Obligors.

Each Obligor hereby represents and warrants for the benefit of each Secured Debt Representative, the Collateral Agent and each Secured Party as follows:

- (a) each of the Borrower and the other Obligors has been duly formed, validly exists, and has all requisite organizational power and authority to conduct its business as intended and own its assets;
- (b) each of the Borrower and the other Obligors has taken all necessary organizational action to authorize the execution, delivery and performance of this Agreement and the other Security Documents to which it is a party;
- (c) each of the Borrower and the other Obligors has duly authorized, executed and delivered this Agreement and the other Security Documents to which it is a party, and the execution and delivery of this Agreement and such other Security Documents by it will not violate any applicable law binding upon it or conflict in any material respect with any agreement to which it is a party;
- (d) this Agreement constitutes valid and legally binding obligations of each of the Borrower and the other Obligors, enforceable against each of them in accordance with the terms hereof, subject only to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to general principles of equity, including the principle that specific performance is an equitable remedy, available only in the discretion of the court;
- (e) the only jurisdictions in which each Obligor carries on business, has any real or tangible personal property and the chief executive office of each of the Obligors are as set out in Exhibit B hereto; and
- (f) no Obligor has trade names or is known by any legal name different from the ones set forth in Exhibit B hereto.

7.2 Concerning the Secured Debt Representatives and Collateral Agent.

- (a) Each Secured Debt Representative represents and warrants to the Collateral Agent and each other Secured Debt Representatives that each is duly authorized to enter into this Agreement and to undertake the obligations expressed herein to be undertaken by it.

- (b) The Collateral Agent represents and warrants to the Secured Debt Representatives that it is duly authorized to enter into this Agreement and to undertake the obligations expressed herein to be undertaken by it.

7.3 **Survival of Representations and Warranties.**

All of the representations and warranties set forth in Sections 7.1 and 7.2 shall survive the execution and delivery of this Agreement.

ARTICLE 8 COVENANTS

8.1 **Affirmative Covenants of the Borrower.**

The Borrower shall:

- (a) notify the Collateral Agent at least 15 days prior to (i) any change of name of the Borrower or any other Obligor, or (ii) any relocation (of which it has actual knowledge of the respective officers of the Borrower or any other Obligor having direct responsibility in the area in question after having made reasonable inquiry of their relevant officers and employers) of (A) any Collateral into a jurisdiction where the Liens in respect of such Collateral are not then registered or filed, or (B) the place of organization, principal place of business or chief executive office of the Borrower or any other Obligor; and
- (b) at its own expense, hold and preserve records, in accordance with prudent records maintenance policies, concerning the Collateral and permit representatives of the Collateral Agent at any time during normal business hours to inspect and make copies of and abstracts from such records.

ARTICLE 9 MISCELLANEOUS PROVISIONS

9.1 **Amendment.**

- (a) The Collateral Agent, acting as directed by an Act of Instructing Debtholders, and the Obligors may, at any time and from time to time, enter into written amendments or agreements supplemental hereto or to any other Security Document for the purpose of adding to or waiving any provision of this Agreement or such Security Document, granting any consent required under any other Security Document or changing any of the terms thereof; provided that:
 - (i) any amendment or supplement that has the effect solely of adding or maintaining Collateral, securing additional Secured Obligations that was otherwise permitted by the terms of the Secured Debt Documents to be secured by the Collateral or preserving or perfecting the Liens thereon or the rights of the Collateral Agent therein will become effective when executed and delivered by the Borrower or any other applicable Obligor party thereto and the Collateral Agent;

- (ii) no amendment or supplement that reduces, impairs or adversely affects the right of any Secured Parties:
 - (A) to vote its outstanding Secured Obligations as to any matter described as subject to an Act of Instructing Debtholders (or amends the provisions of this subparagraph (ii) or the definitions of "Act of Instructing Debtholders" or "Actionable Default"), or
 - (B) to share in the order of application described in Section 3.4 in the proceeds of enforcement of or realization on any Collateral that has not been released,

will become effective without the consent of the Secured Debt Representative for each Secured Party;

- (iii) no amendment or supplement that imposes any obligation upon the Collateral Agent or any Secured Debt Representative or adversely affects the rights of the Collateral Agent, any Secured Debt Representative, respectively, in its capacity as such will become effective without the consent of the Collateral Agent or such Secured Debt Representative, respectively.

The Collateral Agent and any Secured Debt Representative will not enter into any such amendment or supplement unless it has received an Officers' Certificate to the effect that such amendment or supplement will not result in a breach of any provision or covenant contained in any of the Secured Debt Documents. Prior to executing any amendment or supplement pursuant to this Section 9.1, the Collateral Agent and the Secured Debt Representatives will be entitled to receive an opinion of counsel to the Borrower to the effect that the execution of such document is authorized or permitted hereunder, and with respect to amendments adding Collateral, the Collateral Agent will be entitled to an opinion of counsel to the Borrower addressing customary perfection and, if such additional Collateral consists of equity interests of any Person, priority matters with respect to such additional Collateral.

9.2 **Voting.**

The amount of Secured Obligations to be voted will equal the aggregate principal amount of Secured Obligations (including outstanding letters of credit whether or not then available to be drawn).

9.3 **Provision of Information: Meetings.**

- (a) Subject to (i) any Person's obligations pursuant to confidentiality agreements with parties other than an Obligor and (ii) any confidentiality obligations owed by an Obligor to a Person which is not a Party, each Secured Party may (as it deems necessary or appropriate in its sole judgment but without any obligation to do so) freely discuss with each other, and freely disclose to each other, any information pertaining to the business and affairs of the Obligors, the Collateral, the Secured

Obligations and whether or not any Obligor is in compliance with or in default or in breach of any of the Secured Debt Documents and the Security Documents. The Obligors irrevocably consent to the discussions and disclosures between and among the Secured Parties as contemplated by this Agreement.

- (b) Any Secured Debt Representative may, at any time following the occurrence and during the continuation of an Actionable Default, request that a meeting of Secured Parties be convened, at times and locations specified in the notice, and upon such request having been given in accordance herewith, such meeting shall be convened as provided herein. A request for a meeting shall be made in a written notice given by any Secured Debt Representative to the other Secured Debt Representatives and the Collateral Agent in accordance herewith. Each such notice shall state the date of such meeting (which shall be not less than 10 nor more than 30 days after the date of such notice, unless otherwise agreed by each Secured Debt Representative and the Collateral Agent) and a general outline of the issues to be discussed at such meeting. Any Secured Party shall have the right to appoint any Person (including another Secured Party) to act as its representative at any such meeting of Secured Parties. No Secured Party shall be obligated to attend any such meetings, and no votes shall be taken at such meeting unless consented to by each Secured Debt Representative.
- (c) The Collateral Agent shall promptly and simultaneously distribute to each Secured Debt Representative any written notice it receives in its role as Collateral Agent, including any written notice received through the operation of the Secured Debt Documents or the Security Documents.
- (d) Except as otherwise provided herein, the Collateral Agent may, but shall not have any obligation nor duty to, participate in any meeting or consultation held pursuant to this Section 9.3.
- (e) The Collateral Agent shall have the right to disclose any information disclosed or released to it if in the opinion of the Collateral Agent, or its legal counsel, it is required to disclose under any applicable laws, court order or administrative directions. The Collateral Agent shall not be responsible or liable to any party for any loss or damage arising out of or in any way sustained or incurred or in any way relating to such disclosure.

9.4 **Further Assurances.**

- (a) The Borrower and each of the other Obligors will do or cause to be done all acts and things that may be required, or that the Collateral Agent from time to time may reasonably request, to assure and confirm that the Collateral Agent holds, for the Secured Parties, duly created and enforceable and perfected Liens upon the Collateral, including after-acquired Collateral and any property or assets that become Collateral pursuant to the definition thereof after the date hereof, subject only to such exceptions as may be contemplated by the Secured Debt Documents.

- (b) Subject to the obligations of the Borrower and each of the other Obligors pursuant to Section 9.4(a), upon the reasonable request of the Collateral Agent or any Secured Debt Representative at any time and from time to time, the Borrower and each of the other Obligors will promptly execute, acknowledge and deliver such security documents, instruments, certificates, notices and other documents, and take such other actions as may be reasonably required, or that the Collateral Agent may reasonably request, to create, perfect, protect, assure or enforce the Liens and benefits intended to be conferred, in each case as contemplated by the Secured Debt Documents.
- (c) Upon the request of the Collateral Agent, the Borrower and the other Obligors will permit the Collateral Agent or any of its agents or representatives, at reasonable times and intervals upon reasonable prior notice, to visit its offices and sites and inspect any of the Collateral and to discuss matters relating to the Collateral with their respective officers. The Borrower and the other Obligors shall, at any reasonable time and from time to time upon reasonable prior notice, permit the Collateral Agent or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the Borrower and the other Obligors and their Subsidiaries; provided that by virtue of this Section 9.4 the Borrower and the other Obligors shall not be deemed to have waived any right to confidential treatment of the information obtained, subject to the provisions of applicable law or court order.

9.5 **Successors and Assigns.**

- (a) Except as provided in Articles 5 and 6, the Collateral Agent may not, in its capacity as such, delegate any of its duties or assign any of its rights hereunder, and any attempted delegation or assignment of any such duties or rights will be null and void. All obligations of the Collateral Agent hereunder will inure to the sole and exclusive benefit of, and be enforceable by, each Secured Debt Representative and each present and future holder of Secured Obligations, each of whom will be entitled to enforce this Agreement as a third-party beneficiary hereof, and all of their respective successors and assigns.
- (b) Neither the Borrower nor any other Obligor may delegate any of its duties or assign any of its rights hereunder, and any attempted delegation or assignment of any such duties or rights will be null and void. All obligations of the Borrower and the other Obligors hereunder will enure to the sole and exclusive benefit of, and be enforceable by, the Collateral Agent, each Secured Debt Representative and each present and future holder of Secured Obligations, each of whom will be entitled to enforce this Agreement as a third-party beneficiary hereof, and all of their respective successors and assigns.

9.6 **Secured Parties in their Individual Capacities.**

Each Secured Party and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Obligors and any other parties to the Security Documents and the other Secured Debt Documents as though it were not a Secured Party

hereunder or a party to the other Secured Debt Documents. With respect to the extensions of credit made by it under a Secured Debt Document, each Secured Debt Representative shall have the same rights and powers under this Agreement and the other Secured Debt Documents as any other Secured Party making a comparable, extension of credit to the Obligors and may exercise the same as though it were not a Secured Debt Representative.

9.7 **Delay and Waiver.**

No failure to exercise, no course of dealing with respect to the exercise of, and no delay in exercising, any right, power or remedy arising under this Agreement or any of the other Security Documents will impair any such right, power or remedy or operate as a waiver thereof. No single or partial exercise of any such right, power or remedy will preclude any other or future exercise thereof or the exercise of any other right, power or remedy. The remedies herein are cumulative and are not exclusive of any remedies provided by law.

9.8 **Notices.**

Any communications, including notices and instructions, between the parties hereto or notices provided herein to be given may be given to the following addresses:

If to the Collateral Agent:

China Construction Bank Toronto Branch
3650-181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Ziqing Zou (Eddie)
Senior Vice President,
Corporate Banking
Fax: (647) 777-7739

If to the Borrower or any other Obligor:

Long Run Exploration Ltd.
Eau Claire Tower
600, 600 3rd Avenue S.W.
Calgary, Alberta
T2P 0G5

Attention: Chief Executive Officer
Fax: (403) 262-5561

If to the Administrative Agent:

China Construction Bank Toronto Branch
3650-181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Ziqing Zou (Eddie)
Senior Vice President,
Corporate Banking
Fax: (647) 777-7739

If to the Guarantor:

Calgary Sinoenergy Investment Corp.
Eau Claire Tower
600, 600 3rd Avenue S.W.
Calgary, Alberta
T2P 0G

Attention: Chief Executive Officer
Facsimile: (403) 262-5561

If to the CCBQ Lender:

China Construction Bank Corporation, Qingdao Branch.
No. 222 Shenzhen Road
Qingdao, China
266061

Attention: Cong Huang
Deputy Branch Manager (Sifang Sub Branch)
Facsimile: 86-0532-83950386

If to the CCBT Lender:

China Construction Bank Toronto Branch
3650-181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Ziqing Zou (Eddie)
Senior Vice President,
Corporate Banking
Fax: (647) 777-7739

If to the CCBQ SBLC Provider:

China Construction Bank Corporation, Qingdao Branch.
No. 222 Shenzhen Road
Qingdao, China
266061

Attention: Cong Huang
Deputy Branch Manager (Sifang Sub Branch)
Facsimile: 86-0532-83950386

If to the BOCQ SBLC Provider:

Bank of Cina (Qingdao Branch)
59 Hong Kong Middle Road
Shinan District, Qingdao, China

Attention: Qun Yu
Facsimile: 86 532 - 81859700

If to the Parent Creditor Agent:

CCB Qingdao Sifang Sub-Branch, as Agent
26 Chongqing Road South
Shibei District, Qingdao, China

Attention: Cong Huang
Deputy Branch Manager

Facsimile: 86-0532-83950386
E-mail: huangcong.qd@ccb.com

and if to any other Secured Debt Representative, to such address as it may specify by written notice to the parties named above.

Each notice hereunder will be in writing and may be personally served or sent by facsimile or courier service and will be deemed to have been given when delivered in Person or by courier service and signed for against receipt thereof, upon receipt of facsimile. Each Party may change its address for notice hereunder by giving written notice thereof to the other Parties as set forth in this Section 9.8.

9.9 **Entire Agreement.**

This Agreement states the complete agreement of the parties relating to the undertaking of the Collateral Agent set forth herein and supersedes all oral negotiations and prior writings in respect of such undertaking and no implied duties or obligations shall be read into the Agreement against the Collateral Agent.

9.10 **Compensation; Expenses.**

The Obligors jointly and severally agree to pay, promptly upon demand:

- (a) such compensation to the Collateral Agent and its agents, co-agents and sub-agents as the Borrower and the Collateral Agent may agree in writing from time to time;
- (b) all reasonable costs and expenses incurred in the preparation, execution, delivery, filing, recordation, administration or enforcement of this Agreement or any other Security Document or any consent, amendment, waiver or other modification relating thereto;
- (c) all reasonable fees, expenses and disbursements of legal counsel (on a solicitor and his own client full indemnity basis) and any auditors, accountants, consultants or appraisers or other professional advisors, experts and agents engaged by the Collateral Agent or any Secured Debt Representative incurred in connection with the negotiation, preparation, closing, administration, performance or enforcement of this Agreement and the other Security Documents or any consent, amendment, waiver or other modification relating thereto and any other document or matter requested by the Borrower;
- (d) all reasonable costs and expenses of creating, perfecting, releasing or enforcing the Collateral Agent's Liens in the Collateral, including filing and recording fees, expenses and taxes, stamp or documentary taxes, search fees, and title insurance premiums;
- (e) all other reasonable costs and expenses incurred by the Collateral Agent or any Secured Debt Representative in connection with the negotiation, preparation and execution of the Security Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby or the exercise of rights or performance of obligations by the Collateral Agent thereunder; and
- (f) after the occurrence of any Secured Debt Default, all costs and expenses incurred by the Collateral Agent or any Secured Debt Representative in connection with the preservation, collection, foreclosure or enforcement of the Collateral or any interest, right, power or remedy of the Collateral Agent or in connection with the collection or enforcement of any of the Secured Obligations or the proof, protection, administration or resolution of any claim based upon the Secured Obligations in any Insolvency Proceeding, including all fees and disbursements of legal counsel (on a solicitor and his own client full indemnity basis), accountants, auditors, consultants, appraisers and other professionals engaged by the Collateral Agent or the Secured Debt Representatives.

None of the provisions contained in this Agreement or any supplement shall require the Collateral Agent to expend or risk its own funds or otherwise incur financial liability in performing its duties or in the exercise of any of its rights or powers.

The agreements in this Section 9.10 will survive repayment of all other Secured Obligations, the termination of this Agreement and the removal or resignation of the Collateral Agent.

9.11 **Indemnity.**

- (a) In addition to and without limiting any other protection of the Collateral Agent hereunder or otherwise by law, the Obligors jointly and severally agree to defend, indemnify, pay and hold harmless the Collateral Agent, each Secured Debt Representative, each Secured Party and each of their respective Affiliates and each and all of the directors, officers, partners, trustees, employees, attorneys and agents, and (in each case) their respective heirs, representatives, successors and assigns (each of the foregoing, an "**Indemnitee**") from and against any and all Indemnified Liabilities whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Collateral Agent in connection with its acting as Collateral Agent hereunder; provided, no Indemnitee will be entitled to indemnification hereunder with respect to any Indemnified Liability to the extent such Indemnified Liability is found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or wilful misconduct of such Indemnitee.

- (b) For greater certainty and in addition to and without limiting Section 9.11(a), the Obligors jointly and severally agree to defend, indemnify, pay and hold harmless each Indemnitee against any liability or asserted liability (including strict liability and including costs and expenses of abatement and remediation of spills or releases of contaminants and including liabilities of the Indemnitees to third parties (including governmental agencies) in respect of bodily injuries, property damage, damage to or impairment of the environment or any other injury or damage and including liabilities of the Indemnitees to third parties for the third parties' foreseeable consequential damages), obligations, losses, damages, penalties, judgments, suits, costs, taxes, expenses or disbursements of any kind or nature whatsoever incurred as a result of:
 - (i) the administration of the Collateral or any Security Document;
 - (ii) the exercise of by the Collateral Agent of any rights hereunder or under the other Security Documents or any other related document;

which result from or relate, directly or indirectly, to:

- (A) the presence or release of any contaminants, by any means or for any reason, on any asset to which the Collateral Agent acquires title, whether or not release or presence of the contaminants was under the control, care or management of the Obligors or of a previous owner, or of a tenant;

- (B) any contaminant present on or released from any contiguous property to any asset to which the Collateral Agent acquires title; or
- (C) the breach or alleged breach of any environmental laws by any of the Obligors.

For purposes of this Section, "liability" shall include (i) liability of the Indemnitees for costs and expenses of abatement and remediation of spills and releases of contaminants, (ii) liability of the Indemnitees to a third party to reimburse the third party for bodily injuries, property damages and other injuries or damages which the third party suffers, including (to the extent, if any, that the Indemnitees are liable therefore) foreseeable consequential damages suffered by the third party, (iii) liability of the Indemnitees for damage suffered by the third party, (iv) liability of the Indemnitees for damage to or impairment of the environment and (v) liability of the Indemnitees for court costs, expenses of alternative dispute resolution proceedings, and fees and disbursements of expert consultants and legal counsel (on a solicitor and his own client full indemnity basis). Notwithstanding the foregoing, no Indemnitee will be entitled to indemnification under this Section 9.11(b) to the extent the liabilities, obligations, losses, damages, penalties, judgments, suits, costs, taxes or expenses in respect of which indemnification is sought are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or wilful misconduct of such Indemnitee.

- (c) All amounts due under this Section 9.11 will be payable upon demand.
- (d) To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in Section 9.11(a) or Section 9.11(b) may be unenforceable in whole or in part because they violate any law or public policy, each of the Obligors will contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities incurred by Indemnitees or any of them.
- (e) No Obligor will ever assert any claim against any Indemnitee, on any theory of liability, for any lost profits or special, indirect or consequential damages or (to the fullest extent a claim for punitive damages may lawfully be waived) any punitive damages arising out of, in connection with, or as a result of, this Agreement or any other Secured Debt Document or any agreement or instrument or transaction contemplated hereby or relating in any respect to any Indemnified Liability, and each of the Obligors hereby forever waives, releases and agrees not to sue upon any claim for any such lost profits or special, indirect, consequential or (to the fullest extent lawful) punitive damages, whether or not accrued and whether or not known or suspected to exist in its favour.
- (f) The agreements in this Section 9.11 will survive repayment of all other Secured Obligations, the termination of this Agreement and the removal or resignation of the Collateral Agent or the Secured Debt Representatives.

- (g) To the extent the Collateral Agent is not fully indemnified pursuant to Section 9.11(a) and Section 9.11(b), each Secured Party shall, severally but not jointly based on its percentage share of the aggregate Secured Obligations at the applicable time, indemnify the Collateral Agent from and against any Indemnified Liabilities against it whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Collateral Agent in connection with its acting as Collateral Agent hereunder; provided that each Secured Party shall not be required to indemnify the Collateral Agent to the extent that any such Indemnified Liability results from the gross negligence, bad faith or wilful misconduct of the Collateral Agent. Notwithstanding anything herein to the contrary, except as set forth in the preceding sentence, any indemnity contained in this Agreement shall apply regardless of the negligence (whether such negligence is sole, joint, concurrent, active or passive) other than gross negligence of the Collateral Agent, and regardless of any pre-existing condition or defect or any form of strict liability. If and to the extent that the foregoing undertaking may be unenforceable for any reason, subject to the same limitations as set forth above, each Secured Party hereby agrees to make the maximum contribution to the payment and satisfaction of each of the such Indemnified Liabilities which is permissible under applicable law.

9.12 **Severability.**

If any provision of this Agreement is invalid, illegal or unenforceable in any respect or in any jurisdiction, the validity, legality and enforceability of such provision in all other respects and of all remaining provisions, and of such provision in all other jurisdictions, will not in any way be affected or impaired thereby.

9.13 **Headings.**

Section headings herein have been inserted for convenience of reference only, are not to be considered a part of this Agreement and will in no way modify or restrict any of the terms or provisions hereof.

9.14 **Obligations Secured.**

All obligations of the Obligors set forth in or arising under this Agreement will be Secured Obligations and are secured by all Liens granted by the Security Documents.

9.15 **Governing Law.**

This Agreement shall be governed by the laws of the Province of Alberta without regard to choice of law rules.

9.16 **Consent to Jurisdiction.**

All judicial proceedings brought against any Party arising out of or relating to this Agreement or any of the other Security Documents may be brought in any court of competent jurisdiction in the Province of Alberta (or if such proceeding relates to a specific Security Document, such other

jurisdiction as may be specifically set forth therein). By executing and delivering this Agreement, each Party, for itself and in connection with its properties, irrevocably:

- (a) accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts;
- (b) waives any defense of *forum non conveniens*;
- (c) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to such party at its address provided in accordance with Section 9.8;
- (d) agrees that service as provided in clause (c) above is sufficient to confer personal jurisdiction over such party in any such proceeding in any such court and otherwise constitutes effective and binding service in every respect; and
- (e) agrees each party hereto retains the right to serve process in any other manner permitted by law or to bring proceedings against any party in the courts of any other jurisdiction.

9.17 **Waiver of Jury Trial.**

Each Party waives its rights to a jury trial of any claim or cause of action based upon or arising under this Agreement or any of the other Security Documents or any dealings between them relating to the subject matter of this Agreement or the intents and purposes of the other Security Documents. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this Agreement and the other Security Documents, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each Party acknowledges that this waiver is a material inducement to enter into a business relationship, that each Party has already relied on this waiver in entering into this Agreement, and that each Party will continue to rely on this waiver in its related future dealings. Each Party further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 9.17 and executed by each of the Parties), and this waiver will apply to any subsequent amendments, renewals, supplements or modifications of or to this Agreement or any of the other Security Documents or to any other documents or agreements relating thereto. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

9.18 **Counterparts.**

This Agreement may be executed in any number of counterparts (including by facsimile or electronic transmission), each of which when so executed and delivered will be deemed an original, but all such counterparts together will constitute but one and the same instrument.

9.19 **Effectiveness.**

This Agreement will become effective upon the execution of a counterpart hereof by each of the Parties and receipt by each Party of written notification of such execution and written or telephonic authorization of delivery thereof.

9.20 **Additional Obligors.**

The Borrower will cause each of its Subsidiaries that becomes an Obligor or is required by any Secured Debt Document to become a party to this Agreement to become a party to this Agreement, for all purposes of this Agreement, by causing such Subsidiary to execute and deliver to the Parties a Collateral Agreement Joinder, whereupon such Subsidiary will be bound by the terms hereof to the same extent as if it had executed and delivered this Agreement as of the date of this Agreement. The Borrower agrees to provide each Secured Debt Representative with a copy of each Collateral Agreement Joinder executed and delivered pursuant to this Section.

9.21 **Continuing Nature of this Agreement.**

This Agreement, including the subordination provisions hereof, will be reinstated if at any time any payment or distribution in respect of any of the Obligations is rescinded or must otherwise be returned in an Insolvency Proceeding or otherwise by any of the Secured Parties or any representative of any such Party (whether by demand, settlement, litigation or otherwise).

9.22 **Insolvency.**

This Agreement will be applicable both before and after the commencement of any Insolvency Proceeding by or against any Obligor. The relative rights, as provided for in this Agreement, will continue after the commencement of any such Insolvency Proceeding on the same basis as prior to the date of the commencement of any such case, as provided in this Agreement.

9.23 **Force Majeure.**

The Collateral Agent shall not be liable to any other party to this Agreement, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action, judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures), and time for performance by the Collateral Agent of its obligations under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 9.23; it being understood that the Collateral Agent shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

9.24 **Anti-Money Laundering.**

The Collateral Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Collateral Agent, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable

anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Collateral Agent, acting reasonably, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline, then it shall have the right to resign on ten (10) Business Days' written notice to the other parties to this Agreement, provided that (a) the Collateral Agent's written notice shall describe the circumstances of such non-compliance; and (b) if such circumstances are rectified to the Collateral Agent's satisfaction (acting reasonably) within such ten (10) Business Day period, then such resignation shall not be effective.

ARTICLE 10 ADDITIONAL INTERCREDITOR MATTERS

10.1 Legal Nature of China Construction Bank Branches.

The parties acknowledge that CCBQ, CCB Qingdao Sifang Sub-Branch ("**CCBQS**") and CCBT are different branches of the same bank, and that all rights and obligations hereunder of each of them will be enjoyed and performed by those branches as though they were separate legal entities. To the extent that CCBQ, CCBQS and CCBT have any rights or obligations hereunder or otherwise in respect of the subject matter of this Agreement purporting to be between them, each of CCBQ, CCBQS and CCBT will take all internal steps necessary to ensure that they are acted upon as though they were legally enforceable against one another. Any disputes between CCBQ, CCBQS and CCBT in connection with the subject matter of this Agreement shall be resolved by the most senior officer of each branch reaching agreement as to the resolution. For certainty, references to CCBQ, CCBQS and CCBT in this Section 10.1 shall be deemed to include all of their respective capacities hereunder, as applicable.

10.2 Sharing of CCBQ SBLC.

- (a) The Collateral Agent is hereby appointed as the paying agent and trustee for and on behalf of the CCBQ Lenders and the CCBT Lender (in this Section 10.2, collectively, the "**CCBQ SBLC Beneficiaries**") for the purposes of holding as bare trustee all Secured Obligations owing to them. The Collateral Agent will, as agent and trustee, for the benefit solely and exclusively of the CCBQ Beneficiaries:
 - (i) Hold the CCBQ SBLC;
 - (ii) Issue demand upon the CCB SBLC if so directed by the CCBT Lender; and
 - (iii) remit as provided in Section 10.2(b) all cash proceeds received by the Collateral Agent from the demand;

- (b) The Collateral Agent will apply all proceeds of the CCBQ SBLC or realization thereof pursuant to wiring instructions as specified by the CCBQ SBLC Beneficiaries first to the CCBT Lender until all Secured Obligations then due and owing to it are discharged in full and thereafter, to the CCBQ Lenders.
- (c) Notwithstanding anything else contained herein, the Parties acknowledge and agree that the CCBQ SBLC is being held by the Collateral Agent for the sole benefit of the CCBQ SBLC Beneficiaries and that no Act of Instructing Debtholders shall be required the Collateral Agent to enforce its rights, powers, remedies and duties under this Section 10.2 and that any proceeds received by the Collateral Agent in respect of the CCBQ SBLC as contemplated herein shall be applied in accordance with Section 10.2(b) (and without regard to Section 3.4).
- (d) Each CCBQ SBLC Beneficiary constitutes and appoints the Collateral Agent and any officer or agent of the Collateral Agent, with full power of substitution, as such CCBQ SBLC Beneficiary's true and lawful attorney-in-fact with full power and authority in the place of such CCBQ SBLC Beneficiary and in the name of such CCBQ SBLC Beneficiary or in its own name, from time to time in the Collateral Agent's discretion, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney, may be necessary or desirable to accomplish the purposes of this Section 10.2.

10.3 **CCBQ Credit Agreement Cash Collateral for Letters of Credit.**

Notwithstanding anything else contained herein, the Parties acknowledge that the CCBT Lender will, in first priority and without any Act of Instructing Debtholders required, enforce and set off against all cash collateral held by it on account of any "Reimbursement Amount" (as defined in the CCBT Credit Agreement) and thereafter to reduce the obligations owing to it under the "Non-Revolver Term Facility" (as defined in the CCBT Credit Agreement).

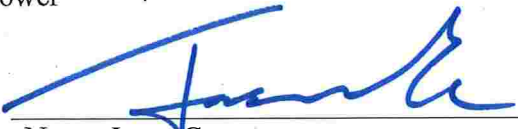
10.4 **BOCQ SBLC Provider.**

Notwithstanding that BOCQ SBLC Provider is listed as a Party hereto, the parties confirm, acknowledge and agree that unless and until BOCQ SBLC Provider executes its counterpart signature page hereto that it has no obligations, rights or remedies hereunder (except indirectly as a Parent Creditor). This Agreement will be enforceable by the other Parties as set out herein whether or not BOCQ SBLC Provider executes its signature page hereto.

[The remainder of this page has intentionally been left blank]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective officers or representatives as of the day and year first above written.

LONG RUN EXPLORATION LTD., as
Borrower

By: 
Name: Jason Ge
Title: Chief Executive Officer

By: _____
Name:
Title:

**CALGARY SINOENERGY INVESTMENT
CORP., as Guarantor**

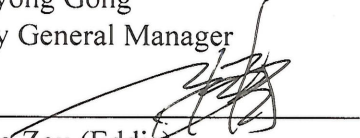
By: 胡雅洁
Name: Yajie (Lily) Hu
Title: Director

By: _____
Name:
Title:

CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Administrative
Agent

By: 

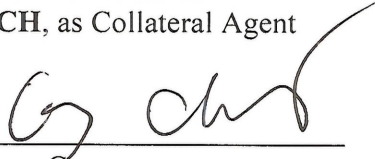
Name: Chaoyong Gong
Title: Deputy General Manager

By: 

Name: Ziqing Zou (Eddie)
Title: Senior Vice President - Corporate Banking

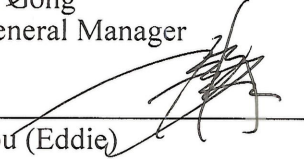
CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Collateral Agent

By: _____



Name: Chaoyong Gong
Title: Deputy General Manager

By: _____



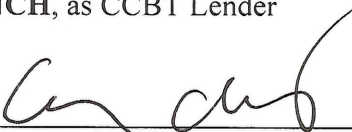
Name: Ziqing Zou (Eddie)
Title: Senior Vice President - Corporate Banking

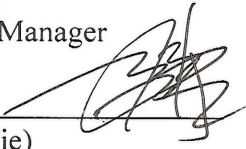
**CHINA CONSTRUCTION BANK
CORPORATION, QINGDAO BRANCH, as
CCBQ Lender**

By: 刘以平
Name: Congzheng Liu
Title: Deputy Chief Manager

By: _____
Name:
Title:

CHINA CONSTRUCTION BANK
TORONTO BRANCH, as CCBT Lender

By: 
Name: Chaoyong Gong
Title: Deputy General Manager

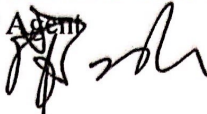
By: 
Name: Ziqing Zou (Eddie)
Title: Senior Vice President - Corporate Banking

**CHINA CONSTRUCTION BANK
CORPORATION, QINGDAO BRANCH,
as CCBQ SBLC Provider**

By: 刘以江
Name: Congzheng Liu
Title: Deputy Chief Manager

By: _____
Name:
Title:

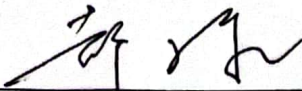
CCB QINGDAO SIFANG SUB-BRANCH,
as Parent Creditor Agent



By: _____
Name: Zhengxin Shan
Title: Branch Manager

By: _____
Name:
Title:

BANK OF CHINA (QINGDAO BRANCH),
as BOCQ SBLC Provider

By:  _____

Name: Ziyi Hao

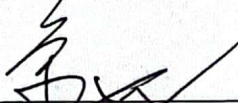
Title: Deputy General Manager of the Corporate Banking Department,
Qingdao Branch, Bank of China Limited

By: _____

Name:

Title:

BANK OF CHINA (QINGDAO LAOSHAN SUB-BRANCH),
as BOCQ SBLC Provider

By:  _____

Name: Jinchao Zhang

Title: Deputy Branch Manager of Qingdao Laoshan Sub-branch,
Bank of China Limited

By: _____

Name:

Title:

EXHIBIT A

COLLATERAL AGREEMENT JOINDER

The undersigned, [●], a [●], hereby agrees to become party, as [an Obligor], to the Collateral Agent and Intercreditor Agreement made as of October 27, 2020 among, Long Run Exploration Ltd., as Borrower, Calgary Sinoenergy Investment Corp., as Guarantor, China Construction Bank Toronto Branch, as CCBT Lender, China Construction Bank Corporation, Qingdao Branch, as CCBQ SBLC Provider, Bank of China (Qingdao Branch), as BOCQ SBLC Provider, China Construction Bank Toronto Branch, as Administrative Agent, China Construction Bank Toronto Branch, as Collateral Agent, and China Construction Bank Corporation, Qingdao Branch, as Parent Creditor Agent, as amended, supplemented, amended and restated or otherwise modified and in effect from time to time (the "**Collateral Agent and Intercreditor Agreement**") for all purposes thereof on the terms set forth therein and to be bound by the terms of the Collateral Agent and Intercreditor Agreement as fully as if the undersigned had executed and delivered the Collateral Agent and Intercreditor Agreement as of the date thereof in the capacity set forth above.

Capitalized terms used herein without express definition shall, unless the context otherwise requires, have the same meanings as set forth in the Collateral Agent and Intercreditor Agreement.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Collateral Agreement Joinder as of [●], 20[●].

[●]

By: _____

Name:

Title:

EXHIBIT B

Obligor	Jurisdiction in which Obligor carries on business or has any real or tangible personal property	Chief Executive Office (within the meaning of the PPSA) of Obligor
Long Run Exploration Ltd.	Alberta British Columbia Saskatchewan	600, 600 3RD AVENUE SW, CALGARY AB T2P 0G5
Calgary Sinoenergy Investment Corp.	Alberta	600, 600 3RD AVENUE SW, CALGARY AB T2P 0G5

This is **Exhibit "D"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO #85481T



AMENDED AND RESTATED CREDIT AGREEMENT

BETWEEN

LONG RUN EXPLORATION LTD.

as Borrower

AND

CALGARY SINOENERGY INVESTMENT CORP.

as Guarantor

AND

**CHINA CONSTRUCTION BANK TORONTO BRANCH
as Lender**

AND

**CHINA CONSTRUCTION BANK TORONTO BRANCH
as Collateral Agent**

MADE AS OF

October 27, 2020

TABLE OF CONTENTS

ARTICLE 1 - INTERPRETATION	2
1.01 Definitions	2
1.02 Extended Meanings	29
1.03 Accounting Principles	29
1.04 Interest Calculations and Payments.....	29
1.05 Interest Act (Canada).....	29
1.06 Permitted Encumbrances	30
1.07 Currency	30
1.08 Conflicts	31
1.09 Amendment and Restatement.....	31
1.10 Schedules	32
ARTICLE 2 - THE CREDIT FACILITIES	32
2.01 Borrower Facilities	32
2.02 Terms of the Revolving Term Facility	32
2.03 Terms of the Non-Revolving Term Facility	33
2.04 Purpose of Credit Facilities	33
2.05 Manner of Borrowing	33
2.06 Revolving Nature of Revolving Term Facility.....	33
2.07 Drawdowns	33
2.08 Irrevocability	34
2.09 Cancellation or Reduction of Revolving Term Facility	34
2.10 Account of Record.....	34
ARTICLE 3 - CONDITIONS	36
3.01 Conditions Precedent to Effectiveness of this Agreement	36
3.02 Conditions Precedent to all Advances	38
3.03 Waiver	39
ARTICLE 4 - PAYMENTS OF INTEREST AND STANDBY FEES	39
4.01 Interest on CDOR Loans	39
4.02 Before and After Judgment Interest	39
4.03 Interest on Payments in Arrears	40
4.04 Standby Fees.....	40
4.05 Maximum Rate of Interest.....	40
ARTICLE 5 - LETTERS OF CREDIT	40
5.01 Letters of Credit.....	40
ARTICLE 6 - REPAYMENT	43
6.01 Mandatory Repayment - Revolving Term Facility	43
6.02 Mandatory Repayment - Non-Revolving Term Facility	43

6.03	Mandatory Repayment Based on Adjusted Excess Cash Flow – Non-Revolver Term Facility	43
6.04	Other Mandatory Repayments – Non-Revolver Term Facility	44
6.05	Voluntary Prepayments and Reductions – Non-Revolver Term Facility	45
6.06	Repayment Compensation	45
ARTICLE 7 - PLACE AND APPLICATION OF PAYMENTS		45
7.01	Place of Payment of Principal, Interest and Fees	45
7.02	Netting of Payments	46
ARTICLE 8 - REPRESENTATIONS AND WARRANTIES		46
8.01	Representations and Warranties	46
8.02	Survival and Repetition of Representations and Warranties	53
ARTICLE 9 - COVENANTS		53
9.01	Positive Covenants	53
9.02	Financial Covenants	58
9.03	Reporting Requirements	58
9.04	Negative Covenants	61
ARTICLE 10 - SECURITY		64
10.01	Security	64
10.02	After Acquired Property and Further Assurances	65
10.03	Form of Security	65
10.04	Sharing of Security	66
ARTICLE 11 - DEFAULT		66
11.01	Events of Default	66
11.02	Acceleration and Enforcement	68
11.03	[Reserved]	69
11.04	Remedies Cumulative	69
11.05	Perform Obligations	69
11.06	Third Parties	69
11.07	Application of Payments	70
11.08	Right of Set-off	70
ARTICLE 12 – CHANGE IN CIRCUMSTANCES AND INDEMNITIES		70
12.01	Increased Costs	70
12.02	Taxes	71
12.03	Illegality	72
12.04	[Reserved]	73
12.05	Indemnity by the Borrower	73

ARTICLE 13 - GUARANTEE	74
13.01 Guarantees and Indemnity	74
13.02 Obligations Absolute	74
13.03 No Release	75
13.04 No Exhaustion of Remedies	75
13.05 Prima Facie Evidence	75
13.06 No Set-Off	75
13.07 Continuing Guarantee.....	76
13.08 Waivers by Guarantors	76
13.09 Demand.....	76
13.10 Interest	76
13.11 Subrogation; Contribution	76
13.12 Stay of Acceleration	76
ARTICLE 14 - GENERAL	77
14.01 Costs and Expenses	77
14.02 Governing Law, Jurisdiction, Etc.	77
14.03 Judgment Currency	78
14.04 Confidentiality	79
14.05 Benefit and Burden of Agreement.....	80
14.06 No Assignment by the Borrower	80
14.07 Assignment or Participation by Lender	80
14.08 Notices	81
14.09 Effect of Assignment	81
14.10 Survival.....	81
14.11 Severability	81
14.12 Further Assurances	81
14.13 Amendments and Waivers.....	82
14.14 Time of the Essence.....	82
14.15 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.	82
14.16 Anti-Money Laundering Legislation.....	83

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT is made as of October 27, 2020

BETWEEN

Long Run Exploration Ltd., a corporation incorporated under the laws of the Province of Alberta, Canada (the "**Borrower**"),

- and -

Calgary Sinoenergy Investment Corp., a corporation incorporated under the laws of the Province of Alberta, Canada, as a Guarantor (together with its successors and permitted assigns, "**Calgary Sinoenergy**"),

- and -

China Construction Bank Toronto Branch, as lender (the "**Lender**")

- and -

China Construction Bank Toronto Branch, as collateral agent under the Collateral Agent and Intercreditor Agreement (in such capacity, together with any successor Collateral Agent appointed under the Collateral Agent and Intercreditor Agreement, collectively, the "**Collateral Agent**").

WHEREAS the Borrower, Calgary Sinoenergy and the Lender are parties to the Credit Agreement made as of January 31, 2017, as amended by a waiver and first amending agreement made effective as of November 15, 2018 and a waiver and second amending agreement made effective as of November 30, 2018 (as so amended and as further amended, supplemented or otherwise modified to the date hereof, the "**Existing Credit Agreement**") and wish to enter into this Agreement together with the other parties hereto, to amend and restate the Existing Credit Agreement, with respect to Cdn.\$114,434,905.72 of the principal amount outstanding thereunder, as of the date of this Agreement. At the Borrower's request the Lender has agreed to waive the interest accrual in respect of the overdue principal payment due on July 31, 2020 under the Existing Credit Agreement.

AND WHEREAS the remaining Cdn.\$242,950,808.57 of the principal amount outstanding under the Existing Credit Agreement is being re-financed by the CCB Qingdao Credit Agreement.

AND WHEREAS pursuant to the Collateral Agent and Intercreditor Agreement, the Collateral Agent shall hold the CCB SBLC for the benefit of the Lender, in respect of this Agreement, and the CCB Qingdao Lenders, in respect of the CCB Qingdao Credit Agreement, in all cases to secure the indebtedness due to the Collateral Agent, in its capacity as agent with respect

to the Obligations and the "Obligations" (as defined under the CCB Qingdao Credit Agreement); which in aggregate, shall continue to constitute the loan advanced by China Construction Bank Toronto Branch pursuant to the Existing Credit Agreement (being, for certainty, the loan agreement contemplated in the CCB SBLC).

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"Additional Contributions" means the aggregate amount of net cash proceeds received by the Borrower from any new equity issuance, including Convertible Debentures, or Deeply Subordinated Loans, from time to time, minus any amounts elected by the Borrower on a quarterly basis to be included in Adjusted Consolidated EBITDA. To be considered as Additional Contributions, such net cash proceeds must have been deposited in the Disbursement Account established by the Borrower with the Lender pursuant to Section 9.01 (21)(b). The Borrower will report any new contributions, outstanding balance and any amounts elected for inclusion in Adjusted Consolidated EBITDA with each quarterly and annual Compliance Certificate provided under Sections 9.03(3) and 9.03(4).

"Adjusted Consolidated EBITDA" means, for any period of determination, with respect to the Borrower, on a consolidated basis, an amount determined in Canadian Dollars equal to Consolidated EBITDA plus any Additional Contributions elected by the Borrower, on a quarterly basis, to be added to Adjusted Consolidated EBITDA.

"Adjusted Excess Cash Flow" means, for any period of determination, with respect to the Borrower on a consolidated basis, an amount determined in Canadian Dollars equal to Consolidated EBITDA, less:

- (i) the aggregate of:
 - (A) Total Interest Expense (calculated on the basis of amounts that are actually paid) for such period;
 - (B) permanent debt repayments of the Borrower actually paid during such period;
 - (C) the amount of all Capital Expenditures of the Borrower not financed by debt actually paid or incurred (without duplication) by the Borrower during such period; and
 - (D) all amounts actually paid by the Borrower in such period in respect of Capital Leases; and

(ii) Taxes actually paid by the Borrower in such period.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, (i) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, (ii) any officer or director of such Person, or (iii) an entity in respect of which such Person, or any officer or director thereof, holds, directly or indirectly, more than 10% of the equity interests having ordinary voting power for the election of directors or other governing body of such entity.

"Agreement" means this credit agreement, including its recitals and schedules.

"AML Legislation" has the meaning ascribed thereto in Section 14.16.

"Anti-Corruption Laws" means all laws concerning or relating to bribery or public corruption, including CFPOA, the *UK Bribery Act* and the FCPA and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, the other Restricted Parties or any Subsidiaries thereof or the Secured Parties or any Affiliates thereof.

"Anti-Money Laundering/ Anti-Terrorist Financing Laws" means all laws concerning or relating to money laundering or terrorist financing, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)*, the *Bank Secrecy Act*, 31 U.S.C. sections 5301 et seq., the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Pub. L. 107-56 (a/k/a the USA Patriot Act), *Laundering of Monetary Instruments*, 18 U.S.C. section 1956, *Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity*, 18 U.S.C. section 1957, the *Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations*, 31 C.F.R. Chapter X (Parts 1000 et. seq.) and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, any other Restricted Party or any of their respective Subsidiaries or the Secured Parties or any Affiliates thereof.

"Applicable Law" means:

- (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise);
- (ii) any judgement, order, writ, injunction, decision, ruling, decree or award;
- (iii) any regulatory policy, practice, guideline or directive; or
- (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"**Applicable LMR Jurisdiction**" means with respect to the Borrower or any other Restricted Party, as the context requires, any jurisdiction in Canada in which, the Borrower or such other Restricted Party, as applicable, directly owns P&NG Leases, P&NG Rights or other facilities or assets (relevant to the determination of the LMR in such jurisdiction).

"**Applicable Margin**" means the percentage rate *per annum* determined in accordance with the applicable table below.

Revolving Term Facility

<i>CDOR Margin</i>	<i>Standby Fee Rate</i>
<i>245 bps (2.45%)</i>	61.25 bps (.6125%)

Non-Revolving Term Facility

<i>CDOR Margin</i>	<i>Standby Fee Rate</i>
<i>245 bps (2.45%)</i>	<u>N/A</u>

"**Assignment**" has the meaning set out in Section 14.07(1).

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"**Bail-In Legislation**" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings).

"**BOC SBLC Indemnity**" means, the indemnity and reimbursement agreement made effective as of the date hereof from the Restricted Parties in favour of the BOC SBLC Provider whereby, *inter alia*, the Restricted Parties agree to indemnify and reimburse the BOC SBLC Provider for amounts drawn under the BOC SBLC, as amended, supplemented or otherwise modified from time to time.

"**BOC SBLC Provider**" means Bank of China (Qingdao Branch), as issuer of the BOC SBLC.

"**BOC SBLC**" means the standby letter of credit dated January 25, 2017 issued by the BOC SBLC Provider to the beneficiary described therein in an original aggregate total amount of Cdn.\$152,000,000, as amended to the date hereof, and as further amended, supplemented or otherwise modified from time to time (with the consent of the beneficiary thereof in its sole discretion).

"**Borrower's Counsel**" means Borden Ladner Gervais LLP or such other firm of legal counsel as the Borrower may from time to time designate and that is acceptable to the Lender.

"**Business Day**" means a day of the year, other than a Saturday, Sunday or statutory holiday, on which the Lender is open for business at its executive offices in Toronto, Ontario.

"**Calgary Sinoenergy**" has the meaning set out in the preamble hereto.

"**Canadian Dollars**" and "**Cdn. \$**" mean the lawful money of Canada.

"**Capital Expenditures**" means any expenditure made by any Person for the purchase or acquisition, repair or replacement of capital assets, including without limitation, Petroleum Substances, net of proceeds of disposition of capital assets (other than proceeds received on a sale-leaseback transaction), and any expenditure related to a Capital Lease or an operating lease in respect of which such Person has furnished a residual value guarantee to the lessor, but excluding the amount expended on repair or replacement of Property to the extent of insurance proceeds or third party funding received by such Person on account of damage or destruction, all as determined in accordance with GAAP.

"**Capital Lease**" means a capital lease or a lease that should be treated as a capital lease under GAAP; provided that any present or future lease that would have been treated as an operating lease under GAAP as in effect on December 31, 2018 shall not constitute a Capital Lease for all purposes of this Agreement.

"**CCB SBLC Indemnity**" means, the indemnity and reimbursement agreement made effective as of the date hereof from the Restricted Parties in favour of the CCB SBLC Provider whereby, *inter alia*, the Restricted Parties agree to indemnify and reimburse the CCB SBLC Provider for amounts drawn under the CCB SBLC, as amended, supplemented or otherwise modified from time to time.

"**CCB SBLC Provider**" means China Construction Bank Corporation, Qingdao Branch, as issuer of the CCB SBLC.

"**CCB SBLC**" means the standby letter of credit dated January 26, 2017 issued by the CCB SBLC Provider to the beneficiary described therein in an original aggregate total amount of Cdn.\$454,000,000.00 and held by the Collateral Agent pursuant to the Collateral Agent and Intercreditor Agreement, for the benefit of the Lender, in respect of this Agreement, and the CCB Qingdao Lenders, in respect of the CCB Qingdao Credit Agreement, in all cases to secure the indebtedness due to the Collateral Agent, in its capacity as agent with respect to the Obligations and the "Obligations" (as defined under the CCB Qingdao Credit Agreement); which in aggregate, shall continue to constitute the loan advanced by China Construction Bank Toronto Branch pursuant to the Existing Credit Agreement (being, for certainty, the loan agreement contemplated in the CCB SBLC), as amended to the date hereof, and as further amended, supplemented or

otherwise modified from time to time (with the consent of the beneficiary thereof in its sole discretion).

"CCB Qingdao Administrative Agent" means China Construction Bank Toronto Branch in its capacity as administrative agent for the CCB Qingdao Lenders under the CCB Qingdao Credit Agreement, together with any successor CCB Qingdao Administrative Agent appointed thereunder.

"CCB Qingdao Lenders" means, collectively, China Construction Bank Corporation, Qingdao Branch and the other lenders from time to time party to the CCB Qingdao Credit Agreement.

"CCB Qingdao Credit Agreement" means the credit agreement made as of the date hereof between the Borrower, Calgary Sinoenergy, the CCB Qingdao Lenders, the CCB Qingdao Administrative Agent and the Collateral Agent.

"CDOR" means, with respect to any Interest Period, the stated average of the annual rates that appears on the Reuters Screen CDOR page with respect to banks named in Schedule I to the Bank Act (Canada) as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, as of 10:00 a.m. on the next preceding Business Day) for bankers' acceptances issued on that day for a term equal or comparable to the term of such bankers' acceptances, provided that: (a) if such rate does not appear on the Reuters Screen CDOR page at such time on such day, CDOR for such day will be the discount rate (calculated on an annual basis and rounded upward, if necessary, to the nearest whole multiple of 1/100 of 1%, with 5/1,000 of 1% being rounded up) as of 10:00 a.m. on such day at which such other financial institutions as selected by the Lender, from time to time, are then offering to purchase bankers' acceptances accepted by it having an aggregate face amount equal to the aggregate face amount of, and with a term equal or comparable to the term of, such bankers' acceptances and (b) if the rate determined as aforesaid shall ever be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"CDOR Discontinuation Date" has the meaning set out in Section 2.11.

"CDOR Loan" means a Loan made in Canadian Dollars by the Lender pursuant to which CDOR is the applicable rate of interest.

"CDOR Margin" means, for any period, the applicable percentage rate *per annum* set out below the heading "CDOR Margin" in the definition of "Applicable Margin".

"CFPOA" means the *Corruption of Foreign Public Officials Act* (Canada).

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following:

- (i) the adoption or taking effect of any Applicable Law,
- (ii) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority; or
- (iii) the making or issuance of any Applicable Law by any Governmental Authority.

"**Closing Date**" means the date hereof.

"**Collateral Agent**" has the meaning set out in the preamble hereto.

"**Collateral Agent and Intercreditor Agreement**" has the meaning set out in Section 10.01(j).

"**Commitment**" means each amount specified in Schedule A, in each case being the sum of the maximum aggregate amount of Loans that the Lender is obliged to make, as each such amount may be reduced from time to time by the amount of any permanent repayments, reductions or prepayments required or made hereunder, or may be cancelled or terminated pursuant to this Agreement.

"**Compliance Certificate**" means a certificate required pursuant to Section 9.03(3) or 9.03(4), as the case may be, substantially in the form attached as Schedule 1.01(A), signed by any one of the Chief Executive Officer or the Vice President of the Borrower.

"**Consolidated EBITDA**" means, without duplication, in respect of any period of determination and as determined on a consolidated basis in respect the Borrower, Consolidated Net Income for such period, plus to the extent deducted in the calculation of such Consolidated Net Income:

- (a) Consolidated Interest Expense;
- (b) provision for income taxes;
- (c) all non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market the outstanding hedging and financial instrument obligations of the Borrower and its Subsidiaries, non-cash compensation expenses, provisions for impairment of oil and gas assets and any other non-cash expenses for such period;
- (d) any extraordinary and non-recurring losses; and
- (e) the net amount of losses deducted in determining Consolidated Net Income resulting from the disposition of assets (excluding inventory); and

less to the extent included in the calculation of such Consolidated Net Income:

- (f) any extraordinary and non-recurring income and gains;
- (g) non-cash gains resulting from marking-to-market the outstanding hedging and financial instrument obligations of the Borrower and its Subsidiaries for such period; and
- (h) all other non-cash gains added in determining Consolidated Net Income.

Consolidated EBITDA will be adjusted for acquisitions and dispositions and to include or exclude, as applicable, Consolidated EBITDA associated with any such acquisition or disposition made within the applicable period, as if that acquisition or disposition had been made at the beginning of such period (in a manner that is consistent with the foregoing and supported by such back-up

information as the Lender may reasonably request and is otherwise satisfactory to the Lender, acting reasonably).

"Consolidated Interest Expense" means without duplication, for any period of determination and as determined in accordance with GAAP on a consolidated basis in respect of the Borrower, capitalized interest for such period plus interest expense for such period, including interest charges, the interest component of Capital Leases, discounts and stamping fees payable in respect of bankers' acceptances and letters of credit, discounts in respect of any securitization programs and commitment or standby fees, and adjusted for the net amount paid or payable (or less the net amount received or receivable) under any hedging contracts in respect of such period, but shall not include (a) any interest expense relating to the Deeply Subordinated Loans or Convertible Debentures or any other obligation of the Borrower to another Restricted Party under which such obligations are postponed in favour of the Secured Parties or (b) with the prior written consent of the Lender, any interest expense component(s) of any obligations under or in respect of the Capital Leases disclosed to the Lender by the Borrower in writing from time to time.

"Consolidated Net Income" means, with respect to any Person for any period, the net revenue of such Person for such period on a consolidated basis, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, determined in accordance with GAAP, but excluding extraordinary items as determined in accordance with GAAP, earnings resulting from any reappraisal, revaluation or other write-up of assets and gains arising from the repurchase of any equity security of such Person or any Subsidiary.

"Consolidated Senior Debt" means Consolidated Total Debt *minus*, to the extent included therein, any Deeply Subordinated Loans.

"Consolidated Senior Debt to Adjusted Consolidated EBITDA Ratio" means, measured as at the end of each Fiscal Quarter, the ratio of Consolidated Senior Debt to Adjusted Consolidated EBITDA for the 12 months ending on the last day of such Fiscal Quarter.

"Consolidated Total Debt" means all indebtedness which would, in accordance with GAAP, be classified upon a consolidated balance sheet of the Borrower as Debt of the Borrower and its Subsidiaries and, whether or not so classified, shall include (without duplication and on a consolidated basis):

- (a) indebtedness for borrowed money (which for certainty excludes accounts payable incurred in the ordinary course of business);
- (b) obligations arising pursuant to bankers' acceptance facilities and commercial paper programs, and under letters of credit, letters of guarantee or any other similar instruments (supporting obligations which would otherwise constitute Debt within the meaning of this definition) or indemnities issued in connection therewith;
- (c) obligations under guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the Debt of any other Person or the obligations of any other Person which would otherwise constitute Consolidated Total Debt within the meaning of this definition, and all other obligations incurred for the purpose of, or having the effect of, providing Financial Assistance to another Person in respect of the Debt or such other obligations, including

endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);

(d) all obligations of any other Person which are secured by an Encumbrance on any of the assets of any of the Borrower and its Subsidiaries; and

(e) all indebtedness representing the deferred purchase price of any property or services for a period in excess of 90 days, and all obligations created or arising under any conditional sales agreement or other title retention agreement (but excluding operating leases) or any Capital Lease.

"Contingent Obligation" means, with respect to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Obligation does not include endorsements of instruments for deposit or collection in the ordinary course of business.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **"Controlling"** and **"Controlled"** have corresponding meanings.

"Controlled Accounts" means, collectively, all bank accounts of the Restricted Parties (other than Calgary Sinoenergy), for certainty, whether or not such accounts shall be subject to an account control agreement.

"Convertible Debentures" means (i) as of the date hereof, the convertible subordinated debentures described in Schedule B hereof under the heading "Convertible Debentures" and (ii) thereafter, any unsecured convertible subordinated debentures or notes issued (or assumed) by the Borrower which have all of the following characteristics:

- (a) a final maturity or due date in respect of repayment of principal extending beyond the Non-Revolving Term Facility Maturity Date in effect at the time such debentures or notes are created, incurred, assumed or guaranteed;
- (b) no scheduled or mandatory payment or repurchase of principal thereunder (other than acceleration following an event of default in regard thereto or payments which can be satisfied by the delivery of securities of the Borrower as contemplated in (f) below and other than on a change of control of the Borrower where an Event of

Default also occurs under Section 9.04(3) hereof) prior to the Non-Revolver Term Facility Maturity Date in effect at the time such debentures or notes are created, incurred, assumed or guaranteed;

- (c) upon and during the continuance of an Event of Default or acceleration of the time for repayment of any of the Obligations which has not been rescinded, (i) all amounts payable in respect of principal, premium (if any) or interest under such debentures or notes are subordinate and junior in right of payment to all such Obligations and (ii) no enforcement steps or enforcement proceedings may be commenced in respect of such debentures or notes;
- (d) upon distribution of the assets of the Borrower on any dissolution, winding up, total liquidation or reorganization of Borrower (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of such Person, or otherwise), all Obligations shall first be paid in full, or provisions made for such payment, before any payment is made on account of principal, premium (if any) or interest payable in regard to such debentures or notes;
- (e) the occurrence of a Default or Event of Default hereunder or the acceleration of the time for repayment of any of the Obligations or enforcement of the rights and remedies of the Secured Parties hereunder or under any other Loan Document shall not in and of themselves:
 - (i) cause a default or event of default (with the passage of time or otherwise) under such debentures or notes or the indenture governing the same; or
 - (ii) cause or permit the obligations under such debentures or notes to be due and payable prior to the stated maturity thereof;

provided however that, notwithstanding the foregoing provisions of subparagraph (e), (but, for certainty, without limiting or affecting in any manner whatsoever the provisions of this definition), such debentures or notes and the indenture or agreement governing the same may provide that an event of default under another indenture, agreement or instrument evidencing Debt of a Restricted Party which has resulted in:

- (A) Debt thereunder in excess of Cdn. \$20,000,000 (or the Equivalent Amount in any other currency) being accelerated; and
- (B) the holders of such Debt being entitled to commence, and such holders having commenced, the enforcement of the security they hold for such Debt (if any) or the exercise of any other creditors' remedies to collect such Debt,

may constitute an "event of default" under and as defined in such debentures or notes and indenture or agreement governing the same;

- (f) payments of interest or principal due and payable under such debentures or notes can be satisfied, at the option of the Borrower, by delivering voting Securities of the Borrower in accordance with the indenture or agreement governing such debentures or notes (whether such voting Securities of the Borrower is received by the holders of such debentures or notes as payment or are sold by a trustee or representative under such indenture or agreement to provide cash for payment to holders of such debentures or notes) and provided no default or event of default has occurred and is continuing under any such indenture or agreement; and
- (g) the holder thereof has entered into a subordination and postponement agreement in favour of the Secured Parties in the form attached hereto as Schedule C.

"Credit Facilities" means the Revolving Term Facility and the Non-Revolving Term Facility and **"Credit Facility"** means either of them.

"Debt" means, with respect to any Person, all obligations that, in accordance with GAAP, would then be classified as a liability of such Person, and, without duplication, includes, with respect to such Person,

- (i) an obligation in respect of borrowed money or for the deferred purchase price of Property or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;
- (ii) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;
- (iii) an obligation under a Capital Lease;
- (iv) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;
- (v) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person;
- (vi) a Contingent Obligation to the extent that the primary obligation so guaranteed would be classified as "Debt" (within the meaning of this definition) of such Person; or
- (vii) the aggregate amount at which any shares of such Person that are redeemable or retractable at the option of the holder of such shares (except where the holder is such Person) may be redeemed or retracted prior to the Non-Revolving Term Facility Maturity Date for cash or obligations constituting Debt or any combination thereof;

provided, however, that there will not be included for the purpose of this definition any obligation that is on account of (A) reserves for deferred income taxes or general contingencies, (B) minority interests in Subsidiaries, or (C) accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business.

"Deeply Subordinated Loan" means, as of the date hereof, the indebtedness described in Schedule B hereof under the heading "Deeply Subordinated Loans" and the Convertible Debentures and, thereafter, any indebtedness of the Borrower to Calgary Sinoenergy or any Affiliate thereof which has all of the following characteristics:

- (i) the holder of such indebtedness may not receive payments on account of principal;
- (ii) no security may be held in respect of such indebtedness (except for any such security that may be subordinated to the Security on terms satisfactory to the Lender, acting reasonably);
- (iii) the holder of such indebtedness may not take any enforcement action in respect of any such loan without the prior written consent of the Lender (except to the extent, if any, expressly permitted therein); and
- (iv) the holder thereof has entered into a subordination and postponement agreement in favour of the Secured Parties in the form attached hereto as Schedule C.

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

"Depreciation Expense" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash.

"Disbursement Account" has the meaning given to it in Section 9.01(21)(b).

"Disclosure Letter" means the written letter delivered by the Borrower (for itself and on behalf of the other Restricted Parties) on the date hereof.

"Disposition" means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any Property or of any right, title or interest in or to any Property that is out of the ordinary course of business of such Person, and the verb **"Dispose"** has a corresponding meaning.

"Distribution" means (i) any payment, declaration of dividend or other distribution, whether in cash or Property, (but expressly excluding any distribution by way of the payment of dividends by the issuance of equity securities of an issuer) to any holder of shares of any class of the Borrower or any other Restricted Party, or (ii) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares of the Borrower or any other Restricted Party, or of any options, warrants or other rights to acquire any of such shares.

"Drawdown" means:

- (i) the advance of a CDOR Loan; or
- (ii) the issue of one or more Letters of Credit.

"Drawdown Date" means the date on which a Drawdown is made by the Borrower pursuant to the provisions hereof.

"Drawdown Notice" means a notice, substantially in the form set out in Schedule 1.01(C), to be given to the Lender by the Borrower pursuant to Section 2.07.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Encumbrance" means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's Property, or any consignment by way of security or Capital Lease of Property by such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, and **"Encumbrances"**, **"Encumbrancer"**, **"Encumber"** and **"Encumbered"** have corresponding meanings.

"Energy Regulator" means (a) with respect to the Province of Alberta, the Alberta Energy Regulator, (b) with respect to the Province of British Columbia, the BC Oil and Gas Commission, (c) with respect to the Province of Saskatchewan, the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other Applicable LMR Jurisdiction, the regulatory body with responsibility for the oversight of environmental matters in the oil and gas industry in such jurisdiction; and in each case, together with any successor or replacement agency, department, ministry or commission thereto.

"Engineering Report" means a report (in form and substance satisfactory to the Lender, acting reasonably) prepared by the Independent Engineer respecting the reserves of Petroleum Substances attributable to the assets and undertakings of the Restricted Parties, which report shall, as of the effective date of such report, set forth, *inter alia*, (a) the proved, developed producing reserves of Petroleum Substances, (b) proved, developed nonproducing reserves of Petroleum Substances, (c) proved and undeveloped reserves of Petroleum Substances, and (d) the probable reserves of Petroleum Substances, in each case, attributable to the assets and undertakings of the Restricted Parties and, for each 12 month period ending on the date of such report: anticipated rates of

production, depletion and reinjection of Petroleum Substances; Crown, freehold and overriding royalties and freehold mineral taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; production, revenue, value-added, wellhead or severance Taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; operating costs; gathering, transporting, processing, marketing and storage fees payable with respect to Petroleum Substances produced from or attributable to such assets and undertakings; capital expenditures expected to be necessary to achieve anticipated rates of production; asset retirement obligations attributable to such assets and undertakings; and net cash flow with respect to such assets and undertakings, including all revenues, expenses and expenditures described above.

"Environmental Certificate" means a certificate required pursuant to Section 9.03(3) or 9.03(4), as the case may be, substantially in the form attached as Schedule 1.01(B), signed by any one of the Chief Executive Officer or the Vice President of the Borrower.

"Environmental Law" means any Applicable Law relating to the environment including those pertaining to:

- (i) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances, and
- (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including those pertaining to occupational health and safety.

"Equity" means, with respect to any Person at any time, the aggregate of all common, preferred and other share capital (other than all shares of, or partnership units in, the Person that are redeemable or retractable at the option of any Person (other than the Person in respect of whom a determination of the Equity of such Person is being made)) in, and all warrants of, that Person that would be reflected as equity on the balance sheet of that Person at that time, together with retained earnings and contributed surplus of that Person, that would be reflected on the balance sheet of that Person at that time.

"Equivalent Amount" means, on any day, the equivalent amount in Canadian Dollars or United States Dollars, as the case may be, after giving effect to a conversion of a specified amount of United States Dollars to Canadian Dollars or of Canadian Dollars to United States Dollars, as the case may be, at the Spot Rate for the day in question for the conversion of United States Dollars to Canadian Dollars or at the rate that is the reciprocal thereof for the conversion of Canadian Dollars to United States Dollars, as the case may be, or, if such rate is not so published by the Bank of Canada for any such day, then at the spot rate quoted by the Lender at approximately noon (Toronto time) on that day in accordance with its normal practice for the applicable currency conversion in the wholesale market.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" has the meaning set out in Section 11.01.

"Excluded Taxes" means, with respect to the Secured Parties, (i) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which its lending office is located, and (ii) any branch profits taxes or any similar tax imposed by any jurisdiction in which a Secured Party is located.

"Existing BNS Blocked Account Agreement" means the blocked account agreement dated as of January 25, 2019 between The Bank of Nova Scotia, as account bank, the Borrower, as borrower, and China Construction Bank Toronto Branch, as lender, in respect of the Existing Credit Agreement.

"Existing Credit Agreement" has the meaning set out in the recitals hereto.

"Existing Letters of Credit" means all letters of credit issued pursuant to the Existing Credit Agreement and which are outstanding on the date hereof in the aggregate face amount of Cdn.\$12,100,000.

"FCPA" means the United States Foreign Corrupt Practices Act of 1977, including any subordinate legislation thereunder.

"Fee Letter" has the meaning attributed to it in Section 3.01(n).

"Final Maturity Date" means with respect to the Non-Revolving Term Facility, the Non-Revolving Term Facility Maturity Date and, with respect to the Revolving Term Facility, the Revolving Term Facility Maturity Date.

"Financial Assistance" means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or Contingent Obligations incurred by that Person for the purpose of or having the effect of providing financial assistance to another Person or Persons, including letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances or otherwise provide financial assistance to any other Person.

"Fiscal Quarter" means any fiscal quarter of the Borrower.

"GAAP" means those accounting principles that are from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute.

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, the Superintendent of Financial Institutions or other comparable authority or agency.

"Guarantor" means, as at the Closing Date, Calgary Sinoenergy, and thereafter, each Subsidiary of the Borrower who becomes a party hereto pursuant to and in accordance with Section 9.04(18).

"**H. Corp.**" means Henenghaixin Corp. and its successors and assigns.

"**H. Corp. Claim**" means the statement of claim filed on February 28, 2020 by H. Corp. against, *inter alia*, the Borrower and Calgary Sinoenergy, as amended, supplemented, varied or otherwise modified from time to time.

"**H. Corp. Injunction**" means the attachment order/mareva injunction issued by the Court of Queens' Bench of Alberta on April 23, 2020 in connection with the H. Corp. Claim, as amended, supplemented, varied or otherwise modified from time to time,

"**Hazardous Substance**" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

"**Hedge Arrangement**" means, with respect to any Person, any arrangement or transaction between such Person and any other Person other than another Restricted Party that is a rate swap transaction, basis swap, forward rate transaction, commodity swap, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of such transactions or arrangements) designed to protect or mitigate against risks in interest, currency exchange or commodity price fluctuations.

"**Indemnified Taxes**" means Taxes other than Excluded Taxes.

"**Independent Engineer**" means such firm or firms of independent engineers as may be selected from time to time by the Borrower and approved by the Lender, acting reasonably.

"**Intellectual Property**" means any and all intellectual and industrial property, whether recorded or not and regardless of form or method of recording, including all works in which copyright subsists or may subsist (such as computer software), data bases (whether or not protected by copyright), designs, documentation, manuals, specifications, industrial designs, trade secrets, confidential information, ideas, concepts, know-how, trade marks, service marks, trade names, domain names, discoveries, inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques, improvements and modifications, integrated circuit topographies and mask works.

"**Intellectual Property Rights**" includes all intellectual and industrial and other proprietary rights in any Intellectual Property.

"**Intercreditor Obligations**" means, collectively, the Obligations, the "Obligations" (as defined under the CCB Qingdao Credit Agreement) and the SBLC Obligations.

"**Intercreditor Parties**" means, collectively, the Secured Parties, the CCB Qingdao Administrative Agent, the CCB Qingdao Lenders, the SBLC Providers and the Parent Creditors.

"Interest Coverage Ratio" means, measured at the end of each Fiscal Quarter, the ratio of (a) Adjusted Consolidated EBITDA for the four immediately preceding Fiscal Quarters to (b) Consolidated Interest Expense for such four Fiscal Quarters.

"Interest Payment Date" means, with respect to each CDOR Loan, and commencing at the start of 2021 each of January 31, April 30, July 31 and October 31 of each year; provided that if the Interest Payment Date is not a Business Day, it will be the immediately prior Business Day.

"Interest Period" means in connection with a CDOR Loan, an interest period (i) initially, commencing on October 29, 2020 and ending on January 31, 2021; and (ii) thereafter, a period of three months commencing on the day on which the immediately preceding Interest Period expires; provided that in any case the last day of each Interest Period will be also the first day of the next Interest Period, and further provided that the last Interest Period hereunder must expire on or prior to the applicable Final Maturity Date.

"Judgment Conversion Date" has the meaning set out in Section 14.03(1).

"Judgment Currency" has the meaning set out in Section 14.03(1).

"Lender" has the meaning set out in the preamble hereto.

"Lender's Consultant" means any petroleum engineering consulting firm acting on behalf of the Lender from time to time and initially shall be Sproule Associates Limited.

"Lender's Counsel" means such legal counsel as the Lender may from time to time designate.

"Lending Office" means the office of the Lender located at 3650-181 Bay Street, Toronto, Ontario M5J 2T3, or at such other office as the Lender may designate in writing.

"Letter of Credit" means a standby letter of credit or a commercial letter of credit issued or deemed to be issued pursuant to the Revolving Term Facility at the request and for the account of the Borrower.

"Letter of Credit Fee Rate" means, for any period, with respect to a Letter of Credit, the percentage rate *per annum* applicable to that period as advised by the Lender from time to time as the then applicable rate for the issuance of letters of credit which for clarity applies to the Lender issued letters of credit and not the SBLCs.

"LMR" means, with respect to the Borrower or any other Restricted Party, for any Applicable LMR Jurisdiction, the liability management rating (or successor or equivalent) established by the applicable Energy Regulator with respect to the abandonment and reclamation policies, regulations and directives of such Energy Regulator in such jurisdiction, in each case, as determined in accordance with Applicable Law (including the rules and regulations of such Energy Regulator in respect thereof for the then relevant period) as calculated and published publicly by such Energy Regulator, and as adjusted to remove any security, cash, letters of credit or other security deposits or credit.

"Loan" means any extension of credit by the Lender under this Agreement (including, for certainty, the issuance of any Letter of Credit).

"Loan Documents" means (a) this Agreement, (b) the Collateral Agent and Intercreditor Agreement, (c) the other Security, (d) the Fee Letter and (e) all present and future agreements, documents, certificates and instruments delivered by any Restricted Party to the Secured Parties pursuant to or in respect of this Agreement or the Security, in each case as the same may from time to time be amended, and **"Loan Document"** means any one of the Loan Documents.

"Material Adverse Change" or **"Material Adverse Effect"** means any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the business, financial condition or operations of the Borrower and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Borrower to pay its Obligations, or perform any of its other material obligations under the Loan Documents, or (c) the legality, validity or enforceability of any of the Loan Documents or the rights or remedies of the Secured Parties thereunder.

"Material Licences" means all licences, permits or approvals issued by any Governmental Authority, or any applicable stock exchange or securities commission, to any Restricted Party, and which are at any time on or after the date of this Agreement,

- (i) necessary or material to the business and operations of such Restricted Party or to the listing of its securities, the breach or default of which would result in a Material Adverse Change, or
- (ii) designated by the Lender, in the sole discretion of the Lender, as a Material Licence, provided that the Lender has notified the Borrower of such designation.

"Net Proceeds" means, with respect to any Disposition (other than the Dispositions described in paragraphs (i) and (iii) of the definition of "Permitted Disposition"), the aggregate fair market value of proceeds of such Disposition (whether such proceeds are in the form of cash or other Property or part cash and part other Property) net of reasonable, bona fide direct transaction costs and expenses incurred in connection with such Disposition, including (i) reasonable legal fees and disbursements, the customary fees of agents or brokers payable in connection with such Disposition within one year of such Disposition and title and recording expenses payable in connection with such Disposition, and (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Debt that is secured by a Permitted Encumbrance, if any, on any of the Property that is the subject matter of such Disposition ranking in priority to the Encumbrance of the Security and that is required to be repaid under the terms of such Debt as a result of such Disposition.

"Non-Revolving Term Facility" has the meaning set out in Section 2.01(b).

"Non-Revolving Term Facility Maturity Date" means (i) December 9, 2023 or (ii) 30 days before the maturity of the CCB SBLC (currently on January 9, 2024), whichever is earlier.

"Obligations" means, collectively, (a) all obligations of the Restricted Parties, or any of them, to the Secured Parties under or in connection with this Agreement or the other Loan Documents,

including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Restricted Parties, or any of them, to the Secured Parties, (b) the obligation to reimburse the Lender for any payment on a Letter of Credit (including, for certainty, any Reimbursement Amounts owing to the Lender) and (c) any other obligations or amounts remaining unpaid by the Restricted Parties, or any of them, to the Secured Parties, under or in connection with this Agreement or the other Loan Documents, whether arising from dealings between the Secured Parties and any of the Restricted Parties or from any other dealings or proceedings by which a Secured Party may be or become in any manner whatever a creditor of a Restricted Party pursuant to this Agreement or the other Loan Documents, in each case, in any currency and wherever incurred, and whether incurred by a Restricted Party alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

"**OFAC**" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"**Organizational Documents**" means, with respect to any Person, such Person's articles, memorandum or other charter documents, partnership agreement, joint venture agreement, declaration of trust, trust agreement, by-laws, unanimous shareholder agreement, or any and all other similar agreements, documents and instruments pursuant to which such Person is constituted, organized or governed.

"**Other Taxes**" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"**Parent**" means Qingdao Sinoenergy Co. Ltd. and its successors and assigns.

"**Parent Credit Agreement**" means the guarantee syndicate contract dated January 23, 2017 among the Parent, as applicant, CCB Qingdao Branch, as lead bank, BOC Qingdao Branch, as co-lead bank, CCB Qingdao Sifang Sub-branch and BOC Qingdao High-tech Industrial Park Sub-branch, as guarantee providers, and, as agent bank, as amended, supplemented or otherwise modified from time to time.

"**Parent Creditors**" means, collectively, CCB Qingdao Branch, as lead bank, BOC Qingdao Branch, as co-lead bank, and CCB Qingdao Sifang Sub-branch, BOC Qingdao High-tech Industrial Park Sub-branch, as guarantee providers, and CCB Qingdao Sifang Sub-branch, as agent bank, in each case under the Parent Credit Agreement, and their respective successors and assigns.

"**Parent Creditor Indemnity**" means, the indemnity and agreement made effective as of the date hereof from the Restricted Parties in favour of the Parent Creditors whereby, *inter alia*, the Restricted Parties agree to indemnify and reimburse the Parent Creditors for any breach by the Parent to fulfill its obligations under the Parent Credit Agreement to pay or reimburse the Parent Creditors for any claim made in respect of either or both SBLCs, as amended, supplemented or otherwise modified from time to time.

"**Participant**" has the meaning set out in Section 14.07(1).

"Pension Plan" means (i) a "pension plan" or "plan" which is a "registered pension plan" as defined in the *Income Tax Act* (Canada) or is subject to the funding requirements of applicable pension benefits legislation in any Canadian jurisdiction and is applicable to employees resident in Canada of a Restricted Party, or (ii) any other pension benefit plan or similar arrangement applicable to employees of a Restricted Party.

"Permitted Contest" means action taken by or on behalf of a Restricted Party in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Encumbrance, provided that:

- (a) the Person to which the Tax, claim or Encumbrance being contested is relevant (and, in the case of a Restricted Party, the Borrower on a consolidated basis) has established adequate reserves therefor if and to the extent required by GAAP; and
- (b) proceeding with such contest does not have, and could not reasonably be expected to have, a Material Adverse Effect.

"Permitted Debt" means:

- (i) Debt under this Agreement or any of the Loan Documents;
- (ii) any other Debt of a Restricted Party other than Calgary Sinoenergy secured by Permitted Encumbrances;
- (iii) Debt in respect of Capital Leases granted by a Restricted Party other than Calgary Sinoenergy in existence as of the date hereof;
- (iv) Deeply Subordinated Loans;
- (v) any Debt in respect of the Convertible Debentures; and
- (vi) any Debt in respect of the SBLCs or the CCB Qingdao Credit Agreement.

"Permitted Disposition" means, in respect of a Person, any of the following:

- (i) a Disposition of current, in transit or stored production from petroleum and natural gas properties made in the ordinary course of business;
- (ii) the abandonment, surrender or termination of any petroleum and natural gas rights in respect thereto in the ordinary course of business and in accordance with sound industry practice;
- (iii) a Disposition of Property that is worn-out, obsolete or no longer useful for the purpose of carrying on the Borrower's business, not to exceed Cdn.\$2,000,000 in aggregate in each fiscal year; and
- (iv) a Disposition of petroleum and natural gas properties (and related tangibles) resulting from any mandatory pooling or unit arrangement in accordance with Applicable Law or farmout agreement entered into prior to the date hereof.

"Permitted Encumbrances" means, with respect to any Person, the following:

- (i) undetermined or inchoate Encumbrances arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to any Applicable Law against any Restricted Party or in respect of which no steps or proceedings to enforce such Encumbrance have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any Encumbrance which a Restricted Party is contesting at the time by a Permitted Contest;
- (ii) Encumbrances incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or joint operation of oil and gas properties or related production or processing facilities or the transmission of Petroleum Substances as security in favour of any other Person conducting the exploration, development or operation of the property to which such Encumbrances relate for any Restricted Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided such costs or expenses are not due or delinquent or if due or delinquent, any Encumbrance which a Restricted Party is contesting at the time by a Permitted Contest;
- (iii) to the extent an Encumbrance is created thereby, a sale or disposition of oil and gas properties or encumbrance granted resulting from any pooling or unitization agreement entered into in the ordinary course of business when, in the applicable Restricted Party's reasonable judgment, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties, provided that, the resulting pooled or unitized interest is proportional (either on an acreage or reserve basis) to the interest contributed by it and is not materially less than the applicable Restricted Party's direct or indirect interest in such oil and gas properties prior to such pooling or unitization and its obligations in respect thereof are not greater than its proportional share based on the interest acquired by it;
- (iv) to the extent an Encumbrance is created thereby, farmout interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of any Restricted Party's P&NG Rights that are or were entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice;
- (v) Encumbrances for penalties arising under non-participation provisions of operating agreements in respect of any Restricted Party's P&NG Rights or any related facilities, if such Encumbrances could not reasonably be expected to have a Material Adverse Effect;
- (vi) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

- (vii) any Encumbrance or trust arising in connection with worker's compensation, employment insurance, pension and employment Requirement of Law, and if due or delinquent, the validity of which is contested at the time by a Permitted Contest;
- (viii) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (ix) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (x) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights or related facilities;
- (xi) public and statutory Encumbrances not yet due and similar Encumbrances arising by operation of law;
- (xii) the Security;
- (xiii) Encumbrances for Taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is contested at the time by a Permitted Contest;
- (xiv) Encumbrances under or pursuant to any judgment rendered, or claim filed, against a Restricted Party, which such Restricted Party is contesting at the time by a Permitted Contest;
- (xv) Encumbrances granted to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Restricted Parties, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Restricted Parties, taken as a whole;
- (xvi) bankers' liens, rights of set-off and other similar Encumbrances existing solely with respect to cash on deposit in one or more accounts maintained by the Restricted Parties, in each case, granted in the ordinary course of business in favour of the Secured Parties with which such accounts are maintained, securing amounts owing to the Secured Parties with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements;
- (xvii) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which a Restricted Party is a party;

- (xviii) Encumbrances in favour of a landlord of leased property in respect of the leasehold improvements made to, and other personal property of the tenant located on, such leased real property;
- (xix) any other Encumbrances (including Purchase Money Security Interest, Capital Leases, security for Hedge Arrangements, and sale-leasebacks) which are not otherwise Permitted Encumbrances; provided that the aggregate principal amount of Debt or other obligations secured thereby is agreed to by the Lender, such agreement not to be unreasonably withheld;
- (xx) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Encumbrance referred to in the preceding paragraphs (i) to (x) inclusive of this definition, so long as any such extension, renewal or replacement of such Encumbrance is limited to all or any part of the same property that secured the Encumbrance extended, renewed or replaced (plus improvements on such property) and the Debt, liability or obligation secured thereby is not increased;
- (xxi) any Encumbrance described in the Disclosure Letter;
- (xxii) any Encumbrance in respect of the Deeply Subordinated Loans or any Convertible Debenture held by Calgary Sinoenergy;
- (xxiii) any Encumbrance in respect of Capital Leases permitted under paragraph (iii) of the definition of Permitted Debt;
- (xxiv) any Encumbrance in favour of the CCB Qingdao Administrative Agent, the Collateral Agent, the CCB Qingdao Lenders or any SBLC Provider in respect of the CCB Qingdao Credit Agreement and/or the SBLCs, as applicable; and
- (xxv) such other Encumbrances as are agreed to in writing by the Lender;

provided that subsections (xvi) through (xix), above shall be subject to a maximum aggregate amount of Cdn \$2,000,000.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Petroleum Substances" means petroleum, natural gas, natural gas liquids, bitumen, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing.

"P&NG Leases" means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower or any Restricted Party is entitled to explore for, drill for, recover, take or produce Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower or any Restricted Party (as applicable), or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable

in respect of Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower or any Restricted Party (as applicable), and the rights of the Borrower or Restricted Party (as applicable) thereunder.

"P&NG Rights" means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of any Restricted Party at such time in and to any, or such as are stipulated, of the following, by whatever name the same are known:

- (i) rights to explore for, drill for, produce, take, save or market Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (ii) rights to a share of the production of Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (iii) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (iv) rights of any Restricted Party in lands or documents of title related thereto as such rights relate to the production of Petroleum Substances, including leases, subleases, licenses, permits, reservations, rights and privileges; and
- (v) rights to acquire any of the above rights described in paragraphs (i) through (iv) of this definition,

and includes interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests and other economic interests.

"Property" means, with respect to any Person, all or any portion of that Person's undertaking and property, both real and personal.

"Purchase Money Security Interest" means an Encumbrance created or incurred by a Restricted Party securing Debt incurred to finance the acquisition of Property (including the cost of installation thereof), provided that (i) such Encumbrance is created substantially simultaneously with the acquisition of such Property, (ii) such Encumbrance does not at any time encumber any Property other than the Property financed by such Debt, (iii) the amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Encumbrance at no time exceeds 100% of the original purchase price of such Property and the cost of installation thereof, and for the purposes of this definition the term "acquisition" includes a Capital Lease.

"Reimbursement Amount" has the meaning given to it in Section 5.01(4).

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person or of such Person's Affiliates.

"Release" means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

"Relevant Jurisdiction" means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada, any state of the United States or any other country or political subdivision thereof in which such Person has its chief executive office or chief place of business, has Property or carries on business and, for greater certainty, includes the provinces and states set out in Schedule 1.01(F).

"Repayment Notice" means the notice substantially in the form set out in Schedule 1.01(G).

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives, and the like, of any federal, territorial, provincial, state, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority in Canada, the United States and any other jurisdiction in which any Restricted Party has operations or assets relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of any Restricted Party and the intended uses thereof in connection with such matters, including all such requirements relating to: (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substances or conditions (matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments).

"Requirements of Law" means, with respect to any Person, the Organizational Documents of such Person and any Applicable Law or any determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Parties" means the Borrower, the Guarantors and any person that hereafter becomes a Subsidiary of the Borrower, and their respective successors and assigns permitted by this Agreement, and **"Restricted Party"** means any one of them.

"Revolving Period" means, in relation to the Revolving Term Facility, the period commencing on the Closing Date and ending on the Revolving Term Facility Maturity Date.

"Revolving Term Facility" has the meaning set out in Section 2.01(a).

"Revolving Term Facility Maturity Date" means (i) December 9, 2023 or (ii) 30 days before the maturity of the CCB SBLC (such CCB SBLC to mature on January 9, 2024), whichever is earlier.

"Rollover" means the extension of a CDOR Loan for an additional Interest Period.

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority, including any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the *Criminal Code* (Canada), the *Freezing of Assets of Corrupt Foreign Officials Act* (Canada), the *Executive Order*, the *U.S. Bank Secrecy Act* (31 U.S.C. §§ 5311 et seq.), the *U.S. Money Laundering Control Act of 1986* (18 U.S.C. §§ 1956 et seq.), the *USA Patriot Act of 2001*, the *U.S. International Emergency Economic Powers Act* (50 U.S.C. §§ 1701 et seq.), the *U.S. Trading with the Enemy Act* (50 U.S.C. App. §§ 1 et seq.), the *U.S. United Nations Participation Act*, the *U.S. Syria Accountability and Lebanese Sovereignty Act*, the *U.S. Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* or the *Iran Sanctions Act* (United States), or any of the foreign assets control regulations of the U.S. Department of the Treasury (including but not limited to 31 CFR, Subtitle B, Chapter V) or any other law or executive order relating thereto or regulation administered by OFAC.

"Sanctions Authority" means any of: (a) the Canadian government; (b) the United States government; (c) the United Nations; (d) the European Union; (e) the United Kingdom; or (f) the respective governmental institutions, departments and agencies of any of the foregoing, including Global Affairs Canada, Public Safety Canada, OFAC, the United States Department of State, and Her Majesty's Treasury of the United Kingdom; "Sanctions Authorities" means all of the foregoing Sanctions Authorities, collectively.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury of the United Kingdom, or any substantially similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"Sanctioned Person" means:

- (i) a Person that is designated under, listed on, or owned or controlled by a Person designated under or listed on, or, to the knowledge of a Restricted Party (after due inquiry to the extent required by Applicable Law), acting on behalf of a Person designated under or listed on, any Sanctions List;
- (ii) a Person that is located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or, to the knowledge of a Restricted Party (after due inquiry to the extent required by Applicable Law), acting on behalf of, a Person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;

- (iii) a Person that is otherwise a target of Sanctions ("target of Sanctions" signifying a Person with whom a Person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); or
- (iv) any other Person to which the Lender would not be permitted to make a loan, or provide funding, in accordance with the Sanctions, or otherwise deal with pursuant to the Sanctions.

"**SBLCs**" means, collectively, the CCB SBLC and the BOC SBLC.

"**SBLC Indemnities**" means, collectively, the Parent Creditor Indemnity, the CCB SBLC Indemnity and the BOC SBLC Indemnity.

"**SBLC Obligations**" means, collectively:

- (a) the obligation of the Restricted Parties to reimburse and/or indemnify the SBLC Providers, including pursuant to the SBLC Indemnities, for any payment made by such SBLC Provider under or in respect of the applicable SBLC (including, without limitation (i) all amounts paid from time to time by such SBLC Provider pursuant to the applicable SBLC and (ii) all amounts owing under the SBLC Indemnities);
- (b) the obligation of the Restricted Parties to indemnify and/or reimburse the Parent Creditors, including pursuant to the Parent Creditor Indemnity, for any breach by the Parent to fulfill its obligations under the Parent Credit Agreement to pay or reimburse the Parent Creditors (or any of them) for any claim made in respect of either or both SBLCs; and
- (c) any other obligations or amounts remaining unpaid by the Restricted Parties, or any of them, to the SBLC Providers or the Parent Creditors, under or in connection with SBLCs or Parent Credit Agreement, whether arising from dealings between the SBLC Providers, Parent Creditors and any of the Restricted Parties or from any other dealings or proceedings by which the SBLC Providers or Parent Creditors may be or become in any manner whatsoever a creditor of a Restricted Party pursuant to or in connection with the SBLCs, in each case, in any currency and wherever incurred, and whether incurred by a Restricted Party alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

"**SBLC Providers**" means, collectively, the CCB SBLC Provider and the BOC SBLC Provider.

"**Secured Parties**" means, collectively, the Collateral Agent and the Lender.

"**Security**" means the documents creating an Encumbrance in favour of, or any collateral held from time to time by, the Intercreditor Parties securing or intended to secure repayment of the Intercreditor Obligations, including all security described in Article 10.

"**Spot Rate**" means the daily average exchange rate quoted by the Bank of Canada at approximately the close of business on the Business Day immediately preceding the date of determination; provided that, if such daily average exchange rate is for any reason unavailable, it shall mean the spot rate of exchange for wholesale transactions quoted by the Lender at

approximately noon (Toronto time) on such date in accordance with its usual practice or, if such date of determination is not a Business Day, on the Business Day immediately preceding such date of determination.

"Subsidiary" means, at any time, with respect to any Person, any other Person, if at such time the first mentioned Person (i) owns, directly or indirectly, securities or other ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such other Person, and (ii) directly or indirectly, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the board of directors or other persons performing similar functions for such other Person or otherwise exercise control over the management and policies of such other Person, and in either case will include any other Person in like relationship to a Subsidiary of such first mentioned Person.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Total Interest Expense" means, with respect to any Person for any period, without duplication, the aggregate amount of interest and other financing charges expensed by such Person on account of such period with respect to Debt, including interest, discount financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of Capital Leases and net payments (if any) pursuant to Hedge Arrangements involving interest, but excluding any amount, such as amortization of debt discount and expenses, that would qualify as Depreciation Expense and the amount reflected in Consolidated Net Income for such period in respect of gains (or losses) attributable to translation of Debt from one currency to another currency, all as determined on a consolidated basis in accordance with GAAP.

"UK Bribery Act" means the United Kingdom Bribery Act 2010, including any subordinate legislation thereunder.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to

the United Kingdom, any powers of the applicable UK Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 **Extended Meanings**

In this Agreement words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term "including" means "including without limiting the generality of the foregoing" and the term "third party" means any person other than a person a party to this Agreement. Any reference herein or in any other Loan Document to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated, replaced or re-enacted from time to time.

1.03 **Accounting Principles**

All calculations for the purposes of determining compliance with the financial ratios and financial covenants contained in this Agreement will be made on a basis consistent with GAAP as it exists on the date of this Agreement and used in the preparation of the consolidated financial statements of the Borrower for its financial year ended December 31, 2019. In the event of a change in such GAAP, the Borrower and the Lender will negotiate in good faith to revise (if appropriate) such ratios and covenants to reflect GAAP as then in effect.

1.04 **Interest Calculations and Payments**

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "*per annum*" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.

1.05 **Interest Act (Canada)**

- (a) For the purposes of this Agreement, whenever interest to be paid hereunder is to be calculated on the basis of 360 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or such other number of days in such period, as the case may be.

- (b) **THE BORROWER AND EACH OTHER RESTRICTED PARTY ACKNOWLEDGES AND CONFIRMS THAT: (A) THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, SECTION 1.04, THIS SECTION 1.05 AND ARTICLE 4 HEREOF AND THE CONSTITUENT DEFINITIONS HEREIN AND UNDER THE OTHER LOAN DOCUMENTS RELATING TO INTEREST AND OTHER AMOUNTS PAYABLE HEREUNDER AND THEREUNDER, SATISFIES THE REQUIREMENTS OF SECTION 4 OF THE *INTEREST ACT* (CANADA) TO THE EXTENT THAT SECTION 4 OF THE *INTEREST ACT* (CANADA) APPLIES TO THE EXPRESSION, STATEMENT OR CALCULATION OF ANY RATE OF INTEREST OR OTHER RATE PER ANNUM HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT; AND (B) THE BORROWER AND EACH OTHER RESTRICTED PARTY AND THEIR RESPECTIVE SUBSIDIARIES ARE EACH ABLE TO CALCULATE THE YEARLY RATE OR PERCENTAGE OF INTEREST PAYABLE UNDER ANY LOAN DOCUMENT BASED ON THE METHODOLOGY SET OUT HEREIN AND UNDER THE OTHER LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, SECTION 1.04, THIS SECTION 1.05 AND ARTICLE 4 HEREOF AND THE CONSTITUENT DEFINITIONS HEREIN AND UNDER THE OTHER LOAN DOCUMENTS RELATING TO INTEREST AND OTHER AMOUNTS PAYABLE HEREUNDER AND THEREUNDER.**
- (c) **THE BORROWER AND EACH OTHER RESTRICTED PARTY HEREBY IRREVOCABLY AGREE NOT TO, AND AGREES TO CAUSE EACH OF THEIR RESPECTIVE SUBSIDIARIES NOT TO, PLEAD OR ASSERT, WHETHER BY WAY OF DEFENCE OR OTHERWISE, IN ANY PROCEEDING RELATING TO THE LOAN DOCUMENTS, THAT THE INTEREST PAYABLE UNDER THE LOAN DOCUMENTS AND THE CALCULATION THEREOF HAS NOT BEEN ADEQUATELY DISCLOSED TO THE BORROWER, EACH OTHER RESTRICTED PARTY OR ANY OF THEIR RESPECTIVE SUBSIDIARIES, WHETHER PURSUANT TO SECTION 4 OF THE *INTEREST ACT* (CANADA) OR ANY OTHER APPLICABLE LAW OR LEGAL PRINCIPLE.**

1.06 **Permitted Encumbrances**

The inclusion of reference to Permitted Encumbrances in any Loan Document is not intended to subordinate and will not subordinate, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.07 **Currency**

Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of Canada.

1.08 **Conflicts**

In the event of a conflict between the provisions of this Agreement and the provisions of any other Loan Document, then, unless such Loan Document or an acknowledgement from the Restricted Party and the Lender relative to such Loan Document expressly states that this Section 1.08 is not applicable to such Loan Document, notwithstanding anything else contained in such other Loan Document, the provisions of this Agreement will prevail and the provisions of such other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict.

1.09 **Amendment and Restatement**

On the date on which all of the conditions set forth in Section 3.01 have been satisfied (or waived in writing by the Lender):

- (a) the Existing Credit Agreement shall be and is hereby amended and restated in the form of this Agreement; and
- (b) all advances and Loans (as that term is used in the Existing Credit Agreement) and other amounts outstanding under the Existing Credit Agreement prior to the Closing Date (including, for certainty, any issued and outstanding Letters of Credit) that are not being refinanced and continued pursuant to the CCB Qingdao Credit Agreement (including, for certainty, Section 2.04 thereof) shall continue to be outstanding under this Agreement and shall be deemed to be advances, Loans and other Obligations owing by the Borrower to the Secured Parties under this Agreement and shall continue to be secured by the Security (which represents a continuous and ongoing charge since granted in 2017).

Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Borrower under the Existing Credit Agreement and all of the claims and causes of action arising against the Borrower in connection therewith, in respect of all matters, events, circumstances and obligations arising or existing prior to the Closing Date shall continue, survive and shall not be merged in the execution of this Agreement or any other Loan Documents or any advance, Loan or provision of any advance or Loan hereunder.

For certainty, all advances and Loans (as that term is used in the Existing Credit Agreement) and other amounts outstanding under the Existing Credit Agreement prior to the Closing Date not otherwise contemplated in Section 1.09(b) above (i.e. the portion of such advances and Loans being re-financed and continued pursuant to the CCB Qingdao Credit Agreement) are being re-financed and will continue to be outstanding under the CCB Qingdao Credit Agreement and will be deemed to be advances, Loans and other Obligations (as those terms are used in the CCB Qingdao Credit Agreement) owing by the Borrower to the Secured Parties (as those terms are used in the CCB Qingdao Credit Agreement) under the CCB Qingdao Credit Agreement and shall continue to be secured by the Security (which represents a continuous and ongoing charge since granted in 2017).

1.10 **Schedules**

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule A	-	Commitments
Schedule B	-	Deeply Subordinated Loans and Convertible Debentures
Schedule C	-	Form of Subordination Agreement
Schedule 1.01(A)	-	Compliance Certificate
Schedule 1.01(B)	-	Environmental Certificate
Schedule 1.01(C)	-	Drawdown Notice
Schedule 1.01(F)	-	Relevant Jurisdictions
Schedule 1.01(G)	-	Repayment Notice
Schedule 8.01(17)	-	Ownership Structure
Schedule 8.01(21)	-	Intellectual Property Rights
Schedule 8.01(25)	-	Pension Plan Disclosure
Schedule 8.01(30)	-	Controlled Account Disclosure
Schedule 9.01(5)	-	Calgary Sinoenergy Business

ARTICLE 2 - THE CREDIT FACILITIES

2.01 **Borrower Facilities**

Subject to the terms and conditions of this Agreement, the Lender hereby confirms the continuation and ongoing establishment of the following in favour of the Borrower:

- (a) a revolving term facility (the "**Revolving Term Facility**") initially in the amount up to Cdn.\$0, which facility will be available only during the Revolving Period; and
- (b) a non-revolving term facility (the "**Non-Revolving Term Facility**") in an amount up to Cdn.\$ 114,434,905.72 which facility has been fully advanced as of the Closing Date.

2.02 **Terms of the Revolving Term Facility**

The Revolving Term Facility will be advanced, repaid and readvanced during the term from the date of first advance pursuant to this Agreement to the expiry date expressed hereafter. The Revolving Term Facility will be required to revolve in the ordinary course by advance and repayment as provided in this Article 2 based upon the advance process.

Notwithstanding anything else in this Agreement, the Borrower shall not be permitted to obtain any Loans under the Revolving Term Facility other than (a) the Letters of Credit (and any renewals or extensions thereof) and (b) CDOR Loans solely for the reimbursement of Letters of Credit as contemplated in Section 5.01(4).

2.03 **Terms of the Non-Revolving Term Facility**

The Non-Revolving Credit Facility is fully advanced as at the Closing Date and is made available solely by way of a single Canadian Dollar CDOR Loan which will automatically Rollover at the end of each Interest Period without the requirement for notice by the Borrower. Amounts repaid under the Non-Revolving Term Facility may not be re-borrowed.

2.04 **Purpose of Credit Facilities**

Loans under the Credit Facilities will only be used for the following respective purposes:

- (a) under the Revolving Term Facility, for the sole purpose of issuing the Existing Letters of Credit and satisfying reimbursement obligations thereunder as contemplated in Section 5.01(4), and
- (b) under the Non-Revolving Term Facility, for the continuation under this Agreement of the Non-Revolving Term Facility provided for under the Existing Credit Agreement.

2.05 **Manner of Borrowing**

- (1) Subject to Section 2.02, the Borrower may in Canadian Dollars, make Drawdowns and may make Rollovers under the Revolving Term Facility by way of CDOR Loans and Letters of Credit.
- (2) The Non-Revolving Term Facility is made way of a CDOR Loan.

2.06 **Revolving Nature of Revolving Term Facility**

Subject to Section 2.02 and the other terms and conditions hereof, the Borrower may make Drawdowns, repayments and further Drawdowns up to the available amount of the Revolving Term Facility (for certainty, the aggregate amount of all Loans (including, for certainty the face amount of all Letters of Credit issued and outstanding at any time under the Revolving Term Facility) shall not exceed the Commitment under the Revolving Term Facility).

2.07 **Drawdowns**

- (1) The Borrower must give the Lender a Drawdown Notice two Business Days prior to the proposed Drawdown Date for advances less than \$5,000,000 and 5 Business Days for advances in excess of \$5,000,000. A Drawdown Date must be a Business Day.
- (2) Each Drawdown Notice, must be delivered to the Lender by the Borrower on or prior to 1:00 p.m. (Toronto time) on a Business Day. Outstanding CDOR Loans will automatically Rollover at the end of each Interest Period.

(3) Notwithstanding anything else in this Agreement, the Non-Revolving Term Facility is fully drawn and the Borrower shall not be permitted to make Drawdowns thereunder without the consent of the Lender.

2.08 **Irrevocability**

Each Drawdown Notice given by the Borrower hereunder is irrevocable and will oblige the Borrower to take the action contemplated on the date specified therein.

2.09 **Cancellation or Reduction of Revolving Term Facility**

The Borrower may, at any time, upon giving at least two Business Days' prior notice to the Lender, cancel in full or, from time to time, reduce in part the Commitment under the Revolving Term Facility; provided, however, that any reduction will be in a minimum amount of Cdn. \$500,000 and increments of Cdn. \$100,000. If as a result of such reduction the aggregate amount of Loans outstanding under the Revolving Term Facility exceeds the Commitment of the Lender thereunder, the Borrower will, upon notice from the Lender, repay Loans in an aggregate amount equal to such excess. The Borrower will not be entitled to cancel the Revolving Term Facility, or reduce it, if the result would be to have available a Revolving Term Facility less than the then issued and outstanding Letters of Credit, unless cash collateral has been provided for such Letters of Credit pursuant to Section 5.01(10).

2.10 **Account of Record**

(1) The Lender will open and maintain books of account in which it shall record all Loans and all other amounts owing by the Borrower to the Lender hereunder. The Lender will enter into the foregoing accounts details of the amount of any sum received by the Lender hereunder for the account of the Lender and all amounts from time to time owing, paid or repaid by the Borrower hereunder.

(2) The information entered in the foregoing accounts will constitute *prima facie* evidence of the obligations of the Borrower to the Lender hereunder with respect to all Loans and all other amounts owing by the Borrower to the Lender hereunder. After a request by the Borrower, the Lender will promptly advise the Borrower of such entries made in the Lender's books of account.

2.11 **CDOR Replacement**

(1) If at any time the Lender determines (which determination shall be conclusive, absent manifest error) that:

- (a) an interest rate or discount rate is not ascertainable pursuant to the provisions of the definition of "CDOR" and the inability to ascertain such rate is unlikely to be temporary;
- (b) the regulatory supervisor for the administrator of the CDOR screen rate, the Bank of Canada, an insolvency official with jurisdiction over the administrator for CDOR, a resolution authority with jurisdiction over the administrator for the

CDOR, or a court or an entity with similar insolvency or resolution authority over the administrator for CDOR, has made a public statement, or published information, stating that the administrator of CDOR, has ceased or will cease to provide CDOR, permanently or indefinitely on a specific date; provided that, at that time, there is no successor administrator that will continue to provide CDOR; or

- (c) the administrator of the CDOR screen rate or a Governmental Authority having jurisdiction over the Lender or the administrator of the CDOR screen rate has made a public statement identifying a specific date after which CDOR, or the CDOR screen rate shall no longer be made available, or used for determining the interest rate of loans or the discount rates for bankers' acceptances; provided that, at that time, there is no successor administrator that will continue to provide CDOR,

(the date of determination or such specific date in the foregoing paragraphs (a) through (c), the "**CDOR Discontinuation Date**"),

then the Lender and the Borrower shall negotiate in good faith to select a replacement index rate for CDOR and make such spread adjustments thereto and other related amendments to this Agreement that shall give due consideration to the prevailing market practice for: (x) determining a rate of interest applicable to newly originated Canadian Dollar loans made in Canada at such time, and (y) transitioning existing loans from CDOR -based rates to loans bearing interest calculated with reference to the new reference index rate.

Upon an agreement being reached between the Lender and the Borrower pursuant to the immediately preceding paragraph, the parties hereto shall enter into an amendment to this Agreement that gives effect to the replacement index rate, spread adjustments and such other related amendments as may be appropriate in the discretion of the Lender for the implementation and administration of Canadian Dollar loans bearing interest calculated with reference to the replacement index rate. If at any time the replacement index rate agreed upon to replace CDOR shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

Until an amendment reflecting the transition to a new reference index rate becomes effective as contemplated by this Section, the discount rate applicable to a Drawdown or a Rollover of a CDOR Loan shall continue to be calculated with reference to CDOR; provided that if the Lender determines (which determination shall be conclusive, absent manifest error) that a CDOR Discontinuation Date has occurred, then following the CDOR Discontinuation Date, until such time as an amending agreement adopting such a new reference index rate becomes effective as contemplated by this Section, any requested Drawdown by way of, or Rollover of, a CDOR Loan shall be calculated based on CDOR as in effect on such CDOR Discontinuation Date plus the CDOR Margin.

2.12 Indicative Lending Value

(1) The indicative lending value shall be estimated from time to time for the Lender, for internal tracking and regulatory purposes, in accordance with usual and customary lending parameters and practices in Canada as follows:

- (a) Annually. Upon receipt of an Engineering Report pursuant to Section 9.03(16),

the Lender may, in its sole discretion, engage a Lender's Consultant to advise on an indicative lending value; and

- (b) Semi-Annually. Upon receipt of an Engineering Report pursuant to Section 9.03(17), the Lender may, in its sole discretion, engage a Lender's Consultant to advise on indicative lending value.

(2) The Borrower agrees to reimburse the Lender for all costs and expenses related to engagement of the Lender's Consultant.

ARTICLE 3- CONDITIONS

3.01 Conditions Precedent to Effectiveness of this Agreement

The effectiveness of this Agreement is subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (a) the Lender will have received certified copies of the Organizational Documents of each Restricted Party, the resolutions authorizing the execution and delivery of, and performance of each Restricted Party's respective obligations under, the Loan Documents to be entered into in connection with this Agreement and the transactions contemplated herein, and a certificate as to the incumbency of the officers of the Restricted Parties executing such Loan Documents and any other documents to be provided pursuant to the provisions hereof;
- (b) except as otherwise agreed by the Lender, certificates of status or comparable certificates for the jurisdiction of formation of each Restricted Party will have been delivered to the Lender;
- (c) the Lender will have completed its due diligence with respect to the Restricted Parties, including a review of the most recent financial statements of the Restricted Parties; the results of such due diligence will be satisfactory to the Lender in its sole discretion;
- (d) except as otherwise agreed by the Lender, the Lender will have received certified copies of all shareholder, regulatory, governmental and other approvals required in order for the Restricted Parties to enter into this Agreement (and the other Loan Documents) and to perform their obligations hereunder and thereunder;
- (e) the Lender will have received payment of all fees and expenses payable to the Lender that are due and payable at such time (including, for certainty, all legal fees and expenses of Lender's Counsel);
- (f) duly executed copies of the Security will have been delivered to the Collateral Agent, certificates representing all shares or other securities pledged (along with stock powers duly executed in blank) by the Restricted Parties will have been delivered to the Collateral Agent and, other than as agreed to in writing by the Lender, all such Security will have been duly registered, filed and recorded in all

Relevant Jurisdictions where required by Applicable Law or where the Lender considers it necessary, in its sole discretion, to do so; provided that the Restricted Parties shall register, file and/or record (or cause to be registered, filed and/or recorded), in all Relevant Jurisdictions where required by Applicable Law or where the Lender considers it necessary, in its sole discretion, fixed charges in respect of the demand debentures contemplated in Sections 10.01(a) and 10.01(b) as soon as practicable, but in any event within 90 calendar days after the Closing Date, failure of which shall constitute an automatic Event of Default hereunder;

- (g) a currently dated letter of opinion of Borrower's Counsel and other counsels of Borrower as may be necessary as to such matters and in such form as Lender's Counsel deems appropriate addressed to the Lender and to Lender's Counsel will have been delivered to the Lender;
- (h) a currently dated letter of opinion of Lender's Counsel as to such matters as the Lender may stipulate addressed to the Lender will have been delivered to the Lender;
- (i) the Restricted Parties will have delivered to the Lender and the Collateral Agent certificates of insurance acceptable to the Lender and the Collateral Agent showing the Collateral Agent as a loss payee as its interest may appear and additional insured, with a standard mortgage clause endorsement, on all insurance policies that insure the assets to be secured by the Security;
- (j) the Lender will have received (i) satisfactory audited consolidated financial statements of the Borrower for the two most recent fiscal years ended prior to the Closing Date to the extent available; (ii) satisfactory unaudited interim consolidated financial statements of the Borrower for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to subclause (i) of this paragraph to the extent available; and (iii) a officer's certificate in respect of title;
- (k) **[Reserved]**
- (l) the Lender shall have received a funds flow memorandum and direction to pay from the Borrower in respect of the CCB Qingdao Credit Agreement and fees and expenses in connection with this Agreement and the CCB Qingdao Credit Agreement (including legal fees and expenses);
- (m) the Lender shall have received a certified copy of (i) the filed consent order in respect of the H. Corp. Injunction executed by the Borrower (or counsel on its behalf), H. Corp. (or counsel on its behalf) and Justice Romaine permitting the transactions contemplated hereby (including, for certainty, the CCB Qingdao Credit Agreement) and (ii) any affidavits made or filed in respect of the foregoing consent order, in each case, which shall be in form and substance satisfactory to the Lender;

- (n) the Lender shall have received a fee letter in respect of the management fees to be paid to it in connection with the administration of this Agreement and the CCB Qingdao Credit Agreement (the "**Fee Letter**");
- (o) the Lender shall have received certified copies of all documentation evidencing or relating to the Deeply Subordinated Loans and the Convertible Debentures (including, for certainty, any security relating thereto);
- (p) the CCB SBLC Provider shall have received the BOC SBLC and CCB Toronto shall have received the CCB SBLC;
- (q) the Lender shall have received the Disclosure Letter;
- (r) the applicable Intercreditor Parties shall have received a confirmation of subordination in respect of the Convertible Debentures described in Schedule B hereto;
- (s) the Lender shall have received the termination agreement in respect of loan administration agreement dated January 31, 2017 between China Construction Bank Toronto Branch and China Construction Bank Corporation, Qingdao Branch and the assignment of security made as of January 31, 2017 between China Construction Bank Toronto Branch and China Construction Bank Corporation, Qingdao Branch, the Borrower and Calgary Sinoenergy under the Existing Credit Agreement;
- (t) the representations and warranties in Section 8.01 shall be true and correct in all respects; and
- (u) no Default or Event of Default has occurred and is continuing, or would result from the execution and delivery of the Loan Documents,

provided that all documents delivered pursuant to this Section 3.01 must be in full force and effect, and in form and substance satisfactory to the Lender, acting reasonably.

3.02 **Conditions Precedent to all Advances**

The obligation of the Lender to make any advance hereunder by way of a Loan is subject to and conditional upon the prior satisfaction of the following additional conditions precedent:

- (a) the Lender will have received a Drawdown Notice as required under Sections 2.07(1) and 2.07(2);
- (b) the representations and warranties deemed to be repeated pursuant to Section 8.02 will continue to be true and correct in all material respects as of the Drawdown Date;

- (c) no Default or Event of Default will have occurred and be continuing on the Drawdown Date, or would result from making the requested Loan; and
- (d) all other terms and conditions of this Agreement upon which the Borrower may obtain a Loan that have not been waived will have been fulfilled.

3.03 **Waiver**

- (a) The conditions set forth in Sections 3.01 and 3.02 are inserted for the sole benefit of the Lender and may be waived by the Lender, in whole or in part (with or without terms or conditions), in respect of any Drawdown without prejudicing the right of the Lender at any time to assert such conditions in respect of any subsequent Drawdown.
- (b) Notwithstanding the requirement in this Article 3 for these deliverables to be made in order for the Agreement to be effective, they are agreed to be deferred in each case to the date following the Closing Date as set out with respect thereto:
 - (i) confirmation of subordination required in 3.01(r) is deferred until November 4, 2020; and
 - (ii) the Saskatchewan legal opinion with respect to the registrations made in Saskatchewan for the purposes of 3.01(f) is deferred until October 30, 2020;

unless waived or extended in writing, any failure to deliver in the time referenced above will constitute an automatic Event of Default.

**ARTICLE 4 - PAYMENTS OF INTEREST
AND STANDBY FEES**

4.01 **Interest on CDOR Loans**

The Borrower will pay interest on each CDOR Loan during each Interest Period applicable thereto in Canadian Dollars at a rate *per annum* equal to the sum of (a) CDOR plus (b) the CDOR Margin in effect, in each case, from time to time during such Interest Period. Each determination by the Lender of the CDOR and the CDOR Margin applicable from time to time during an Interest Period will, in the absence of manifest error, be binding upon the Borrower. Such interest will be payable in arrears on each Interest Payment Date for such Loan and will be calculated on the principal amount of the CDOR Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Changes in the CDOR and the CDOR Margin will cause an immediate adjustment of the interest rate applicable to such Loan without the necessity of any notice to the Borrower.

4.02 **Before and After Judgment Interest**

Without duplication to Section 4.03, if a Default or Event of Default has occurred and is continuing, all amounts outstanding hereunder (including, without duplication, all Loans

and interest in respect thereof) shall bear interest, after as well as before judgment, at a rate per annum equal to the rate specified in Section 4.01 plus 200 bps (2.00%).

4.03 **Interest on Payments in Arrears**

Without duplication to Section 4.02, if any fees or other amount payable by the Restricted Parties hereunder or under the other Loan Documents (other than principal or interest on any Loan) is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment at a rate per annum equal to the rate specified in Section 4.01 or Section 4.02, as applicable.

4.04 **Standby Fees**

The Borrower will pay to the Lender a standby fee in Canadian Dollars calculated at the rate per annum specified as the applicable "Standby Fee Rate" in the applicable table contained in the definition of "Applicable Margin" on the daily unadvanced portion of the Revolving Term Facility during each Fiscal Quarter. The standby fee will be determined daily beginning on the date hereof and will be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and will be payable by the Borrower quarterly in arrears on the first Business Day following the end of each quarter.

4.05 **Maximum Rate of Interest**

Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Secured Parties hereunder in excess of the amount or rate that would be permitted by Applicable Law or would result in the receipt by a Secured Party of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the applicable Secured Party will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

ARTICLE 5 - LETTERS OF CREDIT

5.01 **Letters of Credit**

(1) If the Borrower wishes to request that a Letter of Credit be issued under the Revolving Term Facility, the Borrower will, at the time it delivers a Drawdown Notice pursuant to Sections 2.07(1) and 2.07(2) requesting a Drawdown by way of Letters of Credit, execute and deliver to the Lender the Lender's usual documentation relating to the issuance and administration of letters of credit. In the event of any inconsistency between the terms of such documentation and this Agreement, the terms of this Agreement will prevail.

(2) Each Letter of Credit will be in a form and on such terms as determined by the Lender in its sole and unfettered discretion.

(3) No Letter of Credit may be issued for a period in excess of 364 days or beyond the Revolving Term Facility Maturity Date.

(4) If, at any time, a demand for payment is made under any Letter of Credit, the Borrower will forthwith pay to and reimburse the Lender for all payments made by the Lender to any Person pursuant to any Letter of Credit and all charges and expenses incurred by the Lender in connection with payment under the Letter of Credit (collectively, the "**Reimbursement Amount**"); provided that, unless the Borrower reimburses the Lender for such Reimbursement Amount on or before the date it is made, such Reimbursement Amount shall be made by way of the application of the cash collateral held by the Lender pursuant to Section 5.01(10). If the application of cash collateral contemplated above is (i) not sufficient to fully reimburse the Lender for the full Reimbursement Amount, the remaining Reimbursement Amount owing by the Borrower shall be deemed, as and from the date of such payment, to be an advance to the Borrower of a CDOR Loan under the Revolving Term Facility with the proceeds of such advance being applied against such remaining Reimbursement Amount, and the provisions hereof relating to such CDOR Loans (including interest to be calculated thereon) shall apply thereto or (ii) sufficient (or not required in full or in part) to fully reimburse the Lender for such Reimbursement Amount, the balance of such cash collateral, if any, shall be applied (A) prior to the occurrence and continuance of an Event of Default, as a permanent prepayment of Loans under the Non-Revolving Term Facility and (B) after the occurrence and during the continuance of an Event of Default, in accordance with Section 11.07.

(5) The Borrower hereby undertakes to indemnify and hold harmless the Lender from and against all liabilities and costs (including any costs incurred in funding any amount that falls due from the Lender under any Letter of Credit hereunder) to the extent that such liabilities and costs are not satisfied or compensated by the payment of interest on sums due pursuant to this Agreement in connection with any Letter of Credit except where such liabilities or costs result from the gross negligence or wilful misconduct of the Person claiming indemnification.

(6) The Lender will at all times be entitled, and is irrevocably authorized by the Borrower, to make any payment under a Letter of Credit for which a request or demand has been made in the required form without any further reference to the Borrower and any investigation or enquiry, need not concern itself with the propriety or validity of any claim made or purported to be made under the terms of such Letter of Credit (except as to compliance with the payment conditions of such Letters of Credit) and will be entitled to assume that any Person expressed in such Letter of Credit as being entitled to make demand or receive payments thereunder is so entitled. Accordingly, so long as a request or demand has been made as aforementioned, it will not be a defence to any demand made of the Borrower hereunder, nor will the obligations of the Borrower hereunder be impaired by the fact (if it be the case) that the Lender was or might have been justified in refusing payment, in whole or in part, of the amounts so claimed.

(7) A certificate of the Lender as to the amounts paid by the Lender under any Letter of Credit will, in the absence of manifest error, be prima facie evidence of the existence and amount of such payment in any legal action or proceeding arising out of or in connection herewith.

(8) Prior to the issuance of the Letter of Credit or any extension thereof, the Borrower will pay to the Lender a fee at the Letter of Credit Fee Rate calculated on the amount of the Letter of Credit in Canadian Dollars on the basis of a calendar year for the number of days from the date of issuance or extension of the Letter of Credit until its expiry date.

(9) The obligations of the Borrower with respect to Letters of Credit will be unconditional and irrevocable, and must be paid or performed strictly in accordance with the terms of this Agreement under all circumstances, including the following circumstances:

- (a) any lack of validity or enforceability of any Loan Document or the applicable Letter of Credit;
- (b) any amendment or waiver of or any consent to or actual departure from this Agreement;
- (c) the existence of any claim, set-off, defence or other right which the Borrower may have at any time against any beneficiary or any transferee of a Letter of Credit (or any Persons for which any such beneficiary or any such transferee may be acting), the Lender or any other Person or entity, whether in connection with this Agreement, the transactions contemplated herein or in any other agreements or any unrelated transactions;
- (d) any document presented under a Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect except for non-compliance with the payment conditions of such Letter of Credit; or
- (e) any other circumstance whatsoever, whether or not similar to any of the foregoing.

At the option of the Lender, either the *Uniform Customs and Practice* for documentary credits or the *International Standby Practices*, each published by the International Chamber of Commerce, current on the issue of each Letter of Credit will be binding on the Borrower and the Lender with respect to each such Letter of Credit. The Borrower assumes all risks of the acts or omissions of the beneficiary of each Letter of Credit with respect to such Letter of Credit. In furtherance of, and not in limitation of, the Lender's rights and powers under such *Uniform Customs and Practice* or *International Standby Practices*, as applicable, but subject to all other provisions of this Section 5.01, it is agreed that the Lender will not have any liability for, and that the Borrower assumes all responsibility for: (i) the genuineness of any signature, (ii) the form, validity, genuineness, falsification and legal effect of any draft, certification or other document required by a Letter of Credit or the authority of the Person signing the same, (iii) the failure of any instrument to bear any reference or adequate reference to a Letter of Credit or the failure of any Person to note the amount of any instrument on the reverse of a Letter of Credit or to surrender a Letter of Credit, (iv) the good faith or acts of any Person other than the Lender and its agents and employees, (v) the existence, form or sufficiency or breach or default under any agreement or instrument of any nature whatsoever, (vi) any delay in giving or failure to give any notice, demand or protest, and (vii) any error, omission, delay in or nondelivery of any notice or other communication, however sent. The determination as to whether the required documents are presented prior to the expiration of a Letter of Credit and whether such other documents are in proper and sufficient form for compliance with a Letter of Credit will be made by the Lender in its sole discretion, which determination will be conclusive and binding upon the Borrower absent manifest error. It is agreed that the Lender may honour, as complying with the terms of a Letter of Credit and this Agreement, any documents appearing to be in order and signed or issued by the beneficiary thereof. Any

action, inaction or omission on the part of the Lender under or in connection with any Letter of Credit or any related instrument or document, if in good faith and in conformity with such laws, regulations or commercial or banking customs as the Lender may reasonably deem to be applicable, will be binding upon the Borrower, and will not affect, impair or prevent the vesting of any of the Lender's rights or powers hereunder or the Borrower's obligation to make full reimbursement of amounts drawn under the Letters of Credit. Notwithstanding the provisions of this Section 5.01(9), the Borrower will not be responsible, and no Person will be relieved of responsibility under this Article 5, for any gross negligence or wilful misconduct of such Person.

(10) All Letters of Credit issued under the Revolving Term Facility (including, for certainty, the Existing Letters of Credit) shall be cash collateralized in an amount equal to no less than 100% of the undrawn face value thereof and, prior to such issuance, the Borrower shall pay to the Lender for deposit into a cash collateral account, for the account of (and in the name of) the Lender, an amount no less than the aggregate face amount thereof. If at any time the face amount of a Letter of Credit is reduced or a Letter of Credit is returned or cancelled, then any excess cash collateral shall be applied (A) as a permanent prepayment of Loans under the Non-Revolving Term Facility and (B) after the occurrence and during the continuance of an Event of Default, in accordance with Section 11.07.

(11) The Existing Letters of Credit will be deemed to be Letters of Credit issued hereunder, provided that, so long as the cash collateral provided to the Lender covers 100% of the potential Reimbursement Amount with respect thereto, the quantum of the Revolving Term Facility will be zero. Any amount not so covered will be deemed outstanding as Debt under the Revolving Term Facility. Notwithstanding the foregoing, the Existing Letters of Credit will be administered and managed (including, for certainty, the fees and cash collateral, in accordance with the Credit Agreement and this Article 5).

ARTICLE 6- REPAYMENT

6.01 Mandatory Repayment - Revolving Term Facility

The Borrower will repay in full the outstanding principal amount of all Loans and other Obligations under the Revolving Term Facility on or before the Revolving Term Facility Maturity Date.

6.02 Mandatory Repayment - Non-Revolving Term Facility

The Borrower will repay the outstanding principal amount of all Loans and all other Obligations under or in connection with the Non-Revolving Term Facility on or before the Non-Revolving Term Facility Maturity Date.

6.03 Mandatory Repayment Based on Adjusted Excess Cash Flow – Non-Revolving Term Facility

(1) Not later than 45 days following each Fiscal Quarter, beginning with the Fiscal Quarter ended March 31, 2021, and for each subsequent Fiscal Quarter, the Borrower will determine Adjusted Excess Cash Flow for such period.

(2) Once Adjusted Excess Cash Flow has been determined in accordance with Section 6.03(1), on the date specified therein, in addition to the repayments required under Sections 6.01, 6.02 and 6.04, the Borrower will make a repayment under the Non-Revolving Term Facility in Canadian Dollars in an amount equal to 5% of the Adjusted Excess Cash Flow so determined.

(3) All repayments under this Section 6.03 will be applied as a permanent repayment of Loans outstanding under the Non-Revolving Term Facility, on a *pro rata* basis with the repayments of principal required under Section 6.03 of the CCB Qingdao Credit Agreement. Such repayments under this Section 6.03 may be reduced in the sole discretion of the CCB Qingdao Administrative Agent (on behalf of the CCB Qingdao Lenders) and the Lender, as applicable. For certainty, "*pro rata* basis" for the purposes of allocating any repayments under this Section 6.03 shall be based on actual amounts paid (or to be paid) with respect to the cash sweep obligations pursuant to this Section 6.03 and Section 6.03 of the CCB Qingdao Credit Agreement (i.e. if all or a portion of a repayment is declined under Section 6.03 of the CCB Qingdao Credit Agreement, then such declined portion shall also be required to be applied hereunder as a permanent repayment of Loans outstanding under the Non-Revolving Term Facility, at the sole discretion of the Lender).

6.04 **Other Mandatory Repayments – Non-Revolving Term Facility**

(1) If a Restricted Party receives Net Proceeds in any amount, the Borrower will have an obligation under this Section 6.04 to make a repayment under the Non-Revolving Term Facility in an amount equal to the Equivalent Amount in Canadian Dollars of such Net Proceeds unless otherwise agreed to by the Lender in its sole discretion and in accordance with any instructions provided by the Lender. Immediately upon a Restricted Party receiving such Net Proceeds, the Borrower will provide the Lender with a Repayment Notice and repay Loans under the Non-Revolving Term Facility, subject to Section 6.04(5).

(2) If a Restricted Party receives a payment of proceeds pursuant to or in connection with the issuance of Debt permitted pursuant to Section 9.04(5) (other than Debt that constitutes Additional Contributions), the Borrower will have an obligation under this Section 6.04 to make a repayment under the Non-Revolving Term Facility in an amount equal to the Equivalent Amount in Canadian Dollars of such proceeds (subject to Section 6.04(5)) unless otherwise agreed to by the Lender in its sole discretion and in accordance with any instructions provided by the Lender. Immediately upon a Restricted Party receiving such proceeds, the Borrower will provide the Lender with a Repayment Notice and repay Loans under the Non-Revolving Term Facility, subject to Section 6.04(5).

(3) If a Restricted Party receives a payment of proceeds pursuant to or in connection with the issuance or sale of any Equity (other than Equity that constitutes Additional Contributions), the Borrower will have an obligation under this Section 6.04 to make a repayment under the Non-Revolving Term Facility in an amount equal to the Equivalent Amount in Canadian Dollars of such proceeds (subject to Section 6.04(5)) unless otherwise agreed to by the Lender in its sole discretion and in accordance with any instructions provided by the Lender. Immediately upon a Restricted Party receiving such proceeds, the Borrower will provide the Lender with a Repayment Notice and repay Loans under the Non-Revolving Term Facility, subject to Section 6.04(5).

(4) If a Restricted Party receives a payment of net insurance proceeds under or in connection with an insurance policy in connection with the loss, damage or destruction of any property, then immediately upon receipt of such payment the Borrower shall prepay the Non-Revolving Term Facility in an amount equal to the Equivalent Amount Canadian Dollars of the portion of such net insurance proceeds that has not been applied to the repair or replacement of such property from which such proceeds were derived (subject to Section 6.04(5)). The Borrower will provide the Lender with a Repayment Notice and repay Loans under the Non-Revolving Term Facility after the giving of the Repayment Notice, subject to Section 6.04(5).

(5) Each repayment under this Section 6.04 will be applied as a permanent repayment of Loans outstanding under the Non-Revolving Term Facility, on a *pro rata* basis with the corresponding repayments of principal required under Section 6.04 of the CCB Qingdao Credit Agreement. For certainty, "*pro rata* basis" for the purposes of allocating any repayments under this Section 6.04 shall be based on actual amounts paid (or to be paid) with respect to the cash sweep obligations pursuant to this Section 6.04 and Section 6.04 of the CCB Qingdao Credit Agreement (i.e. if all or a portion of a repayment is declined under Section 6.04 of the CCB Qingdao Credit Agreement, then such declined portion shall also be required to be applied hereunder as a permanent repayment of Loans outstanding under the Non-Revolving Term Facility, at the sole discretion of the Lender).

6.05 **Voluntary Prepayments and Reductions – Non-Revolving Term Facility**

If the Lender has received a Repayment Notice from the Borrower not less than ten Business Days prior to the proposed prepayment date, the Borrower may from time to time prepay Loans outstanding under the Non-Revolving Term Facility without penalty.

6.06 **Repayment Compensation**

If the Borrower by reason of any repayment hereunder, whether mandatory or voluntary, pays any CDOR Loan prior to the end of the applicable Interest Period, the Borrower will compensate the Lender for any loss or expense that the Lender incurs as a result thereof, including any breakage costs.

ARTICLE 7 - PLACE AND APPLICATION OF PAYMENTS

7.01 **Place of Payment of Principal, Interest and Fees**

All payments of principal, interest, fees and other amounts to be made by the Borrower pursuant to this Agreement will be made in the currency in which such amounts are due for value on the day such amount is due or, if such day is not a Business Day, on the Business Day next following with interest, by deposit or transfer thereof to the account designated from time to time in writing by the Lender at the Lending Office. The Borrower irrevocably authorizes and directs Lender to automatically debit, by mechanical, electronic or manual means, any bank account of Borrower for all amounts payable by Borrower pursuant to this Agreement (including, for certainty, in order to effect the application of the cash collateral contemplated in Section 5.01(4) to the reimbursement obligations described therein owing by the Borrower to the Lender).

7.02 **Netting of Payments**

If, on any date, amounts would be due and payable under this Agreement in the same currency by a Restricted Party to the Secured Parties, and by the Secured Parties to a Restricted Party, then, on such date, the obligations of each such party to make payment of any such amount will be automatically satisfied and discharged if the amounts payable are the same. If the aggregate amount that would otherwise have been payable by a Restricted Party to the Secured Parties exceeds the aggregate amount that would otherwise have been payable by the Secured Parties to a Restricted Party or *vice versa*, such obligations will be replaced by an obligation upon whichever of the Restricted Party or the Secured Parties would have had to pay the larger aggregate amount, to pay to the other the excess of the larger aggregate amount over the smaller aggregate amount. For greater certainty, prior to acceleration of repayment pursuant to Section 11.02, this Section 7.02 will not permit the Secured Parties to exercise a right of set-off, combination or similar right against any amount which a Restricted Party may have on deposit with the Secured Parties in respect of any amount to which netting is to apply pursuant to this Section 7.02, but will apply only to determine the net amount to be payable by the Secured Parties to a Restricted Party, or by a Restricted Party to the Secured Parties.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.01 **Representations and Warranties**

The Borrower represents and warrants to the Secured Parties as follows, and acknowledges and confirms that the Secured Parties are relying upon such representations and warranties:

(1) **Existence and Qualification** Each of the Restricted Parties (a) that is a corporation or company has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation or company under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may, (b) that is not a corporation or company has been duly created or established as a partnership or other entity and validly exists under the laws of the jurisdiction in which it has been created or established, and (c) is duly qualified to carry on business in all jurisdictions in which it carries on business and has all Material Licences.

(2) **Power and Authority** Each of the Restricted Parties has the power, authority and right (a) to enter into and deliver, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Loan Documents, and (b) to own its Property and carry on its business as currently conducted and as currently proposed to be conducted by it.

(3) **Execution, Delivery, Performance and Enforceability of Documents** The execution, delivery and performance of each of the Loan Documents to which a Restricted Party is a party, and every other instrument or agreement delivered by it pursuant to any Loan Document, has been duly authorized by all actions, if any, required on its part and by its shareholders and directors (or where applicable partners, members or managers), and each of the Loan Documents and such other instruments and agreements has been duly executed and delivered and constitutes a valid and legally binding obligation of the particular Restricted Party enforceable against it in

accordance with its terms subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles.

(4) Loan Documents Comply with Applicable Laws, Organizational Documents and Contractual Obligations Neither the entering into nor the delivery of, and neither the consummation of the transactions contemplated in nor compliance with the terms, conditions and provisions of, the Loan Documents by any Restricted Party conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirement of Law applicable to it or any of its Organizational Documents (except, in each case, where such conflict, breach, default, or contravention would not, individually or in the aggregate, constitute, or be reasonably likely to result in, a Material Adverse Change).

(5) Consents Respecting Loan Documents Each of the Restricted Parties has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required as to the date hereof in connection with the execution and delivery by it of each of the Loan Documents to which it is a party and the consummation of the transactions contemplated in the Loan Documents.

(6) Security The Security constitutes a valid first security interest and first floating charge on the relevant assets of the Restricted Parties, subject only to Permitted Encumbrances which under Applicable Law rank in priority thereto.

(7) Taxes Other than as set forth in the Disclosure Letter, each of the Restricted Parties has paid or made adequate provision for the payment of all Taxes levied on it or on its Property or income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except Taxes that are not material in amount, that are not delinquent or if delinquent are being contested, and in respect of which non-payment would not individually or in the aggregate constitute, or be reasonably likely to cause, a Material Adverse Change, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge threatened, by any Governmental Authority regarding any Taxes nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.

(8) Judgments, Etc. Other than as set forth in the Disclosure Letter, none of the Restricted Parties is subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or is reasonably likely to cause, a Material Adverse Change.

(9) Absence of Litigation Other than as set forth in the Disclosure Letter, there are no actions, suits or proceedings pending or, to the best of the Borrower's knowledge and belief, after due inquiry and all reasonable investigation, threatened against or affecting any Restricted Party that are reasonably likely to cause, either separately or in the aggregate, a Material Adverse

Change. None of the Restricted Parties is in default with respect to any Applicable Law in a manner or to an extent that could reasonably be expected to cause a Material Adverse Change.

(10) Title to Assets Other than as set forth in the Disclosure Letter, each of the Restricted Parties has good title to its Property, free and clear of all Encumbrances except Permitted Encumbrances and no Person has any agreement or right to acquire an interest in such Property other than in the ordinary course of the business of the applicable Restricted Party.

(11) Use of Real Property All real property owned or leased by each of the Restricted Parties may be used in all material respects by it pursuant to Applicable Law for the present use and operation of the material elements of the business conducted, or intended to be conducted, on such real property by it except where non compliance with any such Applicable Law could not constitute, or be reasonably be expected, individually or in the aggregate, to constitute, or cause, a Material Adverse Change.

(12) Operation of Properties To the Borrower's knowledge, all of its oil and gas properties have been drilled, operated and, if applicable, abandoned in accordance with Applicable Law and in a good and workmanlike manner in accordance with sound industry practice except, in each case, to the extent that the failure to do any of the foregoing could not be reasonably expected to have a Material Adverse Effect.

(13) Labour Relations None of the Restricted Parties is engaged in any unfair labour practice that could reasonably be expected to cause a Material Adverse Change; and there is no unfair labour practice complaint pending against any of the Restricted Parties, or threatened against any of them, before any Governmental Authority that if adversely determined could reasonably be expected to cause a Material Adverse Change. No grievance or arbitration arising out of or under any collective bargaining agreement is pending against any of the Restricted Parties or threatened against any of them. No strike, labour dispute, slowdown or stoppage is pending against any of the Restricted Parties or threatened against any of them and no union representation proceeding is pending with respect to any employees of the Restricted Parties, except (with respect to any matter specified in this sentence, either individually or in the aggregate) such as could not reasonably be expected to cause a Material Adverse Change.

(14) Pension No Restricted Party has established or maintains any Pension Plan.

(15) Compliance with Laws Other than as set forth in the Disclosure Letter, none of the Restricted Parties is in default under any Applicable Law where such default could reasonably be expected to cause a Material Adverse Change or affect its ability to perform any of its obligations under any Loan Document to which it is a party.

(16) No Default Other than (a) as set forth in the Disclosure Letter, and (b) the failure of the Borrower to pay interest in respect of the Borrower's existing Convertible Debentures held by Calgary Sinoenergy, none of the Restricted Parties is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which could reasonably be expected to cause a Material Adverse Change or affect its ability to perform any of its obligations under any Loan Document to which it is a party.

(17) Ownership Structure The ownership structure of the Borrower and its Subsidiaries is as set out in Schedule 8.01(17), which contains:

- (a) a list of all Restricted Parties; and
- (b) complete and accurate information respecting:
 - (i) each such Restricted Party's name (including any French and English forms of name) and the jurisdiction in which each Restricted Party was formed;
 - (ii) the address (including postal code or zip code) of each Restricted Party's chief executive office and chief place of business and, if the same is different, the address at which the books and records of such Restricted Party are located, the address at which senior management of such Restricted Party are located and conduct their deliberations and make their decisions with respect to the business of such Restricted Party and the address from which the invoices and accounts of such Restricted Party are issued; and
 - (iii) the authorized capital of the Borrower and each Restricted Party, the number of issued and outstanding shares of each such Person and the beneficial owners thereof.

(18) Relevant Jurisdictions The Relevant Jurisdictions for each Restricted Party are set forth on Schedule 1.01(F).

(19) Security The Security is effective to create in favour of the Secured Parties, as security for the Obligations, a legal, valid, binding and enforceable security interest in the collateral described therein and proceeds thereof.

(20) Liens and Indebtedness Other than as set forth in the Disclosure Letter, no Restricted Party has any material liens on its property, other than the Security and Permitted Encumbrances, and has not incurred or assumed any Debt, other than Permitted Debt.

(21) Intellectual Property Rights Each of the Restricted Parties has sufficient Intellectual Property Rights reasonably necessary for the conduct of its businesses. To the Borrower's knowledge, none of the Restricted Parties is infringing or is alleged to be infringing the Intellectual Property Rights of any other Person in a manner that could reasonably be expected to cause, or if any allegation is determined adversely could reasonably be expected to cause, a Material Adverse Change other than as disclosed in Schedule 8.01(21).

(22) Financial Statements All of the quarterly and annual financial statements that have been furnished to the Lender in connection with this Agreement are complete in all material respects and such financial statements fairly present the financial position of the Borrower or other Restricted Party, as the case maybe, as of the dates referred to therein and have been prepared in accordance with GAAP. None of the Restricted Parties has any liabilities (contingent or other) or other obligations of the type required to be disclosed in accordance with GAAP that are not fully disclosed on the consolidated financial statements of the Borrower provided to the Lender for the

fiscal period ended December 31, 2019 and thereafter, the most recently delivered consolidated financial statements provided to the Lender in accordance with Section 9.03(2)(b), other than liabilities and obligations incurred in the ordinary course of business, and the Obligations.

(23) No Material Adverse Change Other than as set forth in the Disclosure Letter, since the date of the Borrower's most recent annual audited financial statements provided to the Lender, there has been no condition (financial or otherwise), event or change in any Restricted Party's business, liabilities, operations, results of operations, assets or prospects which constitutes, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(24) Environmental Matters

- (a) The assets of each Restricted Party and its operations are in full compliance in all respects with all Environmental Laws; the Borrower is not aware of, nor has it received notice of, any past, present or future condition, event, activity, practice or incident that may interfere with or prevent the compliance or continued compliance of it or any other Restricted Party in all respects with all Environmental Laws; and each Restricted Party has obtained all licences, permits and approvals that are currently required under all Environmental Laws and is in full compliance with the provisions of such licences, permits and approvals, in each case except to the extent that the non-compliance would not or could not reasonably be expected to cause a Material Adverse Change.
- (b) The Borrower is not aware that any Hazardous Substances exist on, about or within or have been used, generated, stored, transported, disposed of on, or released from any of its Property or the Property of any other Restricted Party other than in material accordance and compliance with all Environmental Laws, except to the extent that the non-compliance would not or could not reasonably be expected to cause a Material Adverse Change.
- (c) The use which each Restricted Party has made and intends to make of its Property will not result in the use, generation, storage, transportation, accumulation, disposal, or release of any Hazardous Substances on, in or from any such property except in accordance and compliance with all Environmental Laws, except to the extent that the non-compliance would not or could not reasonably be expected to cause a Material Adverse Change.
- (d) There is no action, suit or proceeding, or, to its knowledge, any investigation or inquiry, before any Governmental Authority pending or, to its knowledge, threatened against any Restricted Party relating in any way to any Environmental Law that would or could reasonably be expected to cause a Material Adverse Change.
- (e) No Restricted Party has (i) incurred any current and outstanding liability for any clean-up or remedial action under any Environmental Law with respect to current or past operations, events, activities, practices, incidents or the condition or use of any Property owned currently or in the past, (ii) received any outstanding written

request for information (other than information to be provided in the normal course in connection with applications for licences, permits or approvals) by any Person under any Environmental Law with respect to the condition, use or operation of its Property, or (iii) received any outstanding written notice or claim under any Environmental Law with respect to any material violation of or liability under any Environmental Law or relating to the presence of Hazardous Substance on or originating from its Property, that, in any such case, would or could reasonably be expected to cause a Material Adverse Change.

(25) Pension Plans With respect to Pension Plans, except as disclosed on Schedule 8.01(25), (a) no steps have been taken to terminate any Pension Plan (wholly or in part) that could result in any of the Restricted Parties being required to make an additional contribution to the Pension Plan, (b) no contribution failure has occurred with respect to any Pension Plan of a Restricted Party sufficient to give rise to a lien or charge under any applicable pension benefits laws, and (c) no condition exists and no event or transaction has occurred with respect to any Pension Plan that is reasonably likely to result in any Restricted Party incurring any material liability, fine or penalty. Except as disclosed on Schedule 8.01(25), (i) each Pension Plan of each Restricted Party is in compliance in all material respects with all Applicable Laws, (ii) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws and the terms of each such Pension Plan have been made in accordance with all Applicable Laws and the terms of each such Pension Plan, (iii) all liabilities under each such Pension Plan are funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of applicable pension benefits laws and of applicable regulatory authorities and the most recent actuarial report filed with respect to the Pension Plan, and (iv) no event has occurred and no conditions exist with respect to any Pension Plan that have resulted or could reasonably be expected to result in any Pension Plan having its registration revoked or refused for the purposes of any administration of any relevant pension benefits regulatory authority or being required to pay any Taxes under any Applicable Laws, except for any exceptions to clauses (ii) through (iv) above that, individually or in the aggregate, could not reasonably be expected to cause a Material Adverse Change.

(26) Full Disclosure All information provided or to be provided to the Lender in connection with the Credit Facilities (including, for certainty, all information in the Disclosure Letter) is, to the Borrower's knowledge, true and correct and none of the documentation furnished to the Lender by or on behalf of the Borrower, to the Borrower's knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by it (and any other Person who furnished such material on behalf of it).

(27) Anti-Corruption Laws; Anti-Terrorism Laws; Sanctions

(a) No part of the proceeds of any advance or Loan (including, for certainty, any issuance of a Letter of Credit) will be used, directly or to the knowledge of a Restricted Party and their respective Subsidiaries (after due inquiry to the extent required by Applicable Law) indirectly, to fund any operations in, finance any

investments or activities in, or make any payments to, a Sanctioned Person in any manner that would result in any violation by any Person (including the Secured Parties) of (A) any Sanctions or (B) applicable regulations, rules and executive orders administered by any Sanctions Authority.

- (b) None of the Borrower, any other Restricted Party nor any of their respective Subsidiaries (A) is, or will become a Sanctioned Person or (B) engages or will engage in any dealings or transactions, or is or will be otherwise associated, with any Sanctioned Person that would result in any violation of (x) any Sanctions or (y) applicable regulations, rules and executive orders administered by any Sanctions Authority.
- (c) Each of the Borrower, the other Restricted Parties and their respective Subsidiaries is, and has conducted its business, in compliance in all respects with all Sanctions and all applicable regulations, rules and executive orders administered by any Sanctions Authority.
- (d) Each of the Borrower, the other Restricted Parties and their respective Subsidiaries is, and has conducted its business, in compliance with all Anti-Money Laundering/ Anti-Terrorist Financing Laws.
- (e) To the knowledge of any Restricted Party, the Borrower, each other Restricted Party and their respective Subsidiaries are not the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any Anti-Corruption Laws or Anti-Money Laundering/ Anti-Terrorist Financing Laws in which there is a possibility of an adverse decision and no such investigation, inquiry or proceeding is pending or has been threatened.
- (f) Each of the Borrower, the other Restricted Parties and their respective Subsidiaries is, and has conducted its business, in compliance with all Anti-Corruption Laws. No part of the proceeds of any advance or Loan (including, for certainty, any issuance of a Letter of Credit) hereunder or under the Existing Credit Agreement has been used or will be used, directly or, to the knowledge of a Restricted Party (after due inquiry to the extent required by Applicable Law), indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in a governmental capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws.
- (g) The Borrower, each other Restricted Party and their respective Subsidiaries have policies and procedures in place to ensure that each of the foregoing representations and warranties in this Section 8.01(27) are true and correct at all times.
- (28) Section 4 of the *Interest Act* (Canada)
 - (a) This Agreement, including, without limitation, Section 1.04, Section 1.05 and Article 4 hereof and the constituent definitions herein and under the other Loan

Documents relating to interest and other amounts payable hereunder and thereunder, satisfies the requirements of section 4 of the *Interest Act* (Canada) to the extent that such section 4 of the *Interest Act* (Canada) applies to the expression, statement or calculation of any rate of interest or other rate per annum hereunder or under any other Loan Document.

- (b) The Borrower, each other Restricted Party and their respective Subsidiaries are each able to calculate the yearly rate or percentage of interest payable under any Loan Document based on the methodology set out herein and under the other Loan Documents, including, without limitation, Section 1.04, Section 1.05 and Article 4 hereof and the constituent definitions herein and under the other Loan Documents relating to interest and other amounts payable hereunder and thereunder.

(29) Deeply Subordinated Loans and Convertible Debentures As of the date hereof, there are no Deeply Subordinated Loans or Convertible Debentures except those described in Schedule B hereto.

(30) Controlled Accounts Schedule 8.01(30) contains a complete and accurate list of all Controlled Accounts as of the date hereof.

(31) Real Property The officer's certificate in respect of title to be delivered on the Closing Date contain a correct and complete list of all real property owned and leased by the respective Restricted Party party thereto (including, without limitation, a legal description of all owned real property and leased real property (freehold, Crown, surface, mineral or otherwise)).

(32) No Financial Assistance All Financial Assistance given by the Restricted Parties and outstanding on the date hereof is described in Section 9.04(6) of the Disclosure Letter.

8.02 Survival and Repetition of Representations and Warranties

The representations and warranties set out in Section 8.01 survive the execution and delivery of this Agreement and all other Loan Documents and will be deemed to be repeated by the Borrower as of the date of each Compliance Certificate delivered hereunder. To the extent that on or prior to such date (a) the Borrower has advised the Lender in writing of a variation in any such representation or warranty, and (b) if such variation, in the opinion of the Lender, acting reasonably, is material to the Property, liabilities, affairs, business, operations, prospects or condition (financial or otherwise) of any Restricted Party considered as a whole or could have, or be reasonably likely to result in, a Material Adverse Change, and the Lender has approved such variation, then such representation and warranty will thereafter be deemed to be varied as approved by the Lender.

ARTICLE 9 - COVENANTS

9.01 Positive Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower will, and will ensure that each Restricted Party will (as applicable):

(1) Timely Payment Make due and timely payment of the Obligations required to be paid by it hereunder.

(2) Maintenance and Operation of Properties Maintain and operate its property, or, if it is not the operator, use reasonable efforts to ensure that such property is maintained and operated, in accordance with sound industry practice and in accordance in all respects with Applicable Law, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

(3) Performance of Agreements Other than as set forth in the Disclosure Letter, perform their obligations under the Loan Documents to which it is a party and all other agreements relating to its properties, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain all such agreements in good standing in all respects, except to the extent failure to so perform could not reasonably be expected to have a Material Adverse Effect, provided that this covenant will not restrict any right to surrender leases or terminate agreements which are uneconomic to maintain.

(4) Comply with Law and Maintain Permits Other than as set forth in the Disclosure Letter, comply with Applicable Laws, including Environmental Laws, and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of their property and to the conduct of their business in each jurisdiction where it carries on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

(5) Conduct of Business, Maintenance of Existence, Compliance with Laws Engage in business of the same general type as now conducted by it; carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business and to comply in all material respects with all Requirements of Law, including Requirements of Environmental Law. For certainty, Calgary Sinoenergy will solely hold the shares and loans (along with any Deeply Subordinated Loans) and have the liabilities as described in Schedule 9.01(5).

(6) Further Assurances Use reasonable efforts to provide the Lender with such other documents, opinions, consents, acknowledgments and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time.

(7) Access to Information Promptly provide the Lender with all information reasonably requested by the Lender from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Lender to inspect any of its Property subject to guidelines provided by the Borrower, acting reasonably, and to examine (subject to any bona fide third party confidentiality agreements) its financial records, including records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of such of its representatives as it may designate) its auditors, the reasonable expense of all of which will be paid by the Borrower.

(8) Inspection of Property; Books and Records; Discussions Will maintain books and records of account in accordance with GAAP and Applicable Law; and permit representatives of the Lender at the Borrower's expense, and subject to the Borrower's health and safety requirements and further subject to guidelines provided by the Borrower, acting reasonably, no more than once a year while no Default or Event of Default exists and at any time at the Borrower's expense while a Default or Event of Default exists to visit and inspect any property of the Restricted Parties and to examine (subject to any bona fide third party confidentiality agreements) any books and records of the Restricted Parties at any reasonable time during normal business hours and upon reasonable request and notice, and subject to the Restricted Parties' health and safety requirements, and to discuss the business, property and condition (financial or otherwise) of the Restricted Parties with their senior officers and (in the presence of such representatives, if any, as it may designate) with its independent chartered accountants.

(9) Obligations and Taxes Other than as set forth in the Disclosure Letter, pay or discharge, or cause to be paid or discharged, before the same will become delinquent (i) all Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all tax returns in respect thereof, (ii) all lawful claims for labour, materials and supplies, (iii) all required payments under any of its Debt, and (iv) all other obligations; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings and an appropriate financial reserve in accordance with GAAP and satisfactory to the Lender has been established.

(10) Use of Credit Facilities Use the proceeds of the Credit Facilities only for the purposes specified in Section 2.04.

(11) Insurance Maintain insurance on all its Property (showing the Collateral Agent as the loss payee as its interests may appear and additional insured, with a standard mortgage clause endorsement) with financially sound and reputable insurance companies or associations including all-risk property insurance, comprehensive general liability insurance and business interruption insurance, in amounts and against risks that are determined by it to be appropriate and that are prudent in the circumstances; furnish to the Collateral Agent, on written request, but in any event annually, satisfactory evidence of the insurance carried and notify the Lender and the Collateral Agent of any claim it makes under the foregoing insurance.

(12) Notice of Default Promptly notify the Lender of any Default or Event of Default that would apply to it of which it becomes aware, using reasonable diligence.

(13) Notice of Material Adverse Change Promptly notify the Lender of any Material Adverse Change that would apply to it of which it becomes aware, using reasonable diligence.

(14) Notice of Litigation Promptly notify the Lender on becoming aware of the occurrence of any litigation, dispute, arbitration or other proceeding the result of which if determined adversely would be a judgement or award against it (a) in excess of \$1,000,000, or (b) would result in a Material Adverse Change to it, and from time to time provide the Lender with all reasonable information requested by the Lender concerning the status of any such proceeding.

(15) Environmental Compliance Operate all Property owned, leased or otherwise used by it in a manner such that no obligation, including a clean-up or remedial obligation, will arise under any Environmental Law, which obligations individually or in the aggregate would have, or would be reasonably likely to cause, a Material Adverse Change; provided, however, that if any such claim is made or any such obligation arises, it will or will cause the applicable Restricted Party to immediately satisfy or contest such claim or obligation at its own cost and expense, and promptly notify the Lender upon learning of (a) the existence of Hazardous Substances located on, above or below the surface of any land that it occupies or controls (except those being stored, used or otherwise handled in substantial compliance with Environmental Law), or contained in the soil or water constituting such land, or (b) the occurrence of any reportable release of Hazardous Substances into the air, land surface water or ground water that has occurred on or from such land that, as to either (a) or (b), would be reasonably likely to result in a Material Adverse Change.

(16) Environmental Audit At the reasonable request of the Lender, will assist the Lender in conducting an environmental audit of any property which is the subject matter of any material contingent or actual obligations or liabilities, by an independent consultant selected jointly by the Lender and the Borrower, and failing any such agreement, the Lender. The reasonable costs of such audit will be for the account of the Borrower, provided that the Lender will carry out such audit in consultation with the Borrower to expedite its completion in a cost effective manner. Should the result of such audit indicate that the Borrower is in breach, or with the passage of time will be in breach, of any Environmental Law and such breach or potential breach has or could reasonably be expected to have a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Secured Parties under the Loan Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Lender fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. The Lender will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor the Borrower's compliance with this Section 9.01(16).

(17) Security Provide the Collateral Agent and the other Secured Parties with the Security required from time to time pursuant to Article 10 in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Collateral Agent, acting reasonably, and do all such further acts and execute and deliver all such documents and instruments as may from time to time be requested by the Collateral Agent, acting reasonably, to ensure that the Security constitutes at all times valid, enforceable, and perfected first priority Encumbrances (subject only to Permitted Encumbrances).

(18) Maintenance of Property Keep all Property useful and necessary for its business in good working order and condition, normal wear and tear excepted, except to the extent that the failure to do so would not individually or in the aggregate be reasonably likely to cause a Material Adverse Change.

(19) Hedge Arrangements At the request of the Lender and on a monthly basis, review its hedge program with the Lender and provide satisfactory evidence that it has entered into and is maintaining a sound and fiscally responsible hedge program to manage interest rate and foreign exchange risk.

(20) Pension Matters Promptly notify the Lender on becoming aware of (a) the institution of any steps by any Person to terminate or effect a partial wind-up of any Pension Plan, (b) the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to an Encumbrance under any Applicable Law, (c) the taking of any action with respect to a Pension Plan that is reasonably likely to result in the requirement that any Restricted Party furnish a bond or other security to such Pension Plan or any applicable Governmental Authority, or (d) the occurrence of any event with respect to any Pension Plan that has not been disclosed on Schedule 8.01(25) and that is reasonably likely to result in the incurrence by any Restricted Party of any material liability, fine or penalty, and in the notice to the Lender thereof, provide copies of all documentation relating thereto.

(21) Disbursement Account.

- (a) The Collateral Agent (on behalf of the Intercreditor Parties) is authorized by the Restricted Parties to, at any time, whether or not a Default or Event of Default has occurred or is continuing, issue a "Trigger Notice" or otherwise take control of the Controlled Accounts. The Collateral Agent (on behalf of the Intercreditor Parties) shall provide a copy of any such issued "Trigger Notice" forthwith to the Borrower.
- (b) Other than any CCB Disbursements (as defined below) received in the Controlled Accounts, on a periodic basis as required by the Collateral Agent (on behalf of the Intercreditor Parties), acting reasonably, the Restricted Parties shall deposit or cause to be deposited to the revenue collection and expense disbursement account established by the Borrower with the Collateral Agent (on behalf of the Intercreditor Parties), which, for certainty shall also be a Controlled Account (the "**Disbursement Account**"), all revenues, receipts, monies and proceeds and other sums of any nature received (or to be received) by or payable (or become payable) to the Restricted Parties (other than Calgary Sinoenergy) or which are received from any source in any other Controlled Account.
- (c) The Collateral Agent (on behalf of the Intercreditor Parties) agrees, provided that no Default or Event of Default has occurred or is continuing (other than those which have been waived in writing by the Collateral Agent and the Intercreditor Parties), on a monthly basis, or more frequently (including, for certainty, for emergency requests for disbursements, which emergency disbursements may be released within one day of such request) at the sole determination of Collateral Agent and the Intercreditor Parties, to disburse to the Controlled Accounts, within 3 Business Days, reasonable amounts requested by the Borrower and supported by the budget of the Borrower, an itemized and quantified list of payables and such other documents requested by the Collateral Agent (on behalf of the Intercreditor Parties), for the purpose of paying the Borrower's verifiable and necessary cash expenses, including a reasonable contingency for unbudgeted expenses for the 30 day period following any such request (the "**CCB Disbursements**").
- (d) Other than account debtors who have historically remitted by way of physical cheque and where direct remittances to the Disbursement Account are impracticable, the Restricted Parties shall on commercially reasonable efforts basis

cause all of their account debtors, including any new debtors from time to time, to directly remit all payments on accounts to the Disbursement Account.

(22) Collection of Accounts. Make all commercially reasonable efforts to collect all accounts receivables from its Affiliates in full and in a timely manner with no forbearance or forgiveness of contractual terms; for certainty, no Restricted Party will convert any such obligation to equity or any other consideration.

(23) Anti-Money Laundering/Anti-Terrorist Financing Laws; Sanctions; Anti-Corruption Laws Representations Continue to be True. The Borrower and each other Restricted Party shall, and shall cause each of their respective Subsidiaries to, conduct its business operations such that, and have policies and procedures in place to ensure that, the representations and warranties in Section 8.01(27) are true and correct at all times that this Agreement is in effect (and not just at, and as of, the times such representations and warranties are made or deemed to be made).

(24) Controlled Accounts. Ensure that, at all times, the Controlled Accounts shall be subject to an account control agreement (in form and substance satisfactory to the Collateral Agent), subject to Section 10.01(h).

9.02 Financial Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower will ensure that at the end of each Fiscal Quarter:

(1) Consolidated Senior Debt to Adjusted Consolidated EBITDA Ratio The Consolidated Senior Debt to Adjusted Consolidated EBITDA Ratio will not exceed 4.00:1.00 during the period commencing June 30, 2022 and for each Fiscal Quarter thereafter.

(2) Interest Coverage Ratio The Interest Coverage Ratio is not less than:

(a) 3.00:1.00 for the period commencing on June 30, 2022 and ending on December 31, 2022; and

(b) 3.50:1.00 for each Fiscal Quarter thereafter.

9.03 Reporting Requirements

So long as this Agreement is in force, the Borrower will deliver to the Lender:

(1) Quarterly Reports As soon as available and in any event within 45 days of the end of each of its Fiscal Quarters (excepting Fiscal Quarters ending December 31) (a) the non-consolidated financial statements of the Borrower and each other Restricted Party, (b) the interim unaudited consolidated financial statements of the Borrower, including, in each case, balance sheet, statement of cash flows, statement of income and retained earnings, statement of cash flows, which will be prepared in accordance with GAAP, and (c) a reconciliation of the financial statements referred to in clauses (a) and (b) above.

(2) Annual Reports As soon as available and in any event within 90 days after the end of each of its fiscal years, (a) the unaudited non-consolidated financial statements of each Restricted Party, and (b) the annual audited financial statements of the Borrower prepared on a consolidated basis, including, in each case, balance sheet, statement of income and retained earnings, statement of cash flows and source and application of funds for such fiscal year, which will be reviewed by an internationally recognized accounting firm, and will be prepared in accordance with GAAP and approved by the Borrower's board of directors.

(3) Quarterly Compliance Certificate and Environmental Certificate Within 45 days after the end of each Fiscal Quarter (excepting Fiscal Quarters ending December 31) will furnish to the Lender (i) a Compliance Certificate and (ii) an Environmental Certificate.

(4) Annual Compliance Certificate and Environmental Certificate Within 90 days after the end of each fiscal year, will furnish to the Lender (i) a Compliance Certificate and (ii) an Environmental Certificate.

(5) Annual Business Plan As soon as available and in any event no later than the end of each fiscal year commencing after the Closing Date, a business plan in a form satisfactory to the Lender, acting reasonably, that has been approved by the Borrower's board of directors for the forthcoming fiscal year.

(6) Additional Environmental Information Upon the request of the Lender, acting reasonably, to the extent within its control, make available for discussion with the Lender or its nominee at all reasonable times the individuals who were involved in the preparation of any Environmental Certificate.

(7) Annual Financial Forecast Furnish to the Lender a financial forecast for the next fiscal year including an income statement, balance sheet, and cash flow statement and Capital Expenditure budget, detailed on a monthly basis on or prior to 30 days prior to the end of each fiscal year commencing with the first fiscal year after the Closing Date.

(8) Production Information

(a) As soon as available following the end of each Fiscal Quarter, furnish to the Lender a report of the lease operating and production performance including year to date figures, gross production, net production, total revenues, royalties and other burdens, operating expenses and net revenues, in a format acceptable to the Lender, acting reasonably.

(b) Promptly and as soon as practically possible, following (i) any date on which the Borrower or any other Restricted Party has shut-in previously producing wells and (ii) any date on which management of the Borrower or any other Restricted Party has determined to shut-in previously producing wells, which in either case is reasonably expected to reduce average daily production for the Fiscal Quarter in which such shut-in occurs or is anticipated to occur, as applicable, by at least 10% of the Restricted Parties' forecasted aggregate average daily production for such Fiscal Quarter as indicated in the most recent production forecast approved by the board of directors of the Borrower, the Borrower shall notify the Lender of such

shut-in or forecasted shut-in and shall furnish to the Lender a detailed report in respect thereof.

(9) Notice of Hedging

(a) Provide prompt written notice to the Lender of the unwinding or other early termination of any material commodity swap contract, except to the extent such unwinding or termination relates to a Disposition permitted by Section 9.04(1).

(b) Furnish to the Lender a report (on a consolidated basis), no more than 10 days after the last day of each month, a report on the status of all outstanding Hedge Arrangements, such report to be in a form and containing such information as may be required by the Lender, acting reasonably, which shall in any event (i) detail all hedging activity occurring during such month, and (ii) detail the position and market value of all Hedge Arrangements in effect as at the end of such month.

(10) Capital Expenditures Furnish to the Lender, at least 5 days prior to the last day of each month, a monthly Capital Expenditures budget (on a consolidated basis) for the following month, in form and substance satisfactory to the Lender.

(11) Budget/Cash Flow Projections Furnish to the Lender, at least 5 days prior to the last day of each month, a monthly cash flow projection (on a consolidated basis) for the following month, in form and substance satisfactory to the Lender.

(12) Prior Month Cash Flow Furnish to the Lender a report (on a consolidated basis), no more than 10 days after the last day of each month, which sets out the Borrower's actual cash receipts and actual expenditures (the "**Cash Flow Report**") with all supporting ledgers, analysis and other information (including a transaction report from bank accounts in the Restricted Parties' name at any financial institution, including, without limitation, the Controlled Accounts). The Cash Flow Report will cover the preceding month and will explain any variances to the budget/cash flow projection (as contemplated in Section 9.03(11)) in any line item that is both: (a) greater than 10% and (b) exceeds \$25,000.

(13) Aged Accounts Payable Furnish to the Lender, at least 5 days prior to the last day of each month, an aged list of accounts payable.

(14) Other Information Such other information as it may reasonably request respecting the Restricted Parties, including an aged list of accounts receivable and accounts payable for each Restricted Party.

(15) Notice of Intended Dispositions. Subject, and without limitation to, Section 9.04(1), the Borrower shall provide prior written notice to the Lender of any intended sale, transfer, assignment or other Disposition (or series of related Dispositions) (other than the Dispositions described in paragraph (i) of the definition of "Permitted Disposition") by the Borrower or any other Restricted Party of (a) P&NG Rights or (b) any other assets, such notice to be provided by the Borrower to the Lender not less than 60 Business Days prior to the closing of any such Disposition or series of Dispositions.

(16) Annual Independent Engineering Report. The Borrower will furnish to the Lender, on or prior to March 31 of each year, an Engineering Report, effective as of December 31 of the immediately preceding year, prepared by the Independent Engineer.

(17) Semi Annual Engineering Update. The Borrower will furnish to the Lender, on or prior to October 31 of each year, a written update to the engineering and reserves information provided in the Engineering Report previously delivered pursuant to Section 9.03(16), effective as of July 31 of such year, or such other date as the Borrower and the Lender may agree on, prepared by the internal engineering staff of the Borrower; such update to include such updated reserve information and other information and otherwise to be in form and substance as may be required by the Lender, acting reasonably.

(18) Appointment of a Financial Advisor. The Borrower hereby agrees that upon and during the continuation of an Event of Default, the Lender may, in its sole discretion, engage a financial advisor (the "**Financial Advisor**") to monitor, among other things, the financial affairs and business operations of the Borrower, as the Lender deems necessary in its sole and unfettered discretion. While the Lender has not yet determined to engage the Financial Advisor, the Lender reserves the right in its sole and unfettered discretion, to engage, at the Borrower's expense, the Financial Advisor as monitor of the Borrower upon and during the continuation of an Event of Default and upon written notice to the Borrower. Upon any such engagement of the Financial Advisor as monitor of the Borrower, the Borrower agrees to cooperate fully with the Lender and the Financial Advisor and their respective agents, consultants and employees including, without limitation, by providing promptly all information reasonably requested by any such person. For certainty, the Borrower hereby confirms and consents to the release and exchange by and among the Lender and the Financial Advisor regarding all information concerning the Borrower.

(19) LMR Reporting. At least 5 days prior to the last day of each month, the Borrower will furnish to the Lender evidence of its then current LMR in each Applicable LMR Jurisdiction.

9.04 Negative Covenants

So long as this Agreement is in force the Borrower will not, and will ensure that each Restricted Party will not:

(1) Disposition of Property Other than Permitted Dispositions, Dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired, without the express written consent of the Lender. The Lender may advise the Borrower in writing as to whether or not it consents to any such Disposition within thirty (30) calendar days of receipt of a written notification from the Borrower of its intention to make such a Disposition (such notification to include reasonable particulars of such Disposition); provided that, in the event the Lender does not so advise the Borrower within such thirty (30) calendar day period, the Lender shall be deemed to have advised the Borrower that it does not provide its consent to such Disposition.

(2) Acquire Property Acquire, in one transaction or a series of transactions, any Property, other than land rights, in the normal course of business, exceeding Cdn \$2,000,000 in aggregate in each fiscal year, unless included in the Capital Expenditure budget included in the

annual financial forecast provided pursuant to Section 9.03(7) and approved by the Lender in its sole discretion.

(3) No Consolidation, Amalgamation, Change of Control, etc. Consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, permit any liquidation, winding up or dissolution or permit or facilitate or allow any change of share ownership of the Borrower from that of wholly owned by Calgary Sinoenergy.

(4) No Change of Name Change its name without providing the Lender with 30 days' prior written notice thereof.

(5) No Debt Other than Calgary Sinoenergy, create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.

(6) No Financial Assistance Other than the Financial Assistance provided prior to the date hereof and described in the Disclosure Letter, give any Financial Assistance, and in each case in no higher principal amounts than outstanding on the date hereof and on a non-revolving basis.

(7) No Distributions Make any Distribution.

(8) No Encumbrances Create, incur, assume or permit to exist any Encumbrance upon any of its Property except Permitted Encumbrances.

(9) Capital Expenditures In any fiscal year make, or enter into any agreement which would require it to make, any Capital Expenditures materially in excess of those amounts as set out in the Capital Expenditures budget to be delivered pursuant to Section 9.03(10), such Capital Expenditures budget is to be approved by the Lender in its sole discretion.

(10) No Change to Year End Make any change to its fiscal year end from December 31.

(11) Prepayments Prepay, redeem, repurchase or otherwise satisfy (other than by way of the issuance of capital stock of the Borrower) prior to the scheduled maturity thereof any portion of any unsecured notes, any Deeply Subordinated Loan, any Convertible Debentures and/or second lien notes.

(12) Changes to Constatting Documents Amend the terms of its constating documents or its by-laws, if, in each case, to do so could reasonably be expected to materially and adversely affect the rights of the Secured Parties under the Loan Documents.

(13) No Continuance Continue into any other jurisdiction.

(14) Hedge Arrangements Enter into or permit to be outstanding at any time any Hedge Arrangement unless:

- (a) such Hedge Arrangement has been entered into by the Restricted Party bona fide and in good faith in the ordinary course of its business for the purpose of carrying on the same and not for speculative purposes; and
- (b) the aggregate amount hedged under all financial commodity swap contracts at the time such contract is entered into and after giving effect thereto shall not exceed
 - (i) 75% of the first year projected average daily production net of royalties and
 - (ii) 50% of the second year of projected average daily production net of royalties.

(15) Location of Assets in Other Jurisdictions Except for any Property being delivered to a customer in the ordinary course of business of such Restricted Party as part of the performance of its obligations, or the provision of its services, to such customer under a contract entered into with such customer in the ordinary course of business of such Restricted Party, move any Property from a jurisdiction in which the Encumbrance of the Security over such Property is perfected to a jurisdiction where such Encumbrance is not perfected or where, after a temporary period allowing for registration in such other jurisdiction, such Encumbrance could become unperfected, or suffer or permit in any other manner any of its Property to not be subject to the Encumbrance of the Security or to be or become located in a jurisdiction in which the Encumbrance of the Security over such Property is not perfected, unless the applicable Restricted Party has first (a) given prior written notice thereof to the Lender and the Collateral Agent, and (b) executed and delivered to the Lender and the Collateral Agent, as applicable, all Security and has filed or caused to be filed all financing or registration statements, in each case, in form and substance satisfactory to the Lender and the Collateral Agent that the Lender and the Collateral Agent or their counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected first priority Encumbrance (subject only to Permitted Encumbrances) over such Property in such jurisdiction together with such supporting certificates, resolutions, opinions and other documents as the Lender and the Collateral Agent, acting reasonably, may deem necessary or desirable in connection with such security and registrations.

(16) Amendments to Organizational Documents Amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Secured Parties under the Loan Documents.

(17) Amendments to other Documents Amend, vary or alter in any way, consent to any assignment or transfer of, or waive or surrender any of its rights or entitlements under, any Deeply Subordinated Loan or Convertible Debenture (including any indenture applicable thereto).

(18) No New Subsidiaries Create any Subsidiary after the date of this Agreement unless the Lender and the Collateral Agent are provided with the acknowledgement of such Subsidiary that it has become a party to this Agreement as a Guarantor as if it had executed this Agreement on the date hereof and such new Subsidiary provides security on the same basis as if it were providing Security on the date of this Agreement (including, for certainty, the Security contemplated in Article 10) and such other Security as required by the Collateral Agent.

(19) Transactions With Affiliates. Enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its Affiliates, or enter into, assume or suffer to exist any agreement or arrangement with any such Affiliate, except

a transaction or agreement or arrangement which is upon fair and reasonable terms not materially less favourable to the applicable Restricted Party than it would obtain in a comparable arms-length transaction; for certainty, such restriction will apply to any transaction between the Restricted Parties. The Borrower shall provide the Lender with details and documentation, satisfactory to the Lender in its sole discretion, in respect of any transaction, agreement or arrangement between a Restricted Party and any of its Affiliates.

(20) Conversion or Amendment or Collection of Financial Assistance. (i) Elect to convert any Financial Assistance previously provided by Borrower into common equity or otherwise reduce the cash amount payable in any way, (ii) amend or extend the maturity of such Financial Assistance in any way, and (iii) fail to use all commercially reasonable efforts (including, without limitation, selling such receivable to a third party), to collect repayment in full of any such Financial Assistance at its earliest opportunity.

ARTICLE 10- SECURITY

10.01 **Security**

As general and continuing security for the payment and performance of, *inter alia*, the Obligations the Borrower will grant, and will ensure that each Restricted Party grants, to the Collateral Agent (for the benefit of the Intercreditor Parties) the security described below:

- (a) an amended and restated demand debenture of the Borrower in the principal amount of \$1,200,000,000 secured by a fixed and specific mortgage and charge of all present and after acquired real and immoveable property described in the schedules thereto and a floating charge over all Property not subject to such fixed and specific mortgages and charges, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (b) demand debenture of each Restricted Party (other than the Borrower and Calgary Sinoenergy) in the principal amount of \$1,200,000,000 secured by a fixed and specific mortgage and charge of all present and after acquired real and immoveable property described in the schedules thereto and a floating charge over all Property not subject to such fixed and specific mortgages and charges, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (c) debenture pledge agreements from each Restricted Party other than Calgary Sinoenergy in respect of their respective amended and restated demand debentures and demand debentures, as applicable;
- (d) general security agreements from each Restricted Party other than Calgary Sinoenergy granting a security interest in all present and after acquired personal property, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (e) an assignment by each Restricted Party other than Calgary Sinoenergy of all policies of insurance and all proceeds thereunder with respect to all Property that is

subject to the foregoing security and all other security hereafter granted by a Restricted Party pursuant to this Agreement, including any policies providing business interruption insurance, with the Collateral Agent named as loss payee (as its interest may appear) and additional insured, with a standard mortgage clause endorsement, and certificates evidencing all such insurance, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;

- (f) an amended and restated subordination agreement in respect of the Deeply Subordinated Loan and Convertible Debentures in existence on the date hereof in the form attached hereto as Schedule C, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (g) an amended and restated share pledge provided by Calgary Sinoenergy in favour of the Collateral Agent, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations, pledging all of the issued and outstanding shares of the Borrower;
- (h) account control agreements in respect of all Controlled Accounts; provided that the Borrower shall furnish, to the Collateral Agent, a confirmation, acknowledgement and agreement regarding the Existing BNS Blocked Account Agreement on or prior to the Closing Date and an amendment and restatement of the Existing BNS Blocked Account Agreement no later than 15 calendar days after the Closing Date;
- (i) cash collateral agreements granted by the Borrower in favour of the Lender and/or the Collateral Agent (but subject to the Collateral Agent and Intercreditor Agreement) in respect of the face amount of the Existing Letters of Credit; and
- (j) a collateral agent and intercreditor agreement (the "**Collateral Agent and Intercreditor Agreement**") in respect of, *inter alia*, the Loan Documents described in paragraphs (a) through (i) above providing for, *inter alia*, the sharing of such Security among the Intercreditor Parties.

10.02 **After Acquired Property and Further Assurances**

Each Restricted Party will from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all Property acquired by any Restricted Party after the date hereof, or as may be required to properly perfect the security interest of the Collateral Agent (for the benefit of the Intercreditor Parties) in any Property, including an account control agreement in respect of any after acquired Controlled Accounts.

10.03 **Form of Security**

The Security will be in form satisfactory to the Collateral Agent, acting reasonably.

10.04 **Sharing of Security**

The Security shall at all times be subject to the Collateral Agent and Intercreditor Agreement and shall be shared equally among the Intercreditor Parties.

ARTICLE 11- DEFAULT

11.01 **Events of Default**

The occurrence of any one or more of the following events (each such event being referred to as an "**Event of Default**") will constitute a default under this Agreement unless such Event of Default has been waived by the Lender:

- (a) if the Borrower fails to pay any amount of principal of any Loan when due;
- (b) if the Borrower fails to pay any interest, fees or other Obligations (other than any principal amount) within 2 Business Days of being due;
- (c) if the Borrower breaches any of the covenants in Sections 9.01(21), 9.02 or 9.04;
- (d) if any Restricted Party neglects to observe or perform any covenant or obligation herein contained on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 11.01) and such Restricted Party fails to remedy such default within 30 days from the earlier of (i) the date such Restricted Party becomes aware of such default, and (ii) the date the Lender delivers written notice of the default to such Restricted Party;
- (e) if any (i) Restricted Party neglects to observe or perform any covenant or obligation contained in the CCB Qingdao Credit Agreement or any documents related thereto or (ii) Person neglects to observe or perform any covenant or obligation contained in the SBLC's or any documents related thereto in each case, on its part to be observed or performed, after the expiry of any applicable grace period thereunder;
- (f) if any representation or warranty made by any Restricted Party in this Agreement, any Loan Document or in any certificate or other document at any time delivered hereunder to the Secured Parties proves to have been incorrect or misleading in any material respect on and as of the date that it was made or was deemed to have been made and such Restricted Party fails to remedy such default within 15 days of the occurrence of such event;
- (g) the occurrence of an event of default where the Restricted Party is the defaulting party under any Hedge Arrangement or other swap document, after the expiry of any applicable grace period thereunder;
- (h) if any Restricted Party ceases or threatens to cease to carry on business generally or admits its inability or fails to pay its Debts generally;

- (i) if any Restricted Party (i) fails to make any payment when such payment is due and payable to any Person in relation to any Debt (other than Obligations) that in the aggregate principal amount then outstanding is in excess of Cdn. \$1,000,000 and any applicable grace period in relation thereto has expired, or (ii) defaults in the observance or performance of any other agreement or condition in relation to any Debt (other than Obligations) to any Person that in the aggregate principal amount then outstanding is in excess of Cdn. \$1,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default or other condition is to cause such Debt to become due prior to its stated maturity date;
- (j) if any Restricted Party denies, to any material extent, its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part;
- (k) any of the Loan Documents or any material provision of any of them becomes unlawful or is changed by virtue of legislation or by a Governmental Authority, if any Restricted Party does not, within 15 Business Days of receipt of notice of such Loan Document or material provision becoming unlawful or being changed, replace such Loan Document with a new agreement that is in form and substance satisfactory to the Collateral Agent (in the case of any Security) and the Lender (in the case of any other Loan Documents), acting reasonably, or amend such Loan Document to the satisfaction of the Collateral Agent or the Lender (as applicable), acting reasonably;
- (l) if a decree or order of a court of competent jurisdiction is entered adjudging a Restricted Party a bankrupt or insolvent or approving as properly filed a petition seeking the winding up of a Restricted Party under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *United States Bankruptcy Code* or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of a Restricted Party or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 30 Business Days;
- (m) if any Restricted Party becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code*, the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other

similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition;

- (n) if an Encumbrancer takes possession, by appointment of a receiver, receiver and manager or otherwise, of all or a substantial portion of the Property of any Restricted Party;
- (o) if proceedings are commenced for the dissolution, liquidation or voluntary winding up of any Restricted Party, or for the suspension of the operations of any Restricted Party unless such proceedings are being actively and diligently contested in good faith;
- (p) if a final judgment or decree for the payment of money due has been obtained or entered against the Borrower in an amount in excess of Cdn.\$1,000,000, or against any other Restricted Party in an amount that, in the reasonable opinion of the Lender, would materially and adversely affect the ability of any such other Restricted Party to fulfil its obligations to the Secured Parties under this Agreement or any other Loan Document, and such judgment or decree has not been and remained vacated, discharged or stayed pending appeal within the applicable appeal period;
- (q) if (i) any Security ceases to constitute a valid and perfected first priority security interest (subject only to Permitted Encumbrances) and the applicable Restricted Party has failed to remedy such default within 10 days of becoming aware of such fact; or (ii) except to the extent waived or extended in writing by the Collateral Agent, fixed charge registrations are not completed on all real property of the Restricted Parties 90 days after the Closing Date; or
- (r) a Material Adverse Change has occurred.

11.02 **Acceleration and Enforcement**

- (1) If any Event of Default occurs and is continuing:
 - (a) the Lender will have no further obligation to make Loans or issue Letters of Credit hereunder and the outstanding principal amount or face amount, as the case may be, of all Loans, Letters of Credit and all other Obligations will, at the option of the Lender, become immediately due and payable with interest thereon, at the rate or rates determined as herein provided (including, for certainty, as set forth in Sections 4.02 and 4.03), to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Restricted Party; provided, if any Event of Default described in Sections 11.01(l) or 11.01(m) with respect to the Borrower occurs, the Commitments (if not theretofore terminated) will automatically terminate and the outstanding principal amount or face amount, as the case may be, of all Loans, Letters of Credit and all other Obligations will automatically be and become immediately due and payable; and

- (b) the Secured Parties may, in their discretion (but subject to the Collateral Agent and Intercreditor Agreement), exercise any right or recourse and proceed by any action, suit, remedy or proceeding against any Restricted Party authorized or permitted by law for the recovery of all the Obligations to the Secured Parties and, whether or not the Lender has exercised any of its rights under the foregoing clause (a), proceed to exercise any and all rights hereunder and under the Security.

(2) No Secured Party is under any obligation to the Restricted Parties or any other Person (subject to the Collateral Agent and Intercreditor Agreement) to realize upon any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. No Secured Party is responsible or liable to the Restricted Parties or any other Person (subject to the Collateral Agent and Intercreditor Agreement) for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on its part or on the part of any director, officer, employee, agent or adviser of a Secured Party in connection with any of the foregoing.

11.03 **[Reserved]**

11.04 **Remedies Cumulative**

For greater certainty, it is expressly understood that the respective rights and remedies of the Secured Parties hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Secured Parties of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document will not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Secured Parties may be lawfully entitled in connection with such default or breach.

11.05 **Perform Obligations**

If an Event of Default has occurred and is continuing and if any Restricted Party has failed to perform any of its covenants or agreements in the Loan Documents, the Lender, may, but will be under no obligation to, perform any such covenants or agreements in any manner deemed fit by the Lender without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs on a solicitor and his own client, full indemnity basis) paid by the Lender in respect of the foregoing will be an Obligation and will be secured by the Security.

11.06 **Third Parties**

It is not necessary for any Person dealing with the Secured Parties to inquire whether the Security has become enforceable, or whether the powers that the Secured Parties are purporting to exercise may be exercised, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale is to be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

11.07 **Application of Payments**

All payments made by the Borrower hereunder, directed to be used from the cash collateral or received from proceeds of the enforcement or realization of any Security will be applied to amounts due under the Intercreditor Obligations pursuant to the Collateral Agent and Intercreditor Agreement.

11.08 **Right of Set-off**

If an Event of Default has occurred and is continuing, subject to the Collateral Agent and Intercreditor Agreement, the Secured Parties and each of their Affiliates is hereby authorized at any time and from time to time, without notice to the Borrower or any other Person, to set-off and apply any and all deposits (general or special, time or demand, matured or unmatured, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Secured Parties or any such Affiliate to or for the credit or the account of any Restricted Party against any and all of the Obligations, irrespective of whether or not such Secured Party has made any demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of such Secured Party or any such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Secured Parties and their Affiliates under this Section 11.08 are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Secured Parties or their Affiliates may have. The Secured Parties agree to promptly notify the Borrower after any such set-off and application, but the failure to give such notice will not affect the validity of such set-off and application.

ARTICLE 12 – CHANGE IN CIRCUMSTANCES AND INDEMNITIES

12.01 **Increased Costs**

- (1) If any Change in Law will:
 - (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;
 - (b) subject the Lender to any Tax of any kind whatsoever with respect to this Agreement, or any Loan or Letter of Credit, or change the basis of taxation of payments to the Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 12.02 and the imposition, or any change in the rate, of any Excluded Tax payable by the Lender; or
 - (c) impose on the Lender or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by the Lender or any Letter of Credit;

and the result of any of the foregoing will be to increase the cost to the Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to the Lender of issuing or maintaining any Letter of Credit (or maintaining its obligation to

issue any Letter of Credit), or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount), then upon request of the Lender the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(2) If the Lender determines that any Change in Law affecting the Lender or any lending office of the Lender or the Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on the Lender's capital or on the capital of the Lender's holding company, if any, as a consequence of this Agreement, the Commitments of the Lender or the Loans made by, or the Letters of Credit issued by the Lender, to a level below that which the Lender or its holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender or its holding company for any such reduction suffered.

(3) A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in Section 12.01(1) or 12.02(2), including reasonable detail of the basis of calculation of the amount or amounts, that is delivered to the Borrower will be conclusive absent manifest error. The Borrower will pay the Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(4) Failure or delay on the part of the Lender to demand compensation pursuant to this Section 12.01 will not constitute a waiver of the Lender's right to demand such compensation, except that the Borrower will not be required to compensate the Lender pursuant to this Section 12.01 for any increased costs incurred or reductions suffered more than 270 days prior to the date that the Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the 270-day period referred to above will be extended to include the period of retroactive effect thereof.

12.02 **Taxes**

(1) If any Restricted Party or the Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Restricted Party hereunder or under any other Loan Document, then (i) the sum payable will be increased by that Restricted Party when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Lender receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Restricted Party will make any such deductions required to be made by it under Applicable Law and (iii) the Restricted Party will pay when due the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(2) Without limiting the provisions of Section 12.02(1), the Borrower will timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(3) The Borrower will indemnify the Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender will be conclusive absent manifest error.

(4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Restricted Party to a Governmental Authority, the Restricted Party will deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

(5) If the Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Restricted Party has paid additional amounts pursuant to this Section 12.02 or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it will pay to the Borrower or other Restricted Party, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Restricted Party under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Lender and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or other Restricted Party as applicable, upon the request of the Lender, agrees to repay the amount paid over to the Borrower or other Restricted Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Lender if the Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph will not be construed to require the Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

12.03 **Illegality**

If the Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for the Lender to make or maintain any Loan (or to maintain its obligation to make any Loan), or to issue or maintain any Letter of Credit (or to maintain its obligation to issue any Letter of Credit) to determine or charge interest rates based upon any particular rate, then, on notice thereof by the Lender to the Borrower, any obligation of the Lender with respect to the activity that is unlawful will be suspended until the Lender notifies the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will, upon demand from the Lender, prepay any such Loan (other than a Letter of Credit) or take any necessary steps with respect to any Letter of Credit in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower will also pay accrued interest on the amount so prepaid or converted.

12.04 **[Reserved]**

12.05 **Indemnity by the Borrower**

(1) The Borrower will indemnify each Secured Party and each Related Party thereof (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel (on a solicitor and his own client, full indemnity basis) for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Restricted Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the Lender to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Substance on or from any property owned or operated by any Restricted Party, or any liability under any Environmental Law related in any way to any Restricted Party, (iv) without limiting the foregoing, any inaccuracy or incompleteness of the representation and warranties contained in Section 8.01(28) hereof, (v) any failure of the Borrower or any other Restricted Party to observe or fulfil its obligations under Section 1.05(c), or (vi) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Restricted Party and regardless of whether any Indemnitee is a party thereto, provided that such indemnity will not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Restricted Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Restricted Party has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor will an indemnity be available in respect of matters specifically addressed in Sections 12.01, 12.02 or 14.01.

(2) To the fullest extent permitted by Applicable Law, the Restricted Party will not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee will be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(3) All amounts due under Section 12.05(1) will be payable promptly after demand therefor. A certificate of the applicable Secured Party setting forth the amount or amounts owing

to such Secured Party or the applicable Related Party, as the case may be, as specified in Section 12.05(1), including reasonable detail of the basis of calculation of the amount or amounts, that is delivered to the Borrower will be conclusive absent manifest error.

ARTICLE 13 - GUARANTEE

13.01 Guarantees and Indemnity

(1) Each of the Guarantors hereby jointly and severally, unconditionally and irrevocably, guarantees payment of the Obligations to the Lender (for and on behalf of the Secured Parties).

(2) If any or all of the Obligations are not duly paid and are not recoverable under Section 13.01(1) for any reason whatsoever, each of the Guarantors hereby jointly and severally, unconditionally and irrevocably, will, as a separate and distinct obligation, indemnify and save harmless the Secured Parties and each of them from and against any losses resulting from the failure of the Borrower to pay the Obligations.

(3) If any or all of the Obligations are not duly paid and are not recoverable under Section 13.01(1) or the Secured Parties are not indemnified under Section 13.01(2), in each case, for any reason whatsoever, the Obligations will be recoverable jointly and severally from each of the Guarantors as primary obligor.

13.02 Obligations Absolute

The liability of each Guarantor hereunder is absolute and unconditional and is not affected by:

- (a) any lack of validity or enforceability of this Agreement or any other Loan Document;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of Governmental Authority;
- (c) the bankruptcy, winding up, liquidation, dissolution, arrangement, insolvency or other similar proceeding affecting the Borrower or any other Person, the amalgamation of or any change in the status, function, control or ownership of the Borrower, any Guarantor or any other Person;
- (d) any lack or limitation of power, incapacity or disability on the part of the Borrower or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Borrower in its Obligations; or
- (e) any other law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of any or all of the Obligations.

13.03 **No Release**

The liability of each Guarantor hereunder is not released, discharged, limited or in any way affected by anything done, suffered or permitted by the Secured Parties or any other Person in connection with any duties or liabilities of the Borrower to the Secured Parties or any Security, including any loss of or in respect of any Security. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of any Guarantor hereunder, without obtaining the consent of or giving notice to any Guarantor, the Secured Parties may:

- (a) discontinue, reduce, increase or otherwise vary the credit of the Borrower in any manner whatsoever;
- (b) make any change in the time, manner or place of payment under, or in any other term of, any Loan Document or the failure on the part of the Borrower to carry out any of its obligations under any Loan Document;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) take or abstain from taking or enforcing the Security or from perfecting Security;
- (e) accept compromises from the Borrower;
- (f) apply all money at any time received from the Borrower or from the Security upon such part of the Obligations as the Secured Parties may see fit or change any such application in whole or in part from time to time as each of them may see fit; and
- (g) otherwise deal with the Borrower and all other Persons and the Security as the Secured Parties may see fit.

13.04 **No Exhaustion of Remedies**

The Secured Parties are not bound or obligated to exhaust their recourse against the Borrower or other Person or any Security they may hold, or take any other action before the Lender is entitled to demand payment from any Guarantor hereunder.

13.05 **Prima Facie Evidence**

Any account settled or stated in writing by or between a Secured Party and the Borrower will be prima facie evidence that the balance or amount thereof appearing due to such Secured Party is so due.

13.06 **No Set-Off**

In any claim by a Secured Party or any of them against any Guarantor, such Guarantor may not assert any set-off or counterclaim that either such Guarantor or the Borrower may have against such Secured Party.

13.07 **Continuing Guarantee**

The Obligations of each Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Secured Parties and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to any such Person. The Obligations of each Guarantor hereunder will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the recipient of such payment upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13.08 **Waivers by Guarantors**

Each Guarantor hereby irrevocably waives acceptance hereof, presentation, demand, protest and any notice, as well as any requirement that at any time any action be taken by any Person against such Guarantor, the Borrower or any other Person.

13.09 **Demand**

Each Guarantor will make payment to the Lender of the full amount of the Obligations and all other amounts payable by it hereunder forthwith after demand therefor is made to it. Each Guarantor will also make payment to the Lender of all costs and expenses incurred by the Secured Parties or any of them in enforcing the provisions of this Article 13.

13.10 **Interest**

Each Guarantor will pay interest to the Lender at the rates set forth in Section 4.02 and 4.03 on the unpaid portion of all amounts payable by such Guarantor hereunder, such interest to accrue from and including the date of demand on the Guarantor, and will be compounded monthly.

13.11 **Subrogation; Contribution**

No Guarantor will be entitled to subrogation or to contribution from the Borrower by reason of any payment hereunder until indefeasible payment in full of all Intercreditor Obligations of all Guarantors, and the termination of the Commitments. Thereafter, the Collateral Agent (for and on behalf of the Secured Parties), at each Guarantor's request and expense, will execute and deliver to such Guarantor appropriate documents, without recourse and without representation and warranty, except as to the amount owing, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Intercreditor Obligations and any Security held therefor resulting from such payment by such Guarantors.

13.12 **Stay of Acceleration**

If acceleration of the payment of any Obligations payable by any Guarantor is stayed upon the insolvency, bankruptcy or reorganization of such Guarantor or otherwise, all such

Obligations otherwise subject to acceleration under the laws of any Loan Document will nonetheless be payable by each other Guarantor herewith in accordance with the terms hereof.

ARTICLE 14- GENERAL

14.01 Costs and Expenses

The Borrower will pay (i) all reasonable out-of-pocket expenses incurred by the Secured Parties, including the reasonable fees, charges and disbursements of Lender's Counsel (on a solicitor and his own client, full indemnity basis), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby will be consummated), (ii) all reasonable out of pocket expenses incurred by the Lender in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable out-of-pocket expenses incurred by the Secured Parties including the reasonable fees, charges and disbursements of Lender's Counsel (on a solicitor and his own client, full indemnity basis), in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 14.01, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

14.02 Governing Law, Jurisdiction, Etc.

(1) This Agreement and each other Loan Document (unless otherwise specified in such Loan Document) will be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein.

(2) The Borrower and each other Restricted Party irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Alberta and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. The Borrower and each other Restricted Party agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document will affect any right that the Lender and/or the Collateral Agent (on behalf of the Secured Parties) may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower, any other Restricted Party or their properties in the courts of any jurisdiction.

(3) The Borrower and each other Restricted Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 14.02(2). The Borrower and each other Restricted Party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

14.03 Judgment Currency

(1) If for the purpose of obtaining or enforcing judgement against a Restricted Party in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 14.03 referred to as the "**Judgment Currency**") an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion will be made at the rate of exchange prevailing on the Business Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date, or
- (b) the date on which the judgement is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 14.03(1)(b) being hereinafter in this Section 14.03 referred to as the "**Judgment Conversion Date**").

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 14.03(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Borrower will pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgement or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from a Restricted Party under the provisions of Section 14.03(2) will be due as a separate debt and will not be affected by judgement being obtained for any other amounts due under or in respect of this Agreement.

- (4) The term "rate of exchange" in this Section 14.03 means:
 - (a) for a conversion of Canadian Dollars to the Judgment Currency, the reciprocal of the Spot Rate for the date in question for the conversion of the Judgment Currency to Canadian Dollars;

- (b) for a conversion of United States Dollars to the Judgment Currency when the Judgment Currency is Canadian Dollars, the Spot Rate for the date in question for the conversion of United States Dollars to Canadian Dollars;
- (c) for a conversion of United States Dollars to the Judgment Currency when the Judgment Currency is not Canadian Dollars, the effective rate obtained when a given amount of United States Dollars is converted to Canadian Dollars at the rate determined pursuant to Section 14.03(4)(b) and the result thereof is then converted to the Judgment Currency pursuant to Section 14.03(4)(a); or
- (d) if a required rate is not so published by the Bank of Canada for any such date, the spot rate quoted by the Lender at approximately noon (Toronto time) on that date in accordance with its normal practice for the applicable currency conversion in the wholesale market.

14.04 **Confidentiality**

(1) The Secured Parties agree to maintain the confidentiality of the Information (as defined in Section 14.04(2) below), except that Information may be disclosed (a) to their Affiliates and their Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over such Secured Party (including any self-regulatory authority), (c) to the extent required by Applicable Law or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 14.04(1), to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 14.04(1) or (y) becomes available to the Secured Parties on a non-confidential basis from a source other than the Borrower.

(2) For purposes of this Section, "Information" means all information received in connection with this Agreement from the Borrower relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Secured Parties on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in Section 14.04(1) will be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

14.05 **Benefit and Burden of Agreement**

This Agreement will be binding upon the Restricted Parties and their successors. This Agreement will enure to the benefit of and will be binding upon the Secured Parties and their respective successors and assigns.

14.06 **No Assignment by the Borrower**

The rights and benefits of the Borrower hereunder may not be assigned by the Borrower.

14.07 **Assignment or Participation by Lender**

(1) The rights, benefits and obligations of the Lender under or in respect of this Agreement (the "**Rights**") may, in whole or in part be assigned ("**Assign**", "**Assigned**" or an "**Assignment**") by the Lender with one or more Persons (each an "**Assignee**", as the case may be). The Rights may, in whole or in part, be or participated ("**Participated**" or a "**Participation**") to a participant (a "**Participant**") at any time, or Assigned by the Lender with one or more Participants or Assignees without notice to or the consent of the Borrower. An Assignment or Participation as aforesaid will become effective upon execution of the applicable documentation by the Lender, as applicable, and the Participant or Assignee, as the case may be. The Borrower will execute all such further documentation as the Lender may request with respect to any Assignment or Participation and any prospective Assignee will execute such documentation as the Lender may reasonably request for the purpose of ensuring that the Assignee is bound by the terms of this Agreement.

(2) Any Assignee of Rights will be and be treated in respect of such Rights as if it were the Lender for all purposes of this Agreement, will be entitled to the benefit hereof, and will be subject to the obligations of the Lender in respect of such Rights, to the same extent as if it were an original party in respect of the Rights and the Lender assigning such Rights will be released and discharged from its obligations hereunder in respect of such Rights. To the extent that the Rights are the subject of a Participation, all references in this Agreement to the Lender will, with respect to such Rights that are subject to the Participation, continue to be construed as a reference to the Lender, and the Borrower will be entitled to deal with the Lender as if it were the sole owner of the Rights and the Lender will not be released from obligations hereunder by virtue of the Participation. The Borrower acknowledges and agrees that the Lender will be entitled, in its own name, to enforce for the benefit of, or as agent for, any Participants, any and all rights, claims and interests of such Participants, in respect of the Rights and that Participants will not be entitled to demand payment or exercise any other right or remedy pursuant hereto.

(3) For the purposes of any Assignment or Participation hereunder, the Lender may disclose on a confidential basis to a potential Assignee or Participant such information about the Borrower as the Lender may see fit, provided that such potential Assignee or Participant has executed a confidentiality agreement in favour of the Lender.

14.08 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient at the address or telecopier number set forth on the signature pages to this Agreement, or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof or, if given by registered mail, on the third Business Day following the deposit thereof in the mail or, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

14.09 **Effect of Assignment**

For greater certainty, an assignment by the Lender of its rights hereunder will not constitute a repayment, discharge, rescission, extinguishment or novation of any Loan or interest therein, and the obligations so assigned shall continue to be the same obligations and not new obligations.

14.10 **Survival**

The provisions of Section 12.05 and 14.01 will survive the repayment of all Loans, all obligations with respect to Letters of Credit and all other Obligations, whether on account of principal, interest or fees, and the termination of this Agreement, unless a specific release of such provisions by the Lender is delivered to the Borrower.

14.11 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either of the parties.

14.12 **Further Assurances**

Each Restricted Party and each Secured Party will promptly cure any default by it in the execution and delivery of this Agreement, the Loan Documents or of any the agreements provided for hereunder to which it is a party. The Restricted Parties, at the Borrower's expense, will promptly execute and deliver to the Lender, upon request by the Lender, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the applicable Restricted Party hereunder or more fully to state the obligations of the applicable Restricted Party as set forth herein or to make

any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

14.13 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Borrower, the Lender, and each other Secured Party. No waiver of any breach of any provision of this Agreement and no consent required hereunder will be effective or binding unless made in writing and signed by the party purporting to give the same. Unless otherwise provided, any waiver or consent given hereunder will be limited to the specific breach waived or matter consented to, as the case may be, and may be subject to such conditions as the party giving such waiver or consent considers appropriate.

14.14 **Time of the Essence**

Time is of the essence of this Agreement.

14.15 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions.**

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

14.16 **Anti-Money Laundering Legislation**

The Borrower acknowledges that, pursuant to the requirements of Anti-Money Laundering/ Anti-Terrorist Financing Laws and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Lender may be required to obtain, verify and record information regarding the Restricted Parties, their respective directors, authorized signing officers, direct or indirect shareholders or unitholders or other Persons in control of any Restricted Party and the transactions contemplated hereby. The Borrower shall promptly (i) provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender, or any prospective assignee of the Lender, in order to comply with any applicable AML Legislation, whether now or hereafter in existence; and (ii) notify the recipient of any such information of any changes thereto.

[Signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement.

BORROWER:

Address: Eau Claire Tower **LONG RUN EXPLORATION LTD.**
600, 600 3rd
Avenue SW
Calgary, Alberta
T2P 0G5

Attention: Chief Executive
Officer

Facsimile No.: (403) 262-5561

By: 
Name: Jason Ge
Title: Chief Executive Officer

By: _____
Name:
Title:

GUARANTORS:

Address: Eau Claire Tower **CALGARY SINOENERGY INVESTMENT**
600, 600 3rd **CORP.**
Avenue SW
Calgary, Alberta
T2P 0G5

Attention: Chief Executive
Officer

Facsimile No.: (403) 262-5561

By: 
Name: Yajie (Lily) Hu
Title: Director

By: _____
Name:
Title:

LENDER:

Address: 3650 – 181 Bay
Street
Toronto, ON
M5J 2T3

**CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Lender**

Attention: Ziqing Zou (Eddie)
Senior Vice
President,
Corporate Banking

Facsimile No.: (647) 777-7739

By: 

Name: Chaoyong Gong

Title: Deputy General Manager

By: 

Name: Ziqing Zou (Eddie)

Title: Senior Vice President - Corporate Banking

COLLATERAL AGENT:

Address: 3650 – 181 Bay
Street
Toronto, ON
M5J 2T3

**CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Collateral
Agent**

Attention: Ziqing Zou (Eddie)
Senior Vice
President,
Corporate Banking

Facsimile No.: (647) 777-7739

By: 

Name: Chaoyong Gong

Title: Deputy General Manager

By: 

Name: Ziqing Zou (Eddie)

Title: Senior Vice President - Corporate Banking

Acknowledged as of the date first written above.

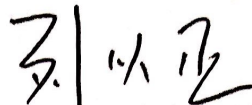
Address: No. 222 Shenzhen
Road, Qingdao,
China 266061

**CHINA CONSTRUCTION BANK
CORPORATION, QINGDAO
BRANCH**

Attention: Cong Huang
Deputy Branch
Manager (Sifang
Sub Branch)

Facsimile No.: 86-0532-83950386

By:



Name: Congzheng Liu

Title: Deputy Chief Manager

By:

Name:

Title:

Schedule A

Commitments

Commitments

Revolving Term Facility	Non-Revolving Term Facility	Total Commitment
Cdn. \$0*	Cdn. \$114,434,905.72	Cdn. \$114,434,905.72

*Net of Cash Collateral.

Schedule B

Deeply Subordinated Loans and Convertible Debentures

Deeply Subordinated Loans

\$466,148,563 owing to Calgary Sinoenergy Investment Corp. as at June 30, 2020 (including \$23,634,752 owing as interest on the Convertible Debenture described below) pursuant to the loan facility agreement between Long Run Exploration Ltd., as borrower, and Calgary Sinoenergy Investment Corp., as lender, dated June 29, 2016, as amended pursuant to a first amending agreement to the Long Run Exploration loan facility agreement made effective as of August 29, 2016, a second amending agreement made effective as of January 31, 2017 and a third amending agreement made effective as of the date hereof. Additional interest amounts have accrued since.

Convertible Debentures

\$71,495,615 owing to Calgary Sinoenergy Investment Corp. as at June 30, 2020 pursuant to the convertible debenture indenture between Long Run Exploration Ltd. and AST Trust Company (Canada), dated as of January 28, 2014 as amended by a first supplemental indenture and supplemental debenture made effective as of January 30, 2019, and as evidenced by Certificate No. 003 with CUSIP 54287VAA0.

Schedule C

Form of Subordination Agreement

See attached.

AMENDED AND RESTATED SUBORDINATION AND POSTPONEMENT AGREEMENT

THIS AMENDED AND RESTATED SUBORDINATION AND POSTPONEMENT AGREEMENT is made as of the 27 day of October, 2020 among China Construction Bank Toronto Branch in its capacity described in Section 31 (in such capacity, the "**Collateral Agent**"), Long Run Exploration Ltd. (the "**Debtor**") and Calgary Sinoenergy Investment Corp. (the "**Subordinated Lender**");

AND WHEREAS (1) certain of the Beneficiaries have agreed to make loans or advances and otherwise extend credit to one or more of the Restricted Parties pursuant to the terms of the Senior Debt Documents to which they are a party and may hereafter extend credit to one or more of the Restricted Parties pursuant to the Senior Debt Documents; (2) the Restricted Parties may become liable to certain of the Beneficiaries for certain reimbursement and indemnity obligations pursuant to the terms of the Senior Debt Documents to which they are a party; and (3) the Restricted Parties may otherwise hereafter become further indebted to the Beneficiaries;

AND WHEREAS in connection with the Senior Debt Documents, the Restricted Parties have granted, and in the future may grant, the Senior Security in favour of the Beneficiaries;

AND WHEREAS it is a requirement of certain Senior Debt Documents that the Subordinated Lender, *inter alia*, unconditionally and irrevocably (a) subordinate and postpone the Subordinated Debt to the indefeasible payment in full by the Restricted Parties of the Senior Debt and (b) subordinate the Subordinated Security to the Senior Security;

NOW THEREFORE in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged by each of the parties hereto, the parties make the following covenants, acknowledgments and agreements:

1. Defined Terms.

Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined herein shall have the meanings provided in the Collateral Agent and Intercreditor Agreement. References in this Agreement to any agreement shall be deemed to be a reference to such agreement as amended, supplemented, substituted or replaced from time to time. In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "**Agreement**" means this Amended and Restated Subordination and Postponement Agreement (as the same may be further amended, modified, supplemented, restated or replaced in writing from time to time) and all the schedules and other documents delivered according to a requirement of this Agreement; this Agreement is sometimes also referred to by the terms "hereof", "hereunder", "herein" or similar terms.
- (b) "**Bankruptcy Law**" means, collectively: (a) the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time and any successor act or statute, (b) the *Companies' Creditors Arrangement Act* (Canada), as amended from time to time and any successor act or statute, (c) the *Winding-up and Restructuring Act* (Canada), as amended from time to time and any successor act or statute, and (d) any similar laws or any corporate law in any jurisdiction including, without limitation, any laws relating

to assignments for the benefit of creditors, a stay of proceedings, formal or informal moratorium, compositions, extensions generally with creditors, or proceedings seeking reorganization, restructuring, recapitalization, arrangement or other similar relief, any law permitting the appointment of a receiver, interim receiver, receiver manager or other person having similar powers and any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors.

- (c) **"Beneficiaries"** means, collectively, the Collateral Agent and the other Secured Parties (under and as defined in the Collateral Agent and Intercreditor Agreement) and **"Beneficiary"** means any of the Secured Parties (under and as defined in the Collateral Agent and Intercreditor Agreement).
- (d) **"Collateral"** means, in respect of any Person, all of its undertaking, property and assets (whether real or personal, tangible or intangible, and wherever located) now owned or hereafter acquired by such Person and includes, for certainty, with respect to a Restricted Party, all "Collateral", under and as defined in the Collateral Agent and Intercreditor Agreement, of such Restricted Party. Unless stated otherwise or unless the context otherwise requires, all references herein to "Collateral" shall be deemed to be to the Collateral of the Restricted Parties.
- (e) **"Collateral Agent"** has the meaning ascribed to such term in the preamble of this Agreement, and its respective successors and assigns.
- (f) **"Collateral Agent and Intercreditor Agreement"** means the collateral agent and intercreditor agreement made as of the date hereof among the Debtor, as borrower, the Subordinated Lender, as guarantor, the Collateral Agent, as collateral agent, and certain other Beneficiaries, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.
- (g) **"Convertible Debentures"** means, collectively, any debentures issued by the Debtor to the Subordinated Lender under, pursuant to or in connection with the convertible debenture indenture between Long Run Exploration Ltd. and AST Trust Company (Canada) (as successor in interest to CST Trust Company), dated as of January 28, 2014 as amended by a first supplemental indenture and supplemental debenture made effective as of January 30, 2019, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.
- (h) **"Insolvency Proceeding"** means, as to any Person, any proceeding commenced by or against it under any provision of any Bankruptcy Law.
- (i) **"Restricted Parties"** means, collectively, the Debtor and the other "Obligors", under and as defined in the Collateral Agent and Intercreditor Agreement, other than the Subordinated Lender.
- (j) **"Senior Debt"** means the "Secured Obligations" (under and as defined in the Collateral Agent and Intercreditor Agreement).
- (k) **"Senior Debt Documents"** means the "Secured Debt Documents" under and as defined in the Collateral Agent and Intercreditor Agreement, including, for certainty, the Senior Security.

- (l) **"Senior Debt Repayment Date"** means the date on which (i) the Senior Debt has been indefeasibly paid in full, performed in full and finally satisfied and (ii) the Senior Debt Documents have been terminated and cancelled.
- (m) **"Senior Security"** means all liens, charges, pledges, security interests and other security agreements (including, for certainty, any Security Documents (under and as defined in the Collateral Agent and Intercreditor Agreement) to which a Restricted Party is a party) of any nature or kind, now held or hereafter granted to the Beneficiaries (or held by the Collateral Agent on behalf of the Beneficiaries) that secures the payment, performance or discharge of the Senior Debt.
- (n) **"Subordinated Debt"** means all indebtedness, liabilities and obligations, of any nature or kind, present or future, direct or indirect, whether revolving or term, matured or unmatured, absolute or contingent, and whether secured or unsecured, whether as primary debtor, surety or guarantor, matured or not and at any time owing by the Debtor or any other Restricted Party to the Subordinated Lender, including, for certainty, all indebtedness, liabilities and obligations arising under any Subordinated Loan Agreements (including all interest, fees and other costs arising under or in respect of any Subordinated Loan Agreements).
- (o) **"Subordinated Lender"** has the meaning ascribed to such term in the preamble of this Agreement, and its respective successors and assigns.
- (p) **"Subordinated Lender Rights"** means, collectively, all of the rights, remedies, interests and powers of the Subordinated Lender (a) under, pursuant or relating to the Subordinated Security or any other Subordinated Loan Agreements, (b) in any Insolvency Proceedings or (c) otherwise available to the Subordinated Lender pursuant to applicable laws to enforce payment and performance of the Subordinated Debt.
- (q) **"Subordinated Loan Agreements"** means, collectively, the Subordinated Loan Facility Agreement, the Convertible Debentures and all related guarantees and other agreements, instruments and other documents governing, securing or relating to any Subordinated Debt, including, for certainty, any Subordinated Security.
- (r) **"Subordinated Loan Facility Agreement"** means the loan facility agreement between Long Run Exploration Ltd., as borrower, and Calgary Sinoenergy Investment Corp., as lender, dated June 29, 2016, as amended pursuant to a first amending agreement to the Long Run Exploration loan facility agreement made effective as of August 29, 2016, a second amending agreement made effective as of January 31, 2017 and a third amending agreement made effective on or about the date hereof, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.
- (s) **"Subordinated Security"** means all liens, charges, pledges, security interests and other security agreements of any nature or kind, now or hereafter granted to the Subordinated Lender that secures the payment, performance or discharge of the Subordinated Debt.

2. **Headings.**

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The

terms "hereof", "hereunder", and similar expressions refer to this Agreement and not to any particular Section or other portion hereof. Unless something in the subject matter of context is inconsistent therewith, references herein to Sections are to Sections of this Agreement.

3. **Extended Meanings.**

In this Agreement, words importing the singular number only include the plural and vice versa and words importing a gender includes both genders. The term "including" means "including without limiting the generality of the foregoing".

4. **Statutory References.**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute and now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation thereunder.

5. **References to Agreements.**

Each reference in this Agreement to any agreement (including this Agreement and any other defined term that is an agreement) shall be construed so as to include such agreement (including any attached schedules) and each amendment, supplement, amendment and restatement, novation and other modification made to it from time to time.

6. **Subordination and Postponement.**

- (a) The Subordinated Lender hereby covenants and agrees that all Subordinated Debt (and payment and performance thereof) is hereby unconditionally and irrevocably deferred, postponed and, together with the Subordinated Security, subordinated in all respects (in favour of the Beneficiaries) to the prior indefeasible repayment, performance in full and final satisfaction of all the Senior Debt. Each party hereto acknowledges, consents and agrees to the foregoing.
- (b) Without limiting the generality of the foregoing, the deferment, postponement and subordination of the provisions contained herein will be effective notwithstanding:
 - (i) the dates of any advances (or the creation of any other indebtedness, obligations or liabilities) secured by the Senior Security;
 - (ii) the time or sequence of giving any notice or the making of any demand in respect of the Subordinated Debt, the Senior Debt, the Senior Security, the Subordinated Security or any other Senior Debt Documents or Subordinated Loan Agreements or the attachment, registration, perfection or crystallization of the security constituted by the Senior Security or the Subordinated Security;
 - (iii) that any of the Senior Security shall be defective, unperfected or unenforceable for any reason whatsoever;
 - (iv) the method of perfection of the Senior Security;
 - (v) the provisions of the Senior Security or the Subordinated Security;
 - (vi) any invalidity or unenforceability of, or any limitation on, the liability of the Debtor or any other Restricted Party;

- (vii) any defense, compensation, set off or counterclaim which the Debtor or any other Restricted Party may have or assert;
- (viii) any Insolvency Proceeding of any person or entity;
- (ix) the taking of any collection, enforcement or realization proceedings pursuant to the Senior Security, the Senior Debt, the Subordinated Security or the Subordinated Debt;
- (x) the date of obtaining any judgment or the order of any bankruptcy court or any court administering an Insolvency Proceeding as to the entitlement of the Collateral Agent (or any other Beneficiary) or the Subordinated Lender to any money or property of any Restricted Party;
- (xi) the giving or failing to give any notice, or the sequence of giving any notice to the Subordinated Lender including the giving or failing to give notice of the acquisition of any additional Senior Security;
- (xii) the failure to exercise any power or remedy reserved to the Collateral Agent (or any other Beneficiary) under the Collateral Agent and Intercreditor Agreement, under any Senior Security or any other Senior Debt Documents, or to insist upon a strict compliance with any of the terms thereof;
- (xiii) the date or dates of any default by the Debtor or any other Restricted Party in respect of the Senior Debt or any default under the Senior Security;
- (xiv) the rules of priority established under applicable law;
- (xv) any waiver, consent, extension, indulgence or other action, inaction or omission by or on behalf of any Beneficiary under or in respect of this Agreement, the Collateral Agent and Intercreditor Agreement, the other Senior Debt Documents, the Senior Debt or the Senior Security;
- (xvi) the lack of authority or revocation thereof by any other party;
- (xvii) any defence based upon an election of remedies by or on behalf of any Beneficiary which destroys or otherwise impairs the subrogation rights of the Subordinated Lender to proceed against any Restricted Party for reimbursement;
- (xviii) any merger, consolidation or amalgamation of the Subordinated Lender, or any Restricted Party into or with any other person or entity; or
- (xix) any other fact, matter or defect whatsoever that, except for this Agreement, would impact on the respective priorities of the Senior Security or the Subordinated Security, or the order and timing of payment of the Senior Debt or the Subordinated Debt.

7. **No Repayment of Subordinated Debt.**

Until the Senior Debt Repayment Date, no direct or indirect (including by way of set-off) distribution, payment (including, but not limited to, principal, interest, fees and costs), prepayment or repayment on account of, consideration for the reduction of, or other distribution in respect of,

the Subordinated Debt shall be made or granted by, or on behalf of, the Debtor or any other Restricted Party or received by, or on behalf of, the Subordinated Lender, unless otherwise expressly permitted pursuant to the terms of the Senior Debt Documents.

8. **Restriction on Enforcement.**

So long as any Senior Debt is outstanding and until the Senior Debt Repayment Date, the Subordinated Lender shall not:

- (a) enforce or exercise, or seek to enforce or exercise, any remedies under any Subordinated Security or any other Subordinated Loan Agreements or take any proceedings in connection therewith;
- (b) institute or commence, or join with any other person in instituting or commencing, any Insolvency Proceedings or take any steps or proceedings in connection therewith; or
- (c) institute or commence any action or proceeding to enforce, collect or receive payment of any Subordinated Debt or exercise any Subordinated Lender Rights to enforce payment of any Subordinated Debt, including any action of enforcement, realization, foreclosure, collection, seizure, garnishment or execution (in any case in respect of the Collateral and, for certainty, whether as a secured or unsecured creditor).

9. **Subordinated Security.**

- (a) The Subordinated Lender hereby:
 - (i) acknowledges and agrees that (A) the Subordinated Security shall rank subordinate to and is hereby postponed to the Senior Security and (B) the Senior Security has priority over the Subordinated Security, in each case, in all respects, including, without limitation, as they relate to the rights and interests created in the Collateral thereby;
 - (ii) postpones and subordinates the mortgages, charges, liens, assignments and security interests created in the Collateral by the Subordinated Security to the mortgages, charges, liens, assignments and security interests in such Collateral created by the Senior Security; and
 - (iii) agrees to ratify and confirm the subordination and postponement set out above from time to time in favour of the Collateral Agent (for the benefit of the Beneficiaries) as required by the Collateral Agent (in its sole discretion), following the written request of the Collateral Agent therefor.
- (b) The Subordinated Lender agrees and covenants that it will (i) not seek or obtain from the Debtor or any Restricted Party any lien, charge, or security interest for the payment of or performance of any obligations owing to the Subordinated Lender, including in respect of the Subordinated Debt, other than the Subordinated Security and (ii) without limiting Sections 6(b) and 9(a) above, provide the Collateral Agent with not less than 60 days' prior written notice of its intention to effect (A) any registrations made at any personal property registry in respect of the Subordinated Security in any jurisdiction or (B) any specific registrations of the Subordinated Security against any petroleum or natural gas leases or other individual parcels or leases of real property or interests

in land, together with true and complete copies of the Subordinated Security to be registered by it, including complete copies of the land schedules with all information required for such registrations. For certainty, any fixed charge security registered in favour of the Subordinated Lender shall be subject to the security subordinations provided herein. As of the date hereof, the only registrations made by the Subordinated Lender of the type contemplated in subparagraph (A) above are registrations 16062938126 and 16062938173 against the Debtor at the Personal Property Registry of Alberta and no registrations of the type contemplated in subparagraph (B) above have been made by the Subordinated Lender against the Debtor or any other Restricted Party.

- (c) The Subordinated Lender agrees that any and all payments, distributions and proceeds of Collateral or distributions paid to creditors in the course of any Insolvency Proceeding, insurance proceeds, expropriation proceeds and any other proceeds of realization from or relating to the enforcement of any Senior Security or Subordinated Security against any and all Collateral, as applicable, shall be paid to the Collateral Agent (on behalf of the Beneficiaries) until the Senior Debt Repayment Date.
- (d) Each Restricted Party hereby acknowledges and agrees: (i) that it has taken notice of the foregoing subordination and postponement of claim by the Subordinated Lender and expressly consents thereto; (ii) that it will not deliver to the Subordinated Lender any lien, charge or security interest for the payment, performance or discharge of its obligations owing to the Subordinated Lender, including in respect of the Subordinated Debt, other than the Subordinated Security; and (iii) that it will not make or grant any direct or indirect (including by way of set-off) distribution, payment (including, but not limited to, principal, interest, fees and costs), prepayment or repayment on account of, consideration for the reduction of, or other distribution in respect of, the Subordinated Debt to the Subordinated Lender until the Senior Debt Repayment Date.

10. **No Objection.**

The Subordinated Lender will not take, or cause or permit any other Person to take on its behalf, or support any other person to, take any steps whatsoever whereby (i) the existence, priority or validity of any of the Senior Security or Senior Debt or (ii) the rights of the Collateral Agent (on behalf of the Beneficiaries) hereunder, under the Collateral Agent and Intercreditor Agreement, the Senior Security or any other Senior Debt Documents will be contested, delayed, defeated, impaired or diminished. Without limiting the generality of the foregoing, the Subordinated Lender will not, and will not support any other person to, challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by the Collateral Agent (on behalf of the Beneficiaries), in accordance with the terms of the Collateral Agent and Intercreditor Agreement or any other Senior Debt Document, in connection with the enforcement by the Collateral Agent (on behalf of the Beneficiaries) of the Senior Security and Senior Debt.

11. **Application of Proceeds.**

The Subordinated Lender, the Debtor and each other Restricted Party acknowledge that (a) all and every part of the Senior Security is held by the Collateral Agent, for and on behalf of the Beneficiaries, as security for all and every part of the Senior Debt and (b) the Collateral Agent may apply, as a permanent reduction of the Senior Debt, any moneys received by it in accordance with the provisions of the Collateral Agent and Intercreditor Agreement, whether from the enforcement

of and realization upon any or all of the Senior Security or otherwise, to any part of the Senior Debt in a manner consistent with the Collateral Agent and Intercreditor Agreement.

12. **Liquidation, Dissolution, Bankruptcy, etc.**

- (a) In the event of distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the Collateral or other assets of any Restricted Party, or the proceeds thereof, to creditors in connection with an Insolvency Proceeding, the Beneficiaries will be entitled to receive payment in full (including interest accruing to the date of receipt of such payment at the applicable rate whether or not allowed as a claim in any such proceeding) of the Senior Debt before the Subordinated Lender is entitled to receive any Collateral or any direct or indirect payment or distribution of any cash or other assets of any Restricted Party on account of the Subordinated Debt. In connection with such Insolvency Proceeding, the Beneficiaries will be entitled to receive directly, for application in accordance with the provisions of the Collateral Agent and Intercreditor Agreement, in payment of any outstanding Senior Debt, any Collateral, payment or distribution of any kind or character, whether in cash or other assets, which would otherwise be payable or deliverable upon or with respect to the Subordinated Debt. To the extent any payment of Senior Debt (whether by or on behalf of the Debtor, any other Restricted Party or the Subordinated Lender, as receipt of Collateral, proceeds of security or enforcement of any right of set-off or otherwise) is determined to be a fraudulent preference or otherwise preferential, set aside or required to be paid to a trustee, receiver or other similar person under any Bankruptcy Law, then if such payment is recoverable by, or paid over to, such trustee, receiver or other person, the Senior Debt or part thereof originally intended to be satisfied will be deemed to be reinstated and outstanding as if such payment had not occurred.
- (b) In order to enable the Collateral Agent, for and on behalf of the Beneficiaries, to enforce its rights hereunder in any of the actions or proceedings described in this Section 12 (but only to the extent necessary to so enable the Collateral Agent), upon the failure of the Subordinated Lender to make and present on a timely basis a proof of claim against any Restricted Party on account of the Subordinated Debt or other motion or pleading as may be expedient or proper to establish the Subordinated Lender's entitlement to payment of any Subordinated Debt, the Collateral Agent (for and on behalf of the Beneficiaries) is irrevocably authorized and empowered, in its discretion and at the Debtor's expense, to make and present for and on behalf of the Subordinated Lender such proofs of claims or other motions or pleadings and to demand, receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and any such property received shall be paid over to the Collateral Agent (for and on behalf of the Beneficiaries) as required by the Collateral Agent and Intercreditor Agreement. The Collateral Agent shall apply the same on account of the Senior Debt in accordance with the terms of the Collateral Agent and Intercreditor Agreement and any other Senior Debt Documents. Each Restricted Party and the Subordinated Lender hereby covenants and agrees to exercise any voting right or other privilege that it may have from time to time in any of the actions or proceedings described in this Section 12 in favour of any plan, proposal, compromise, arrangement or similar transaction so as to give effect to (i) the right of the Collateral Agent (for and on behalf of the Beneficiaries) to receive payments and distributions otherwise payable or deliverable upon or with respect to the Subordinated Debt so long as any Senior Debt remains outstanding; or (ii) the obligation of the

Subordinated Lender to receive, hold in trust, and pay over to the Collateral Agent (for and on behalf of the Beneficiaries) certain payments and distributions as contemplated by Section 13, during the term of this Agreement.

- (c) In the event of any Insolvency Proceeding relating to the Debtor or any other Restricted Party, all rights of the Subordinated Lender to exercise the voting and other consensual rights pertaining to the Subordinated Debt will, at the option of the Collateral Agent, become vested in the Collateral Agent (for and on behalf of the Beneficiaries) and the Collateral Agent will thereupon have the right, but not the obligation, to exercise such voting and other consensual rights. For such purpose, the Subordinated Lender hereby irrevocably appoints the Collateral Agent or any authorized officer or employee of the Collateral Agent as its attorney in fact, with full power and authority in the place and stead of the Subordinated Lender and in the name of the Subordinated Lender or otherwise, from time to time in the Collateral Agent's absolute discretion and to the fullest extent permitted by law, to take any action and to execute any instruments which the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, and the Subordinated Lender hereby notifies all such actions that such attorney will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest (including, for certainty, an assignment of the Subordinated Lender's interest in any payments or distributions in respect of the Subordinated Debt in the event of any Insolvency Proceeding relating to the Debtor or any other Restricted Party) and will be irrevocable.
- (d) If any of the provisions of this Section 12 are stayed or otherwise rendered ineffective during the currency of any Insolvency Proceeding, such provision shall be deemed to be fully reinstated without any action by or on behalf of the Collateral Agent (or any other Beneficiary) upon such stay being lifted or such provision otherwise becoming effective, with each such affected provision having retroactive effect to the date that it was rendered ineffective.

13. **Payments Received by the Subordinated Lender.**

If, prior to the Senior Debt Repayment Date (including as a result of Senior Debt being deemed to be reinstated as set out in Section 12(a)), the Subordinated Lender or any Person on its behalf receives any Collateral or any payment from or distribution of assets of any Restricted Party or on account of the Subordinated Debt (including, upon payment or distribution to creditors in connection with any Insolvency Proceedings, in contravention or as a result of the contravention of the provisions hereof, or in a manner which is inconsistent with the provisions hereof (including, without limitation, as prohibited pursuant to Section 7)), then the Subordinated Lender will, and will cause such other Person to, receive and hold such Collateral, payment or distribution in trust for the benefit of the Collateral Agent and promptly pay the same over or deliver to the Collateral Agent (for and on behalf of the Beneficiaries) in precisely the form received by the Subordinated Lender or such other Person on its behalf (except for any necessary endorsement or assignment). If any of the Subordinated Debt is, in the circumstances dealt with above, discharged by way of set-off or consolidation of accounts, the Subordinated Lender shall immediately hold an amount equal to the amount so discharged in trust for application as herein set forth. The Collateral Agent shall apply such Collateral, payment or distribution (as contemplated in this Section) to the repayment of the Senior Debt in accordance with the terms of the Collateral Agent and Intercreditor Agreement.

14. **Beneficiaries Rights.**

The Subordinated Lender agrees that at all times prior to the Senior Debt Repayment Date, the Collateral Agent (for and on behalf of the Beneficiaries) will be entitled to deal with the Senior Security in accordance with the terms of the Collateral Agent and Intercreditor Agreement and the terms of each other Senior Debt Document and nothing herein will (i) prevent, restrict or limit the Collateral Agent in any manner from exercising all or any part of its rights and remedies otherwise permitted by the Collateral Agent and Intercreditor Agreement, any other Senior Debt Documents and by applicable law, (ii) prejudice or impair any right of the Collateral Agent (for and on behalf of the Beneficiaries) to enforce the subordination as provided in this Agreement, or (iii) affect or impair the obligations of the Subordinated Lender as provided in this Agreement (and the Subordinated Lender will not so prevent, restrict, limit, prejudice or impair such actions or rights), and without limiting the generality of the foregoing, the Subordinated Lender agrees that:

- (a) the Collateral Agent (for and on behalf of the Beneficiaries) in its absolute discretion and without diminishing the obligations of the Subordinated Lender hereunder, may grant time or other indulgences to the Debtor or any other Restricted Party and any other Person or Persons now or hereafter liable to the Beneficiaries in respect of the payment of the Senior Debt, and the Collateral Agent (for and on behalf of the Beneficiaries) may give up, modify, vary, exchange, renew or abstain from enforcing the Senior Security in whole or in part and may discharge any part or parts of or accept any composition or arrangements or realize upon the Senior Security when and in such manner as the Collateral Agent may think expedient, and in no such case will the Collateral Agent (or any other Beneficiary) be responsible for any act or omission with respect to the Senior Security or any part thereof;
- (b) the Subordinated Lender will not be released or exonerated from its obligations hereunder by extension of time periods or any other forbearance whatsoever, whether as to time, performance or otherwise or by any release, discharge, loss or alteration in or dealing with all or any part of the Senior Debt and the Senior Security or any part thereof or by any failure or delay in giving any notice required under this Agreement, the Collateral Agent and Intercreditor Agreement, the Senior Security, the other Senior Debt Documents, the Senior Debt, or any part thereof, the waiver by the Collateral Agent (for and on behalf of the Beneficiaries) of compliance with any conditions precedent to any advance of funds, or by any modification or alteration of the Collateral Agent and Intercreditor Agreement, the Senior Security, the other Senior Debt Documents, the Senior Debt or any part thereof, or by anything done, suffered or permitted by the Collateral Agent (for and on behalf of the Beneficiaries), or as a result of the method or terms of payment under the Senior Debt or the Senior Security or any part thereof or any assignment or other transfer of all or any part of the Collateral Agent and Intercreditor Agreement, the Senior Security, the other Senior Debt Documents, the Senior Debt or any part thereof;
- (c) no Beneficiary will be bound to seek or exhaust any recourse against any Restricted Party or any other Person or against the property or assets of any Restricted Party or any other Person or against any security, guarantee or indemnity before being entitled to the benefit of the Subordinated Lender's obligations hereunder and the Collateral Agent (for and on behalf of the Beneficiaries) may enforce the various remedies available to it and the other Beneficiaries and may realize upon the various security documents, guarantees and indemnities or any part thereof, held by the Beneficiaries

in such order as the Collateral Agent may determine appropriate but in a manner consistent with the terms of the Collateral Agent and Intercreditor Agreement;

- (d) the Subordinated Lender is fully responsible for acquiring and updating information relating to the financial condition of the Debtor and the other Restricted Parties and all circumstances relating to the payment or non-payment of the Subordinated Debt, and no Beneficiary shall any obligations to the Subordinated Lender in that regard;
- (e) no Beneficiary will be required to marshal in favour of the Subordinated Lender or any other Person the Senior Security or any other securities or any moneys or other assets which the Beneficiaries may be entitled to receive or upon which any Beneficiary may have a claim;
- (f) the Beneficiaries will be entitled to advance their own money as they see fit in order to preserve or protect the assets of any Restricted Party (or any other Person) or any part thereof or protect the Senior Debt or the Senior Security or maximize the recovery thereof, and all such sums advanced to the extent reasonably advanced for such purposes, will constitute part of the Senior Debt and will be secured by the Senior Security;
- (g) the Beneficiaries are entitled to amend, supplement, modify, restate or replace the Collateral Agent and Intercreditor Agreement, any of the Senior Security or any other Senior Debt Documents at any time and from time to time without the consent of, or notice to, the Subordinated Lender;
- (h) subject to the Collateral Agent and Intercreditor Agreement, the Collateral Agent (for and on behalf of the Beneficiaries) is entitled to, from time to time, sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner the Collateral or any other assets pledged or mortgaged for or otherwise securing the Senior Debt or any liability of any Restricted Party (or any other Person) or any liability incurred directly or indirectly in respect thereof;
- (i) the Collateral Agent (for and on behalf of the Beneficiaries) is entitled to exercise or delay in or refrain from exercising any right or remedy against any Restricted Party and the Subordinated Lender and is entitled to elect any remedy and otherwise deal freely with the Restricted Parties or the Subordinated Lender as it sees fit;
- (j) no Beneficiary is required to take or record or otherwise perfect or preserve the perfection of any Senior Security, liens or security interests securing the Senior Debt, or to exercise any right or remedy against any Restricted Party or any other Person;
- (k) the Collateral Agent is entitled to change, whether by addition, substitution, renewal, succession, assignment, grant of participation, transfer or otherwise, the Collateral Agent, subject to the terms of the Collateral Agent and Intercreditor Agreement; and
- (l) the Subordinated Lender will upon the written request of the Collateral Agent provide the Collateral Agent (for and on behalf of the Beneficiaries) with such details of the Subordinated Debt outstanding as the Collateral Agent may reasonably request.

15. **DIP Financing.**

In the event of an Insolvency Proceeding regarding a Restricted Party, whether voluntary or involuntary, the Subordinated Lender shall not propose, agree to provide or support any debtor in possession financing (a "**DIP Financing**") which is secured by a charge, lien, mortgage or other security interest that ranks in priority to or *pari passu* with the Senior Security. If any Restricted Party obtains DIP Financing from the Beneficiaries (or any of them), then the Subordinated Lender agrees it will: (a) subordinate the Subordinated Security to: (i) the charges, liens, mortgages and security interests securing any such DIP Financing, and (ii) any administrative or other court-ordered charges, and (b) not contest or raise any objection to such DIP Financing.

16. **Representations and Warranties.**

The Subordinated Lender hereby represents and warrants to the Collateral Agent and the other Beneficiaries, and acknowledges and agrees that the Collateral Agent and the other Beneficiaries are relying on such representations and warranties in connection with the entering into of this Agreement, that:

- (a) it is validly subsisting under the laws of its jurisdiction of formation and has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) it has not assigned or transferred the Subordinated Debt or any Subordinated Security and it has not pledged, hypothecated or granted a security interest in, or in respect of, the Subordinated Debt or Subordinated Security as at or prior to the date hereof other than in favour of the Collateral Agent and the other Beneficiaries pursuant to the Senior Debt Documents;
- (c) it has provided the Collateral Agent (for and on behalf of the Beneficiaries) with a true and complete copy of the Subordinated Loan Agreements and the agreement(s) constituting the Subordinated Security;
- (d) the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary action and it has duly executed and delivered this agreement; and
- (e) this Agreement constitutes a valid and legally binding obligation, enforceable against it in accordance with its terms, subject however, to limitations with respect to enforcement imposed by Bankruptcy Law and subject to general equitable principles.

All of the representations and warranties set forth in this Section 16 shall survive the execution and delivery of this Agreement.

17. **Waivers of the Subordinated Lender.**

The Subordinated Lender agrees that: (i) no Beneficiary has made any representations or warranties in respect to the due execution, legality, completeness or enforceability of any agreement or instrument relating to the Collateral Agent and Intercreditor Agreement, the Senior Security, any other Senior Debt Document or the Senior Debt or the collectability of the Senior Debt, and (ii) subject to the terms of the Collateral Agent and Intercreditor Agreement, the Beneficiaries will be entitled to manage and supervise their loans and other financial accommodation to any Restricted Party or any other Person in accordance with applicable law and their usual practices, modified from time to time as they deem appropriate under the circumstances, or otherwise, without regard to the existence of any rights that the Subordinated Lender may now or hereafter have in or to any

of the assets of any Restricted Party; and (iii) no Beneficiary will have any liability to any Restricted Party or the Subordinated Lender for, and, to the extent permitted by applicable law, the Subordinated Lender hereby waives, any claims which the Subordinated Lender may now or hereafter have against the Beneficiaries out of, any and all actions which the any Beneficiary takes or omits to take (including, without limitation, actions taken by the Collateral Agent on behalf of the Beneficiaries and actions taken with respect to the creation, perfection or continuation of liens or security interest in any assets at any time securing payment of the Senior Debt, actions with respect to the occurrence of any default under any agreement or instrument relating to the Senior Debt, actions with respect to the release or depreciation of, or failure to realize upon, any assets securing payment of the Senior Debt and actions with respect to the collection of any claims or all or any part of the Senior Debt from any account debtor, Subordinated Lender or any other Person) with respect to the Senior Debt and any agreement or instrument related thereto or with respect to the collection of the Senior Debt or the valuation, use, protection or release of any assets securing payment of the Senior Debt except in accordance with the terms of the Collateral Agent and Intercreditor Agreement.

18. **No Rights to Restricted Parties.**

Nothing in this Agreement will create any rights in favour of, or obligations to any Restricted Party, and each Restricted Party acknowledges and agrees to the provisions of and ordering of priorities established by this Agreement and the terms hereof are for the sole benefit of the Beneficiaries and the Subordinated Lender.

19. **No Amendments to Subordinated Loan Agreements.**

The Subordinated Lender agrees with the Collateral Agent (for and on behalf of the Beneficiaries) that it will not, without obtaining the prior written consent of the Collateral Agent (for and on behalf of the Beneficiaries), amend, revise supplement or replace any Subordinated Loan Agreement or any other documents related thereto in any manner whatsoever.

20. **Further Assurances.**

The parties hereto shall forthwith, and from time to time, execute and do all deeds, documents and things which may be necessary or advisable, in the reasonable opinion of the Collateral Agent and its counsel, to give full effect to the postponement and subordination of the rights and remedies of the Subordinated Lender in respect to the Subordinated Debt to the rights and remedies of the Collateral Agent and the other Beneficiaries in respect to the Senior Debt, the Senior Security and any other Senior Debt Document, all in accordance with the intent of this Agreement.

21. **Successors and Assigns.**

- (a) This Agreement is binding upon the Collateral Agent, the Subordinated Lender, and each Restricted Party and their respective successors and assigns and, subject to Section 21(b) below, will enure to the benefit of the Beneficiaries and the Subordinated Lender, and their respective successors and permitted assigns.
- (b) The Collateral Agent will be entitled to assign all or any part of its rights and obligations under this Agreement or with respect to the Senior Debt in compliance with the terms of the Collateral Agent and Intercreditor Agreement, if the Collateral Agent's obligations under this Agreement are assumed or are deemed to be assumed in full by the Person to whom the Collateral Agent's obligations under the Collateral Agent and Intercreditor Agreement and the Senior Debt Documents are assigned.
- (c) Neither the Restricted Parties nor the Subordinated Lender shall be entitled to assign all or any part of their respective rights and obligations under this Agreement or the Subordinated Debt or Subordinated Security.
- (d) Except in accordance with Sections 21(a), 21(b) or 21(c) hereof, third parties will have no rights or benefits under this Agreement.

22. **Entire Agreement; Severability.**

This Agreement contains the entire agreement among the parties hereto with respect to the subordination, postponement and stand-still of obligations of the Subordinated Lender. Notwithstanding anything contained herein, the provisions of the Collateral Agent and Intercreditor Agreement shall govern notwithstanding the terms of hereof (including in the case of any conflict between the terms of this Agreement and the terms of the Collateral Agent and Intercreditor Agreement) and whether or not any Insolvency Proceeding shall have commenced against any Restricted Party or the Subordinated Lender. If any of the provisions of this Agreement shall be held invalid or unenforceable by any court having jurisdiction, this Agreement shall be construed as if not containing those provisions, and the rights and obligations of the parties hereto should be construed and enforced accordingly. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or agreements, express, implied or statutory, between the Collateral Agent and the Subordinated Lender with respect to the subject matter hereof except as expressly set forth herein.

23. **Other Rights Not Affected.**

The postponement and subordination provided for in this Agreement is in addition to and not in substitution for or limitation of any other agreement, right or other security by whomsoever given or at any time held by or for the benefit of the Beneficiaries in respect of the obligations of the Restricted Parties or the Subordinated Lender to the Beneficiaries, and nothing in this Agreement shall limit or prejudice any of the contractual, statutory or other rights of the Beneficiaries or the Subordinated Lender or the contractual, statutory or other priority of the obligations of the Restricted Parties and the Subordinated Lender to the Beneficiaries or the Restricted Parties to the Subordinated Lender, in each case, insofar as such rights or priority arises or exists outside of this Agreement.

24. **Acknowledgement.**

Each Restricted Party and the Subordinated Lender hereby acknowledges receipt of a copy of this Agreement and accepts and further agrees with the Collateral Agent to give effect to all of the provisions of this Agreement, notwithstanding the terms of the Subordinated Loan Agreements.

25. **Governing Law.**

This Agreement will be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

26. **Termination.**

This Agreement will terminate upon the earlier of the written agreement of the Collateral Agent (for and on behalf of the Beneficiaries), the Restricted Parties and the Subordinated Lender.

27. **Amendments and Waivers.**

- (a) No provision of this agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any such amendment, waiver, discharge or termination may only be made in writing signed by the Collateral Agent (for and on behalf of the Beneficiaries), the Subordinated Lender and each Restricted Party, provided, however, that no consent of the Restricted Parties shall be necessary to any amendment of the terms hereof by the Collateral Agent and the Subordinated Lender unless the interests of the Restricted Parties are directly and adversely affected.
- (b) No failure on the part of the Collateral Agent (for and on behalf of the Beneficiaries) to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof unless specifically waived in writing, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- (c) Any waiver of any provision of this Agreement or consent to any departure by any part therefrom shall be effective only in the specific instance and for the specific purpose for which given and shall not in any way be or be construed as a waiver of any future requirement.

28. **Enurement.**

This Agreement will be binding upon and enure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

29. **Notices.**

Any notice to be given under this Agreement may be effectively given by delivering (whether by courier or personal delivery) such notice at the address set forth in the signature pages of this Agreement or by sending such notice by prepaid registered mail to such address or by facsimile to the parties at the facsimile number set out on the signature pages of this Agreement. Any notice mailed will be deemed to have been received on the 5th day next following the registered mailing of such notice. Any facsimile notice will be deemed to have been received on transmission if sent before 4:00 p.m. Toronto time on a Business Day, and, if not, on the next Business Day following transmission.

30. **Waiver of Jury Trial.**

The parties hereto do hereby irrevocably, to the extent legally permitted, waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to this Agreement.

31. **Collateral Agent Execution.**

China Construction Bank Toronto Branch is entering into this Agreement in its capacity as collateral agent under the Collateral Agent and Intercreditor Agreement and as collateral agent for and on behalf of each of the Beneficiaries.

32. **Counterpart and Facsimile Execution.**

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. For the purposes of this Section, the delivery of a facsimile copy or pdf formatted copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

33. **Power of Attorney**

The Subordinated Lender hereby constitutes and appoints the Collateral Agent and any officer or agent of the Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Subordinated Lender or in the Subordinated Lender's own name, from time to time in the Collateral Agent's discretion, to take any and all appropriate action or step which the Subordinated Lender is required to take hereunder (including any endorsements or other instruments of transfer or release) in the name of the Subordinated Lender whenever and wherever the Collateral Agent may consider it to be necessary or expedient, which appointment shall be irrevocable and coupled with an interest.

34. **Amendment and Restatement.**

Effective as of the date hereof, the subordination and postponement agreement made as of January 31, 2017 (the "**Original Agreement**") between China Construction Bank Toronto Branch (in such capacity, the "**Original CCB Lender**"), the Debtor and the Subordinated Lender is: (a) hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of the Original Agreement prior to the amendment and restatement hereby; and (b) as so amended and restated, the Original Agreement is hereby ratified and confirmed. All references to the Original Agreement or similar references contained in the documents delivered prior to the effectiveness of this Agreement in connection with or under the Original Agreement shall be references to this Agreement without further amendment to those documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or representatives as of the day and year first above written.

LONG RUN EXPLORATION LTD., as
Debtor

Address:
Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

By:

Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

Name:
Title:

By:

Name:
Title:

CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Collateral
Agent and as Original CCB Lender

Address:
3650 – 181 Bay Street
Toronto, ON
M5J 2T3

Attention: Ziqing Zou (Eddie)
Senior Vice President, Corporate Banking
Facsimile No.: (647) 777-7739

By: _____
Name:
Title:

By: _____
Name:
Title:

**CALGARY SINOENERGY
INVESTMENT CORP.**, as Subordinated
Lender

Address:
Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule 1.01(A)

Compliance Certificate

TO: China Construction Bank Toronto Branch
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: •

This Compliance Certificate is delivered to you pursuant to Section [9.03(3) / 9.03(4)] of the amended and restated credit agreement made as of October 27, 2020 between, *inter alia*, the Borrower and you, as Lender, as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Compliance Certificate that are defined in the Credit Agreement have the same meanings herein.

I, [name], the [title] of the Borrower, certify for and on behalf of the Borrower, and not in my personal capacity and without personal liability whatsoever, that:

1. Representations and Warranties All of the representations and warranties of the Borrower contained in Section 8.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof unless varied as contemplated in Section 8.02.
2. Terms, Covenants and Conditions All of the terms, covenants and conditions of the Credit Agreement and each of the other Loan Documents to be performed or complied with by the Borrower at or prior to the date hereof have been performed or complied with.
3. Default No Default or Event of Default has occurred and is continuing on the date hereof.
4. Financial Statements Attached hereto are the financial statements of most recent date referred to in Sections 9.03(1) and (2) of the Credit Agreement.
5. Consolidated Total Debt Consolidated Total Debt as at _____ is Cdn. \$_____.
6. Consolidated Senior Debt Consolidated Senior Debt as at _____ is Cdn. \$_____.
7. EBITDA Consolidated EBITDA for the four fiscal quarters ended _____ is Cdn. \$_____.
8. Additional Contribution Additional Contribution as at the fiscal quarter ended _____ is Cdn. \$_____, and Borrower elects to include Cdn. \$_____ of Additional Contribution to Adjusted Consolidated EBITDA for the

fiscal quarter ended _____. After this election, Additional Contribution shall be reduced and stand at Cdn. \$_____.

9. Adjusted Consolidated EBITDA Adjusted Consolidated EBITDA for the four fiscal quarters ended _____ is Cdn. \$_____.

9. Consolidated Interest Expense Consolidated Interest Expense for the four fiscal quarters ended _____ is Cdn. \$_____.

10. Financial Covenant Compliance

A. Consolidated Senior Debt to Adjusted Consolidated EBITDA Ratio

<u>Quarter Ending</u>	<u>Maximum Permitted Ratio</u>	<u>Actual Ratio</u>
•	•	•

B. Interest Coverage Ratio

<u>Quarter Ending</u>	<u>Maximum Permitted Ratio</u>	<u>Actual Ratio</u>
•	•	•

DATED effective the date and year first above written.

LONG RUN EXPLORATION LTD.

Per:

Name: []

Title: []

Schedule 1.01(B)

Environmental Certificate

TO: China Construction Bank Toronto Branch
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: ●

This Environmental Certificate is delivered to you pursuant to Section [9.03(3) / 9.03(4)] of the amended and restated credit agreement made as of October 27, 2020 between, *inter alia*, the Borrower and you, as Lender, as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Environmental Certificate that are defined in the Credit Agreement have the same meanings herein.

The undersigned, _____, being the [insert name of office] of the Borrower, hereby certifies as an officer of the Borrower and not in any personal capacity and without assuming any personal liability whatsoever:

1. The following certifications in sections 3 to 9 are made to my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Borrower to confirm that the internal environmental reporting and response procedures of the Borrower have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
2. The following certifications in sections 3 to 9 are qualified as to: (a) the matters, if any, disclosed in Exhibit 1 hereto; and (b) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or could not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
3. The Property of the Borrower is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
4. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from a Governmental Authority by the Borrower, or of which the Borrower is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by the Borrower; or

- (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from a Governmental Authority by the Borrower or which the Borrower is otherwise aware, relating to the environment which as a result thereof, requires any work, repair, remediation, cleanup, construction or capital expenditure with respect to any property owned, leased, managed, controlled or operated by the Borrower.
5. Except in compliance with Environmental Laws, no contaminant has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or release of a contaminant at, on, from or under any property owned, leased, managed, controlled or operated by the Borrower.
 6. None of the lands and facilities owned, leased, managed, controlled or operated by the Borrower, have been used as a landfill site or, except in compliance with Environmental Laws, as a waste disposal site.
 7. No condition exists, at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by the Borrower, which with the passage of time, or the giving of notice or both, has given rise to or could reasonably be expected to give rise to a violation or liability under any Environmental Laws.
 8. The Borrower has obtained all permits, licenses and other authorizations (collectively the "**Permits**") except where not obtaining a Permit could not constitute or be reasonably be expected to constitute or cause a Material Adverse Effect, which are required under Environmental Laws and are in compliance, except where non-compliance could not constitute or be reasonably be expected to constitute or cause a Material Adverse Effect, with all terms and conditions of all Permits and each of the Permits is in full force and effect and unrevoked as of the date of this Certificate.
 9. The Borrower is not aware of any matter affecting the environment which has had or could reasonably be expected to have a Material Adverse Effect.

DATED effective the date and year first above written.

LONG RUN EXPLORATION LTD.

Per:

Name: []

Title: []

Schedule 1.01(C)

Drawdown Notice

TO: China Construction Bank Toronto Branch
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: ●

1. This Drawdown Notice is delivered pursuant to the amended and restated credit agreement made as of October 27, 2020, between, *inter alia*, the Borrower and you, as Lender, as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Drawdown Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Borrower hereby requests the following Loan(s) and Letter(s) of Credit:

(a) Drawdown Date: _____

(b) Type of Credit Facility:

Revolving Term Facility

(c) Type and Amount of each Loan (check appropriate boxes)

Amount

Letter of Credit:

Amount

Term in Months

Cdn. \$ _____

3. Representations and Warranties All of the representations and warranties of the Borrower contained in Section 8.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof unless varied as contemplated in Section 8.02.

4. All of the conditions precedent to the Loan(s) and Letter(s) of Credit requested hereby that have not been properly waived in writing by the Lender has been satisfied.

5. No Default or Event of Default has occurred and is continuing or will have occurred and be continuing on the Drawdown Date, or will result from the Loan(s) and Letter(s) of Credit requested hereby.

LONG RUN EXPLORATION LTD.

By: _____
Name:
Title:

Schedule 1.01(F)

Relevant Jurisdictions

ALBERTA

SASKATCHEWAN

BRITISH COLUMBIA

Schedule 1.01(G)

Repayment Notice

TO: China Construction Bank Toronto Branch
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: ●

1. This Repayment Notice is delivered pursuant to **[Section 6.04]** [or] **[Section 6.05]** of the amended and restated credit agreement made as of October 27, 2020, between, *inter alia*, the Borrower and you, as Lender, as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Repayment Notice that are defined in the Credit Agreement have the same meanings herein.
2. The Borrower hereby gives you notice that it intends to repay **[[Cdn. \$●] under the Non-Revolving Term Facility, such amount being the Net Proceeds from [describe Disposition]] or [repay [Cdn. \$●] under the Non-Revolving Term Facility on [date which must be at least 5 Business Days after the delivery of this Notice]].**
3. The amount of such repayment will, subject to the provisions of the Credit Agreement, be used to repay Loans of the following type:

<u>Loan Type</u>	<u>Principal Amount</u>
●	●

LONG RUN EXPLORATION LTD.

By: _____

Name:

Title:

Schedule 8.01(17)

Ownership Structure

Legal Name	Jurisdiction of Incorporation or Formation	Location of Chief Executive Office	Location of Business and Assets	Ownership of Issued Voting Securities	Designation
Long Run Exploration Ltd.	Alberta	600, 600 3rd Avenue SW, Calgary, Alberta, T2P 0G5	Alberta, British Columbia and Saskatchewan	100% common shares held by Calgary Sinoenergy Investment Corp.	Borrower
Calgary Sinoenergy Investment Corp.	Alberta	600, 600 3rd Avenue SW, Calgary, Alberta, T2P 0G5	Alberta	Sinoenergy Oil Investment Ltd.	Guarantor

Schedule 8.01(21)

Intellectual Property Rights

NIL

Schedule 8.01(25)

Pension Plan Disclosure

NIL

Schedule 8.01(30)

Controlled Account Disclosure

Owner	Type of Accounts	Account Numbers	Depository Institution/Address	Description of Account
Long Run Exploration Ltd	CAD	129890055611	Bank of Nova Scotia 44 King Street West Toronto, Ontario, Canada M5H 1H1	Business CAD account
Long Run Exploration Ltd	USD	129890701319	Bank of Nova Scotia 44 King Street West Toronto, Ontario, Canada M5H 1H1	Business USD account
Long Run Exploration Ltd	CAD USD RMB	682001018700	China Construction Bank, 181 Bay Street, Suite 3650, Toronto, ON M5J 2T3	Current account

Schedule 9.01(5)

Calgary Sinoenergy Business

No active business. Liability listing as attached.

As at September 30, 2020:

Liabilities and Owner's Equity		Balance
Current Liabilities		
Short-term loans		
Financial Liabilities		
Notes payable		
Accounts payable		
Advance from customers		
Payroll payable		
Taxes payable		-
Interest payable		
Dividend payable		
Other payable		350,566,329.55
Non-current liability due within one year		
Other current liability		
Total current liability		350,566,329.55
Non-current liabilities :		
Long-term loans		320,070,000.00
Bonds payable		
Long-term payable		
Grants & Subsidies received		
Provisions		
Deferred Tax liabilities		
Other non-current liabilities		
Total non-current liabilities		320,070,000.00
Total Liabilities		670,636,329.55

This is **Exhibit "E"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris LEO #854811



CREDIT AGREEMENT

BETWEEN

LONG RUN EXPLORATION LTD.

as Borrower

AND

CALGARY SINOENERGY INVESTMENT CORP.

as Guarantor

AND

**CHINA CONSTRUCTION BANK CORPORATION, QINGDAO BRANCH AND THE
OTHER LENDERS FROM TIME TO TIME PARTY HERETO**

as Lenders

AND

**CHINA CONSTRUCTION BANK TORONTO BRANCH
as Administrative Agent and Collateral Agent**

MADE AS OF

October 27, 2020

TABLE OF CONTENTS

ARTICLE 1 - INTERPRETATION	2
1.01 Definitions	2
1.02 Extended Meanings	27
1.03 Accounting Principles	27
1.04 Interest Calculations and Payments.....	27
1.05 Interest Act (Canada).....	27
1.06 Permitted Encumbrances	28
1.07 Currency	28
1.08 Conflicts	28
1.09 [Reserved].....	29
1.10 Schedules	29
ARTICLE 2 - THE CREDIT FACILITY	29
2.01 Borrower Credit Facility.....	29
2.02 Extension of the Credit Facility.....	29
2.03 Terms of the Credit Facility	30
2.04 Purpose of Credit Facility.....	30
2.05 Revolving Availability	30
2.06 [Reserved].....	31
2.07 [Reserved].....	31
2.08 [Reserved].....	31
2.09 [Reserved].....	31
2.10 Account of Record.....	31
ARTICLE 3 - CONDITIONS	33
3.01 Conditions Precedent to Effectiveness of this Agreement	33
3.02 [Reserved].....	35
3.03 Waiver	35
ARTICLE 4 - PAYMENTS OF INTEREST AND STANDBY FEES	36
4.01 Interest on CDOR Loans	36
4.02 Before and After Judgment Interest	36
4.03 Interest on Payments in Arrears	36
4.04 [Reserved].....	36
4.05 Maximum Rate of Interest.....	36
ARTICLE 5 - RESERVED	37
ARTICLE 6 - REPAYMENT	37
6.01 [Reserved].....	37
6.02 Mandatory Repayment	37
6.03 Mandatory Repayment Based on Adjusted Excess Cash Flow	37
6.04 Other Mandatory Repayments.....	37

6.05	Voluntary Prepayments and Reductions.....	38
6.06	Repayment Compensation.....	38
ARTICLE 7 - PLACE AND APPLICATION OF PAYMENTS.....		39
7.01	Place of Payment of Principal, Interest and Fees	39
7.02	Netting of Payments	39
ARTICLE 8 - REPRESENTATIONS AND WARRANTIES		39
8.01	Representations and Warranties	39
8.02	Survival and Repetition of Representations and Warranties	47
ARTICLE 9 - COVENANTS.....		47
9.01	Positive Covenants	47
9.02	[Reserved].....	52
9.03	Reporting Requirements	52
9.04	Negative Covenants.....	55
ARTICLE 10 - SECURITY		57
10.01	Security.....	57
10.02	After Acquired Property and Further Assurances	59
10.03	Form of Security	59
10.04	Sharing of Security	59
ARTICLE 11 - DEFAULT.....		59
11.01	Events of Default.....	59
11.02	Acceleration and Enforcement	62
11.03	[Reserved].....	63
11.04	Remedies Cumulative.....	63
11.05	Perform Obligations	63
11.06	Third Parties	63
11.07	Application of Payments	63
11.08	Right of Set-off.....	63
ARTICLE 12 – CHANGE IN CIRCUMSTANCES AND INDEMNITIES		64
12.01	Increased Costs	64
12.02	Taxes.....	65
12.03	Illegality.....	66
12.04	[Reserved].....	66
12.05	Indemnity by the Borrower	66
ARTICLE 13 - GUARANTEE.....		67

13.01	Guarantees and Indemnity	67
13.02	Obligations Absolute	68
13.03	No Release	68
13.04	No Exhaustion of Remedies	69
13.05	Prima Facie Evidence	69
13.06	No Set-Off	69
13.07	Continuing Guarantee	69
13.08	Waivers by Guarantors	69
13.09	Demand	70
13.10	Interest	70
13.11	Subrogation; Contribution	70
13.12	Stay of Acceleration	70
ARTICLE 14 - GENERAL		70
14.01	Costs and Expenses	70
14.02	Governing Law, Jurisdiction, Etc.	71
14.03	Judgment Currency	71
14.04	Confidentiality	72
14.05	Benefit and Burden of Agreement	73
14.06	No Assignment by the Borrower	73
14.07	Assignment or Participation by Lender	73
14.08	Notices	74
14.09	Effect of Assignment	74
14.10	Survival	74
14.11	Severability	75
14.12	Further Assurances	75
14.13	Amendments and Waivers	75
14.14	Time of the Essence	75
14.15	Acknowledgement and Consent to Bail-In of Affected Financial Institutions.	75
14.16	Anti-Money Laundering Legislation	76
ARTICLE 15 - THE ADMINISTRATIVE AGENT		76
15.01	Appointment of Administrative Agent	76
15.02	Limitation of Duties of Administrative Agent.	77
15.03	Lack of Reliance on the Administrative Agent.	77
15.04	Certain Rights of the Administrative Agent.	78
15.05	Reliance by Administrative Agent.	78
15.06	Indemnification of Administrative Agent.	78
15.07	The China Construction Bank Toronto Branch in its Individual Capacity.	79
15.08	May Treat Lender as Owner	79
15.09	Successor Administrative Agent.	79
15.10	No Independent Legal Action	80
15.11	Legal Status of China Construction Bank Branches.	80

CREDIT AGREEMENT

THIS AGREEMENT is made as of October 27, 2020

BETWEEN

Long Run Exploration Ltd., a corporation incorporated under the laws of the Province of Alberta, Canada (the "**Borrower**"),

- and –

Calgary Sinoenergy Investment Corp., a corporation incorporated under the laws of the Province of Alberta, Canada, as a Guarantor (together with its successors and permitted assigns, "**Calgary Sinoenergy**"),

- and –

China Construction Bank Corporation, Qingdao Branch and the other lenders from time to time party hereto (collectively, the "**Lenders**"),

- and –

China Construction Bank Toronto Branch, as administrative agent for the Lenders hereunder (in such capacity, together with any successor Administrative Agent appointed hereunder, collectively, the "**Administrative Agent**") and collateral agent under the Collateral Agent and Intercreditor Agreement (in such capacity, together with any successor Collateral Agent appointed under the Collateral Agent and Intercreditor Agreement, collectively, the "**Collateral Agent**").

WHEREAS the Borrower has requested the Credit Facility and the Lenders have agreed to provide the Credit Facility to the Borrower upon and subject to the terms and conditions set out in this Agreement.

AND WHEREAS Cdn.\$242,950,808.57 of the principal amount outstanding under the Existing Credit Agreement is being re-financed by this Agreement.

AND WHEREAS the remaining Cdn.\$114,434,905.72 of the principal amount outstanding under the Existing Credit Agreement are being continued under and pursuant to the CCB Toronto Credit Agreement.

AND WHEREAS pursuant to the Collateral Agent and Intercreditor Agreement, the Collateral Agent shall hold the CCB SBLC for the benefit of the Lenders, in respect of this Agreement, and CCB Toronto, in respect of the CCB Toronto Credit Agreement, in all cases to secure the indebtedness due to the Collateral Agent, in its capacity as agent with respect to the

Obligations and the "Obligations" (as defined under the CCB Toronto Credit Agreement); which in aggregate, shall continue to constitute the loan advanced by China Construction Bank Toronto Branch pursuant to the Existing Credit Agreement (being, for certainty, the loan agreement contemplated in the CCB SBLC).

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**Adjusted Excess Cash Flow**" means, for any period of determination, with respect to the Borrower on a consolidated basis, an amount determined in Canadian Dollars equal to Consolidated EBITDA, less:

- (i) the aggregate of:
 - (A) Total Interest Expense (calculated on the basis of amounts that are actually paid) for such period;
 - (B) permanent debt repayments of the Borrower actually paid during such period;
 - (C) the amount of all Capital Expenditures of the Borrower not financed by debt actually paid or incurred (without duplication) by the Borrower during such period; and
 - (D) all amounts actually paid by the Borrower in such period in respect of Capital Leases; and
- (ii) Taxes actually paid by the Borrower in such period.

"**Administrative Agent**" has the meaning set out in the preamble hereto.

"**Affected Financial Institution**" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"**Affiliate**" means, with respect to a specified Person, (i) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, (ii) any officer or director of such Person, or (iii) an entity in respect of which such Person, or any officer or director thereof, holds, directly or indirectly, more than 10% of the equity interests having ordinary voting power for the election of directors or other governing body of such entity.

"**Agreement**" means this credit agreement, including its recitals and schedules.

"**AML Legislation**" has the meaning ascribed thereto in Section 14.16.

"Anti-Corruption Laws" means all laws concerning or relating to bribery or public corruption, including CFPOA, the *UK Bribery Act* and the FCPA and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, the other Restricted Parties or any Subsidiaries thereof or the Secured Parties or any Affiliates thereof.

"Anti-Money Laundering/ Anti-Terrorist Financing Laws" means all laws concerning or relating to money laundering or terrorist financing, including the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Bank Secrecy Act*, 31 U.S.C. sections 5301 et seq., the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001*, Pub. L. 107-56 (a/k/a the USA Patriot Act), *Laundering of Monetary Instruments*, 18 U.S.C. section 1956, *Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity*, 18 U.S.C. section 1957, the *Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations*, 31 C.F.R. Chapter X (Parts 1000 et. seq.) and any similar laws currently in force or hereafter enacted (and including any regulations, rules, guidelines or orders thereunder) and, in any case, which are applicable to the Borrower, any other Restricted Party or any of their respective Subsidiaries or the Secured Parties or any Affiliates thereof.

"Applicable Law" means:

- (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise);
- (ii) any judgement, order, writ, injunction, decision, ruling, decree or award;
- (iii) any regulatory policy, practice, guideline or directive; or
- (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law.

"Applicable LMR Jurisdiction" means with respect to the Borrower or any other Restricted Party, as the context requires, any jurisdiction in Canada in which, the Borrower or such other Restricted Party, as applicable, directly owns P&NG Leases, P&NG Rights or other facilities or assets (relevant to the determination of the LMR in such jurisdiction).

"Applicable Margin" means 245 bps (2.45%) *per annum*.

"Assignment" has the meaning set out in Section 14.07(1).

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of

the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their Affiliates (other than through liquidation, administration or other insolvency proceedings).

"BOC SBLC Indemnity" means, the indemnity and reimbursement agreement made effective as of the date hereof from the Restricted Parties in favour of the BOC SBLC Provider whereby, *inter alia*, the Restricted Parties agree to indemnify and reimburse the BOC SBLC Provider for amounts drawn under the BOC SBLC, as amended, supplemented or otherwise modified from time to time.

"BOC SBLC Provider" means Bank of China (Qingdao Branch), as issuer of the BOC SBLC.

"BOC SBLC" means the standby letter of credit dated January 25, 2017 issued by the BOC SBLC Provider to the beneficiary described therein in an original aggregate total amount of Cdn.\$152,000,000, as amended to the date hereof, and as further amended, supplemented or otherwise modified from time to time (with the consent of the beneficiary thereof in its sole discretion).

"Borrower's Counsel" means Borden Ladner Gervais LLP or such other firm of legal counsel as the Borrower may from time to time designate and that is acceptable to the Administrative Agent and the Lenders.

"Business Day" means a day of the year, other than a Saturday, Sunday or statutory holiday, on which the Administrative Agent is open for business at its executive offices in Toronto, Ontario.

"Calgary Sinoenergy" has the meaning set out in the preamble hereto.

"Canadian Dollars" and **"Cdn. \$"** mean the lawful money of Canada.

"Capital Expenditures" means any expenditure made by any Person for the purchase or acquisition, repair or replacement of capital assets, including without limitation, Petroleum Substances, net of proceeds of disposition of capital assets (other than proceeds received on a sale-leaseback transaction), and any expenditure related to a Capital Lease or an operating lease in respect of which such Person has furnished a residual value guarantee to the lessor, but excluding the amount expended on repair or replacement of Property to the extent of insurance proceeds or third party funding received by such Person on account of damage or destruction, all as determined in accordance with GAAP.

"Capital Lease" means a capital lease or a lease that should be treated as a capital lease under GAAP; provided that any present or future lease that would have been treated as an operating lease under GAAP as in effect on December 31, 2018 shall not constitute a Capital Lease for all purposes of this Agreement.

"CCB SBLC Indemnity" means, the indemnity and reimbursement agreement made effective as of the date hereof from the Restricted Parties in favour of the CCB SBLC Provider whereby, *inter alia*, the Restricted Parties agree to indemnify and reimburse the CCB SBLC Provider for amounts drawn under the CCB SBLC, as amended, supplemented or otherwise modified from time to time.

"**CCB SBLC Provider**" means China Construction Bank Corporation, Qingdao Branch, as issuer of the CCB SBLC.

"**CCB SBLC**" means the standby letter of credit dated January 26, 2017 issued by the CCB SBLC Provider to the beneficiary described therein in an original aggregate total amount of Cdn.\$454,000,000.00 and held by the Collateral Agent pursuant to the Collateral Agent and Intercreditor Agreement, for the benefit of the Lenders, in respect of this Agreement, and CCB Toronto, in respect of the CCB Toronto Credit Agreement, in all cases to secure the indebtedness due to the Collateral Agent, in its capacity as agent with respect to the Obligations and the "Obligations" (as defined under the CCB Toronto Credit Agreement); which in aggregate, shall continue to constitute the loan advanced by China Construction Bank Toronto Branch pursuant to the Existing Credit Agreement (being, for certainty, the loan agreement contemplated in the CCB SBLC), as amended to the date hereof, and as further amended, supplemented or otherwise modified from time to time (with the consent of the beneficiary thereof in its sole discretion).

"**CCB Toronto**" means China Construction Bank Toronto Branch (and its successors and assigns) in its capacity as lender under the CCB Toronto Credit Agreement.

"**CCB Toronto Credit Agreement**" means the amended and restated credit agreement made as of the date hereof between the Borrower, Calgary Sinoenergy, CCB Toronto and the Collateral Agent which amends and restates the Existing Credit Agreement, as amended, supplemented or otherwise modified from time to time.

"**CCB Toronto Payout Date**" means the date on which (a) the Credit Facilities (as defined in the CCB Toronto Credit Agreement) and all other Obligations (as defined in the CCB Toronto Credit Agreement) have been indefeasibly paid, performed or discharged in full in full, (b) no Person has any further right to obtain any loans, letters of credit or other extensions of credit under the CCB Toronto Credit Agreement or any other Loan Documents (as defined in the CCB Toronto Credit Agreement) and (c) any and all applicable letters of credit or similar instruments issued under such documents have been cancelled and returned (or backed by stand-by guarantees or cash collateralized) in accordance with the terms of such documents.

"**CDOR**" means, with respect to any Interest Period, the stated average of the annual rates that appears on the Reuters Screen CDOR page with respect to banks named in Schedule I to the Bank Act (Canada) as of 10:00 a.m. (Toronto time) on such day (or, if such day is not a Business Day, as of 10:00 a.m. on the next preceding Business Day) for bankers' acceptances issued on that day for a term equal or comparable to the term of such bankers' acceptances, provided that: (a) if such rate does not appear on the Reuters Screen CDOR page at such time on such day, CDOR for such day will be the discount rate (calculated on an annual basis and rounded upward, if necessary, to the nearest whole multiple of 1/100 of 1%, with 5/1,000 of 1% being rounded up) as of 10:00 a.m. on such day at which such other financial institutions as selected by the Administrative Agent (on behalf of the Lenders), from time to time, are then offering to purchase bankers' acceptances accepted by it having an aggregate face amount equal to the aggregate face amount of, and with a term equal or comparable to the term of, such bankers' acceptances and (b) if the rate determined as aforesaid shall ever be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"**CDOR Discontinuation Date**" has the meaning set out in Section 2.11.

"**CDOR Loan**" means a Loan made in Canadian Dollars by a Lender pursuant to which CDOR is the applicable rate of interest.

"**CFPOA**" means the *Corruption of Foreign Public Officials Act* (Canada).

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following:

- (i) the adoption or taking effect of any Applicable Law,
- (ii) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority; or
- (iii) the making or issuance of any Applicable Law by any Governmental Authority.

"**Closing Date**" means the date hereof.

"**Collateral Agent**" has the meaning set out in the preamble hereto.

"**Collateral Agent and Intercreditor Agreement**" has the meaning set out in Section 10.01(j).

"**Commitment**" means each amount specified in Schedule A, in each case being the sum of the maximum aggregate amount of Loans that the Lenders are obliged to make, as each such amount may be reduced from time to time by the amount of any permanent repayments, reductions or prepayments required or made hereunder, or may be cancelled or terminated pursuant to this Agreement.

"**Compliance Certificate**" means a certificate required pursuant to Section 9.03(3) or 9.03(4), as the case may be, substantially in the form attached as Schedule 1.01(A), signed by any one of the Chief Executive Officer or the Vice President of the Borrower.

"**Consolidated EBITDA**" means, without duplication, in respect of any period of determination and as determined on a consolidated basis in respect the Borrower, Consolidated Net Income for such period, plus to the extent deducted in the calculation of such Consolidated Net Income:

- (a) Consolidated Interest Expense;
- (b) provision for income taxes;
- (c) all non-cash items, including depreciation, depletion, amortization (including amortization of goodwill and other intangibles), accretion, deferred income taxes, foreign currency obligations, non-cash losses resulting from marking-to-market the outstanding hedging and financial instrument obligations of the Borrower and its Subsidiaries, non-cash compensation expenses, provisions for impairment of oil and gas assets and any other non-cash expenses for such period;
- (d) any extraordinary and non-recurring losses; and

(e) the net amount of losses deducted in determining Consolidated Net Income resulting from the disposition of assets (excluding inventory); and

less to the extent included in the calculation of such Consolidated Net Income:

(f) any extraordinary and non-recurring income and gains;

(g) non-cash gains resulting from marking-to-market the outstanding hedging and financial instrument obligations of the Borrower and its Subsidiaries for such period; and

(h) all other non-cash gains added in determining Consolidated Net Income.

Consolidated EBITDA will be adjusted for acquisitions and dispositions and to include or exclude, as applicable, Consolidated EBITDA associated with any such acquisition or disposition made within the applicable period, as if that acquisition or disposition had been made at the beginning of such period (in a manner that is consistent with the foregoing and supported by such back-up information as the Administrative Agent (on behalf of the Lenders) may reasonably request and is otherwise satisfactory to the Administrative Agent and the Lenders, acting reasonably).

"Consolidated Interest Expense" means without duplication, for any period of determination and as determined in accordance with GAAP on a consolidated basis in respect of the Borrower, capitalized interest for such period plus interest expense for such period, including interest charges, the interest component of Capital Leases, discounts and stamping fees payable in respect of bankers' acceptances and letters of credit, discounts in respect of any securitization programs and commitment or standby fees, and adjusted for the net amount paid or payable (or less the net amount received or receivable) under any hedging contracts in respect of such period, but shall not include (a) any interest expense relating to the Deeply Subordinated Loans or Convertible Debentures or any other obligation of the Borrower to another Restricted Party under which such obligations are postponed in favour of the Secured Parties or (b) with the prior written consent of the Administrative Agent (on behalf of the Lenders), any interest expense component(s) of any obligations under or in respect of the Capital Leases disclosed to the Administrative Agent and the Lenders by the Borrower in writing from time to time.

"Consolidated Net Income" means, with respect to any Person for any period, the net revenue of such Person for such period on a consolidated basis, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, determined in accordance with GAAP, but excluding extraordinary items as determined in accordance with GAAP, earnings resulting from any reappraisal, revaluation or other write-up of assets and gains arising from the repurchase of any equity security of such Person or any Subsidiary.

"Contingent Obligation" means, with respect to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the "primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to

advance or supply funds for the purchase or payment of any such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, securities or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term Contingent Obligation does not include endorsements of instruments for deposit or collection in the ordinary course of business.

"**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "**Controlling**" and "**Controlled**" have corresponding meanings.

"**Controlled Accounts**" means, collectively, all bank accounts of the Restricted Parties (other than Calgary Sinoenergy), for certainty, whether or not such accounts shall be subject to an account control agreement.

"**Convertible Debentures**" means (i) as of the date hereof, the convertible subordinated debentures described in Schedule B hereof under the heading "Convertible Debentures" and (ii) thereafter, any unsecured convertible subordinated debentures or notes issued (or assumed) by the Borrower which have all of the following characteristics:

- (a) a final maturity or due date in respect of repayment of principal extending beyond the Final Maturity Date in effect at the time such debentures or notes are created, incurred, assumed or guaranteed;
- (b) no scheduled or mandatory payment or repurchase of principal thereunder (other than acceleration following an event of default in regard thereto or payments which can be satisfied by the delivery of securities of the Borrower as contemplated in (f) below and other than on a change of control of the Borrower where an Event of Default also occurs under Section 9.04(3) hereof) prior to the Final Maturity Date in effect at the time such debentures or notes are created, incurred, assumed or guaranteed;
- (c) upon and during the continuance of an Event of Default or acceleration of the time for repayment of any of the Obligations which has not been rescinded, (i) all amounts payable in respect of principal, premium (if any) or interest under such debentures or notes are subordinate and junior in right of payment to all such Obligations and (ii) no enforcement steps or enforcement proceedings may be commenced in respect of such debentures or notes;
- (d) upon distribution of the assets of the Borrower on any dissolution, winding up, total liquidation or reorganization of Borrower (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of such Person, or otherwise), all Obligations shall first be paid in full, or provisions made for such payment, before

any payment is made on account of principal, premium (if any) or interest payable in regard to such debentures or notes;

- (e) the occurrence of a Default or Event of Default hereunder or the acceleration of the time for repayment of any of the Obligations or enforcement of the rights and remedies of the Secured Parties hereunder or under any other Loan Document shall not in and of themselves:
 - (i) cause a default or event of default (with the passage of time or otherwise) under such debentures or notes or the indenture governing the same; or
 - (ii) cause or permit the obligations under such debentures or notes to be due and payable prior to the stated maturity thereof;

provided however that, notwithstanding the foregoing provisions of subparagraph (e), (but, for certainty, without limiting or affecting in any manner whatsoever the provisions of this definition), such debentures or notes and the indenture or agreement governing the same may provide that an event of default under another indenture, agreement or instrument evidencing Debt of a Restricted Party which has resulted in:

- (A) Debt thereunder in excess of Cdn. \$20,000,000 (or the Equivalent Amount in any other currency) being accelerated; and
- (B) the holders of such Debt being entitled to commence, and such holders having commenced, the enforcement of the security they hold for such Debt (if any) or the exercise of any other creditors' remedies to collect such Debt,

may constitute an "event of default" under and as defined in such debentures or notes and indenture or agreement governing the same;

- (f) payments of interest or principal due and payable under such debentures or notes can be satisfied, at the option of the Borrower, by delivering voting Securities of the Borrower in accordance with the indenture or agreement governing such debentures or notes (whether such voting Securities of the Borrower is received by the holders of such debentures or notes as payment or are sold by a trustee or representative under such indenture or agreement to provide cash for payment to holders of such debentures or notes) and provided no default or event of default has occurred and is continuing under any such indenture or agreement; and
- (g) the holder thereof has entered into a subordination and postponement agreement in favour of the Secured Parties in the form attached hereto as Schedule C.

"Credit Facility" has the meaning set out in Section 2.01.

"Debt" means, with respect to any Person, all obligations that, in accordance with GAAP, would then be classified as a liability of such Person, and, without duplication, includes, with respect to such Person,

- (i) an obligation in respect of borrowed money or for the deferred purchase price of Property or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;
- (ii) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;
- (iii) an obligation under a Capital Lease;
- (iv) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;
- (v) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person;
- (vi) a Contingent Obligation to the extent that the primary obligation so guaranteed would be classified as "Debt" (within the meaning of this definition) of such Person; or
- (vii) the aggregate amount at which any shares of such Person that are redeemable or retractable at the option of the holder of such shares (except where the holder is such Person) may be redeemed or retracted prior to the Final Maturity Date for cash or obligations constituting Debt or any combination thereof;

provided, however, that there will not be included for the purpose of this definition any obligation that is on account of (A) reserves for deferred income taxes or general contingencies, (B) minority interests in Subsidiaries, or (C) accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business.

"Deeply Subordinated Loan" means, as of the date hereof, the indebtedness described in Schedule B hereof under the heading "Deeply Subordinated Loans" and the Convertible Debentures and, thereafter, any indebtedness of the Borrower to Calgary Sinoenergy or any Affiliate thereof which has all of the following characteristics:

- (i) the holder of such indebtedness may not receive payments on account of principal;
- (ii) no security may be held in respect of such indebtedness (except for any such security that may be subordinated to the Security on terms satisfactory to the Lender, acting reasonably);
- (iii) the holder of such indebtedness may not take any enforcement action in respect of any such loan without the prior written consent of the Lender (except to the extent, if any, expressly permitted therein); and

- (iv) the holder thereof has entered into a subordination and postponement agreement in favour of the Secured Parties in the form attached hereto as Schedule C.

"Default" means any event or condition that constitutes an Event of Default or that would constitute an Event of Default except for satisfaction of any condition subsequent required to make the event or condition an Event of Default, including giving of any notice, passage of time, or both.

"Depreciation Expense" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash.

"Disbursement Account" has the meaning given to it in Section 9.01(21)(b).

"Disclosure Letter" means the written letter delivered by the Borrower (for itself and on behalf of the other Restricted Parties) on the date hereof.

"Disposition" means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, licence or other disposition of any nature or kind whatsoever of any Property or of any right, title or interest in or to any Property that is out of the ordinary course of business of such Person, and the verb **"Dispose"** has a corresponding meaning.

"Distribution" means (i) any payment, declaration of dividend or other distribution, whether in cash or Property, (but expressly excluding any distribution by way of the payment of dividends by the issuance of equity securities of an issuer) to any holder of shares of any class of the Borrower or any other Restricted Party, or (ii) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares of the Borrower or any other Restricted Party, or of any options, warrants or other rights to acquire any of such shares.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

"Encumbrance" means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's Property, or any consignment by way of security or Capital Lease of Property by such Person as consignee or lessee,

as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, and "**Encumbrances**", "**Encumbrancer**", "**Encumber**" and "**Encumbered**" have corresponding meanings.

"**Energy Regulator**" means (a) with respect to the Province of Alberta, the Alberta Energy Regulator, (b) with respect to the Province of British Columbia, the BC Oil and Gas Commission, (c) with respect to the Province of Saskatchewan, the Saskatchewan Ministry of Energy and Resources, and (d) with respect to any other Applicable LMR Jurisdiction, the regulatory body with responsibility for the oversight of environmental matters in the oil and gas industry in such jurisdiction; and in each case, together with any successor or replacement agency, department, ministry or commission thereto.

"**Engineering Report**" means a report (in form and substance satisfactory to the Administrative Agent (on behalf of the Lenders), acting reasonably) prepared by the Independent Engineer respecting the reserves of Petroleum Substances attributable to the assets and undertakings of the Restricted Parties, which report shall, as of the effective date of such report, set forth, *inter alia*, (a) the proved, developed producing reserves of Petroleum Substances, (b) proved, developed nonproducing reserves of Petroleum Substances, (c) proved and undeveloped reserves of Petroleum Substances, and (d) the probable reserves of Petroleum Substances, in each case, attributable to the assets and undertakings of the Restricted Parties and, for each 12 month period ending on the date of such report: anticipated rates of production, depletion and reinjection of Petroleum Substances; Crown, freehold and overriding royalties and freehold mineral taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; production, revenue, value-added, wellhead or severance Taxes with respect to Petroleum Substances produced from or attributable to such assets and undertakings; operating costs; gathering, transporting, processing, marketing and storage fees payable with respect to Petroleum Substances produced from or attributable to such assets and undertakings; capital expenditures expected to be necessary to achieve anticipated rates of production; asset retirement obligations attributable to such assets and undertakings; and net cash flow with respect to such assets and undertakings, including all revenues, expenses and expenditures described above.

"**Environmental Certificate**" means a certificate required pursuant to Section 9.03(3) or 9.03(4), as the case may be, substantially in the form attached as Schedule 1.01(B), signed by any one of the Chief Executive Officer or the Vice President of the Borrower.

"**Environmental Law**" means any Applicable Law relating to the environment including those pertaining to:

- (i) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same, of Hazardous Substances, and
- (ii) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handling and the like of Hazardous Substances, including those pertaining to occupational health and safety.

"**Equity**" means, with respect to any Person at any time, the aggregate of all common, preferred and other share capital (other than all shares of, or partnership units in, the Person that are redeemable or retractable at the option of any Person (other than the Person in respect of whom a

determination of the Equity of such Person is being made)) in, and all warrants of, that Person that would be reflected as equity on the balance sheet of that Person at that time, together with retained earnings and contributed surplus of that Person, that would be reflected on the balance sheet of that Person at that time.

"Equivalent Amount" means, on any day, the equivalent amount in Canadian Dollars or United States Dollars, as the case may be, after giving effect to a conversion of a specified amount of United States Dollars to Canadian Dollars or of Canadian Dollars to United States Dollars, as the case may be, at the Spot Rate for the day in question for the conversion of United States Dollars to Canadian Dollars or at the rate that is the reciprocal thereof for the conversion of Canadian Dollars to United States Dollars, as the case may be, or, if such rate is not so published by the Bank of Canada for any such day, then at the spot rate quoted by the Administrative Agent at approximately noon (Toronto time) on that day in accordance with its normal practice for the applicable currency conversion in the wholesale market.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

"Event of Default" has the meaning set out in Section 11.01.

"Excluded Taxes" means, with respect to the Secured Parties, (i) taxes imposed on or measured by its net income, and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which its lending office is located, and (ii) any branch profits taxes or any similar tax imposed by any jurisdiction in which a Secured Party is located.

"Existing BNS Blocked Account Agreement" means the blocked account agreement dated as of January 25, 2019 between The Bank of Nova Scotia, as account bank, the Borrower, as borrower, and China Construction Bank Toronto Branch, as lender, in respect of the Existing Credit Agreement.

"Existing Credit Agreement" means the credit agreement made as of January 31, 2017 between the Borrower, Calgary Sinoenergy and CCB Toronto, as amended by a waiver and first amending agreement made effective as of November 15, 2018 and a waiver and second amending agreement made effective as of November 30, 2018, as so amended and as further amended, supplemented or otherwise modified to the date hereof.

"FCPA" means the United States Foreign Corrupt Practices Act of 1977, including any subordinate legislation thereunder.

"Fee Letter" has the meaning attributed to it in Section 3.01(n).

"Final Maturity Date" means December 9, 2023, as such date may be extended from time to time pursuant to Section 2.02.

"Financial Assistance" means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or Contingent Obligations incurred by that Person for the purpose of or having the effect of providing financial assistance to another Person or Persons, including letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in

the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances or otherwise provide financial assistance to any other Person.

"Fiscal Quarter" means any fiscal quarter of the Borrower.

"GAAP" means those accounting principles that are from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute.

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, the Superintendent of Financial Institutions or other comparable authority or agency.

"Guarantor" means, as at the Closing Date, Calgary Sinoenergy, and thereafter, each Subsidiary of the Borrower who becomes a party hereto pursuant to and in accordance with Section 9.04(18).

"H. Corp." means Henenghaixin Corp. and its successors and assigns.

"H. Corp. Claim" means the statement of claim filed on February 28, 2020 by H. Corp. against, *inter alia*, the Borrower and Calgary Sinoenergy, as amended, supplemented, varied or otherwise modified from time to time.

"H. Corp. Injunction" means the attachment order/mareva injunction issued by the Court of Queens' Bench of Alberta on April 23, 2020 in connection with the H. Corp. Claim, as amended, supplemented, varied or otherwise modified from time to time,

"Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to Environmental Laws, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

"Hedge Arrangement" means, with respect to any Person, any arrangement or transaction between such Person and any other Person other than another Restricted Party that is a rate swap transaction, basis swap, forward rate transaction, commodity swap, interest rate option, forward foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of such transactions or arrangements) designed to protect or mitigate against risks in interest, currency exchange or commodity price fluctuations.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Independent Engineer" means such firm or firms of independent engineers as may be selected from time to time by the Borrower and approved by the Administrative Agent (on behalf of the

Lenders), acting reasonably.

"Intellectual Property" means any and all intellectual and industrial property, whether recorded or not and regardless of form or method of recording, including all works in which copyright subsists or may subsist (such as computer software), data bases (whether or not protected by copyright), designs, documentation, manuals, specifications, industrial designs, trade secrets, confidential information, ideas, concepts, know-how, trade marks, service marks, trade names, domain names, discoveries, inventions, formulae, recipes, product formulations, processes and processing methods, technology and techniques, improvements and modifications, integrated circuit topographies and mask works.

"Intellectual Property Rights" includes all intellectual and industrial and other proprietary rights in any Intellectual Property.

"Intercreditor Obligations" means, collectively, the Obligations, the "Obligations" (as defined under the CCB Toronto Credit Agreement) and the SBLC Obligations.

"Intercreditor Parties" means, collectively, the Secured Parties, CCB Toronto, the SBLC Providers and the Parent Creditors.

"Interest Payment Date" means, with respect to each CDOR Loan, initially October 28, 2021 and thereafter October 31 of each year commencing 2022; provided that if the Interest Payment Date is not a Business Day, it will be the immediately prior Business Day.

"Interest Period" means in connection with a CDOR Loan, an interest period (i) initially, commencing on October 28, 2020 and ending on October 28, 2021; (ii) secondly, commencing on October 28, 2021 and ending on October 31, 2022 and (iii) thereafter, a period of twelve months commencing on the day on which the immediately preceding Interest Period expires; provided that in any case the last day of each Interest Period will be also the first day of the next Interest Period, and further provided that the last Interest Period hereunder must expire on or prior to the Final Maturity Date.

"Judgment Conversion Date" has the meaning set out in Section 14.03(1).

"Judgment Currency" has the meaning set out in Section 14.03(1).

"Lenders" has the meaning set out in the preamble hereto.

"Lenders' Consultant" means any petroleum engineering consulting firm acting on behalf of the Administrative Agent and the Lenders from time to time and initially shall be Sproule Associates Limited.

"Lenders' Counsel" means such legal counsel as the Administrative Agent and the Lenders may from time to time designate.

"Lending Office" means the office of the Administrative Agent located at 3650-181 Bay Street, Toronto, Ontario M5J 2T3, or at such other office as the Administrative Agent may designate in writing.

"LMR" means, with respect to the Borrower or any other Restricted Party, for any Applicable LMR Jurisdiction, the liability management rating (or successor or equivalent) established by the applicable Energy Regulator with respect to the abandonment and reclamation policies, regulations and directives of such Energy Regulator in such jurisdiction, in each case, as determined in accordance with Applicable Law (including the rules and regulations of such Energy Regulator in respect thereof for the then relevant period) as calculated and published publicly by such Energy Regulator, and as adjusted to remove any security, cash, letters of credit or other security deposits or credit.

"Loan" means any extension of credit by a Lender under this Agreement.

"Loan Documents" means (a) this Agreement, (b) the Collateral Agent and Intercreditor Agreement, (c) the other Security, (d) the Fee Letter and (e) all present and future agreements, documents, certificates and instruments delivered by any Restricted Party to the Secured Parties pursuant to or in respect of this Agreement or the Security, in each case as the same may from time to time be amended, and **"Loan Document"** means any one of the Loan Documents.

"Material Adverse Change" or **"Material Adverse Effect"** means any event, development or circumstance that has had or could reasonably be expected to have a material adverse effect on (a) the business, financial condition or operations of the Borrower and its Subsidiaries taken as a whole, (b) a material impairment of the ability of the Borrower to pay its Obligations, or perform any of its other material obligations under the Loan Documents, or (c) the legality, validity or enforceability of any of the Loan Documents or the rights or remedies of the Secured Parties thereunder.

"Material Licences" means all licences, permits or approvals issued by any Governmental Authority, or any applicable stock exchange or securities commission, to any Restricted Party, and which are at any time on or after the date of this Agreement,

- (i) necessary or material to the business and operations of such Restricted Party or to the listing of its securities, the breach or default of which would result in a Material Adverse Change, or
- (ii) designated by the Administrative Agent and the Lenders, in their sole discretion, as a Material Licence, provided that the Administrative Agent (on behalf of the Lenders) has notified the Borrower of such designation.

"Net Proceeds" means, with respect to any Disposition (other than the Dispositions described in paragraphs (i) and (iii) of the definition of "Permitted Disposition"), the aggregate fair market value of proceeds of such Disposition (whether such proceeds are in the form of cash or other Property or part cash and part other Property) net of reasonable, bona fide direct transaction costs and expenses incurred in connection with such Disposition, including (i) reasonable legal fees and disbursements, the customary fees of agents or brokers payable in connection with such Disposition within one year of such Disposition and title and recording expenses payable in connection with such Disposition, and (ii) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Debt that is secured by a Permitted Encumbrance, if any, on any of the Property that is the subject matter of such Disposition ranking in priority to

the Encumbrance of the Security and that is required to be repaid under the terms of such Debt as a result of such Disposition.

"Obligations" means, collectively, (a) all obligations of the Restricted Parties, or any of them, to the Secured Parties under or in connection with this Agreement or the other Loan Documents, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Restricted Parties, or any of them, to the Secured Parties and (b) any other obligations or amounts remaining unpaid by the Restricted Parties, or any of them, to the Secured Parties, under or in connection with this Agreement or the other Loan Documents, whether arising from dealings between the Secured Parties and any of the Restricted Parties or from any other dealings or proceedings by which a Secured Party may be or become in any manner whatever a creditor of a Restricted Party pursuant to this Agreement or the other Loan Documents, in each case, in any currency and wherever incurred, and whether incurred by a Restricted Party alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

"OFAC" means The Office of Foreign Assets Control of the U.S. Department of the Treasury.

"Organizational Documents" means, with respect to any Person, such Person's articles, memorandum or other charter documents, partnership agreement, joint venture agreement, declaration of trust, trust agreement, by-laws, unanimous shareholder agreement, or any and all other similar agreements, documents and instruments pursuant to which such Person is constituted, organized or governed.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

"Parent" means Qingdao Sinoenergy Co. Ltd. and its successors and assigns.

"Parent Credit Agreement" means the guarantee syndicate contract dated January 23, 2017 among the Parent, as applicant, CCB Qingdao Branch, as lead bank, BOC Qingdao Branch, as co-lead bank, CCB Qingdao Sifang Sub-branch and BOC Qingdao High-tech Industrial Park Sub-branch, as guarantee providers, and, as agent bank, as amended, supplemented or otherwise modified from time to time.

"Parent Creditors" means, collectively, CCB Qingdao Branch, as lead bank, BOC Qingdao Branch, as co-lead bank, and CCB Qingdao Sifang Sub-branch, BOC Qingdao High-tech Industrial Park Sub-branch, as guarantee providers, and CCB Qingdao Sifang Sub-branch, as agent bank, in each case under the Parent Credit Agreement, and their respective successors and assigns.

"Parent Creditor Indemnity" means, the indemnity and agreement made effective as of the date hereof from the Restricted Parties in favour of the Parent Creditors whereby, *inter alia*, the Restricted Parties agree to indemnify and reimburse the Parent Creditors for any breach by the Parent to fulfill its obligations under the Parent Credit Agreement to pay or reimburse the Parent Creditors for any claim made in respect of either or both SBLCs, as amended, supplemented or otherwise modified from time to time.

"Participant" has the meaning set out in Section 14.07(1).

"Pension Plan" means (i) a "pension plan" or "plan" which is a "registered pension plan" as defined in the *Income Tax Act* (Canada) or is subject to the funding requirements of applicable pension benefits legislation in any Canadian jurisdiction and is applicable to employees resident in Canada of a Restricted Party, or (ii) any other pension benefit plan or similar arrangement applicable to employees of a Restricted Party.

"Permitted Contest" means action taken by or on behalf of a Restricted Party in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Encumbrance, provided that:

- (a) the Person to which the Tax, claim or Encumbrance being contested is relevant (and, in the case of a Restricted Party, the Borrower on a consolidated basis) has established adequate reserves therefor if and to the extent required by GAAP; and
- (b) proceeding with such contest does not have, and could not reasonably be expected to have, a Material Adverse Effect.

"Permitted Debt" means:

- (i) Debt under this Agreement or any of the Loan Documents;
- (ii) any other Debt of a Restricted Party other than Calgary Sinoenergy secured by Permitted Encumbrances;
- (iii) Debt in respect of Capital Leases granted by a Restricted Party other than Calgary Sinoenergy in existence as of the date hereof;
- (iv) Deeply Subordinated Loans;
- (v) any Debt in respect of the Convertible Debentures; and
- (vi) any Debt in respect of the SBLCs or the CCB Toronto Credit Agreement.

"Permitted Disposition" means, in respect of a Person, any of the following:

- (i) a Disposition of current, in transit or stored production from petroleum and natural gas properties made in the ordinary course of business;
- (ii) the abandonment, surrender or termination of any petroleum and natural gas rights in respect thereto in the ordinary course of business and in accordance with sound industry practice;
- (iii) a Disposition of Property that is worn-out, obsolete or no longer useful for the purpose of carrying on the Borrower's business, not to exceed Cdn.\$2,000,000 in aggregate in each fiscal year; and
- (iv) a Disposition of petroleum and natural gas properties (and related tangibles) resulting from any mandatory pooling or unit arrangement in accordance with Applicable Law or farmout

agreement entered into prior to the date hereof.

"Permitted Encumbrances" means, with respect to any Person, the following:

- (i) undetermined or inchoate Encumbrances arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to any Applicable Law against any Restricted Party or in respect of which no steps or proceedings to enforce such Encumbrance have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any Encumbrance which a Restricted Party is contesting at the time by a Permitted Contest;
- (ii) Encumbrances incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or joint operation of oil and gas properties or related production or processing facilities or the transmission of Petroleum Substances as security in favour of any other Person conducting the exploration, development or operation of the property to which such Encumbrances relate for any Restricted Party's portion of the costs and expenses of such exploration, development, operation or transmission, provided such costs or expenses are not due or delinquent or if due or delinquent, any Encumbrance which a Restricted Party is contesting at the time by a Permitted Contest;
- (iii) to the extent an Encumbrance is created thereby, a sale or disposition of oil and gas properties or encumbrance granted resulting from any pooling or unitization agreement entered into in the ordinary course of business when, in the applicable Restricted Party's reasonable judgment, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties, provided that, the resulting pooled or unitized interest is proportional (either on an acreage or reserve basis) to the interest contributed by it and is not materially less than the applicable Restricted Party's direct or indirect interest in such oil and gas properties prior to such pooling or unitization and its obligations in respect thereof are not greater than its proportional share based on the interest acquired by it;
- (iv) to the extent an Encumbrance is created thereby, farmout interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of any Restricted Party's P&NG Rights that are or were entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice;
- (v) Encumbrances for penalties arising under non-participation provisions of operating agreements in respect of any Restricted Party's P&NG Rights or any related facilities, if such Encumbrances could not reasonably be expected to have a Material Adverse Effect;
- (vi) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

- (vii) any Encumbrance or trust arising in connection with worker's compensation, employment insurance, pension and employment Requirement of Law, and if due or delinquent, the validity of which is contested at the time by a Permitted Contest;
- (viii) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (ix) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (x) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights or related facilities;
- (xi) public and statutory Encumbrances not yet due and similar Encumbrances arising by operation of law;
- (xii) the Security;
- (xiii) Encumbrances for Taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is contested at the time by a Permitted Contest;
- (xiv) Encumbrances under or pursuant to any judgment rendered, or claim filed, against a Restricted Party, which such Restricted Party is contesting at the time by a Permitted Contest;
- (xv) Encumbrances granted to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Restricted Parties, all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of the asset concerned or materially impair its use in the operation of the business of the Restricted Parties, taken as a whole;
- (xvi) bankers' liens, rights of set-off and other similar Encumbrances existing solely with respect to cash on deposit in one or more accounts maintained by the Restricted Parties, in each case, granted in the ordinary course of business in favour of the Secured Parties with which such accounts are maintained, securing amounts owing to the Secured Parties with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements;
- (xvii) pledges or deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property, in each case, to which a Restricted Party is a party;

- (xviii) Encumbrances in favour of a landlord of leased property in respect of the leasehold improvements made to, and other personal property of the tenant located on, such leased real property;
- (xix) any other Encumbrances (including Purchase Money Security Interest, Capital Leases, security for Hedge Arrangements, and sale-leasebacks) which are not otherwise Permitted Encumbrances; provided that the aggregate principal amount of Debt or other obligations secured thereby is agreed to by the Administrative Agent and the Lenders, such agreement not to be unreasonably withheld;
- (xx) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Encumbrance referred to in the preceding paragraphs (i) to (x) inclusive of this definition, so long as any such extension, renewal or replacement of such Encumbrance is limited to all or any part of the same property that secured the Encumbrance extended, renewed or replaced (plus improvements on such property) and the Debt, liability or obligation secured thereby is not increased;
- (xxi) any Encumbrance described in the Disclosure Letter;
- (xxii) any Encumbrance in respect of the Deeply Subordinated Loans or any Convertible Debenture held by Calgary Sinoenergy;
- (xxiii) any Encumbrance in respect of Capital Leases permitted under paragraph (iii) of the definition of Permitted Debt;
- (xxiv) any Encumbrance in favour of the Collateral Agent, CCB Toronto or any SBLC Provider in respect of the CCB Toronto Credit Agreement and/or the SBLCs, as applicable; and
- (xxv) such other Encumbrances as are agreed to in writing by the Administrative Agent and the Lenders;

provided that subsections (xvi) through (xix), above shall be subject to a maximum aggregate amount of Cdn \$2,000,000.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Petroleum Substances" means petroleum, natural gas, natural gas liquids, bitumen, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with any of the foregoing.

"P&NG Leases" means, collectively, any and all documents of title including leases, reservations, permits, licences, unit agreements, assignments, trust declarations, participation, exploration, farm-out, farm-in, royalty, purchase or other agreements by virtue of which the Borrower or any Restricted Party is entitled to explore for, drill for, recover, take or produce Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower or any Restricted Party (as applicable), or to share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits or other interests out of, referable to or payable

in respect of Petroleum Substances of any kind whatsoever from or with respect to P&NG Rights owned by the Borrower or any Restricted Party (as applicable), and the rights of the Borrower or Restricted Party (as applicable) thereunder.

"P&NG Rights" means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an "interest in land", of any Restricted Party at such time in and to any, or such as are stipulated, of the following, by whatever name the same are known:

- (i) rights to explore for, drill for, produce, take, save or market Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (ii) rights to a share of the production of Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (iii) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (iv) rights of any Restricted Party in lands or documents of title related thereto as such rights relate to the production of Petroleum Substances, including leases, subleases, licenses, permits, reservations, rights and privileges; and
- (v) rights to acquire any of the above rights described in paragraphs (i) through (iv) of this definition,

and includes interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests and other economic interests.

"Property" means, with respect to any Person, all or any portion of that Person's undertaking and property, both real and personal.

"Purchase Money Security Interest" means an Encumbrance created or incurred by a Restricted Party securing Debt incurred to finance the acquisition of Property (including the cost of installation thereof), provided that (i) such Encumbrance is created substantially simultaneously with the acquisition of such Property, (ii) such Encumbrance does not at any time encumber any Property other than the Property financed by such Debt, (iii) the amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Encumbrance at no time exceeds 100% of the original purchase price of such Property and the cost of installation thereof, and for the purposes of this definition the term "acquisition" includes a Capital Lease.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the directors, officers, employees, agents and advisors of such Person or of such Person's Affiliates.

"Release" means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal.

"Relevant Jurisdiction" means, from time to time, with respect to a Person that is granting Security hereunder, any province or territory of Canada, any state of the United States or any other country or political subdivision thereof in which such Person has its chief executive office or chief place of business, has Property or carries on business and, for greater certainty, includes the provinces and states set out in Schedule 1.01(F).

"Repayment Notice" means the notice substantially in the form set out in Schedule 1.01(G).

"Requirements of Environmental Law" means all requirements of the common law or of statutes, regulations, by-laws, ordinances, treaties, judgments and decrees, and (to the extent that they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives, and the like, of any federal, territorial, provincial, state, regional, municipal or local judicial, regulatory or administrative agency, board or governmental authority in Canada, the United States and any other jurisdiction in which any Restricted Party has operations or assets relating to environmental or occupational health and safety matters (as they relate to exposure to a Hazardous Substance) and the assets and undertaking of any Restricted Party and the intended uses thereof in connection with such matters, including all such requirements relating to: (a) the protection, preservation or remediation of the natural environment (the air, land, surface water or groundwater); (b) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation; (c) consumer, occupational or public safety and health (as they relate to exposure to a Hazardous Substance); and (d) Hazardous Substances or conditions (matters that are prohibited, controlled or otherwise regulated, such as contaminants, pollutants, toxic substances, dangerous goods, wastes, hazardous wastes, liquid industrial wastes, hazardous materials, petroleum and other materials such as urea formaldehyde and polyurethane foam insulation, asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs) or PCB contaminated fluids or equipment, lead based paint, explosives, radioactive substances, petroleum and associated products, above ground and underground storage tanks or surface impoundments).

"Requirements of Law" means, with respect to any Person, the Organizational Documents of such Person and any Applicable Law or any determination of a Governmental Authority, in each case applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Parties" means the Borrower, the Guarantors and any person that hereafter becomes a Subsidiary of the Borrower, and their respective successors and assigns permitted by this Agreement, and **"Restricted Party"** means any one of them.

"Rollover" means the extension of a CDOR Loan for an additional Interest Period.

"Sanctions" means the economic sanctions laws, regulations, embargoes or restrictive measures

administered, enacted or enforced by any Sanctions Authority, including any sanctions or requirements imposed by, or based upon the obligations or authorities set forth in, the *Special Economic Measures Act* (Canada), *the United Nations Act* (Canada), *the Criminal Code* (Canada), *the Freezing of Assets of Corrupt Foreign Officials Act* (Canada), *the Executive Order*, *the U.S. Bank Secrecy Act* (31 U.S.C. §§ 5311 et seq.), *the U.S. Money Laundering Control Act of 1986* (18 U.S.C. §§ 1956 et seq.), *the USA Patriot Act of 2001*, *the U.S. International Emergency Economic Powers Act* (50 U.S.C. §§ 1701 et seq.), *the U.S. Trading with the Enemy Act* (50 U.S.C. App. §§ 1 et seq.), *the U.S. United Nations Participation Act*, *the U.S. Syria Accountability and Lebanese Sovereignty Act*, *the U.S. Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010* or *the Iran Sanctions Act* (United States), or any of the foreign assets control regulations of the U.S. Department of the Treasury (including but not limited to 31 CFR, Subtitle B, Chapter V) or any other law or executive order relating thereto or regulation administered by OFAC.

"Sanctions Authority" means any of: (a) the Canadian government; (b) the United States government; (c) the United Nations; (d) the European Union; (e) the United Kingdom; or (f) the respective governmental institutions, departments and agencies of any of the foregoing, including Global Affairs Canada, Public Safety Canada, OFAC, the United States Department of State, and Her Majesty's Treasury of the United Kingdom; "Sanctions Authorities" means all of the foregoing Sanctions Authorities, collectively.

"Sanctions List" means the "Specially Designated Nationals and Blocked Persons" list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury of the United Kingdom, or any substantially similar list maintained by, or public announcement of Sanctions designation made by, any of the Sanctions Authorities.

"Sanctioned Person" means:

- (i) a Person that is designated under, listed on, or owned or controlled by a Person designated under or listed on, or, to the knowledge of a Restricted Party (after due inquiry to the extent required by Applicable Law), acting on behalf of a Person designated under or listed on, any Sanctions List;
- (ii) a Person that is located in, incorporated under the laws of, or owned or (directly or indirectly) controlled by, or, to the knowledge of a Restricted Party (after due inquiry to the extent required by Applicable Law), acting on behalf of, a Person located in or organized under the laws of a country or territory that is the target of country-wide or territory-wide Sanctions;
- (iii) a Person that is otherwise a target of Sanctions ("target of Sanctions" signifying a Person with whom a Person or other national of a Sanctions Authority would be prohibited or restricted by law from engaging in trade, business or other activities); or
- (iv) any other Person to which the Administrative Agent or the Lenders would not be permitted to make a loan, or provide funding, in accordance with the Sanctions, or otherwise deal with pursuant to the Sanctions.

"SBLCs" means, collectively, the CCB SBLC and the BOC SBLC.

"**SBLC Indemnities**" means, collectively, the Parent Creditor Indemnity, the CCB SBLC Indemnity and the BOC SBLC Indemnity.

"**SBLC Obligations**" means, collectively:

- (a) the obligation of the Restricted Parties to reimburse and/or indemnify the SBLC Providers, including pursuant to the SBLC Indemnities, for any payment made by such SBLC Provider under or in respect of the applicable SBLC (including, without limitation (i) all amounts paid from time to time by such SBLC Provider pursuant to the applicable SBLC and (ii) all amounts owing under the SBLC Indemnities);
- (b) the obligation of the Restricted Parties to indemnify and/or reimburse the Parent Creditors, including pursuant to the Parent Creditor Indemnity, for any breach by the Parent to fulfill its obligations under the Parent Credit Agreement to pay or reimburse the Parent Creditors (or any of them) for any claim made in respect of either or both SBLCs; and
- (c) any other obligations or amounts remaining unpaid by the Restricted Parties, or any of them, to the SBLC Providers or the Parent Creditors, under or in connection with SBLCs or Parent Credit Agreement, whether arising from dealings between the SBLC Providers, Parent Creditors and any of the Restricted Parties or from any other dealings or proceedings by which the SBLC Providers or Parent Creditors may be or become in any manner whatsoever a creditor of a Restricted Party pursuant to or in connection with the SBLCs, in each case, in any currency and wherever incurred, and whether incurred by a Restricted Party alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

"**SBLC Providers**" means, collectively, the CCB SBLC Provider and the BOC SBLC Provider.

"**Secured Parties**" means, collectively, the Administrative Agent, the Collateral Agent and the Lenders.

"**Security**" means the documents creating an Encumbrance in favour of, or any collateral held from time to time by, the Intercreditor Parties securing or intended to secure repayment of the Intercreditor Obligations, including all security described in Article 10.

"**Spot Rate**" means the daily average exchange rate quoted by the Bank of Canada at approximately the close of business on the Business Day immediately preceding the date of determination; provided that, if such daily average exchange rate is for any reason unavailable, it shall mean the spot rate of exchange for wholesale transactions quoted by the Administrative Agent at approximately noon (Toronto time) on such date in accordance with its usual practice or, if such date of determination is not a Business Day, on the Business Day immediately preceding such date of determination.

"**Subsidiary**" means, at any time, with respect to any Person, any other Person, if at such time the first mentioned Person (i) owns, directly or indirectly, securities or other ownership interests in such other Person, having ordinary voting power to elect a majority of the board of directors or persons performing similar functions for such other Person, and (ii) directly or indirectly, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority

of the board of directors or other persons performing similar functions for such other Person or otherwise exercise control over the management and policies of such other Person, and in either case will include any other Person in like relationship to a Subsidiary of such first mentioned Person.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Total Interest Expense" means, with respect to any Person for any period, without duplication, the aggregate amount of interest and other financing charges expensed by such Person on account of such period with respect to Debt, including interest, discount financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of Capital Leases and net payments (if any) pursuant to Hedge Arrangements involving interest, but excluding any amount, such as amortization of debt discount and expenses, that would qualify as Depreciation Expense and the amount reflected in Consolidated Net Income for such period in respect of gains (or losses) attributable to translation of Debt from one currency to another currency, all as determined on a consolidated basis in accordance with GAAP.

"UK Bribery Act" means the United Kingdom Bribery Act 2010, including any subordinate legislation thereunder.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any Person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain Affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Write-Down and Conversion Powers" means (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable UK Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that Person or any other Person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

1.02 **Extended Meanings**

In this Agreement words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities. The term "including" means "including without limiting the generality of the foregoing" and the term "third party" means any person other than a person a party to this Agreement. Any reference herein or in any other Loan Document to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated, replaced or re-enacted from time to time.

1.03 **Accounting Principles**

All calculations for the purposes of determining compliance with the financial ratios and financial covenants contained in this Agreement will be made on a basis consistent with GAAP as it exists on the date of this Agreement and used in the preparation of the consolidated financial statements of the Borrower for its financial year ended December 31, 2019. In the event of a change in such GAAP, the Borrower and the Administrative Agent (on behalf of the Lenders) will negotiate in good faith to revise (if appropriate) such ratios and covenants to reflect GAAP as then in effect.

1.04 **Interest Calculations and Payments**

Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "*per annum*" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.

1.05 **Interest Act (Canada)**

- (a) For the purposes of this Agreement, whenever interest to be paid hereunder is to be calculated on the basis of 360 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or such other number of days in such period, as the case may be.
- (b) **THE BORROWER AND EACH OTHER RESTRICTED PARTY ACKNOWLEDGES AND CONFIRMS THAT: (A) THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, SECTION 1.04, THIS SECTION 1.05 AND ARTICLE 4 HEREOF AND THE CONSTITUENT DEFINITIONS HEREIN AND UNDER THE OTHER LOAN DOCUMENTS RELATING TO INTEREST AND OTHER AMOUNTS PAYABLE HEREUNDER AND THEREUNDER, SATISFIES THE REQUIREMENTS OF SECTION 4 OF**

THE *INTEREST ACT* (CANADA) TO THE EXTENT THAT SECTION 4 OF THE *INTEREST ACT* (CANADA) APPLIES TO THE EXPRESSION, STATEMENT OR CALCULATION OF ANY RATE OF INTEREST OR OTHER RATE PER ANNUM HEREUNDER OR UNDER ANY OTHER LOAN DOCUMENT; AND (B) THE BORROWER AND EACH OTHER RESTRICTED PARTY AND THEIR RESPECTIVE SUBSIDIARIES ARE EACH ABLE TO CALCULATE THE YEARLY RATE OR PERCENTAGE OF INTEREST PAYABLE UNDER ANY LOAN DOCUMENT BASED ON THE METHODOLOGY SET OUT HEREIN AND UNDER THE OTHER LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, SECTION 1.04, THIS SECTION 1.05 AND ARTICLE 4 HEREOF AND THE CONSTITUENT DEFINITIONS HEREIN AND UNDER THE OTHER LOAN DOCUMENTS RELATING TO INTEREST AND OTHER AMOUNTS PAYABLE HEREUNDER AND THEREUNDER.

- (c) **THE BORROWER AND EACH OTHER RESTRICTED PARTY HEREBY IRREVOCABLY AGREE NOT TO, AND AGREES TO CAUSE EACH OF THEIR RESPECTIVE SUBSIDIARIES NOT TO, PLEAD OR ASSERT, WHETHER BY WAY OF DEFENCE OR OTHERWISE, IN ANY PROCEEDING RELATING TO THE LOAN DOCUMENTS, THAT THE INTEREST PAYABLE UNDER THE LOAN DOCUMENTS AND THE CALCULATION THEREOF HAS NOT BEEN ADEQUATELY DISCLOSED TO THE BORROWER, EACH OTHER RESTRICTED PARTY OR ANY OF THEIR RESPECTIVE SUBSIDIARIES, WHETHER PURSUANT TO SECTION 4 OF THE *INTEREST ACT* (CANADA) OR ANY OTHER APPLICABLE LAW OR LEGAL PRINCIPLE.**

1.06 **Permitted Encumbrances**

The inclusion of reference to Permitted Encumbrances in any Loan Document is not intended to subordinate and will not subordinate, any Encumbrance created by any of the Security to any Permitted Encumbrance.

1.07 **Currency**

Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of Canada.

1.08 **Conflicts**

In the event of a conflict between the provisions of this Agreement and the provisions of any other Loan Document, then, unless such Loan Document or an acknowledgement from the Restricted Party and the Administrative Agent (on behalf of the Lenders) relative to such Loan Document expressly states that this Section 1.08 is not applicable to such Loan Document, notwithstanding anything else contained in such other Loan Document, the provisions of this Agreement will prevail and the provisions of such other Loan Document will be deemed to be amended to the extent necessary to eliminate such conflict.

1.09 **[Reserved]**

1.10 **Schedules**

The following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule A	-	Commitments
Schedule B	-	Deeply Subordinated Loans and Convertible Debentures
Schedule C	-	Form of Subordination Agreement
Schedule 1.01(A)	-	Compliance Certificate
Schedule 1.01(B)	-	Environmental Certificate
Schedule 1.01(F)	-	Relevant Jurisdictions
Schedule 1.01(G)	-	Repayment Notice
Schedule 8.01(17)	-	Ownership Structure
Schedule 8.01(21)	-	Intellectual Property Rights
Schedule 8.01(25)	-	Pension Plan Disclosure
Schedule 8.01(30)	-	Controlled Account Disclosure
Schedule 9.01(5)	-	Calgary Sinoenergy Business

ARTICLE 2 - THE CREDIT FACILITY

2.01 **Borrower Credit Facility**

Subject to the terms and conditions of this Agreement, the Lenders hereby confirms the continuation and ongoing establishment in favour of the Borrower a non-revolving term facility, except as set forth in Section 2.05 (the "**Credit Facility**") in an amount up to Cdn. \$242,950,808.57 which facility has been fully advanced as of the Closing Date.

2.02 **Extension of the Credit Facility**

No earlier than 90 days and no later than 60 days prior to the Final Maturity Date (the unextended Final Maturity Date being referred to in Section 2.02 as, an "**Extension Date**"), the Borrower may, provided that the representations and warranties deemed to be repeated pursuant to Section 8.02 will continue to be true and correct in all material respects and no Default or Event of Default will have occurred and be continuing, or would result therefrom, deliver to the Administrative Agent a request for an extension of the Extension Date for a period of up to 365 days after the then applicable Extension Date (the "**Extension Request**"); provided that the Borrower may withdraw an Extension Request, even if the Lenders have already consented to such Extension Request, by notice in writing delivered to the Administrative Agent not later than the close of business on the third Business Day prior to the Extension Date. The Administrative Agent shall promptly notify the Lenders of its receipt of any Extension Request, with particulars thereof. Within 30 days after the Administrative Agent has notified a Lender of its receipt of an Extension Request, such Lender shall notify the Borrower and the Administrative Agent of its election to extend or not extend the Extension Date as requested in such Extension Request (which election to extend or not extend shall be made by each such Lender in its sole and absolute discretion).

Any failure by any Lender to notify the Borrower and the Administrative Agent of its election to extend or not extend the Extension Date as requested in such Extension Request shall be deemed to be a refusal to extend the Extension Date. Unless the Extension Request has been withdrawn by the Borrower in accordance with the proviso above, if all Lenders approve in writing the extension of the Extension Date requested in such Extension Request, the Extension Date shall automatically and without any further action by any Person be extended for the period specified in such Extension Request; provided that each such extension shall be for a maximum of 365 days, and the "Final Maturity Date" shall be such extended date.

2.03 **Terms of the Credit Facility**

Subject to and in accordance with Section 2.05, the Credit Facility is fully advanced as at the Closing Date and is made available solely by way of a single Canadian Dollar CDOR Loan which will automatically Rollover at the end of each Interest Period without the requirement for notice by the Borrower. Amounts repaid under the Credit Facility may not be re-borrowed.

2.04 **Purpose of Credit Facility**

Loans under the Credit Facility will only be used for the purpose of re-financing and continuing a portion of the credit facilities under the Existing Credit Agreement as follows:

- (a) Cdn.\$12,100,000 to be used to cash collateralize "Letters of Credit" under the Existing Credit Agreement and, upon its amendment and restatement, the CCB Toronto Credit Agreement; and
- (b) Cdn.\$230,850,808.57 to be allocated to the refinancing and continuation of the "Non-Revolver Term Facility" under the Existing Credit Agreement.

2.05 **Revolving Availability**

To accommodate funds flow as set out in the funds flow memorandum to be delivered prior to any funding being made, the Credit Facility will be available on a revolving basis until October 30, 2020 following which it will automatically become a term loan as set out herein and with effect (at the full amount) from the Closing Date. Revolving draws and repayments will be made solely as set out in the funds flow memorandum or as agreed to by the Lender in its sole and unfettered discretion.

2.06 **[Reserved]**

2.07 **[Reserved]**

2.08 **[Reserved]**

2.09 **[Reserved]**

2.10 **Account of Record**

(1) The Administrative Agent will open and maintain books of account in which it shall record all Loans and all other amounts owing by the Borrower to such Lender hereunder. The Administrative Agent will enter into the foregoing accounts details of the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders, and each Lender's share thereof, and all amounts from time to time owing, paid or repaid by the Borrower hereunder.

(2) The information entered in the foregoing accounts will constitute prima facie evidence of the obligations of the Borrower to the Lenders hereunder with respect to all Loans and all other amounts owing by the Borrower to such Lender hereunder. In the event of a conflict between the records maintained by the Administrative Agent and any records maintained by a Lender, the records maintained by the Administrative Agent shall govern. After a request by the Borrower, the Administrative Agent and/or each Lender, as applicable, will promptly advise the Borrower of such entries made in the Administrative Agent's and such Lender's books of account.

2.11 **CDOR Replacement**

(1) If at any time the Administrative Agent or any Lender determines (which determination shall be conclusive, absent manifest error) that:

- (a) an interest rate or discount rate is not ascertainable pursuant to the provisions of the definition of "CDOR" and the inability to ascertain such rate is unlikely to be temporary;
- (b) the regulatory supervisor for the administrator of the CDOR screen rate, the Bank of Canada, an insolvency official with jurisdiction over the administrator for CDOR, a resolution authority with jurisdiction over the administrator for the CDOR, or a court or an entity with similar insolvency or resolution authority over the administrator for CDOR, has made a public statement, or published information, stating that the administrator of CDOR, has ceased or will cease to provide CDOR, permanently or indefinitely on a specific date; provided that, at that time, there is no successor administrator that will continue to provide CDOR; or
- (c) the administrator of the CDOR screen rate or a Governmental Authority having jurisdiction over the Administrative Agent and the Lenders or the administrator of the CDOR screen rate has made a public statement identifying a specific date after which CDOR, or the CDOR screen rate shall no longer be made available, or used for determining the interest rate of loans or the discount rates for bankers'

acceptances; provided that, at that time, there is no successor administrator that will continue to provide CDOR,

(the date of determination or such specific date in the foregoing paragraphs (a) through (c), the "**CDOR Discontinuation Date**"),

then the Administrative Agent (on behalf of the Lenders) and the Borrower shall negotiate in good faith to select a replacement index rate for CDOR and make such spread adjustments thereto and other related amendments to this Agreement that shall give due consideration to the prevailing market practice for: (x) determining a rate of interest applicable to newly originated Canadian Dollar loans made in Canada at such time, and (y) transitioning existing loans from CDOR -based rates to loans bearing interest calculated with reference to the new reference index rate.

Upon an agreement being reached between the Administrative Agent (on behalf of the Lenders) and the Borrower pursuant to the immediately preceding paragraph, the parties hereto shall enter into an amendment to this Agreement that gives effect to the replacement index rate, spread adjustments and such other related amendments as may be appropriate in the discretion of the Administrative Agent for the implementation and administration of Canadian Dollar loans bearing interest calculated with reference to the replacement index rate. If at any time the replacement index rate agreed upon to replace CDOR shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

Until an amendment reflecting the transition to a new reference index rate becomes effective as contemplated by this Section, the discount rate applicable to a Rollover of a CDOR Loan shall continue to be calculated with reference to CDOR; provided that if the Administrative Agent determines (which determination shall be conclusive, absent manifest error) that a CDOR Discontinuation Date has occurred, then following the CDOR Discontinuation Date, until such time as an amending agreement adopting such a new reference index rate becomes effective as contemplated by this Section, any Rollover of a CDOR Loan shall be calculated based on CDOR as in effect on such CDOR Discontinuation Date plus the Applicable Margin.

2.12 Indicative Lending Value

(1) The indicative lending value shall be estimated from time to time for the Administrative Agent (on behalf of the Lenders), for internal tracking and regulatory purposes, in accordance with usual and customary lending parameters and practices in Canada as follows:

- (a) Annually. Upon receipt of an Engineering Report pursuant to Section 9.03(16), the Administrative Agent may, in its sole discretion, engage a Lenders' Consultant to advise on an indicative lending value; and
- (b) Semi-Annually. Upon receipt of an Engineering Report pursuant to Section 9.03(17), the Administrative Agent may, in its sole discretion, engage a Lenders' Consultant to advise on indicative lending value.

(2) The Borrower agrees to reimburse the Administrative Agent and the Lenders for all costs and expenses related to engagement of the Lenders' Consultant.

ARTICLE 3- CONDITIONS

3.01 Conditions Precedent to Effectiveness of this Agreement

The effectiveness of this Agreement is subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (a) the Administrative Agent and the Lenders will have received certified copies of the Organizational Documents of each Restricted Party, the resolutions authorizing the execution and delivery of, and performance of each Restricted Party's respective obligations under, the Loan Documents to be entered into in connection with this Agreement and the transactions contemplated herein, and a certificate as to the incumbency of the officers of the Restricted Parties executing such Loan Documents and any other documents to be provided pursuant to the provisions hereof;
- (b) except as otherwise agreed by the Administrative Agent (on behalf of the Lenders), certificates of status or comparable certificates for the jurisdiction of formation of each Restricted Party will have been delivered to the Administrative Agent (on behalf of the Lenders);
- (c) the Administrative Agent and the Lenders will have completed their due diligence with respect to the Restricted Parties, including a review of the most recent financial statements of the Restricted Parties; the results of such due diligence will be satisfactory to the Administrative Agent and the Lenders in their sole discretion;
- (d) except as otherwise agreed by the Administrative Agent (on behalf of the Lenders), the Administrative Agent (on behalf of the Lenders) will have received certified copies of all shareholder, regulatory, governmental and other approvals required in order for the Restricted Parties to enter into this Agreement (and the other Loan Documents) and to perform their obligations hereunder and thereunder;
- (e) the Administrative Agent and the Lenders will have received payment of all fees and expenses payable to them that are due and payable at such time (including, for certainty, all legal fees and expenses of Lenders' Counsel);
- (f) duly executed copies of the Security will have been delivered to the Collateral Agent, certificates representing all shares or other securities pledged (along with stock powers duly executed in blank) by the Restricted Parties will have been delivered to the Collateral Agent and, other than as agreed to in writing by the Collateral Agent, all such Security will have been duly registered, filed and recorded in all Relevant Jurisdictions where required by Applicable Law or where the Collateral Agent considers it necessary, in its sole discretion, to do so; provided that the Restricted Parties shall register, file and/or record (or cause to be registered, filed and/or recorded), in all Relevant Jurisdictions where required by Applicable Law or where the Collateral Agent considers it necessary, in its sole discretion, fixed charges in respect of the demand debentures contemplated in Sections 10.01(a) and 10.01(b) as soon as practicable, but in any event within 90 calendar

days after the Closing Date, failure of which shall constitute an automatic Event of Default hereunder;

- (g) a currently dated letter of opinion of Borrower's Counsel and other counsels of Borrower as may be necessary as to such matters and in such form as Lenders' Counsel deems appropriate addressed to the Lender and to Lenders' Counsel will have been delivered to the Administrative Agent and the Lenders;
- (h) a currently dated letter of opinion of Lenders' Counsel as to such matters as the Administrative Agent may stipulate addressed to the Administrative Agent and the Lenders will have been delivered to the Administrative Agent and the Lenders;
- (i) the Restricted Parties will have delivered to the Administrative Agent and the Collateral Agent certificates of insurance acceptable to the Administrative Agent and the Collateral Agent showing the Collateral Agent as a loss payee as its interest may appear and additional insured, with a standard mortgage clause endorsement, on all insurance policies that insure the assets to be secured by the Security;
- (j) the Administrative Agent and the Lenders will have received (i) satisfactory audited consolidated financial statements of the Borrower for the two most recent fiscal years ended prior to the Closing Date to the extent available; (ii) satisfactory unaudited interim consolidated financial statements of the Borrower for each quarterly period ended subsequent to the date of the latest financial statements delivered pursuant to subclause (i) of this paragraph to the extent available; and (iii) a officer's certificate in respect of title;
- (k) **[Reserved]**
- (l) the Administrative Agent shall have received a funds flow memorandum and direction to pay from the Borrower in respect of the CCB Toronto Credit Agreement and fees and expenses in connection with this Agreement and the CCB Toronto Credit Agreement (including legal fees and expenses);
- (m) the Administrative Agent shall have received a certified copy of (i) the filed consent order in respect of the H. Corp. Injunction executed by the Borrower (or counsel on its behalf), H. Corp. (or counsel on its behalf) and Justice Romaine permitting the transactions contemplated hereby (including, for certainty, the CCB Toronto Credit Agreement) and (ii) any affidavits made or filed in respect of the foregoing consent order, in each case, which shall be in form and substance satisfactory to the Administrative Agent;
- (n) the Administrative Agent shall have received a fee letter in respect of the management fees to be paid to it in connection with the administration of this Agreement and the CCB Toronto Credit Agreement (the "**Fee Letter**");
- (o) the Administrative Agent shall have received certified copies of all documentation evidencing or relating to the Deeply Subordinated Loans and the Convertible Debentures (including, for certainty, any security relating thereto);

- (p) the CCB SBLC Provider shall have received the BOC SBLC and CCB Toronto shall have received the CCB SBLC;
- (q) the Administrative Agent shall have received the Disclosure Letter;
- (r) the applicable Intercreditor Parties shall have received a confirmation of subordination in respect of the Convertible Debentures described in Schedule B hereto;
- (s) the Administrative Agent shall have received the termination agreement in respect of loan administration agreement dated January 31, 2017 between China Construction Bank Toronto Branch and China Construction Bank Corporation, Qingdao Branch and the assignment of security made as of January 31, 2017 between China Construction Bank Toronto Branch and China Construction Bank Corporation, Qingdao Branch, the Borrower and Calgary Sinoenergy under the Existing Credit Agreement;
- (t) the representations and warranties in Section 8.01 shall be true and correct in all respects; and
- (u) no Default or Event of Default has occurred and is continuing, or would result from the execution and delivery of the Loan Documents,

provided that all documents delivered pursuant to this Section 3.01 must be in full force and effect, and in form and substance satisfactory to the Administrative Agent and the Lenders, acting reasonably.

3.02 **[Reserved]**

3.03 **Waiver**

- (a) The conditions set forth in Section 3.01 are inserted for the sole benefit of the Lenders and may be waived by the Lenders, in whole or in part (with or without terms or conditions).
- (b) Notwithstanding the requirement in this Article 3 for these deliverables to be made in order for the Agreement to be effective, they are agreed to be deferred in each case to the date following the Closing Date as set out with respect thereto:
 - (i) confirmation of subordination required in 3.01(r) is deferred until November 4, 2020; and
 - (ii) the Saskatchewan legal opinion with respect to the registrations made in Saskatchewan for the purposes of 3.01(f) is deferred until October 30, 2020;

unless waived or extended in writing, any failure to deliver in the time referenced above will constitute an automatic Event of Default.

**ARTICLE 4 - PAYMENTS OF INTEREST
AND STANDBY FEES**

4.01 **Interest on CDOR Loans**

The Borrower will pay interest on each CDOR Loan during each Interest Period applicable thereto in Canadian Dollars at a rate *per annum* equal to the sum of (a) CDOR plus (b) the Applicable Margin in effect, in each case, from time to time during such Interest Period. Each determination by the Administrative Agent (on behalf of the Lenders) of the CDOR and the Applicable Margin applicable from time to time during an Interest Period will, in the absence of manifest error, be binding upon the Borrower. Such interest will be payable in arrears on each Interest Payment Date for such Loan and will be calculated on the principal amount of the CDOR Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Changes in the CDOR and the Applicable Margin will cause an immediate adjustment of the interest rate applicable to such Loan without the necessity of any notice to the Borrower.

4.02 **Before and After Judgment Interest**

Without duplication to Section 4.03, if a Default or Event of Default has occurred and is continuing, all amounts outstanding hereunder (including, without duplication, all Loans and interest in respect thereof) shall bear interest, after as well as before judgment, at a rate *per annum* equal to the rate specified in Section 4.01 plus 200 bps (2.00%).

4.03 **Interest on Payments in Arrears**

Without duplication to Section 4.02, if any fees or other amount payable by the Restricted Parties hereunder or under the other Loan Documents (other than principal or interest on any Loan) is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment at a rate *per annum* equal to the rate specified in Section 4.01 or Section 4.02, as applicable.

4.04 **[Reserved]**

4.05 **Maximum Rate of Interest**

Notwithstanding anything contained herein to the contrary, the Borrower will not be obliged to make any payment of interest or other amounts payable to the Secured Parties hereunder in excess of the amount or rate that would be permitted by Applicable Law or would result in the receipt by a Secured Party of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)). If the making of any payment by the Borrower would result in a payment being made that is in excess of such amount or rate, the applicable Secured Party will determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

ARTICLE 5 - RESERVED

ARTICLE 6- REPAYMENT

6.01 **[Reserved]**

6.02 **Mandatory Repayment**

The Borrower will repay the outstanding principal amount of all Loans and all other Obligations under or in connection with the Credit Facility on or before the Final Maturity Date.

6.03 **Mandatory Repayment Based on Adjusted Excess Cash Flow**

(1) Not later than 45 days following each Fiscal Quarter, beginning with the Fiscal Quarter ended March 31, 2021, and for each subsequent Fiscal Quarter, the Borrower will determine Adjusted Excess Cash Flow for such period.

(2) Once Adjusted Excess Cash Flow has been determined in accordance with Section 6.03(1), on the date specified therein, in addition to the repayments required under Sections 6.02 and 6.04, the Borrower will make a repayment under the Credit Facility in Canadian Dollars in an amount equal to 5% of the Adjusted Excess Cash Flow so determined.

(3) All repayments under this Section 6.03 will be applied as a permanent repayment of Loans outstanding under the Credit Facility, on a *pro rata* basis with the repayments of principal required under Section 6.03 of the CCB Toronto Credit Agreement. Such repayments under this Section 6.03 may be reduced in the sole discretion of the Administrative Agent (on behalf of the Lenders) and CCB Toronto, as applicable. For certainty, "*pro rata* basis" for the purposes of allocating any repayments under this Section 6.03 shall be based on actual amounts paid (or to be paid) with respect to the cash sweep obligations pursuant to this Section 6.03 and Section 6.03 of the CCB Toronto Credit Agreement (i.e. if all or a portion of a repayment is declined under Section 6.03 of the CCB Toronto Credit Agreement, then such declined portion shall also be required to be applied hereunder as a permanent repayment of Loans outstanding under the Credit Facility, at the sole discretion of the Administrative Agent).

6.04 **Other Mandatory Repayments**

(1) If a Restricted Party receives Net Proceeds in any amount, the Borrower will have an obligation under this Section 6.04 to make a repayment under the Credit Facility in an amount equal to the Equivalent Amount in Canadian Dollars of such Net Proceeds unless otherwise agreed to by the Administrative Agent (on behalf of the Lenders) in its sole discretion and in accordance with any instructions provided by the Administrative Agent (on behalf of the Lenders). Immediately upon a Restricted Party receiving such Net Proceeds, the Borrower will provide the Administrative Agent with a Repayment Notice and repay Loans under the Credit Facility, subject to Section 6.04(5).

(2) If a Restricted Party receives a payment of proceeds pursuant to or in connection with the issuance of Debt permitted pursuant to Section 9.04(5) (other than Debt that constitutes Deeply Subordinated Loans), the Borrower will have an obligation under this Section 6.04 to make

a repayment under the Credit Facility in an amount equal to the Equivalent Amount in Canadian Dollars of such proceeds (subject to Section 6.04(5)) unless otherwise agreed to by the Administrative Agent (on behalf of the Lenders) in its sole discretion and in accordance with any instructions provided by the Administrative Agent (on behalf of the Lenders). Immediately upon a Restricted Party receiving such proceeds, the Borrower will provide the Administrative Agent with a Repayment Notice and repay Loans under the Credit Facility, subject to Section 6.04(5).

(3) If a Restricted Party receives a payment of proceeds pursuant to or in connection with the issuance or sale of any Equity (other than Equity that constitutes an equity issuance or sale to a Restricted Party or an Affiliate thereof), the Borrower will have an obligation under this Section 6.04 to make a repayment under the Credit Facility in an amount equal to the Equivalent Amount in Canadian Dollars of such proceeds (subject to Section 6.04(5)) unless otherwise agreed to by Administrative Agent (on behalf of the Lenders) in its sole discretion and in accordance with any instructions provided by Administrative Agent (on behalf of the Lenders). Immediately upon a Restricted Party receiving such proceeds, the Borrower will provide the Administrative Agent with a Repayment Notice and repay Loans under the Credit Facility, subject to Section 6.04(5).

(4) If a Restricted Party receives a payment of net insurance proceeds under or in connection with an insurance policy in connection with the loss, damage or destruction of any property, then immediately upon receipt of such payment the Borrower shall prepay the Credit Facility in an amount equal to the Equivalent Amount Canadian Dollars of the portion of such net insurance proceeds that has not been applied to the repair or replacement of such property from which such proceeds were derived (subject to Section 6.04(5)). The Borrower will provide the Administrative Agent with a Repayment Notice and repay Loans under the Credit Facility after the giving of the Repayment Notice, subject to Section 6.04(5).

(5) Each repayment under this Section 6.04 will be applied as a permanent repayment of Loans outstanding under the Credit Facility, on a *pro rata* basis with the corresponding repayments of principal required under Section 6.04 of the CCB Toronto Credit Agreement. For certainty, "*pro rata* basis" for the purposes of allocating any repayments under this Section 6.04 shall be based on actual amounts paid (or to be paid) with respect to the cash sweep obligations pursuant to this Section 6.04 and Section 6.04 of the CCB Toronto Credit Agreement (i.e. if all or a portion of a repayment is declined under Section 6.04 of the CCB Toronto Credit Agreement, then such declined portion shall also be required to be applied hereunder as a permanent repayment of Loans outstanding under the Credit Facility, at the sole discretion of the Administrative Agent).

6.05 **Voluntary Prepayments and Reductions**

At any time after the CCB Toronto Payout Date, if the Administrative Agent has received a Repayment Notice from the Borrower not less than ten Business Days prior to the proposed prepayment date, the Borrower may from time to time prepay Loans outstanding under the Credit Facility without penalty.

6.06 **Repayment Compensation**

If the Borrower by reason of any repayment hereunder, whether mandatory or voluntary, pays any CDOR Loan prior to the end of the applicable Interest Period, the Borrower

will compensate the Lenders for any loss or expense that the Lenders incur as a result thereof, including any breakage costs.

ARTICLE 7 - PLACE AND APPLICATION OF PAYMENTS

7.01 Place of Payment of Principal, Interest and Fees

All payments of principal, interest, fees and other amounts to be made by the Borrower pursuant to this Agreement will be made in the currency in which such amounts are due for value on the day such amount is due or, if such day is not a Business Day, on the Business Day next following with interest, by deposit or transfer thereof to the account designated from time to time in writing by the Administrative Agent at the Lending Office. The Borrower irrevocably authorizes and directs the Administrative Agent to automatically debit, by mechanical, electronic or manual means, any bank account of Borrower for all amounts payable by Borrower pursuant to this Agreement.

7.02 Netting of Payments

If, on any date, amounts would be due and payable under this Agreement in the same currency by a Restricted Party to the Secured Parties, and by the Secured Parties to a Restricted Party, then, on such date, the obligations of each such party to make payment of any such amount will be automatically satisfied and discharged if the amounts payable are the same. If the aggregate amount that would otherwise have been payable by a Restricted Party to the Secured Parties exceeds the aggregate amount that would otherwise have been payable by the Secured Parties to a Restricted Party or *vice versa*, such obligations will be replaced by an obligation upon whichever of the Restricted Party or the Secured Parties would have had to pay the larger aggregate amount, to pay to the other the excess of the larger aggregate amount over the smaller aggregate amount. For greater certainty, prior to acceleration of repayment pursuant to Section 11.02, this Section 7.02 will not permit the Secured Parties to exercise a right of set-off, combination or similar right against any amount which a Restricted Party may have on deposit with the Secured Parties in respect of any amount to which netting is to apply pursuant to this Section 7.02, but will apply only to determine the net amount to be payable by the Secured Parties to a Restricted Party, or by a Restricted Party to the Secured Parties.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

8.01 Representations and Warranties

The Borrower represents and warrants to the Secured Parties as follows, and acknowledges and confirms that the Secured Parties are relying upon such representations and warranties:

(1) Existence and Qualification Each of the Restricted Parties (a) that is a corporation or company has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation or company under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may, (b) that is not a corporation or company has been duly created or established as a partnership or other entity and validly exists under the laws of the

jurisdiction in which it has been created or established, and (c) is duly qualified to carry on business in all jurisdictions in which it carries on business and has all Material Licences.

(2) Power and Authority Each of the Restricted Parties has the power, authority and right (a) to enter into and deliver, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Loan Documents, and (b) to own its Property and carry on its business as currently conducted and as currently proposed to be conducted by it.

(3) Execution, Delivery, Performance and Enforceability of Documents The execution, delivery and performance of each of the Loan Documents to which a Restricted Party is a party, and every other instrument or agreement delivered by it pursuant to any Loan Document, has been duly authorized by all actions, if any, required on its part and by its shareholders and directors (or where applicable partners, members or managers), and each of the Loan Documents and such other instruments and agreements has been duly executed and delivered and constitutes a valid and legally binding obligation of the particular Restricted Party enforceable against it in accordance with its terms subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles.

(4) Loan Documents Comply with Applicable Laws, Organizational Documents and Contractual Obligations Neither the entering into nor the delivery of, and neither the consummation of the transactions contemplated in nor compliance with the terms, conditions and provisions of, the Loan Documents by any Restricted Party conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirement of Law applicable to it or any of its Organizational Documents (except, in each case, where such conflict, breach, default, or contravention would not, individually or in the aggregate, constitute, or be reasonably likely to result in, a Material Adverse Change).

(5) Consents Respecting Loan Documents Each of the Restricted Parties has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required as to the date hereof in connection with the execution and delivery by it of each of the Loan Documents to which it is a party and the consummation of the transactions contemplated in the Loan Documents.

(6) Security The Security constitutes a valid first security interest and first floating charge on the relevant assets of the Restricted Parties, subject only to Permitted Encumbrances which under Applicable Law rank in priority thereto.

(7) Taxes Other than as set forth in the Disclosure Letter, each of the Restricted Parties has paid or made adequate provision for the payment of all Taxes levied on it or on its Property or income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except Taxes that are not material in amount, that are not delinquent or if delinquent are being contested, and in respect of which non-payment would not individually or in the aggregate constitute, or be reasonably likely to cause, a Material Adverse Change, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge threatened, by any Governmental Authority regarding any Taxes

nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.

(8) Judgments, Etc. Other than as set forth in the Disclosure Letter, none of the Restricted Parties is subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or is reasonably likely to cause, a Material Adverse Change.

(9) Absence of Litigation Other than as set forth in the Disclosure Letter, there are no actions, suits or proceedings pending or, to the best of the Borrower's knowledge and belief, after due inquiry and all reasonable investigation, threatened against or affecting any Restricted Party that are reasonably likely to cause, either separately or in the aggregate, a Material Adverse Change. None of the Restricted Parties is in default with respect to any Applicable Law in a manner or to an extent that could reasonably be expected to cause a Material Adverse Change.

(10) Title to Assets Other than as set forth in the Disclosure Letter, each of the Restricted Parties has good title to its Property, free and clear of all Encumbrances except Permitted Encumbrances and no Person has any agreement or right to acquire an interest in such Property other than in the ordinary course of the business of the applicable Restricted Party.

(11) Use of Real Property All real property owned or leased by each of the Restricted Parties may be used in all material respects by it pursuant to Applicable Law for the present use and operation of the material elements of the business conducted, or intended to be conducted, on such real property by it except where non compliance with any such Applicable Law could not constitute, or be reasonably be expected, individually or in the aggregate, to constitute, or cause, a Material Adverse Change.

(12) Operation of Properties. To the Borrower's knowledge, all of its oil and gas properties have been drilled, operated and, if applicable, abandoned in accordance with Applicable Law and in a good and workmanlike manner in accordance with sound industry practice except, in each case, to the extent that the failure to do any of the foregoing could not be reasonably expected to have a Material Adverse Effect.

(13) Labour Relations None of the Restricted Parties is engaged in any unfair labour practice that could reasonably be expected to cause a Material Adverse Change; and there is no unfair labour practice complaint pending against any of the Restricted Parties, or threatened against any of them, before any Governmental Authority that if adversely determined could reasonably be expected to cause a Material Adverse Change. No grievance or arbitration arising out of or under any collective bargaining agreement is pending against any of the Restricted Parties or threatened against any of them. No strike, labour dispute, slowdown or stoppage is pending against any of the Restricted Parties or threatened against any of them and no union representation proceeding is pending with respect to any employees of the Restricted Parties, except (with respect to any matter specified in this sentence, either individually or in the aggregate) such as could not reasonably be expected to cause a Material Adverse Change.

(14) Pension. No Restricted Party has established or maintains any Pension Plan.

(15) Compliance with Laws Other than as set forth in the Disclosure Letter, none of the Restricted Parties is in default under any Applicable Law where such default could reasonably be expected to cause a Material Adverse Change or affect its ability to perform any of its obligations under any Loan Document to which it is a party.

(16) No Default Other than (a) as set forth in the Disclosure Letter, and (b) the failure of the Borrower to pay interest in respect of the Borrower's existing Convertible Debentures held by Calgary Sinoenergy, none of the Restricted Parties is in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which could reasonably be expected to cause a Material Adverse Change or affect its ability to perform any of its obligations under any Loan Document to which it is a party.

(17) Ownership Structure The ownership structure of the Borrower and its Subsidiaries is as set out in Schedule 8.01(17), which contains:

- (a) a list of all Restricted Parties; and
- (b) complete and accurate information respecting:
 - (i) each such Restricted Party's name (including any French and English forms of name) and the jurisdiction in which each Restricted Party was formed;
 - (ii) the address (including postal code or zip code) of each Restricted Party's chief executive office and chief place of business and, if the same is different, the address at which the books and records of such Restricted Party are located, the address at which senior management of such Restricted Party are located and conduct their deliberations and make their decisions with respect to the business of such Restricted Party and the address from which the invoices and accounts of such Restricted Party are issued; and
 - (iii) the authorized capital of the Borrower and each Restricted Party, the number of issued and outstanding shares of each such Person and the beneficial owners thereof.

(18) Relevant Jurisdictions The Relevant Jurisdictions for each Restricted Party are set forth on Schedule 1.01(F).

(19) Security The Security is effective to create in favour of the Secured Parties, as security for the Obligations, a legal, valid, binding and enforceable security interest in the collateral described therein and proceeds thereof.

(20) Liens and Indebtedness Other than as set forth in the Disclosure Letter, no Restricted Party has any material liens on its property, other than the Security and Permitted Encumbrances, and has not incurred or assumed any Debt, other than Permitted Debt.

(21) Intellectual Property Rights Each of the Restricted Parties has sufficient Intellectual Property Rights reasonably necessary for the conduct of its businesses. To the Borrower's knowledge, none of the Restricted Parties is infringing or is alleged to be infringing the Intellectual Property Rights of any other Person in a manner that could reasonably be expected to cause, or if any allegation is determined adversely could reasonably be expected to cause, a Material Adverse Change other than as disclosed in Schedule 8.01(21).

(22) Financial Statements All of the quarterly and annual financial statements that have been furnished to the Administrative Agent and the Lenders in connection with this Agreement are complete in all material respects and such financial statements fairly present the financial position of the Borrower or other Restricted Party, as the case maybe, as of the dates referred to therein and have been prepared in accordance with GAAP. None of the Restricted Parties has any liabilities (contingent or other) or other obligations of the type required to be disclosed in accordance with GAAP that are not fully disclosed on the consolidated financial statements of the Borrower provided to the Administrative Agent and the Lenders for the fiscal period ended December 31, 2019 and thereafter, the most recently delivered consolidated financial statements provided to the Administrative Agent and the Lenders in accordance with Section 9.03(2)(b), other than liabilities and obligations incurred in the ordinary course of business, and the Obligations.

(23) No Material Adverse Change Other than as set forth in the Disclosure Letter, since the date of the Borrower's most recent annual audited financial statements provided to the Administrative Agent and the Lenders, there has been no condition (financial or otherwise), event or change in any Restricted Party's business, liabilities, operations, results of operations, assets or prospects which constitutes, or could reasonably be expected to constitute, or cause, a Material Adverse Change.

(24) Environmental Matters

- (a) The assets of each Restricted Party and its operations are in full compliance in all respects with all Environmental Laws; the Borrower is not aware of, nor has it received notice of, any past, present or future condition, event, activity, practice or incident that may interfere with or prevent the compliance or continued compliance of it or any other Restricted Party in all respects with all Environmental Laws; and each Restricted Party has obtained all licences, permits and approvals that are currently required under all Environmental Laws and is in full compliance with the provisions of such licences, permits and approvals, in each case except to the extent that the non-compliance would not or could not reasonably be expected to cause a Material Adverse Change.
- (b) The Borrower is not aware that any Hazardous Substances exist on, about or within or have been used, generated, stored, transported, disposed of on, or released from any of its Property or the Property of any other Restricted Party other than in material accordance and compliance with all Environmental Laws, except to the extent that the non-compliance would not or could not reasonably be expected to cause a Material Adverse Change.

- (c) The use which each Restricted Party has made and intends to make of its Property will not result in the use, generation, storage, transportation, accumulation, disposal, or release of any Hazardous Substances on, in or from any such property except in accordance and compliance with all Environmental Laws, except to the extent that the non-compliance would not or could not reasonably be expected to cause a Material Adverse Change.
- (d) There is no action, suit or proceeding, or, to its knowledge, any investigation or inquiry, before any Governmental Authority pending or, to its knowledge, threatened against any Restricted Party relating in any way to any Environmental Law that would or could reasonably be expected to cause a Material Adverse Change.
- (e) No Restricted Party has (i) incurred any current and outstanding liability for any clean-up or remedial action under any Environmental Law with respect to current or past operations, events, activities, practices, incidents or the condition or use of any Property owned currently or in the past, (ii) received any outstanding written request for information (other than information to be provided in the normal course in connection with applications for licences, permits or approvals) by any Person under any Environmental Law with respect to the condition, use or operation of its Property, or (iii) received any outstanding written notice or claim under any Environmental Law with respect to any material violation of or liability under any Environmental Law or relating to the presence of Hazardous Substance on or originating from its Property, that, in any such case, would or could reasonably be expected to cause a Material Adverse Change.

(25) Pension Plans With respect to Pension Plans, except as disclosed on Schedule 8.01(25), (a) no steps have been taken to terminate any Pension Plan (wholly or in part) that could result in any of the Restricted Parties being required to make an additional contribution to the Pension Plan, (b) no contribution failure has occurred with respect to any Pension Plan of a Restricted Party sufficient to give rise to a lien or charge under any applicable pension benefits laws, and (c) no condition exists and no event or transaction has occurred with respect to any Pension Plan that is reasonably likely to result in any Restricted Party incurring any material liability, fine or penalty. Except as disclosed on Schedule 8.01(25), (i) each Pension Plan of each Restricted Party is in compliance in all material respects with all Applicable Laws, (ii) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws and the terms of each such Pension Plan have been made in accordance with all Applicable Laws and the terms of each such Pension Plan, (iii) all liabilities under each such Pension Plan are funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of applicable pension benefits laws and of applicable regulatory authorities and the most recent actuarial report filed with respect to the Pension Plan, and (iv) no event has occurred and no conditions exist with respect to any Pension Plan that have resulted or could reasonably be expected to result in any Pension Plan having its registration revoked or refused for the purposes of any administration of any relevant pension benefits regulatory authority or being required to pay any Taxes under any Applicable Laws,

except for any exceptions to clauses (ii) through (iv) above that, individually or in the aggregate, could not reasonably be expected to cause a Material Adverse Change.

(26) Full Disclosure All information provided or to be provided to the Administrative Agent and the Lenders in connection with the Credit Facility (including, for certainty, all information in the Disclosure Letter) is, to the Borrower's knowledge, true and correct and none of the documentation furnished to the Administrative Agent and the Lenders by or on behalf of the Borrower, to the Borrower's knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by it (and any other Person who furnished such material on behalf of it).

(27) Anti-Corruption Laws; Anti-Terrorism Laws; Sanctions

- (a) No part of the proceeds of any advance or Loan will be used, directly or to the knowledge of a Restricted Party and their respective Subsidiaries (after due inquiry to the extent required by Applicable Law) indirectly, to fund any operations in, finance any investments or activities in, or make any payments to, a Sanctioned Person in any manner that would result in any violation by any Person (including the Secured Parties) of (A) any Sanctions or (B) applicable regulations, rules and executive orders administered by any Sanctions Authority.
- (b) None of the Borrower, any other Restricted Party nor any of their respective Subsidiaries (A) is, or will become a Sanctioned Person or (B) engages or will engage in any dealings or transactions, or is or will be otherwise associated, with any Sanctioned Person that would result in any violation of (x) any Sanctions or (y) applicable regulations, rules and executive orders administered by any Sanctions Authority.
- (c) Each of the Borrower, the other Restricted Parties and their respective Subsidiaries is, and has conducted its business, in compliance in all respects with all Sanctions and all applicable regulations, rules and executive orders administered by any Sanctions Authority.
- (d) Each of the Borrower, the other Restricted Parties and their respective Subsidiaries is, and has conducted its business, in compliance with all Anti-Money Laundering/ Anti-Terrorist Financing Laws.
- (e) To the knowledge of any Restricted Party, the Borrower, each other Restricted Party and their respective Subsidiaries are not the subject of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any Anti-Corruption Laws or Anti-Money Laundering/ Anti-Terrorist Financing Laws in which there is a possibility of an adverse decision and no such investigation, inquiry or proceeding is pending or has been threatened.

- (f) Each of the Borrower, the other Restricted Parties and their respective Subsidiaries is, and has conducted its business, in compliance with all Anti-Corruption Laws. No part of the proceeds of any advance or Loan hereunder or under the Existing Credit Agreement has been used or will be used, directly or, to the knowledge of a Restricted Party (after due inquiry to the extent required by Applicable Law), indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in a governmental capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any Anti-Corruption Laws.
- (g) The Borrower, each other Restricted Party and their respective Subsidiaries have policies and procedures in place to ensure that each of the foregoing representations and warranties in this Section 8.01(27) are true and correct at all times.

(28) Section 4 of the *Interest Act* (Canada)

- (a) This Agreement, including, without limitation, Section 1.04, Section 1.05 and Article 4 hereof and the constituent definitions herein and under the other Loan Documents relating to interest and other amounts payable hereunder and thereunder, satisfies the requirements of section 4 of the *Interest Act* (Canada) to the extent that such section 4 of the *Interest Act* (Canada) applies to the expression, statement or calculation of any rate of interest or other rate per annum hereunder or under any other Loan Document.
- (b) The Borrower, each other Restricted Party and their respective Subsidiaries are each able to calculate the yearly rate or percentage of interest payable under any Loan Document based on the methodology set out herein and under the other Loan Documents, including, without limitation, Section 1.04, Section 1.05 and Article 4 hereof and the constituent definitions herein and under the other Loan Documents relating to interest and other amounts payable hereunder and thereunder.

(29) Deeply Subordinated Loans and Convertible Debentures As of the date hereof, there are no Deeply Subordinated Loans or Convertible Debentures except those described in Schedule B hereto.

(30) Controlled Accounts Schedule 8.01(30) contains a complete and accurate list of all Controlled Accounts as of the date hereof.

(31) Real Property The officer's certificate in respect of title to be delivered on the Closing Date contain a correct and complete list of all real property owned and leased by the respective Restricted Party party thereto (including, without limitation, a legal description of all owned real property and leased real property (freehold, Crown, surface, mineral or otherwise)).

(32) No Financial Assistance All Financial Assistance given by the Restricted Parties and outstanding on the date hereof is described in Section 9.04(6) of the Disclosure Letter.

8.02 **Survival and Repetition of Representations and Warranties**

The representations and warranties set out in Section 8.01 survive the execution and delivery of this Agreement and all other Loan Documents and will be deemed to be repeated by the Borrower as of the date of each Compliance Certificate delivered hereunder. To the extent that on or prior to such date (a) the Borrower has advised the Administrative Agent in writing of a variation in any such representation or warranty, and (b) if such variation, in the opinion of the Administrative Agent (on behalf of the Lenders), acting reasonably, is material to the Property, liabilities, affairs, business, operations, prospects or condition (financial or otherwise) of any Restricted Party considered as a whole or could have, or be reasonably likely to result in, a Material Adverse Change, and the Administrative Agent (on behalf of the Lenders) has approved such variation, then such representation and warranty will thereafter be deemed to be varied as approved by the Administrative Agent (on behalf of the Lenders).

ARTICLE 9 - COVENANTS

9.01 **Positive Covenants**

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Administrative Agent and the Lenders, Borrower will, and will ensure that each Restricted Party will (as applicable):

(1) **Timely Payment** Make due and timely payment of the Obligations required to be paid by it hereunder.

(2) **Maintenance and Operation of Properties** Maintain and operate its property, or, if it is not the operator, use reasonable efforts to ensure that such property is maintained and operated, in accordance with sound industry practice and in accordance in all respects with Applicable Law, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

(3) **Performance of Agreements** Other than as set forth in the Disclosure Letter, perform their obligations under the Loan Documents to which it is a party and all other agreements relating to its properties, including payment of rentals, royalties, Taxes or other charges in respect thereof which are necessary to maintain all such agreements in good standing in all respects, except to the extent failure to so perform could not reasonably be expected to have a Material Adverse Effect, provided that this covenant will not restrict any right to surrender leases or terminate agreements which are uneconomic to maintain.

(4) **Comply with Law and Maintain Permits** Other than as set forth in the Disclosure Letter, comply with Applicable Laws, including Environmental Laws, and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of their property and to the conduct of their business in each jurisdiction where it carries on material business or owns material property, including those issued or granted by Governmental Authorities, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect.

(5) **Conduct of Business, Maintenance of Existence, Compliance with Laws** Engage in business of the same general type as now conducted by it; carry on and conduct its business and

operations in a proper, efficient and businesslike manner, in accordance with good business practice; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business and to comply in all material respects with all Requirements of Law, including Requirements of Environmental Law. For certainty, Calgary Sinoenergy will solely hold the shares and loans (along with any Deeply Subordinated Loans) and have the liabilities as described in Schedule 9.01(5).

(6) Further Assurances Use reasonable efforts to provide the Administrative Agent and the Lenders with such other documents, opinions, consents, acknowledgments and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time.

(7) Access to Information Promptly provide the Administrative Agent (on behalf of the Lenders) with all information reasonably requested by the Administrative Agent from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Administrative Agent to inspect any of its Property subject to guidelines provided by the Borrower, acting reasonably, and to examine (subject to any bona fide third party confidentiality agreements) its financial records, including records stored in computer data banks and computer software systems, and to discuss its financial condition with its senior officers and (in the presence of such of its representatives as it may designate) its auditors, the reasonable expense of all of which will be paid by the Borrower.

(8) Inspection of Property; Books and Records; Discussions Will maintain books and records of account in accordance with GAAP and Applicable Law; and permit representatives of the Administrative Agent at the Borrower's expense, and subject to the Borrower's health and safety requirements and further subject to guidelines provided by the Borrower, acting reasonably, no more than once a year while no Default or Event of Default exists and at any time at the Borrower's expense while a Default or Event of Default exists to visit and inspect any property of the Restricted Parties and to examine (subject to any bona fide third party confidentiality agreements) any books and records of the Restricted Parties at any reasonable time during normal business hours and upon reasonable request and notice, and subject to the Restricted Parties' health and safety requirements, and to discuss the business, property and condition (financial or otherwise) of the Restricted Parties with their senior officers and (in the presence of such representatives, if any, as it may designate) with its independent chartered accountants.

(9) Obligations and Taxes Other than as set forth in the Disclosure Letter, pay or discharge, or cause to be paid or discharged, before the same will become delinquent (i) all Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all tax returns in respect thereof, (ii) all lawful claims for labour, materials and supplies, (iii) all required payments under any of its Debt, and (iv) all other obligations; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings and an appropriate financial reserve in accordance with GAAP and satisfactory to the Administrative Agent (on behalf of the Lenders) has been established.

(10) Use of Credit Facility Use the proceeds of the Credit Facility only for the purposes specified in Section 2.04.

(11) Insurance Maintain insurance on all its Property (showing the Collateral Agent as the loss payee as its interests may appear and additional insured, with a standard mortgage clause endorsement) with financially sound and reputable insurance companies or associations including all-risk property insurance, comprehensive general liability insurance and business interruption insurance, in amounts and against risks that are determined by it to be appropriate and that are prudent in the circumstances; furnish to the Administrative Agent and the Collateral Agent, on written request, but in any event annually, satisfactory evidence of the insurance carried and notify the Administrative Agent and the Collateral Agent of any claim it makes under the foregoing insurance.

(12) Notice of Default Promptly notify the Administrative Agent of any Default or Event of Default that would apply to it of which it becomes aware, using reasonable diligence.

(13) Notice of Material Adverse Change Promptly notify the Administrative Agent of any Material Adverse Change that would apply to it of which it becomes aware, using reasonable diligence.

(14) Notice of Litigation Promptly notify the Administrative Agent on becoming aware of the occurrence of any litigation, dispute, arbitration or other proceeding the result of which if determined adversely would be a judgement or award against it (a) in excess of \$1,000,000, or (b) would result in a Material Adverse Change to it, and from time to time provide the Administrative Agent with all reasonable information requested by the Administrative Agent concerning the status of any such proceeding.

(15) Environmental Compliance Operate all Property owned, leased or otherwise used by it in a manner such that no obligation, including a clean-up or remedial obligation, will arise under any Environmental Law, which obligations individually or in the aggregate would have, or would be reasonably likely to cause, a Material Adverse Change; provided, however, that if any such claim is made or any such obligation arises, it will or will cause the applicable Restricted Party to immediately satisfy or contest such claim or obligation at its own cost and expense, and promptly notify the Administrative Agent upon learning of (a) the existence of Hazardous Substances located on, above or below the surface of any land that it occupies or controls (except those being stored, used or otherwise handled in substantial compliance with Environmental Law), or contained in the soil or water constituting such land, or (b) the occurrence of any reportable release of Hazardous Substances into the air, land surface water or ground water that has occurred on or from such land that, as to either (a) or (b), would be reasonably likely to result in a Material Adverse Change.

(16) Environmental Audit At the reasonable request of the Administrative Agent, will assist the Administrative Agent in conducting an environmental audit of any property which is the subject matter of any material contingent or actual obligations or liabilities, by an independent consultant selected jointly by the Administrative Agent (on behalf of the Lenders) and the Borrower, and failing any such agreement, the Administrative Agent (on behalf of the Lenders). The reasonable costs of such audit will be for the account of the Borrower, provided that the

Administrative Agent will carry out such audit in consultation with the Borrower to expedite its completion in a cost effective manner. Should the result of such audit indicate that the Borrower is in breach, or with the passage of time will be in breach, of any Environmental Law and such breach or potential breach has or could reasonably be expected to have a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Secured Parties under the Loan Documents, the Borrower will forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Administrative Agent fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. The Administrative Agent will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor the Borrower's compliance with this Section 9.01(16).

(17) Security Provide the Collateral Agent and the other Secured Parties with the Security required from time to time pursuant to Article 10 in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Collateral Agent, acting reasonably, and do all such further acts and execute and deliver all such documents and instruments as may from time to time be requested by the Collateral Agent, acting reasonably, to ensure that the Security constitutes at all times valid, enforceable, and perfected first priority Encumbrances (subject only to Permitted Encumbrances).

(18) Maintenance of Property Keep all Property useful and necessary for its business in good working order and condition, normal wear and tear excepted, except to the extent that the failure to do so would not individually or in the aggregate be reasonably likely to cause a Material Adverse Change.

(19) Hedge Arrangements At the request of the Administrative Agent and on a monthly basis, review its hedge program with the Administrative Agent and the Lenders and provide satisfactory evidence that it has entered into and is maintaining a sound and fiscally responsible hedge program to manage interest rate and foreign exchange risk.

(20) Pension Matters Promptly notify the Administrative Agent on becoming aware of (a) the institution of any steps by any Person to terminate or effect a partial wind-up of any Pension Plan, (b) the failure to make a required contribution to any Pension Plan if such failure is sufficient to give rise to an Encumbrance under any Applicable Law, (c) the taking of any action with respect to a Pension Plan that is reasonably likely to result in the requirement that any Restricted Party furnish a bond or other security to such Pension Plan or any applicable Governmental Authority, or (d) the occurrence of any event with respect to any Pension Plan that has not been disclosed on Schedule 8.01(25) and that is reasonably likely to result in the incurrence by any Restricted Party of any material liability, fine or penalty, and in the notice to the Administrative Agent thereof, provide copies of all documentation relating thereto.

(21) Disbursement Account.

(a) The Collateral Agent (on behalf of the Intercreditor Parties) is authorized by the Restricted Parties to, at any time, whether or not a Default or Event of Default has occurred or is continuing, issue a "Trigger Notice" or otherwise take control of the

Controlled Accounts. The Collateral Agent (on behalf of the Intercreditor Parties) shall provide a copy of any such issued "Trigger Notice" forthwith to the Borrower.

- (b) Other than any CCB Disbursements (as defined below) received in the Controlled Accounts, on a periodic basis as required by the Collateral Agent (on behalf of the Intercreditor Parties), acting reasonably, the Restricted Parties shall deposit or cause to be deposited to the revenue collection and expense disbursement account established by the Borrower with the Collateral Agent (on behalf of the Intercreditor Parties), which, for certainty shall also be a Controlled Account (the "**Disbursement Account**"), all revenues, receipts, monies and proceeds and other sums of any nature received (or to be received) by or payable (or become payable) to the Restricted Parties (other than Calgary Sinoenergy) or which are received from any source in any other Controlled Account.
- (c) The Collateral Agent (on behalf of the Intercreditor Parties) agrees, provided that no Default or Event of Default has occurred or is continuing (other than those which have been waived in writing by the Collateral Agent and the Intercreditor Parties), on a monthly basis, or more frequently (including, for certainty, for emergency requests for disbursements, which emergency disbursements may be released within one day of such request) at the sole determination of Collateral Agent and the Intercreditor Parties, to disburse to the Controlled Accounts, within 3 Business Days, reasonable amounts requested by the Borrower and supported by the budget of the Borrower, an itemized and quantified list of payables and such other documents requested by the Collateral Agent (on behalf of the Intercreditor Parties), for the purpose of paying the Borrower's verifiable and necessary cash expenses, including a reasonable contingency for unbudgeted expenses for the 30 day period following any such request (the "**CCB Disbursements**").
- (d) Other than account debtors who have historically remitted by way of physical cheque and where direct remittances to the Disbursement Account are impracticable, the Restricted Parties shall on commercially reasonable efforts basis cause all of their account debtors, including any new debtors from time to time, to directly remit all payments on accounts to the Disbursement Account.

(22) Collection of Accounts. Make all commercially reasonable efforts to collect all accounts receivables from its Affiliates in full and in a timely manner with no forbearance or forgiveness of contractual terms; for certainty, no Restricted Party will convert any such obligation to equity or any other consideration.

(23) Anti-Money Laundering/Anti-Terrorist Financing Laws; Sanctions; Anti-Corruption Laws Representations Continue to be True. The Borrower and each other Restricted Party shall, and shall cause each of their respective Subsidiaries to, conduct its business operations such that, and have policies and procedures in place to ensure that, the representations and warranties in Section 8.01(27) are true and correct at all times that this Agreement is in effect (and not just at, and as of, the times such representations and warranties are made or deemed to be made).

(24) Controlled Accounts. Ensure that, at all times, the Controlled Accounts shall be subject to an account control agreement (in form and substance satisfactory to the Collateral Agent), subject to Section 10.01(h).

9.02 **[Reserved]**

9.03 **Reporting Requirements**

So long as this Agreement is in force, the Borrower will deliver to the Administrative Agent (for distribution to the Lenders):

(1) Quarterly Reports As soon as available and in any event within 45 days of the end of each of its Fiscal Quarters (excepting Fiscal Quarters ending December 31) (a) the non-consolidated financial statements of the Borrower and each other Restricted Party, (b) the interim unaudited consolidated financial statements of the Borrower, including, in each case, balance sheet, statement of cash flows, statement of income and retained earnings, statement of cash flows, which will be prepared in accordance with GAAP, and (c) a reconciliation of the financial statements referred to in clauses (a) and (b) above.

(2) Annual Reports As soon as available and in any event within 90 days after the end of each of its fiscal years, (a) the unaudited non-consolidated financial statements of each Restricted Party, and (b) the annual audited financial statements of the Borrower prepared on a consolidated basis, including, in each case, balance sheet, statement of income and retained earnings, statement of cash flows and source and application of funds for such fiscal year, which will be reviewed by an internationally recognized accounting firm, and will be prepared in accordance with GAAP and approved by the Borrower's board of directors.

(3) Quarterly Compliance Certificate and Environmental Certificate Within 45 days after the end of each Fiscal Quarter (excepting Fiscal Quarters ending December 31) will furnish to the Administrative Agent (i) a Compliance Certificate and (ii) an Environmental Certificate.

(4) Annual Compliance Certificate and Environmental Certificate Within 90 days after the end of each fiscal year, will furnish to the Administrative Agent (i) a Compliance Certificate and (ii) an Environmental Certificate.

(5) Annual Business Plan As soon as available and in any event no later than the end of each fiscal year commencing after the Closing Date, a business plan in a form satisfactory to the Administrative Agent and the Lenders, acting reasonably, that has been approved by the Borrower's board of directors for the forthcoming fiscal year.

(6) Additional Environmental Information Upon the request of the Administrative Agent, acting reasonably, to the extent within its control, make available for discussion with the Administrative Agent or its nominee at all reasonable times the individuals who were involved in the preparation of any Environmental Certificate.

(7) Annual Financial Forecast Furnish to the Administrative Agent a financial forecast for the next fiscal year including an income statement, balance sheet, and cash flow statement and

Capital Expenditure budget, detailed on a monthly basis on or prior to 30 days prior to the end of each fiscal year commencing with the first fiscal year after the Closing Date.

(8) Production Information

- (a) As soon as available following the end of each Fiscal Quarter, furnish to the Administrative Agent a report of the lease operating and production performance including year to date figures, gross production, net production, total revenues, royalties and other burdens, operating expenses and net revenues, in a format acceptable to the Administrative Agent, acting reasonably.
- (b) Promptly and as soon as practically possible, following (i) any date on which the Borrower or any other Restricted Party has shut-in previously producing wells and (ii) any date on which management of the Borrower or any other Restricted Party has determined to shut-in previously producing wells, which in either case is reasonably expected to reduce average daily production for the Fiscal Quarter in which such shut-in occurs or is anticipated to occur, as applicable, by at least 10% of the Restricted Parties' forecasted aggregate average daily production for such Fiscal Quarter as indicated in the most recent production forecast approved by the board of directors of the Borrower, the Borrower shall notify the Administrative Agent (on behalf of the Lenders) of such shut-in or forecasted shut-in and shall furnish to the Administrative Agent (on behalf of the Lenders) a detailed report in respect thereof.

(9) Notice of Hedging

- (a) Provide prompt written notice to the Administrative Agent of the unwinding or other early termination of any material commodity swap contract, except to the extent such unwinding or termination relates to a Disposition permitted by Section 9.04(1).
- (b) Furnish to the Administrative Agent a report (on a consolidated basis), no more than 10 days after the last day of each month, a report on the status of all outstanding Hedge Arrangements, such report to be in a form and containing such information as may be required by the Lenders, acting reasonably, which shall in any event (i) detail all hedging activity occurring during such month, and (ii) detail the position and market value of all Hedge Arrangements in effect as at the end of such month.

(10) Capital Expenditures Furnish to the Administrative Agent, at least 5 days prior to the last day of each month, a monthly Capital Expenditures budget (on a consolidated basis) for the following month, in form and substance satisfactory to the Administrative Agent and the Lenders.

(11) Budget/Cash Flow Projections Furnish to the Administrative Agent, at least 5 days prior to the last day of each month, a monthly cash flow projection (on a consolidated basis) for the following month, in form and substance satisfactory to the Administrative Agent and the Lenders.

(12) Prior Month Cash Flow Furnish to the Administrative Agent a report (on a consolidated basis), no more than 10 days after the last day of each month, which sets out the Borrower's actual cash receipts and actual expenditures (the "**Cash Flow Report**") with all supporting ledgers, analysis and other information (including a transaction report from bank accounts in the Restricted Parties' name at any financial institution, including, without limitation, the Controlled Accounts). The Cash Flow Report will cover the preceding month and will explain any variances to the budget/cash flow projection (as contemplated in Section 9.03(11)) in any line item that is both: (a) greater than 10% and (b) exceeds \$25,000.

(13) Aged Accounts Payable Furnish to the Administrative Agent, at least 5 days prior to the last day of each month, an aged list of accounts payable.

(14) Other Information Such other information as it may reasonably request respecting the Restricted Parties, including an aged list of accounts receivable and accounts payable for each Restricted Party.

(15) Notice of Intended Dispositions. Subject, and without limitation to, Section 9.04(1), the Borrower shall provide prior written notice to the Administrative Agent of any intended sale, transfer, assignment or other Disposition (or series of related Dispositions) (other than the Dispositions described in paragraph (i) of the definition of "Permitted Disposition") by the Borrower or any other Restricted Party of (a) P&NG Rights or (b) any other assets, such notice to be provided by the Borrower to the Administrative Agent not less than 60 Business Days prior to the closing of any such Disposition or series of Dispositions.

(16) Annual Independent Engineering Report. The Borrower will furnish to the Administrative Agent, on or prior to March 31 of each year, an Engineering Report, effective as of December 31 of the immediately preceding year, prepared by the Independent Engineer.

(17) Semi Annual Engineering Update. The Borrower will furnish to the Administrative Agent, on or prior to October 31 of each year, a written update to the engineering and reserves information provided in the Engineering Report previously delivered pursuant to Section 9.03(16), effective as of July 31 of such year, or such other date as the Borrower and the Administrative Agent (on behalf of the Lenders) may agree on, prepared by the internal engineering staff of the Borrower; such update to include such updated reserve information and other information and otherwise to be in form and substance as may be required by the Administrative Agent, acting reasonably.

(18) Appointment of a Financial Advisor. The Borrower hereby agrees that upon and during the continuation of an Event of Default, the Administrative Agent (on behalf of the Lenders) may, in its sole discretion, engage a financial advisor (the "**Financial Advisor**") to monitor, among other things, the financial affairs and business operations of the Borrower, as the Administrative Agent deems necessary in its sole and unfettered discretion. While the Administrative Agent has not yet determined to engage the Financial Advisor, the Administrative Agent reserves the right in its sole and unfettered discretion, to engage, at the Borrower's expense, the Financial Advisor as monitor of the Borrower upon and during the continuation of an Event of Default and upon written notice to the Borrower. Upon any such engagement of the Financial Advisor as monitor of the Borrower, the Borrower agrees to cooperate fully with the Administrative Agent and the Financial

Advisor and their respective agents, consultants and employees including, without limitation, by providing promptly all information reasonably requested by any such person. For certainty, the Borrower hereby confirms and consents to the release and exchange by and among the Administrative Agent, the Lenders and the Financial Advisor regarding all information concerning the Borrower.

(19) LMR Reporting. At least 5 days prior to the last day of each month, the Borrower will furnish to the Administrative Agent evidence of its then current LMR in each Applicable LMR Jurisdiction.

9.04 Negative Covenants

So long as this Agreement is in force the Borrower will not, and will ensure that each Restricted Party will not:

(1) Disposition of Property Other than Permitted Dispositions, Dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired, without the express written consent of the Administrative Agent and the Lenders. Each of the Administrative Agent and the Lenders may advise the Borrower in writing as to whether or not it consents to any such Disposition within thirty (30) calendar days of receipt of a written notification from the Borrower of its intention to make such a Disposition (such notification to include reasonable particulars of such Disposition); provided that, in the event the Administrative Agent and/or the Lenders do not so advise the Borrower within such thirty (30) calendar day period, the Administrative Agent and/or the Lenders, as applicable, shall be deemed to have advised the Borrower that they does not provide its consent to such Disposition.

(2) Acquire Property Acquire, in one transaction or a series of transactions, any Property, other than land rights, in the normal course of business, exceeding Cdn \$2,000,000 in aggregate in each fiscal year, unless included in the Capital Expenditure budget included in the annual financial forecast provided pursuant to Section 9.03(7) and approved by the Administrative Agent and the Lenders in their sole discretion.

(3) No Consolidation, Amalgamation, Change of Control, etc. Consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, permit any liquidation, winding up or dissolution or permit or facilitate or allow any change of share ownership of the Borrower from that of wholly owned by Calgary Sinoenergy.

(4) No Change of Name Change its name without providing the Administrative Agent with 30 days' prior written notice thereof.

(5) No Debt Other than Calgary Sinoenergy, create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.

(6) No Financial Assistance Other than the Financial Assistance provided prior to the date hereof and described in the Disclosure Letter, give any Financial Assistance, and in each case in no higher principal amounts than outstanding on the date hereof and on a non-revolving basis.

- (7) No Distributions Make any Distribution.
- (8) No Encumbrances Create, incur, assume or permit to exist any Encumbrance upon any of its Property except Permitted Encumbrances.
- (9) Capital Expenditures In any fiscal year make, or enter into any agreement which would require it to make, any Capital Expenditures materially in excess of those amounts as set out in the Capital Expenditures budget to be delivered pursuant to Section 9.03(10), such Capital Expenditures budget is to be approved by the Administrative Agent and the Lenders in their sole discretion.
- (10) No Change to Year End Make any change to its fiscal year end from December 31.
- (11) Prepayments Prepay, redeem, repurchase or otherwise satisfy (other than by way of the issuance of capital stock of the Borrower) prior to the scheduled maturity thereof any portion of any unsecured notes, any Deeply Subordinated Loan, any Convertible Debentures and/or second lien notes.
- (12) Changes to Constatng Documents Amend the terms of its constating documents or its by-laws, if, in each case, to do so could reasonably be expected to materially and adversely affect the rights of the Secured Parties under the Loan Documents.
- (13) No Continuance Continue into any other jurisdiction.
- (14) Hedge Arrangements Enter into or permit to be outstanding at any time any Hedge Arrangement unless:
 - (a) such Hedge Arrangement has been entered into by the Restricted Party bona fide and in good faith in the ordinary course of its business for the purpose of carrying on the same and not for speculative purposes; and
 - (b) the aggregate amount hedged under all financial commodity swap contracts at the time such contract is entered into and after giving effect thereto shall not exceed
 - (i) 75% of the first year projected average daily production net of royalties and
 - (ii) 50% of the second year of projected average daily production net of royalties.
- (15) Location of Assets in Other Jurisdictions Except for any Property being delivered to a customer in the ordinary course of business of such Restricted Party as part of the performance of its obligations, or the provision of its services, to such customer under a contract entered into with such customer in the ordinary course of business of such Restricted Party, move any Property from a jurisdiction in which the Encumbrance of the Security over such Property is perfected to a jurisdiction where such Encumbrance is not perfected or where, after a temporary period allowing for registration in such other jurisdiction, such Encumbrance could become unperfected, or suffer or permit in any other manner any of its Property to not be subject to the Encumbrance of the Security or to be or become located in a jurisdiction in which the Encumbrance of the Security over such Property is not perfected, unless the applicable Restricted Party has first (a) given prior written notice thereof to the Administrative Agent and the Collateral Agent, and (b) executed and delivered to the Administrative Agent and the Collateral Agent, as applicable, all Security and has

filed or caused to be filed all financing or registration statements, in each case, in form and substance satisfactory to the Administrative Agent and the Collateral Agent that the Administrative Agent and the Collateral Agent or their counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected first priority Encumbrance (subject only to Permitted Encumbrances) over such Property in such jurisdiction together with such supporting certificates, resolutions, opinions and other documents as the Administrative Agent and the Collateral Agent, acting reasonably, may deem necessary or desirable in connection with such security and registrations.

(16) Amendments to Organizational Documents Amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Secured Parties under the Loan Documents.

(17) Amendments to other Documents Amend, vary or alter in any way, consent to any assignment or transfer of, or waive or surrender any of its rights or entitlements under, any Deeply Subordinated Loan or Convertible Debenture (including any indenture applicable thereto).

(18) No New Subsidiaries Create any Subsidiary after the date of this Agreement unless the Administrative Agent and the Collateral Agent are provided with the acknowledgement of such Subsidiary that it has become a party to this Agreement as a Guarantor as if it had executed this Agreement on the date hereof and such new Subsidiary provides security on the same basis as if it were providing Security on the date of this Agreement (including, for certainty, the Security contemplated in Article 10) and such other Security as required by the Collateral Agent.

(19) Transactions With Affiliates. Enter into any transaction, including the purchase, sale or exchange of any property or the rendering of any services, with any of its Affiliates, or enter into, assume or suffer to exist any agreement or arrangement with any such Affiliate, except a transaction or agreement or arrangement which is upon fair and reasonable terms not materially less favourable to the applicable Restricted Party than it would obtain in a comparable arms-length transaction; for certainty, such restriction will apply to any transaction between the Restricted Parties. The Borrower shall provide the Administrative Agent with details and documentation, satisfactory to the Administrative Agent in its sole discretion, in respect of any transaction, agreement or arrangement between a Restricted Party and any of its Affiliates.

(20) Conversion or Amendment or Collection of Financial Assistance. (i) Elect to convert any Financial Assistance previously provided by Borrower into common equity or otherwise reduce the cash amount payable in any way, (ii) amend or extend the maturity of such Financial Assistance in any way, and (iii) fail to use all commercially reasonable efforts (including, without limitation, selling such receivable to a third party), to collect repayment in full of any such Financial Assistance at its earliest opportunity.

ARTICLE 10- SECURITY

10.01 Security

As general and continuing security for the payment and performance of, *inter alia*, the Obligations the Borrower will grant, and will ensure that each Restricted Party grants, to the Collateral Agent (for the benefit of the Intercreditor Parties) the security described below:

- (a) an amended and restated demand debenture of the Borrower in the principal amount of \$1,200,000,000 secured by a fixed and specific mortgage and charge of all present and after acquired real and immoveable property described in the schedules thereto and a floating charge over all Property not subject to such fixed and specific mortgages and charges, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (b) demand debenture of each Restricted Party (other than the Borrower and Calgary Sinoenergy) in the principal amount of \$1,200,000,000 secured by a fixed and specific mortgage and charge of all present and after acquired real and immoveable property described in the schedules thereto and a floating charge over all Property not subject to such fixed and specific mortgages and charges, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (c) debenture pledge agreements from each Restricted Party other than Calgary Sinoenergy in respect of their respective amended and restated demand debentures and demand debentures, as applicable;
- (d) general security agreements from each Restricted Party other than Calgary Sinoenergy granting a security interest in all present and after acquired personal property, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (e) an assignment by each Restricted Party other than Calgary Sinoenergy of all policies of insurance and all proceeds thereunder with respect to all Property that is subject to the foregoing security and all other security hereafter granted by a Restricted Party pursuant to this Agreement, including any policies providing business interruption insurance, with the Collateral Agent named as loss payee (as its interest may appear) and additional insured, with a standard mortgage clause endorsement, and certificates evidencing all such insurance, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (f) an amended and restated subordination agreement in respect of the Deeply Subordinated Loan and Convertible Debentures in existence on the date hereof in the form attached hereto as Schedule C, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations;
- (g) an amended and restated share pledge provided by Calgary Sinoenergy in favour of the Collateral Agent, which will be held pursuant to the Collateral Agent and Intercreditor Agreement as security for, *inter alia*, the Intercreditor Obligations, pledging all of the issued and outstanding shares of the Borrower;

- (h) account control agreements in respect of all Controlled Accounts; provided that the Borrower shall furnish, to the Collateral Agent, a confirmation, acknowledgement and agreement regarding the Existing BNS Blocked Account Agreement on or prior to the Closing Date and an amendment and restatement of the Existing BNS Blocked Account Agreement no later than 15 calendar days after the Closing Date;
- (i) cash collateral agreements granted by the Borrower in favour of the Collateral Agent and/or CCB Toronto (but, subject to the Collateral Agent and Intercreditor Agreement) in respect of the face amount of the Existing Letters of Credit; and
- (j) a collateral agent and intercreditor agreement (the "**Collateral Agent and Intercreditor Agreement**") in respect of, *inter alia*, the Loan Documents described in paragraphs (a) through (i) above providing for, *inter alia*, the sharing of such Security among the Intercreditor Parties.

10.02 **After Acquired Property and Further Assurances**

Each Restricted Party will from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all Property acquired by any Restricted Party after the date hereof, or as may be required to properly perfect the security interest of the Collateral Agent (for the benefit of the Intercreditor Parties) in any Property, including an account control agreement in respect of any after acquired Controlled Accounts.

10.03 **Form of Security**

The Security will be in form satisfactory to the Collateral Agent, acting reasonably.

10.04 **Sharing of Security**

The Security shall at all times be subject to the Collateral Agent and Intercreditor Agreement and shall be shared equally among the Intercreditor Parties.

ARTICLE 11- DEFAULT

11.01 **Events of Default**

The occurrence of any one or more of the following events (each such event being referred to as an "**Event of Default**") will constitute a default under this Agreement unless such Event of Default has been waived by the Lenders:

- (a) if the Borrower fails to pay any amount of principal of any Loan when due;
- (b) if the Borrower fails to pay any interest, fees or other Obligations (other than any principal amount) within 2 Business Days of being due;
- (c) if the Borrower breaches any of the covenants in Sections 9.01(21) or 9.04;

- (d) if any Restricted Party neglects to observe or perform any covenant or obligation herein contained on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 11.01) and such Restricted Party fails to remedy such default within 30 days from the earlier of (i) the date such Restricted Party becomes aware of such default, and (ii) the date the Administrative Agent delivers written notice of the default to such Restricted Party;
- (e) if any (i) Restricted Party neglects to observe or perform any covenant or obligation contained in the CCB Toronto Credit Agreement or any documents related thereto or (ii) Person neglects to observe or perform any covenant or obligation contained in the SBLC's or any documents related thereto in each case, on its part to be observed or performed, after the expiry of any applicable grace period thereunder;
- (f) if any representation or warranty made by any Restricted Party in this Agreement, any Loan Document or in any certificate or other document at any time delivered hereunder to the Secured Parties proves to have been incorrect or misleading in any material respect on and as of the date that it was made or was deemed to have been made and such Restricted Party fails to remedy such default within 15 days of the occurrence of such event;
- (g) the occurrence of an event of default where the Restricted Party is the defaulting party under any Hedge Arrangement or other swap document, after the expiry of any applicable grace period thereunder;
- (h) if any Restricted Party ceases or threatens to cease to carry on business generally or admits its inability or fails to pay its Debts generally;
- (i) if any Restricted Party (i) fails to make any payment when such payment is due and payable to any Person in relation to any Debt (other than Obligations) that in the aggregate principal amount then outstanding is in excess of Cdn. \$1,000,000 and any applicable grace period in relation thereto has expired, or (ii) defaults in the observance or performance of any other agreement or condition in relation to any Debt (other than Obligations) to any Person that in the aggregate principal amount then outstanding is in excess of Cdn. \$1,000,000 or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs or condition exists, the effect of which default or other condition is to cause such Debt to become due prior to its stated maturity date;
- (j) if any Restricted Party denies, to any material extent, its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part;
- (k) any of the Loan Documents or any material provision of any of them becomes unlawful or is changed by virtue of legislation or by a Governmental Authority, if any Restricted Party does not, within 15 Business Days of receipt of notice of such Loan Document or material provision becoming unlawful or being changed,

replace such Loan Document with a new agreement that is in form and substance satisfactory to the Collateral Agent (in the case of any Security) and the Administrative Agent (in the case of any other Loan Documents), acting reasonably, or amend such Loan Document to the satisfaction of the Collateral Agent or the Administrative Agent (as applicable), acting reasonably;

- (l) if a decree or order of a court of competent jurisdiction is entered adjudging a Restricted Party a bankrupt or insolvent or approving as properly filed a petition seeking the winding up of a Restricted Party under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *United States Bankruptcy Code* or the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any substantial part of the assets of a Restricted Party or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of 30 Business Days;
- (m) if any Restricted Party becomes insolvent, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *United States Bankruptcy Code*, the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition;
- (n) if an Encumbrancer takes possession, by appointment of a receiver, receiver and manager or otherwise, of all or a substantial portion of the Property of any Restricted Party;
- (o) if proceedings are commenced for the dissolution, liquidation or voluntary winding up of any Restricted Party, or for the suspension of the operations of any Restricted Party unless such proceedings are being actively and diligently contested in good faith;
- (p) if a final judgment or decree for the payment of money due has been obtained or entered against the Borrower in an amount in excess of Cdn.\$1,000,000, or against any other Restricted Party in an amount that, in the reasonable opinion of the Administrative Agent and the Lenders, would materially and adversely affect the ability of any such other Restricted Party to fulfil its obligations to the Secured Parties under this Agreement or any other Loan Document, and such judgment or

decree has not been and remained vacated, discharged or stayed pending appeal within the applicable appeal period;

- (q) if (i) any Security ceases to constitute a valid and perfected first priority security interest (subject only to Permitted Encumbrances) and the applicable Restricted Party has failed to remedy such default within 10 days of becoming aware of such fact; or (ii) except to the extent waived or extended in writing by the Collateral Agent, fixed charge registrations are not completed on all real property of the Restricted Parties 90 days after the Closing Date; or
- (r) a Material Adverse Change has occurred.

11.02 **Acceleration and Enforcement**

- (1) If any Event of Default occurs and is continuing:
 - (a) the outstanding principal amount of all Loans and all other Obligations will, at the option of the Lenders, become immediately due and payable with interest thereon, at the rate or rates determined as herein provided (including, for certainty, as set forth in Sections 4.02 and 4.03), to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Restricted Party; provided, if any Event of Default described in Sections 11.01(l) or 11.01(m) with respect to the Borrower occurs, the Commitments (if not theretofore terminated) will automatically terminate and the outstanding principal amount of all Loans and all other Obligations will automatically be and become immediately due and payable; and
 - (b) the Secured Parties may, in their discretion (but subject to the Collateral Agent and Intercreditor Agreement), exercise any right or recourse and proceed by any action, suit, remedy or proceeding against any Restricted Party authorized or permitted by law for the recovery of all the Obligations to the Secured Parties and, whether or not the Lenders have exercised any of their rights under the foregoing clause (a), proceed to exercise any and all rights hereunder and under the Security.
- (2) No Secured Party is under any obligation to the Restricted Parties or any other Person (subject to the Collateral Agent and Intercreditor Agreement) to realize upon any collateral or enforce the Security or any part thereof or to allow any of the collateral to be sold, dealt with or otherwise disposed of. No Secured Party is responsible or liable to the Restricted Parties or any other Person (subject to the Collateral Agent and Intercreditor Agreement) for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on its part or on the part of any director, officer, employee, agent or adviser of a Secured Party in connection with any of the foregoing.

11.03 **[Reserved]**

11.04 **Remedies Cumulative**

For greater certainty, it is expressly understood that the respective rights and remedies of the Secured Parties hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Secured Parties of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document will not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Secured Parties may be lawfully entitled in connection with such default or breach.

11.05 **Perform Obligations**

If an Event of Default has occurred and is continuing and if any Restricted Party has failed to perform any of its covenants or agreements in the Loan Documents, the Administrative Agent (on behalf of the Lenders), may, but will be under no obligation to, perform any such covenants or agreements in any manner deemed fit by the Administrative Agent (on behalf of the Lenders) without thereby waiving any rights to enforce the Loan Documents. The reasonable expenses (including any legal costs on a solicitor and his own client, full indemnity basis) paid by the Administrative Agent in respect of the foregoing will be an Obligation and will be secured by the Security.

11.06 **Third Parties**

It is not necessary for any Person dealing with the Secured Parties to inquire whether the Security has become enforceable, or whether the powers that the Secured Parties are purporting to exercise may be exercised, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale is to be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the collateral charged by such Security or any part thereof.

11.07 **Application of Payments**

All payments made by the Borrower hereunder or received from proceeds of the enforcement or realization of any Security will be applied to amounts due under the Intercreditor Obligations pursuant to the Collateral Agent and Intercreditor Agreement.

11.08 **Right of Set-off**

If an Event of Default has occurred and is continuing, subject to the Collateral Agent and Intercreditor Agreement, the Secured Parties and each of their Affiliates is hereby authorized at any time and from time to time, without notice to the Borrower or any other Person, to set-off and apply any and all deposits (general or special, time or demand, matured or unmatured, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by the Secured Parties or any such Affiliate to or for the credit or the account of any Restricted Party against any and all of the Obligations, irrespective of whether or not such

Secured Party has made any demand under this Agreement or any other Loan Document and although such Obligations may be contingent or unmatured or are owed to a branch or office of such Secured Party or any such Affiliate different from the branch or office holding such deposit or obligated on such indebtedness. The rights of the Secured Parties and their Affiliates under this Section 11.08 are in addition to other rights and remedies (including other rights of set-off, consolidation of accounts and bankers' lien) that the Secured Parties or their Affiliates may have. The Secured Parties agree to promptly notify the Borrower after any such set-off and application, but the failure to give such notice will not affect the validity of such set-off and application.

ARTICLE 12 – CHANGE IN CIRCUMSTANCES AND INDEMNITIES

12.01 **Increased Costs**

- (1) If any Change in Law will:
 - (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lenders;
 - (b) subject the Lenders to any Tax of any kind whatsoever with respect to this Agreement, or any Loan, or change the basis of taxation of payments to the Lenders in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 12.02 and the imposition, or any change in the rate, of any Excluded Tax payable by the Lenders; or
 - (c) impose on the Lenders or any applicable interbank market any other condition, cost or expense affecting this Agreement or Loans made by the Lenders;

and the result of any of the foregoing will be to increase the cost to the Lenders of making or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to reduce the amount of any sum received or receivable by the Lenders hereunder (whether of principal, interest or any other amount), then upon request of the Lenders the Borrower will pay to the Lenders such additional amount or amounts as will compensate the Lenders for such additional costs incurred or reduction suffered.

(2) If a Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender, to a level below that which such Lender or its holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of its holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

(3) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section

12.01(1) or 12.02(2), including reasonable detail of the basis of calculation of the amount or amounts, that is delivered to the Borrower will be conclusive absent manifest error. The Borrower will pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(4) Failure or delay on the part of a Lender to demand compensation pursuant to this Section 12.01 will not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower will not be required to compensate such Lender pursuant to this Section 12.01 for any increased costs incurred or reductions suffered more than 270 days prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the 270-day period referred to above will be extended to include the period of retroactive effect thereof.

12.02 Taxes

(1) If any Restricted Party or a Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of any payment by or on account of any obligation of an Restricted Party hereunder or under any other Loan Document, then (i) the sum payable will be increased by that Restricted Party when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) such Lender receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the Restricted Party will make any such deductions required to be made by it under Applicable Law and (iii) the Restricted Party will pay when due the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

(2) Without limiting the provisions of Section 12.02(1), the Borrower will timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(3) The Borrower will indemnify each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by such Lender will be conclusive absent manifest error.

(4) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by an Restricted Party to a Governmental Authority, the Restricted Party will deliver to the applicable Lender(s) the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to such Lender(s).

(5) If any Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which an Restricted Party has paid additional amounts pursuant to this Section 12.02 or that, because of

the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it will pay to the Borrower or other Restricted Party, as applicable, an amount equal to such refund or reduction (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or Restricted Party under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of such Lender and without interest (other than any net after-Tax interest paid by the relevant Governmental Authority with respect to such refund). The Borrower or other Restricted Party as applicable, upon the request of the applicable Lender, agrees to repay the amount paid over to the Borrower or other Restricted Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the applicable Lender if such applicable Lender is required to repay such refund or reduction to such Governmental Authority. This paragraph will not be construed to require any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

12.03 **Illegality**

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender to make or maintain any Loan (or to maintain its obligation to make any Loan) or to determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower, any obligation of such Lender with respect to the activity that is unlawful will be suspended until such Lender notifies the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower will, upon demand from such Lender, prepay or take any necessary steps with respect to any Loan in order to avoid the activity that is unlawful. Upon any such prepayment, the Borrower will also pay accrued interest on the amount so prepaid or converted.

12.04 **[Reserved]**

12.05 **Indemnity by the Borrower**

(1) The Borrower will indemnify each Secured Party and each Related Party thereof (each such Person being called an "**Indemnitee**") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel (on a solicitor and his own client, full indemnity basis) for any Indemnitee, incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Restricted Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance or non-performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation or non-consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or Release of Hazardous Substance on or from any property owned or operated by any Restricted Party, or any liability under any Environmental Law related in any way to any Restricted Party, (iv) without limiting the foregoing, any inaccuracy or incompleteness of the representation and warranties contained in Section 8.01(28) hereof, (v) any failure of the Borrower or any other Restricted Party to observe or fulfil

its obligations under Section 1.05(c), or (vi) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by an Restricted Party and regardless of whether any Indemnitee is a party thereto, provided that such indemnity will not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or wilful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Restricted Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Restricted Party has obtained a final and nonappealable judgment in its favour on such claim as determined by a court of competent jurisdiction, nor will an indemnity be available in respect of matters specifically addressed in Sections 12.01, 12.02 or 14.01.

(2) To the fullest extent permitted by Applicable Law, the Restricted Party will not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for indirect, consequential, punitive, aggravated or exemplary damages (as opposed to direct damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby (or any breach thereof), the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee will be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(3) All amounts due under Section 12.05(1) will be payable promptly after demand therefor. A certificate of the applicable Secured Party setting forth the amount or amounts owing to such Secured Party or the applicable Related Party, as the case may be, as specified in Section 12.05(1), including reasonable detail of the basis of calculation of the amount or amounts, that is delivered to the Borrower will be conclusive absent manifest error.

ARTICLE 13 - GUARANTEE

13.01 Guarantees and Indemnity

(1) Each of the Guarantors hereby jointly and severally, unconditionally and irrevocably, guarantees payment of the Obligations to the Administrative Agent (for and on behalf of the Secured Parties).

(2) If any or all of the Obligations are not duly paid and are not recoverable under Section 13.01(1) for any reason whatsoever, each of the Guarantors hereby jointly and severally, unconditionally and irrevocably, will, as a separate and distinct obligation, indemnify and save harmless the Secured Parties and each of them from and against any losses resulting from the failure of the Borrower to pay the Obligations.

(3) If any or all of the Obligations are not duly paid and are not recoverable under Section 13.01(1) or the Secured Parties are not indemnified under Section 13.01(2), in each case,

for any reason whatsoever, the Obligations will be recoverable jointly and severally from each of the Guarantors as primary obligor.

13.02 **Obligations Absolute**

The liability of each Guarantor hereunder is absolute and unconditional and is not affected by:

- (a) any lack of validity or enforceability of this Agreement or any other Loan Document;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of Governmental Authority;
- (c) the bankruptcy, winding up, liquidation, dissolution, arrangement, insolvency or other similar proceeding affecting the Borrower or any other Person, the amalgamation of or any change in the status, function, control or ownership of the Borrower, any Guarantor or any other Person;
- (d) any lack or limitation of power, incapacity or disability on the part of the Borrower or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of the Borrower in its Obligations; or
- (e) any other law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of any or all of the Obligations.

13.03 **No Release**

The liability of each Guarantor hereunder is not released, discharged, limited or in any way affected by anything done, suffered or permitted by the Secured Parties or any other Person in connection with any duties or liabilities of the Borrower to the Secured Parties or any Security, including any loss of or in respect of any Security. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the liability of any Guarantor hereunder, without obtaining the consent of or giving notice to any Guarantor, the Secured Parties may:

- (a) discontinue, reduce, increase or otherwise vary the credit of the Borrower in any manner whatsoever;
- (b) make any change in the time, manner or place of payment under, or in any other term of, any Loan Document or the failure on the part of the Borrower to carry out any of its obligations under any Loan Document;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) take or abstain from taking or enforcing the Security or from perfecting Security;

- (e) accept compromises from the Borrower;
- (f) apply all money at any time received from the Borrower or from the Security upon such part of the Obligations as the Secured Parties may see fit or change any such application in whole or in part from time to time as each of them may see fit; and
- (g) otherwise deal with the Borrower and all other Persons and the Security as the Secured Parties may see fit.

13.04 **No Exhaustion of Remedies**

The Secured Parties are not bound or obligated to exhaust their recourse against the Borrower or other Person or any Security they may hold, or take any other action before the Administrative Agent is entitled to demand payment from any Guarantor hereunder.

13.05 **Prima Facie Evidence**

Any account settled or stated in writing by or between a Secured Party and the Borrower will be prima facie evidence that the balance or amount thereof appearing due to such Secured Party is so due.

13.06 **No Set-Off**

In any claim by a Secured Party or any of them against any Guarantor, such Guarantor may not assert any set-off or counterclaim that either such Guarantor or the Borrower may have against such Secured Party.

13.07 **Continuing Guarantee**

The Obligations of each Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Secured Parties and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to any such Person. The Obligations of each Guarantor hereunder will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the recipient of such payment upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made.

13.08 **Waivers by Guarantors**

Each Guarantor hereby irrevocably waives acceptance hereof, presentation, demand, protest and any notice, as well as any requirement that at any time any action be taken by any Person against such Guarantor, the Borrower or any other Person.

13.09 **Demand**

Each Guarantor will make payment to the Administrative Agent (for and on behalf of the Secured Parties) of the full amount of the Obligations and all other amounts payable by it hereunder forthwith after demand therefor is made to it. Each Guarantor will also make payment to the Administrative Agent (for and on behalf of the Secured Parties) of all costs and expenses incurred by the Secured Parties or any of them in enforcing the provisions of this Article 13.

13.10 **Interest**

Each Guarantor will pay interest to the Secured Parties at the rates set forth in Sections 4.02 and 4.03 on the unpaid portion of all amounts payable by such Guarantor hereunder, such interest to accrue from and including the date of demand on the Guarantor, and will be compounded monthly.

13.11 **Subrogation; Contribution**

No Guarantor will be entitled to subrogation or to contribution from the Borrower by reason of any payment hereunder until indefeasible payment in full of all Intercreditor Obligations of all Guarantors, and the termination of the Commitments. Thereafter, the Collateral Agent (for and on behalf of the Secured Parties), at each Guarantor's request and expense, will execute and deliver to such Guarantor appropriate documents, without recourse and without representation and warranty, except as to the amount owing, necessary to evidence the transfer by subrogation to such Guarantor of an interest in the Intercreditor Obligations and any Security held therefor resulting from such payment by such Guarantors.

13.12 **Stay of Acceleration**

If acceleration of the payment of any Obligations payable by any Guarantor is stayed upon the insolvency, bankruptcy or reorganization of such Guarantor or otherwise, all such Obligations otherwise subject to acceleration under the laws of any Loan Document will nonetheless be payable by each other Guarantor herewith in accordance with the terms hereof.

ARTICLE 14- GENERAL

14.01 **Costs and Expenses**

The Borrower will pay (i) all reasonable out-of-pocket expenses incurred by the Secured Parties, including the reasonable fees, charges and disbursements of Lenders' Counsel (on a solicitor and his own client, full indemnity basis), in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby will be consummated) and (ii) all reasonable out-of-pocket expenses incurred by the Secured Parties including the reasonable fees, charges and disbursements of Lenders' Counsel (on a solicitor and his own client, full indemnity basis), in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section 14.01, or in connection with the

Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

14.02 **Governing Law, Jurisdiction, Etc.**

(1) This Agreement and each other Loan Document (unless otherwise specified in such Loan Document) will be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein.

(2) The Borrower and each other Restricted Party irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the Province of Alberta and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such court. The Borrower and each other Restricted Party agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document will affect any right that the Administrative Agent and/or the Collateral Agent (in each case on behalf of the Secured Parties) may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower, any other Restricted Party or their properties in the courts of any jurisdiction.

(3) The Borrower and each other Restricted Party irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in Section 14.02(2). The Borrower and each other Restricted Party hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

14.03 **Judgment Currency**

(1) If for the purpose of obtaining or enforcing judgement against a Restricted Party in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 14.03 referred to as the "**Judgment Currency**") an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion will be made at the rate of exchange prevailing on the Business Day immediately preceding:

- (a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date, or
- (b) the date on which the judgement is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 14.03(1)(b) being hereinafter in this Section 14.03 referred to as the "**Judgment Conversion Date**").

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 14.03(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Borrower will pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgement or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from a Restricted Party under the provisions of Section 14.03(2) will be due as a separate debt and will not be affected by judgement being obtained for any other amounts due under or in respect of this Agreement.

(4) The term "rate of exchange" in this Section 14.03 means:

- (a) for a conversion of Canadian Dollars to the Judgment Currency, the reciprocal of the Spot Rate for the date in question for the conversion of the Judgment Currency to Canadian Dollars;
- (b) for a conversion of United States Dollars to the Judgment Currency when the Judgment Currency is Canadian Dollars, the Spot Rate for the date in question for the conversion of United States Dollars to Canadian Dollars;
- (c) for a conversion of United States Dollars to the Judgment Currency when the Judgment Currency is not Canadian Dollars, the effective rate obtained when a given amount of United States Dollars is converted to Canadian Dollars at the rate determined pursuant to Section 14.03(4)(b) and the result thereof is then converted to the Judgment Currency pursuant to Section 14.03(4)(a); or
- (d) if a required rate is not so published by the Bank of Canada for any such date, the spot rate quoted by the Administrative Agent at approximately noon (Toronto time) on that date in accordance with its normal practice for the applicable currency conversion in the wholesale market.

14.04 **Confidentiality**

(1) The Secured Parties agree to maintain the confidentiality of the Information (as defined in Section 14.04(2) below), except that Information may be disclosed (a) to their Affiliates and their Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over such Secured Party (including any self-regulatory authority), (c) to the extent required by Applicable Law or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 14.04(1), to (i) any assignee of or

Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 14.04(1) or (y) becomes available to the Secured Parties on a non-confidential basis from a source other than the Borrower.

(2) For purposes of this Section, "Information" means all information received in connection with this Agreement from the Borrower relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Secured Parties on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in Section 14.04(1) will be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

14.05 **Benefit and Burden of Agreement**

This Agreement will be binding upon the Restricted Parties and their successors. This Agreement will enure to the benefit of and will be binding upon the Secured Parties and their respective successors and assigns.

14.06 **No Assignment by the Borrower**

The rights and benefits of the Borrower hereunder may not be assigned by the Borrower.

14.07 **Assignment or Participation by Lender**

(1) The rights, benefits and obligations of a Lender under or in respect of this Agreement (the "**Rights**") may, in whole or in part be assigned ("**Assign**", "**Assigned**" or an "**Assignment**") by a Lender with one or more Persons (each an "**Assignee**", as the case may be). The Rights may, in whole or in part, be or participated ("**Participated**" or a "**Participation**") to a participant (a "**Participant**") at any time, or Assigned by a Lender with one or more Participants or Assignees without notice to or the consent of the Borrower. For purposes of this Section, "**Assigning Lender**" means a Lender making an Assignment or granting a Participation. An Assignment or Participation as aforesaid will become effective upon execution of the applicable documentation by the applicable Assigning Lender and the Participant or Assignee, as the case may be and delivery of the same to the Administrative Agent (in form and substance satisfactory to the Administrative Agent). The Borrower will execute all such further documentation as the applicable Assigning Lender may request with respect to any Assignment or Participation and any prospective Assignee will execute such documentation as the Administrative Agent may reasonably request for the purpose of ensuring that the Assignee is bound by the terms of this Agreement.

(2) Any Assignee of Rights will be and be treated in respect of such Rights as if it were the Assigning Lender for all purposes of this Agreement, will be entitled to the benefit hereof, and will be subject to the obligations of the Assigning Lender in respect of such Rights, to the same

extent as if it were an original party in respect of the Rights and the Assigning Lender assigning such Rights will be released and discharged from its obligations hereunder in respect of such assigned Rights. To the extent that the Rights are the subject of a Participation, all references in this Agreement to the Assigning Lender will, with respect to such Rights that are subject to the Participation, continue to be construed as a reference to the Assigning Lender, and the Borrower will be entitled to deal with the Assigning Lender as if it were the sole owner of the Rights and the Assigning Lender will not be released from obligations hereunder by virtue of the Participation. The Borrower acknowledges and agrees that the Assigning Lender will be entitled, in its own name, to enforce for the benefit of, or as agent for, any Participants, any and all rights, claims and interests of such Participants, in respect of the Rights and that Participants will not be entitled to demand payment or exercise any other right or remedy pursuant hereto.

(3) For the purposes of any Assignment or Participation hereunder, the Assigning Lender may disclose on a confidential basis to a potential Assignee or Participant such information about the Borrower as the Assigning Lender may see fit, provided that such potential Assignee or Participant has executed a confidentiality agreement in favour of the Assigning Lender.

14.08 **Notices**

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient at the address or telecopier number set forth on the signature pages to this Agreement, or to such other street address, individual or electronic communication number or address as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof or, if given by registered mail, on the third Business Day following the deposit thereof in the mail or, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

14.09 **Effect of Assignment**

For greater certainty, an assignment by a Lender of its rights hereunder will not constitute a repayment, discharge, rescission, extinguishment or novation of any Loan or interest therein, and the obligations so assigned shall continue to be the same obligations and not new obligations.

14.10 **Survival**

The provisions of Section 12.05 and 14.01 will survive the repayment of all Loans and all other Obligations whether on account of principal, interest or fees, and the termination of this Agreement, unless a specific release of such provisions by the Administrative Agent (on behalf of the Lenders) is delivered to the Borrower.

14.11 **Severability**

If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to either of the parties.

14.12 **Further Assurances**

Each Restricted Party and each Secured Party will promptly cure any default by it in the execution and delivery of this Agreement, the Loan Documents or of any the agreements provided for hereunder to which it is a party. The Restricted Parties, at the Borrower's expense, will promptly execute and deliver to the Administrative Agent, upon request by the Administrative Agent, all such other and further documents, agreements, opinions, certificates and instruments in compliance with, or accomplishment of the covenants and agreements of the applicable Restricted Party hereunder or more fully to state the obligations of the applicable Restricted Party as set forth herein or to make any recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

14.13 **Amendments and Waivers**

No amendment to this Agreement will be valid or binding unless set forth in writing and duly executed by the Borrower, the Administrative Agent and each other Secured Party. No waiver of any breach of any provision of this Agreement and no consent required hereunder will be effective or binding unless made in writing and signed by the party purporting to give the same. Unless otherwise provided, any waiver or consent given hereunder will be limited to the specific breach waived or matter consented to, as the case may be, and may be subject to such conditions as the party giving such waiver or consent considers appropriate.

14.14 **Time of the Essence**

Time is of the essence of this Agreement.

14.15 **Acknowledgement and Consent to Bail-In of Affected Financial Institutions.**

Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

- (i) a reduction in full or in part or cancellation of any such liability;
- (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
- (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

14.16 **Anti-Money Laundering Legislation**

The Borrower acknowledges that, pursuant to the requirements of Anti-Money Laundering/ Anti-Terrorist Financing Laws and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "**AML Legislation**"), the Lenders may be required to obtain, verify and record information regarding the Restricted Parties, their respective directors, authorized signing officers, direct or indirect shareholders or unitholders or other Persons in control of any Restricted Party and the transactions contemplated hereby. The Borrower shall promptly (i) provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lenders, or any prospective assignee of a Lender, in order to comply with any applicable AML Legislation, whether now or hereafter in existence; and (ii) notify the recipient of any such information of any changes thereto.

ARTICLE 15- THE ADMINISTRATIVE AGENT

15.01 **Appointment of Administrative Agent**

Each Lender hereby designates China Construction Bank Toronto Branch as Administrative Agent to act as herein specified and as specified in the other Loan Documents. Each Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and to perform such duties thereunder as are specifically delegated to or required of the Administrative Agent by the terms thereof and such other powers as are reasonably incidental thereto. The Administrative Agent may perform any of its duties hereunder by or through its agents or employees. Each Secured Party hereby (a) irrevocably authorizes and directs the Administrative Agent to execute and deliver the Collateral Agent and Intercreditor Agreement on behalf of such Secured Party (other than the Collateral Agent), and (b) agrees that the Collateral Agent and Intercreditor Agreement shall be a binding obligation of such Secured Party, enforceable against it in accordance with its terms. The provisions of this Article 15 are solely for the benefit of the Administrative Agent and the Secured Parties, and neither the Borrower nor any other Restricted Party shall have rights as a third party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" as used herein or in any other Loan Document (or any

similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead, such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties.

15.02 **Limitation of Duties of Administrative Agent.**

The Administrative Agent shall have no duties or responsibilities except those expressly set out with respect to the Administrative Agent in this Agreement and as specified in the other Loan Documents. None of the Administrative Agent, nor any of its Related Parties shall be liable for any action taken or omitted by it as such hereunder or in connection herewith, unless caused by its or their gross negligence or willful misconduct. The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have, by reason of this Agreement or the other Loan Documents, a fiduciary relationship in respect of any Secured Party. Nothing in this Agreement or the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon the Administrative Agent any obligations in respect of this Agreement except as expressly set out herein. The Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to this Agreement or the other Loan Documents unless it is requested in writing to do so by the Lenders.

15.03 **Lack of Reliance on the Administrative Agent.**

(a) *Independent Investigation.* Each Lender acknowledges and agrees that the extensions of credit made hereunder are commercial loans and letters of credit and not investments in a business enterprise or securities. Each Lender further represents that it is engaged in making, acquiring or holding commercial loans in the ordinary course of its business. Independently, and without reliance upon the Administrative Agent, each Lender, to the extent it deems appropriate, has made and shall continue to make (a) its own independent investigation of the financial condition and affairs of the Restricted Parties in connection with the taking or not taking of any action in connection herewith, and (b) its own appraisal of the creditworthiness of the Restricted Parties, and, except as expressly provided in this Agreement and the other Loan Documents, the Administrative Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the consummation of the transactions and loans contemplated hereby or at any time or times thereafter.

(b) *Agents Not Responsible.* The Administrative Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, collectibility, priority or sufficiency of this Agreement or the other Loan Documents or the financial condition of the Restricted Parties or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or the other Loan Documents, or the financial condition of the Restricted Parties, or the existence or possible existence of any Default or Event of Default.

15.04 **Certain Rights of the Administrative Agent.**

If the Administrative Agent shall request instructions from the Lenders with respect to any act or action (including the failure to act) in connection with this Agreement or the other Loan Documents, the Administrative Agent shall be entitled to refrain from such act or taking such action unless and until the Administrative Agent shall have received written instructions from the Lenders, and the Administrative Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting under this Agreement and the other Loan Documents in accordance with the instructions of the Lenders.

15.05 **Reliance by Administrative Agent.**

The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, electronic mail, order or other documentary teletransmission, telephone message, Internet or intranet website posting or other distribution believed by it to be genuine and correct and to have been signed, sent or made by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Administrative Agent may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

15.06 **Indemnification of Administrative Agent.**

To the extent the Administrative Agent is not reimbursed and indemnified by the Borrower and the other Restricted Parties, each Lender shall reimburse and indemnify the Administrative Agent, in proportion to the aggregate percentage of such Lender's Commitment (determined by dividing such Lender's individual Commitment by the aggregate Commitments of all the Lenders hereunder), for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in performing its duties hereunder, in any way relating to or arising out of this Agreement or any other Loan Document; provided that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or willful misconduct.

15.07 **The China Construction Bank Toronto Branch in its Individual Capacity.**

If applicable, with respect to its obligations under the CCB Toronto Credit Agreement and the loans made by it thereunder, CCB Toronto may exercise its rights and powers thereunder as though it were not performing the duties, if any, specified herein. CCB Toronto may accept deposits from, lend money to, and generally engage in any kind of banking, trust, financial advisory or other business with the Borrower or any Affiliate of the Borrower as if it were not performing the duties, if any, specified herein, and may accept fees and other consideration from the Borrower for services in connection with the CCB Toronto Credit Agreement and otherwise without having to account for the same to the Lenders.

15.08 **May Treat Lender as Owner.**

The Borrower and the Administrative Agent may deem and treat each Lender as the owner of the Loans recorded in the books of account maintained by the Administrative Agent pursuant to Section 2.10(1) for all purposes hereof until a written notice of the assignment or transfer thereof shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of a Loan shall be conclusive and binding on any subsequent owner, transferee or assignee of such Loan.

15.09 **Successor Administrative Agent.**

(a) *Replacement of Administrative Agent.* The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Lenders shall have the right, upon five Business Days' notice to the Borrower, to appoint a successor Administrative Agent (who shall not be a non-resident of Canada within the meaning of the *Income Tax Act*), subject to the approval of the Borrower, such approval not to be unreasonably withheld. If no successor Administrative Agent shall have been so appointed by the Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation of the retiring Administrative Agent, then, upon five Business Days' notice to the Borrower, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent (subject to approval of the Borrower, such approval not to be unreasonably withheld), which shall be a financial institution organized under the laws of Canada.

(b) *Rights, Powers, etc.* Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Article 15 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

15.10 **No Independent Legal Action.**

Notwithstanding that any debt arising hereunder to a Lender shall be separate and independent debt, no Lender may take any independent legal action to enforce any obligation of a Restricted Party hereunder. Each Lender hereby acknowledges that, to the extent permitted by Applicable Law, the Security and the remedies provided thereunder to the Secured Parties are for the benefit of the Secured Parties collectively and acting together and not severally, and further acknowledges that each Secured Party's rights hereunder and under the Security Documents are to be exercised collectively, not severally, upon the decision of the Lenders by the Administrative Agent, in the case of this Agreement and the other Loan Documents (other than the Security), and the Collateral Agent pursuant to the Collateral Agent and Intercreditor Agreement, in the case of the Security. Accordingly, notwithstanding any of the provisions contained herein or in the Security or other Loan Documents, each of the Lenders hereby covenants and agrees that it and its Related Parties shall not be entitled to take any action hereunder or thereunder, including any declaration of default hereunder or thereunder, but that any such action shall be taken only by the Administrative Agent and the Collateral Agent (as applicable) with the prior written agreement of the Lenders (subject to the Collateral Agent and Intercreditor Agreement); in each case, provided that, notwithstanding the foregoing, in the absence of instructions from the Lenders and where in the sole opinion of the Administrative Agent and/or the Collateral Agent the exigencies of the situation so warrant such action, the Administrative Agent and/or the Collateral Agent, as the case may be, may without notice to or consent of the Lenders take such action on behalf of the Secured Parties as it deems appropriate or desirable in the interests of the Secured Parties, subject to the Collateral Agent and Intercreditor Agreement. Each Lender hereby further covenants and agrees that upon any such written consent being given by the Lenders, it and its Related Parties shall co-operate fully with the Administrative Agent and the Collateral Agent, as applicable, to the extent requested by the Administrative Agent and the Collateral Agent, as applicable, and each Lender further covenants and agrees that all proceeds from the realization of the Security, to the extent permitted by Applicable Law, are held for the benefit of all of the Secured Parties and shall be shared among them in accordance with this Agreement and the Collateral Agent and Intercreditor Agreement, and each Lender acknowledges that all costs of any such realization (including all amounts for which the Administrative Agent and/or the Collateral Agent are required to be indemnified under the provisions hereof and the Collateral Agent and Intercreditor Agreement) shall be shared among the Lenders in accordance with this Agreement. Each Lender covenants and agrees to do, and to cause its Related Parties to do, all acts and things and to make, execute and deliver all agreements and other instruments, so as to fully carry out the intent and purpose of this Section 15.10, and each Lender hereby covenants and agrees that it and its Related Parties shall not (i) seek, take, accept or receive any Encumbrance (other than a right of set-off) or guarantee for any of the Obligations other than those that are provided to the Administrative Agent and/or the Collateral Agent, as applicable, and which are subject to the Collateral Agent and Intercreditor Agreement, or (ii) enter into any other agreement with any of the Restricted Parties relating in any manner whatsoever to the Credit Facility unless all of the Lenders shall at the same time obtain the benefit of any such agreement.

15.11 **Legal Status of China Construction Bank Branches.**

The parties acknowledge that China Construction Bank Corporation, Qingdao Branch ("CCBQ"), on the one hand, and the Collateral Agent and the Administrative Agent, on

the other hand, are different branches of the same bank, and that all rights and obligations hereunder of each of them will be enjoyed and performed by those branches as though they were separate legal entities. To the extent that CCBQ, on the one hand, and the Collateral Agent and the Administrative Agent, on the other hand, have any rights or obligations hereunder or otherwise in respect of the subject matter of this Agreement purporting to be between them, each of CCBQ, the Collateral Agent and the Administrative Agent will take all internal steps necessary to ensure that they are acted upon as though they were legally enforceable against one another. Any disputes between CCBQ, on the one hand, and the Collateral Agent and the Administrative Agent, on the other hand, in connection with the subject matter of this Agreement shall be resolved by the most senior officer of each branch reaching agreement as to the resolution.

[Signature pages follow]

IN WITNESS WHEREOF the parties have executed this Agreement.

BORROWER:

Address: Eau Claire Tower **LONG RUN EXPLORATION LTD.**
600, 600 3rd
Avenue SW
Calgary, Alberta
T2P 0G5

Attention: Chief Executive
Officer

Facsimile No.: (403) 262-5561

By: 

Name: Jason Ge
Title: Chief Executive Officer

By: _____

Name:
Title:

GUARANTORS:

Address: Eau Claire Tower **CALGARY SINOENERGY INVESTMENT**
600, 600 3rd **CORP.**
Avenue SW
Calgary, Alberta
T2P 0G5

Attention: Chief Executive
Officer

Facsimile No.: (403) 262-5561

By: 

Name: Yajie (Lily) Hu
Title: Director

By: _____

Name:
Title:

ADMINISTRATIVE AGENT:

Address: 3650 – 181 Bay
Street
Toronto, ON
M5J 2T3

**CHINA CONSTRUCTION BANK
TORONTO BRANCH, as
Administrative Agent**

Attention: Ziqing Zou (Eddie)
Senior Vice
President,
Corporate Banking

Facsimile No.: (647) 777-7739

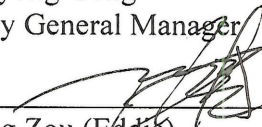
By:



Name: Chaoyong Gong

Title: Deputy General Manager

By:



Name: Ziqing Zou (Eddie)

Title: Senior Vice President - Corporate Banking

COLLATERAL AGENT:

Address: 3650 – 181 Bay
Street
Toronto, ON
M5J 2T3

**CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Collateral
Agent**

Attention: Ziqing Zou (Eddie)
Senior Vice
President,
Corporate Banking

Facsimile No.: (647) 777-7739

By: 

Name: Chaoyong Gong

Title: Deputy General Manager

By: 

Name: Ziqing Zou (Eddie)

Title: Senior Vice President - Corporate Banking

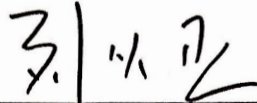
LENDER:

Address: No. 222 Shenzhen
Road, Qingdao,
China 266061
Attention: Cong Huang
Deputy Branch
Manager (Sifang
Sub Branch)

**CHINA CONSTRUCTION BANK
CORPORATION, QINGDAO
BRANCH, as Lender**

Facsimile No.: 86-0532-83950386

By:



Name: Congzheng Liu
Title: Deputy Chief Manager

By:


Name:
Title:

Acknowledged as of the date first written above.

Address: 26 Chongqing
Road South
Shibei District,
Qingdao, China
Attention: Cong Huang
Deputy Branch
Manager (Sifang
Sub Branch)

**CCB QINGDAO SIFANG SUB-
BRANCH**

Facsimile No.: 86-0532-83950386 By: _____


Name: Zhegxin Shan
Title: Branch Manager

By: _____

Name:
Title:

Schedule A
Commitments

Commitments

Lender	Credit Facility	Total Commitment
China Construction Bank Corporation, Qingdao Branch	Cdn. \$242,950,808.57	Cdn. \$\$242,950,808.57

Schedule B

Deeply Subordinated Loans and Convertible Debentures

Deeply Subordinated Loans

\$466,148,563 owing to Calgary Sinoenergy Investment Corp. as at June 30, 2020 (including \$23,634,752 owing as interest on the Convertible Debenture described below) pursuant to the loan facility agreement between Long Run Exploration Ltd., as borrower, and Calgary Sinoenergy Investment Corp., as lender, dated June 29, 2016, as amended pursuant to a first amending agreement to the Long Run Exploration loan facility agreement made effective as of August 29, 2016, a second amending agreement made effective as of January 31, 2017 and a third amending agreement made effective as of the date hereof. Additional interest amounts have accrued since.

Convertible Debentures

\$71,495,615 owing to Calgary Sinoenergy Investment Corp. as at June 30, 2020 pursuant to the convertible debenture indenture between Long Run Exploration Ltd. and AST Trust Company (Canada), dated as of January 28, 2014 as amended by a first supplemental indenture and supplemental debenture made effective as of January 30, 2019, and as evidenced by Certificate No. 003 with CUSIP 54287VAA0.

Schedule C

Form of Subordination Agreement

See attached.

AMENDED AND RESTATED SUBORDINATION AND POSTPONEMENT AGREEMENT

THIS AMENDED AND RESTATED SUBORDINATION AND POSTPONEMENT AGREEMENT is made as of the 27 day of October, 2020 among China Construction Bank Toronto Branch in its capacity described in Section 31 (in such capacity, the "**Collateral Agent**"), Long Run Exploration Ltd. (the "**Debtor**") and Calgary Sinoenergy Investment Corp. (the "**Subordinated Lender**");

AND WHEREAS (1) certain of the Beneficiaries have agreed to make loans or advances and otherwise extend credit to one or more of the Restricted Parties pursuant to the terms of the Senior Debt Documents to which they are a party and may hereafter extend credit to one or more of the Restricted Parties pursuant to the Senior Debt Documents; (2) the Restricted Parties may become liable to certain of the Beneficiaries for certain reimbursement and indemnity obligations pursuant to the terms of the Senior Debt Documents to which they are a party; and (3) the Restricted Parties may otherwise hereafter become further indebted to the Beneficiaries;

AND WHEREAS in connection with the Senior Debt Documents, the Restricted Parties have granted, and in the future may grant, the Senior Security in favour of the Beneficiaries;

AND WHEREAS it is a requirement of certain Senior Debt Documents that the Subordinated Lender, *inter alia*, unconditionally and irrevocably (a) subordinate and postpone the Subordinated Debt to the indefeasible payment in full by the Restricted Parties of the Senior Debt and (b) subordinate the Subordinated Security to the Senior Security;

NOW THEREFORE in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which is hereby irrevocably acknowledged by each of the parties hereto, the parties make the following covenants, acknowledgments and agreements:

1. Defined Terms.

Unless otherwise defined herein or the context otherwise requires, capitalized terms used herein which are not otherwise defined herein shall have the meanings provided in the Collateral Agent and Intercreditor Agreement. References in this Agreement to any agreement shall be deemed to be a reference to such agreement as amended, supplemented, substituted or replaced from time to time. In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) "**Agreement**" means this Amended and Restated Subordination and Postponement Agreement (as the same may be further amended, modified, supplemented, restated or replaced in writing from time to time) and all the schedules and other documents delivered according to a requirement of this Agreement; this Agreement is sometimes also referred to by the terms "hereof", "hereunder", "herein" or similar terms.
- (b) "**Bankruptcy Law**" means, collectively: (a) the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time and any successor act or statute, (b) the *Companies' Creditors Arrangement Act* (Canada), as amended from time to time and any successor act or statute, (c) the *Winding-up and Restructuring Act* (Canada), as amended from time to time and any successor act or statute, and (d) any similar laws or any corporate law in any jurisdiction including, without limitation, any laws relating

to assignments for the benefit of creditors, a stay of proceedings, formal or informal moratorium, compositions, extensions generally with creditors, or proceedings seeking reorganization, restructuring, recapitalization, arrangement or other similar relief, any law permitting the appointment of a receiver, interim receiver, receiver manager or other person having similar powers and any law of any jurisdiction permitting a debtor to obtain a stay or a compromise of the claims of its creditors.

- (c) **"Beneficiaries"** means, collectively, the Collateral Agent and the other Secured Parties (under and as defined in the Collateral Agent and Intercreditor Agreement) and **"Beneficiary"** means any of the Secured Parties (under and as defined in the Collateral Agent and Intercreditor Agreement).
- (d) **"Collateral"** means, in respect of any Person, all of its undertaking, property and assets (whether real or personal, tangible or intangible, and wherever located) now owned or hereafter acquired by such Person and includes, for certainty, with respect to a Restricted Party, all "Collateral", under and as defined in the Collateral Agent and Intercreditor Agreement, of such Restricted Party. Unless stated otherwise or unless the context otherwise requires, all references herein to "Collateral" shall be deemed to be to the Collateral of the Restricted Parties.
- (e) **"Collateral Agent"** has the meaning ascribed to such term in the preamble of this Agreement, and its respective successors and assigns.
- (f) **"Collateral Agent and Intercreditor Agreement"** means the collateral agent and intercreditor agreement made as of the date hereof among the Debtor, as borrower, the Subordinated Lender, as guarantor, the Collateral Agent, as collateral agent, and certain other Beneficiaries, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.
- (g) **"Convertible Debentures"** means, collectively, any debentures issued by the Debtor to the Subordinated Lender under, pursuant to or in connection with the convertible debenture indenture between Long Run Exploration Ltd. and AST Trust Company (Canada) (as successor in interest to CST Trust Company), dated as of January 28, 2014 as amended by a first supplemental indenture and supplemental debenture made effective as of January 30, 2019, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.
- (h) **"Insolvency Proceeding"** means, as to any Person, any proceeding commenced by or against it under any provision of any Bankruptcy Law.
- (i) **"Restricted Parties"** means, collectively, the Debtor and the other "Obligors", under and as defined in the Collateral Agent and Intercreditor Agreement, other than the Subordinated Lender.
- (j) **"Senior Debt"** means the "Secured Obligations" (under and as defined in the Collateral Agent and Intercreditor Agreement).
- (k) **"Senior Debt Documents"** means the "Secured Debt Documents" under and as defined in the Collateral Agent and Intercreditor Agreement, including, for certainty, the Senior Security.

- (l) **"Senior Debt Repayment Date"** means the date on which (i) the Senior Debt has been indefeasibly paid in full, performed in full and finally satisfied and (ii) the Senior Debt Documents have been terminated and cancelled.
- (m) **"Senior Security"** means all liens, charges, pledges, security interests and other security agreements (including, for certainty, any Security Documents (under and as defined in the Collateral Agent and Intercreditor Agreement) to which a Restricted Party is a party) of any nature or kind, now held or hereafter granted to the Beneficiaries (or held by the Collateral Agent on behalf of the Beneficiaries) that secures the payment, performance or discharge of the Senior Debt.
- (n) **"Subordinated Debt"** means all indebtedness, liabilities and obligations, of any nature or kind, present or future, direct or indirect, whether revolving or term, matured or unmatured, absolute or contingent, and whether secured or unsecured, whether as primary debtor, surety or guarantor, matured or not and at any time owing by the Debtor or any other Restricted Party to the Subordinated Lender, including, for certainty, all indebtedness, liabilities and obligations arising under any Subordinated Loan Agreements (including all interest, fees and other costs arising under or in respect of any Subordinated Loan Agreements).
- (o) **"Subordinated Lender"** has the meaning ascribed to such term in the preamble of this Agreement, and its respective successors and assigns.
- (p) **"Subordinated Lender Rights"** means, collectively, all of the rights, remedies, interests and powers of the Subordinated Lender (a) under, pursuant or relating to the Subordinated Security or any other Subordinated Loan Agreements, (b) in any Insolvency Proceedings or (c) otherwise available to the Subordinated Lender pursuant to applicable laws to enforce payment and performance of the Subordinated Debt.
- (q) **"Subordinated Loan Agreements"** means, collectively, the Subordinated Loan Facility Agreement, the Convertible Debentures and all related guarantees and other agreements, instruments and other documents governing, securing or relating to any Subordinated Debt, including, for certainty, any Subordinated Security.
- (r) **"Subordinated Loan Facility Agreement"** means the loan facility agreement between Long Run Exploration Ltd., as borrower, and Calgary Sinoenergy Investment Corp., as lender, dated June 29, 2016, as amended pursuant to a first amending agreement to the Long Run Exploration loan facility agreement made effective as of August 29, 2016, a second amending agreement made effective as of January 31, 2017 and a third amending agreement made effective on or about the date hereof, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.
- (s) **"Subordinated Security"** means all liens, charges, pledges, security interests and other security agreements of any nature or kind, now or hereafter granted to the Subordinated Lender that secures the payment, performance or discharge of the Subordinated Debt.

2. **Headings.**

The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The

terms "hereof", "hereunder", and similar expressions refer to this Agreement and not to any particular Section or other portion hereof. Unless something in the subject matter of context is inconsistent therewith, references herein to Sections are to Sections of this Agreement.

3. **Extended Meanings.**

In this Agreement, words importing the singular number only include the plural and vice versa and words importing a gender includes both genders. The term "including" means "including without limiting the generality of the foregoing".

4. **Statutory References.**

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute and now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation thereunder.

5. **References to Agreements.**

Each reference in this Agreement to any agreement (including this Agreement and any other defined term that is an agreement) shall be construed so as to include such agreement (including any attached schedules) and each amendment, supplement, amendment and restatement, novation and other modification made to it from time to time.

6. **Subordination and Postponement.**

- (a) The Subordinated Lender hereby covenants and agrees that all Subordinated Debt (and payment and performance thereof) is hereby unconditionally and irrevocably deferred, postponed and, together with the Subordinated Security, subordinated in all respects (in favour of the Beneficiaries) to the prior indefeasible repayment, performance in full and final satisfaction of all the Senior Debt. Each party hereto acknowledges, consents and agrees to the foregoing.
- (b) Without limiting the generality of the foregoing, the deferment, postponement and subordination of the provisions contained herein will be effective notwithstanding:
 - (i) the dates of any advances (or the creation of any other indebtedness, obligations or liabilities) secured by the Senior Security;
 - (ii) the time or sequence of giving any notice or the making of any demand in respect of the Subordinated Debt, the Senior Debt, the Senior Security, the Subordinated Security or any other Senior Debt Documents or Subordinated Loan Agreements or the attachment, registration, perfection or crystallization of the security constituted by the Senior Security or the Subordinated Security;
 - (iii) that any of the Senior Security shall be defective, unperfected or unenforceable for any reason whatsoever;
 - (iv) the method of perfection of the Senior Security;
 - (v) the provisions of the Senior Security or the Subordinated Security;
 - (vi) any invalidity or unenforceability of, or any limitation on, the liability of the Debtor or any other Restricted Party;

- (vii) any defense, compensation, set off or counterclaim which the Debtor or any other Restricted Party may have or assert;
- (viii) any Insolvency Proceeding of any person or entity;
- (ix) the taking of any collection, enforcement or realization proceedings pursuant to the Senior Security, the Senior Debt, the Subordinated Security or the Subordinated Debt;
- (x) the date of obtaining any judgment or the order of any bankruptcy court or any court administering an Insolvency Proceeding as to the entitlement of the Collateral Agent (or any other Beneficiary) or the Subordinated Lender to any money or property of any Restricted Party;
- (xi) the giving or failing to give any notice, or the sequence of giving any notice to the Subordinated Lender including the giving or failing to give notice of the acquisition of any additional Senior Security;
- (xii) the failure to exercise any power or remedy reserved to the Collateral Agent (or any other Beneficiary) under the Collateral Agent and Intercreditor Agreement, under any Senior Security or any other Senior Debt Documents, or to insist upon a strict compliance with any of the terms thereof;
- (xiii) the date or dates of any default by the Debtor or any other Restricted Party in respect of the Senior Debt or any default under the Senior Security;
- (xiv) the rules of priority established under applicable law;
- (xv) any waiver, consent, extension, indulgence or other action, inaction or omission by or on behalf of any Beneficiary under or in respect of this Agreement, the Collateral Agent and Intercreditor Agreement, the other Senior Debt Documents, the Senior Debt or the Senior Security;
- (xvi) the lack of authority or revocation thereof by any other party;
- (xvii) any defence based upon an election of remedies by or on behalf of any Beneficiary which destroys or otherwise impairs the subrogation rights of the Subordinated Lender to proceed against any Restricted Party for reimbursement;
- (xviii) any merger, consolidation or amalgamation of the Subordinated Lender, or any Restricted Party into or with any other person or entity; or
- (xix) any other fact, matter or defect whatsoever that, except for this Agreement, would impact on the respective priorities of the Senior Security or the Subordinated Security, or the order and timing of payment of the Senior Debt or the Subordinated Debt.

7. **No Repayment of Subordinated Debt.**

Until the Senior Debt Repayment Date, no direct or indirect (including by way of set-off) distribution, payment (including, but not limited to, principal, interest, fees and costs), prepayment or repayment on account of, consideration for the reduction of, or other distribution in respect of,

the Subordinated Debt shall be made or granted by, or on behalf of, the Debtor or any other Restricted Party or received by, or on behalf of, the Subordinated Lender, unless otherwise expressly permitted pursuant to the terms of the Senior Debt Documents.

8. **Restriction on Enforcement.**

So long as any Senior Debt is outstanding and until the Senior Debt Repayment Date, the Subordinated Lender shall not:

- (a) enforce or exercise, or seek to enforce or exercise, any remedies under any Subordinated Security or any other Subordinated Loan Agreements or take any proceedings in connection therewith;
- (b) institute or commence, or join with any other person in instituting or commencing, any Insolvency Proceedings or take any steps or proceedings in connection therewith; or
- (c) institute or commence any action or proceeding to enforce, collect or receive payment of any Subordinated Debt or exercise any Subordinated Lender Rights to enforce payment of any Subordinated Debt, including any action of enforcement, realization, foreclosure, collection, seizure, garnishment or execution (in any case in respect of the Collateral and, for certainty, whether as a secured or unsecured creditor).

9. **Subordinated Security.**

- (a) The Subordinated Lender hereby:
 - (i) acknowledges and agrees that (A) the Subordinated Security shall rank subordinate to and is hereby postponed to the Senior Security and (B) the Senior Security has priority over the Subordinated Security, in each case, in all respects, including, without limitation, as they relate to the rights and interests created in the Collateral thereby;
 - (ii) postpones and subordinates the mortgages, charges, liens, assignments and security interests created in the Collateral by the Subordinated Security to the mortgages, charges, liens, assignments and security interests in such Collateral created by the Senior Security; and
 - (iii) agrees to ratify and confirm the subordination and postponement set out above from time to time in favour of the Collateral Agent (for the benefit of the Beneficiaries) as required by the Collateral Agent (in its sole discretion), following the written request of the Collateral Agent therefor.
- (b) The Subordinated Lender agrees and covenants that it will (i) not seek or obtain from the Debtor or any Restricted Party any lien, charge, or security interest for the payment of or performance of any obligations owing to the Subordinated Lender, including in respect of the Subordinated Debt, other than the Subordinated Security and (ii) without limiting Sections 6(b) and 9(a) above, provide the Collateral Agent with not less than 60 days' prior written notice of its intention to effect (A) any registrations made at any personal property registry in respect of the Subordinated Security in any jurisdiction or (B) any specific registrations of the Subordinated Security against any petroleum or natural gas leases or other individual parcels or leases of real property or interests

in land, together with true and complete copies of the Subordinated Security to be registered by it, including complete copies of the land schedules with all information required for such registrations. For certainty, any fixed charge security registered in favour of the Subordinated Lender shall be subject to the security subordinations provided herein. As of the date hereof, the only registrations made by the Subordinated Lender of the type contemplated in subparagraph (A) above are registrations 16062938126 and 16062938173 against the Debtor at the Personal Property Registry of Alberta and no registrations of the type contemplated in subparagraph (B) above have been made by the Subordinated Lender against the Debtor or any other Restricted Party.

- (c) The Subordinated Lender agrees that any and all payments, distributions and proceeds of Collateral or distributions paid to creditors in the course of any Insolvency Proceeding, insurance proceeds, expropriation proceeds and any other proceeds of realization from or relating to the enforcement of any Senior Security or Subordinated Security against any and all Collateral, as applicable, shall be paid to the Collateral Agent (on behalf of the Beneficiaries) until the Senior Debt Repayment Date.
- (d) Each Restricted Party hereby acknowledges and agrees: (i) that it has taken notice of the foregoing subordination and postponement of claim by the Subordinated Lender and expressly consents thereto; (ii) that it will not deliver to the Subordinated Lender any lien, charge or security interest for the payment, performance or discharge of its obligations owing to the Subordinated Lender, including in respect of the Subordinated Debt, other than the Subordinated Security; and (iii) that it will not make or grant any direct or indirect (including by way of set-off) distribution, payment (including, but not limited to, principal, interest, fees and costs), prepayment or repayment on account of, consideration for the reduction of, or other distribution in respect of, the Subordinated Debt to the Subordinated Lender until the Senior Debt Repayment Date.

10. **No Objection.**

The Subordinated Lender will not take, or cause or permit any other Person to take on its behalf, or support any other person to, take any steps whatsoever whereby (i) the existence, priority or validity of any of the Senior Security or Senior Debt or (ii) the rights of the Collateral Agent (on behalf of the Beneficiaries) hereunder, under the Collateral Agent and Intercreditor Agreement, the Senior Security or any other Senior Debt Documents will be contested, delayed, defeated, impaired or diminished. Without limiting the generality of the foregoing, the Subordinated Lender will not, and will not support any other person to, challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by the Collateral Agent (on behalf of the Beneficiaries), in accordance with the terms of the Collateral Agent and Intercreditor Agreement or any other Senior Debt Document, in connection with the enforcement by the Collateral Agent (on behalf of the Beneficiaries) of the Senior Security and Senior Debt.

11. **Application of Proceeds.**

The Subordinated Lender, the Debtor and each other Restricted Party acknowledge that (a) all and every part of the Senior Security is held by the Collateral Agent, for and on behalf of the Beneficiaries, as security for all and every part of the Senior Debt and (b) the Collateral Agent may apply, as a permanent reduction of the Senior Debt, any moneys received by it in accordance with the provisions of the Collateral Agent and Intercreditor Agreement, whether from the enforcement

of and realization upon any or all of the Senior Security or otherwise, to any part of the Senior Debt in a manner consistent with the Collateral Agent and Intercreditor Agreement.

12. **Liquidation, Dissolution, Bankruptcy, etc.**

- (a) In the event of distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the Collateral or other assets of any Restricted Party, or the proceeds thereof, to creditors in connection with an Insolvency Proceeding, the Beneficiaries will be entitled to receive payment in full (including interest accruing to the date of receipt of such payment at the applicable rate whether or not allowed as a claim in any such proceeding) of the Senior Debt before the Subordinated Lender is entitled to receive any Collateral or any direct or indirect payment or distribution of any cash or other assets of any Restricted Party on account of the Subordinated Debt. In connection with such Insolvency Proceeding, the Beneficiaries will be entitled to receive directly, for application in accordance with the provisions of the Collateral Agent and Intercreditor Agreement, in payment of any outstanding Senior Debt, any Collateral, payment or distribution of any kind or character, whether in cash or other assets, which would otherwise be payable or deliverable upon or with respect to the Subordinated Debt. To the extent any payment of Senior Debt (whether by or on behalf of the Debtor, any other Restricted Party or the Subordinated Lender, as receipt of Collateral, proceeds of security or enforcement of any right of set-off or otherwise) is determined to be a fraudulent preference or otherwise preferential, set aside or required to be paid to a trustee, receiver or other similar person under any Bankruptcy Law, then if such payment is recoverable by, or paid over to, such trustee, receiver or other person, the Senior Debt or part thereof originally intended to be satisfied will be deemed to be reinstated and outstanding as if such payment had not occurred.
- (b) In order to enable the Collateral Agent, for and on behalf of the Beneficiaries, to enforce its rights hereunder in any of the actions or proceedings described in this Section 12 (but only to the extent necessary to so enable the Collateral Agent), upon the failure of the Subordinated Lender to make and present on a timely basis a proof of claim against any Restricted Party on account of the Subordinated Debt or other motion or pleading as may be expedient or proper to establish the Subordinated Lender's entitlement to payment of any Subordinated Debt, the Collateral Agent (for and on behalf of the Beneficiaries) is irrevocably authorized and empowered, in its discretion and at the Debtor's expense, to make and present for and on behalf of the Subordinated Lender such proofs of claims or other motions or pleadings and to demand, receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and any such property received shall be paid over to the Collateral Agent (for and on behalf of the Beneficiaries) as required by the Collateral Agent and Intercreditor Agreement. The Collateral Agent shall apply the same on account of the Senior Debt in accordance with the terms of the Collateral Agent and Intercreditor Agreement and any other Senior Debt Documents. Each Restricted Party and the Subordinated Lender hereby covenants and agrees to exercise any voting right or other privilege that it may have from time to time in any of the actions or proceedings described in this Section 12 in favour of any plan, proposal, compromise, arrangement or similar transaction so as to give effect to (i) the right of the Collateral Agent (for and on behalf of the Beneficiaries) to receive payments and distributions otherwise payable or deliverable upon or with respect to the Subordinated Debt so long as any Senior Debt remains outstanding; or (ii) the obligation of the

Subordinated Lender to receive, hold in trust, and pay over to the Collateral Agent (for and on behalf of the Beneficiaries) certain payments and distributions as contemplated by Section 13, during the term of this Agreement.

- (c) In the event of any Insolvency Proceeding relating to the Debtor or any other Restricted Party, all rights of the Subordinated Lender to exercise the voting and other consensual rights pertaining to the Subordinated Debt will, at the option of the Collateral Agent, become vested in the Collateral Agent (for and on behalf of the Beneficiaries) and the Collateral Agent will thereupon have the right, but not the obligation, to exercise such voting and other consensual rights. For such purpose, the Subordinated Lender hereby irrevocably appoints the Collateral Agent or any authorized officer or employee of the Collateral Agent as its attorney in fact, with full power and authority in the place and stead of the Subordinated Lender and in the name of the Subordinated Lender or otherwise, from time to time in the Collateral Agent's absolute discretion and to the fullest extent permitted by law, to take any action and to execute any instruments which the Collateral Agent may deem reasonably necessary or advisable to accomplish the purposes of this Agreement, and the Subordinated Lender hereby notifies all such actions that such attorney will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest (including, for certainty, an assignment of the Subordinated Lender's interest in any payments or distributions in respect of the Subordinated Debt in the event of any Insolvency Proceeding relating to the Debtor or any other Restricted Party) and will be irrevocable.
- (d) If any of the provisions of this Section 12 are stayed or otherwise rendered ineffective during the currency of any Insolvency Proceeding, such provision shall be deemed to be fully reinstated without any action by or on behalf of the Collateral Agent (or any other Beneficiary) upon such stay being lifted or such provision otherwise becoming effective, with each such affected provision having retroactive effect to the date that it was rendered ineffective.

13. **Payments Received by the Subordinated Lender.**

If, prior to the Senior Debt Repayment Date (including as a result of Senior Debt being deemed to be reinstated as set out in Section 12(a)), the Subordinated Lender or any Person on its behalf receives any Collateral or any payment from or distribution of assets of any Restricted Party or on account of the Subordinated Debt (including, upon payment or distribution to creditors in connection with any Insolvency Proceedings, in contravention or as a result of the contravention of the provisions hereof, or in a manner which is inconsistent with the provisions hereof (including, without limitation, as prohibited pursuant to Section 7)), then the Subordinated Lender will, and will cause such other Person to, receive and hold such Collateral, payment or distribution in trust for the benefit of the Collateral Agent and promptly pay the same over or deliver to the Collateral Agent (for and on behalf of the Beneficiaries) in precisely the form received by the Subordinated Lender or such other Person on its behalf (except for any necessary endorsement or assignment). If any of the Subordinated Debt is, in the circumstances dealt with above, discharged by way of set-off or consolidation of accounts, the Subordinated Lender shall immediately hold an amount equal to the amount so discharged in trust for application as herein set forth. The Collateral Agent shall apply such Collateral, payment or distribution (as contemplated in this Section) to the repayment of the Senior Debt in accordance with the terms of the Collateral Agent and Intercreditor Agreement.

14. **Beneficiaries Rights.**

The Subordinated Lender agrees that at all times prior to the Senior Debt Repayment Date, the Collateral Agent (for and on behalf of the Beneficiaries) will be entitled to deal with the Senior Security in accordance with the terms of the Collateral Agent and Intercreditor Agreement and the terms of each other Senior Debt Document and nothing herein will (i) prevent, restrict or limit the Collateral Agent in any manner from exercising all or any part of its rights and remedies otherwise permitted by the Collateral Agent and Intercreditor Agreement, any other Senior Debt Documents and by applicable law, (ii) prejudice or impair any right of the Collateral Agent (for and on behalf of the Beneficiaries) to enforce the subordination as provided in this Agreement, or (iii) affect or impair the obligations of the Subordinated Lender as provided in this Agreement (and the Subordinated Lender will not so prevent, restrict, limit, prejudice or impair such actions or rights), and without limiting the generality of the foregoing, the Subordinated Lender agrees that:

- (a) the Collateral Agent (for and on behalf of the Beneficiaries) in its absolute discretion and without diminishing the obligations of the Subordinated Lender hereunder, may grant time or other indulgences to the Debtor or any other Restricted Party and any other Person or Persons now or hereafter liable to the Beneficiaries in respect of the payment of the Senior Debt, and the Collateral Agent (for and on behalf of the Beneficiaries) may give up, modify, vary, exchange, renew or abstain from enforcing the Senior Security in whole or in part and may discharge any part or parts of or accept any composition or arrangements or realize upon the Senior Security when and in such manner as the Collateral Agent may think expedient, and in no such case will the Collateral Agent (or any other Beneficiary) be responsible for any act or omission with respect to the Senior Security or any part thereof;
- (b) the Subordinated Lender will not be released or exonerated from its obligations hereunder by extension of time periods or any other forbearance whatsoever, whether as to time, performance or otherwise or by any release, discharge, loss or alteration in or dealing with all or any part of the Senior Debt and the Senior Security or any part thereof or by any failure or delay in giving any notice required under this Agreement, the Collateral Agent and Intercreditor Agreement, the Senior Security, the other Senior Debt Documents, the Senior Debt, or any part thereof, the waiver by the Collateral Agent (for and on behalf of the Beneficiaries) of compliance with any conditions precedent to any advance of funds, or by any modification or alteration of the Collateral Agent and Intercreditor Agreement, the Senior Security, the other Senior Debt Documents, the Senior Debt or any part thereof, or by anything done, suffered or permitted by the Collateral Agent (for and on behalf of the Beneficiaries), or as a result of the method or terms of payment under the Senior Debt or the Senior Security or any part thereof or any assignment or other transfer of all or any part of the Collateral Agent and Intercreditor Agreement, the Senior Security, the other Senior Debt Documents, the Senior Debt or any part thereof;
- (c) no Beneficiary will be bound to seek or exhaust any recourse against any Restricted Party or any other Person or against the property or assets of any Restricted Party or any other Person or against any security, guarantee or indemnity before being entitled to the benefit of the Subordinated Lender's obligations hereunder and the Collateral Agent (for and on behalf of the Beneficiaries) may enforce the various remedies available to it and the other Beneficiaries and may realize upon the various security documents, guarantees and indemnities or any part thereof, held by the Beneficiaries

in such order as the Collateral Agent may determine appropriate but in a manner consistent with the terms of the Collateral Agent and Intercreditor Agreement;

- (d) the Subordinated Lender is fully responsible for acquiring and updating information relating to the financial condition of the Debtor and the other Restricted Parties and all circumstances relating to the payment or non-payment of the Subordinated Debt, and no Beneficiary shall any obligations to the Subordinated Lender in that regard;
- (e) no Beneficiary will be required to marshal in favour of the Subordinated Lender or any other Person the Senior Security or any other securities or any moneys or other assets which the Beneficiaries may be entitled to receive or upon which any Beneficiary may have a claim;
- (f) the Beneficiaries will be entitled to advance their own money as they see fit in order to preserve or protect the assets of any Restricted Party (or any other Person) or any part thereof or protect the Senior Debt or the Senior Security or maximize the recovery thereof, and all such sums advanced to the extent reasonably advanced for such purposes, will constitute part of the Senior Debt and will be secured by the Senior Security;
- (g) the Beneficiaries are entitled to amend, supplement, modify, restate or replace the Collateral Agent and Intercreditor Agreement, any of the Senior Security or any other Senior Debt Documents at any time and from time to time without the consent of, or notice to, the Subordinated Lender;
- (h) subject to the Collateral Agent and Intercreditor Agreement, the Collateral Agent (for and on behalf of the Beneficiaries) is entitled to, from time to time, sell, exchange, release, surrender, realize upon, enforce or otherwise deal with in any manner the Collateral or any other assets pledged or mortgaged for or otherwise securing the Senior Debt or any liability of any Restricted Party (or any other Person) or any liability incurred directly or indirectly in respect thereof;
- (i) the Collateral Agent (for and on behalf of the Beneficiaries) is entitled to exercise or delay in or refrain from exercising any right or remedy against any Restricted Party and the Subordinated Lender and is entitled to elect any remedy and otherwise deal freely with the Restricted Parties or the Subordinated Lender as it sees fit;
- (j) no Beneficiary is required to take or record or otherwise perfect or preserve the perfection of any Senior Security, liens or security interests securing the Senior Debt, or to exercise any right or remedy against any Restricted Party or any other Person;
- (k) the Collateral Agent is entitled to change, whether by addition, substitution, renewal, succession, assignment, grant of participation, transfer or otherwise, the Collateral Agent, subject to the terms of the Collateral Agent and Intercreditor Agreement; and
- (l) the Subordinated Lender will upon the written request of the Collateral Agent provide the Collateral Agent (for and on behalf of the Beneficiaries) with such details of the Subordinated Debt outstanding as the Collateral Agent may reasonably request.

15. **DIP Financing.**

In the event of an Insolvency Proceeding regarding a Restricted Party, whether voluntary or involuntary, the Subordinated Lender shall not propose, agree to provide or support any debtor in possession financing (a "**DIP Financing**") which is secured by a charge, lien, mortgage or other security interest that ranks in priority to or *pari passu* with the Senior Security. If any Restricted Party obtains DIP Financing from the Beneficiaries (or any of them), then the Subordinated Lender agrees it will: (a) subordinate the Subordinated Security to: (i) the charges, liens, mortgages and security interests securing any such DIP Financing, and (ii) any administrative or other court-ordered charges, and (b) not contest or raise any objection to such DIP Financing.

16. **Representations and Warranties.**

The Subordinated Lender hereby represents and warrants to the Collateral Agent and the other Beneficiaries, and acknowledges and agrees that the Collateral Agent and the other Beneficiaries are relying on such representations and warranties in connection with the entering into of this Agreement, that:

- (a) it is validly subsisting under the laws of its jurisdiction of formation and has all necessary power and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) it has not assigned or transferred the Subordinated Debt or any Subordinated Security and it has not pledged, hypothecated or granted a security interest in, or in respect of, the Subordinated Debt or Subordinated Security as at or prior to the date hereof other than in favour of the Collateral Agent and the other Beneficiaries pursuant to the Senior Debt Documents;
- (c) it has provided the Collateral Agent (for and on behalf of the Beneficiaries) with a true and complete copy of the Subordinated Loan Agreements and the agreement(s) constituting the Subordinated Security;
- (d) the execution, delivery, observance and performance on its part of this Agreement has been duly authorized by all necessary action and it has duly executed and delivered this agreement; and
- (e) this Agreement constitutes a valid and legally binding obligation, enforceable against it in accordance with its terms, subject however, to limitations with respect to enforcement imposed by Bankruptcy Law and subject to general equitable principles.

All of the representations and warranties set forth in this Section 16 shall survive the execution and delivery of this Agreement.

17. **Waivers of the Subordinated Lender.**

The Subordinated Lender agrees that: (i) no Beneficiary has made any representations or warranties in respect to the due execution, legality, completeness or enforceability of any agreement or instrument relating to the Collateral Agent and Intercreditor Agreement, the Senior Security, any other Senior Debt Document or the Senior Debt or the collectability of the Senior Debt, and (ii) subject to the terms of the Collateral Agent and Intercreditor Agreement, the Beneficiaries will be entitled to manage and supervise their loans and other financial accommodation to any Restricted Party or any other Person in accordance with applicable law and their usual practices, modified from time to time as they deem appropriate under the circumstances, or otherwise, without regard to the existence of any rights that the Subordinated Lender may now or hereafter have in or to any

of the assets of any Restricted Party; and (iii) no Beneficiary will have any liability to any Restricted Party or the Subordinated Lender for, and, to the extent permitted by applicable law, the Subordinated Lender hereby waives, any claims which the Subordinated Lender may now or hereafter have against the Beneficiaries out of, any and all actions which the any Beneficiary takes or omits to take (including, without limitation, actions taken by the Collateral Agent on behalf of the Beneficiaries and actions taken with respect to the creation, perfection or continuation of liens or security interest in any assets at any time securing payment of the Senior Debt, actions with respect to the occurrence of any default under any agreement or instrument relating to the Senior Debt, actions with respect to the release or depreciation of, or failure to realize upon, any assets securing payment of the Senior Debt and actions with respect to the collection of any claims or all or any part of the Senior Debt from any account debtor, Subordinated Lender or any other Person) with respect to the Senior Debt and any agreement or instrument related thereto or with respect to the collection of the Senior Debt or the valuation, use, protection or release of any assets securing payment of the Senior Debt except in accordance with the terms of the Collateral Agent and Intercreditor Agreement.

18. **No Rights to Restricted Parties.**

Nothing in this Agreement will create any rights in favour of, or obligations to any Restricted Party, and each Restricted Party acknowledges and agrees to the provisions of and ordering of priorities established by this Agreement and the terms hereof are for the sole benefit of the Beneficiaries and the Subordinated Lender.

19. **No Amendments to Subordinated Loan Agreements.**

The Subordinated Lender agrees with the Collateral Agent (for and on behalf of the Beneficiaries) that it will not, without obtaining the prior written consent of the Collateral Agent (for and on behalf of the Beneficiaries), amend, revise supplement or replace any Subordinated Loan Agreement or any other documents related thereto in any manner whatsoever.

20. **Further Assurances.**

The parties hereto shall forthwith, and from time to time, execute and do all deeds, documents and things which may be necessary or advisable, in the reasonable opinion of the Collateral Agent and its counsel, to give full effect to the postponement and subordination of the rights and remedies of the Subordinated Lender in respect to the Subordinated Debt to the rights and remedies of the Collateral Agent and the other Beneficiaries in respect to the Senior Debt, the Senior Security and any other Senior Debt Document, all in accordance with the intent of this Agreement.

21. **Successors and Assigns.**

- (a) This Agreement is binding upon the Collateral Agent, the Subordinated Lender, and each Restricted Party and their respective successors and assigns and, subject to Section 21(b) below, will enure to the benefit of the Beneficiaries and the Subordinated Lender, and their respective successors and permitted assigns.
- (b) The Collateral Agent will be entitled to assign all or any part of its rights and obligations under this Agreement or with respect to the Senior Debt in compliance with the terms of the Collateral Agent and Intercreditor Agreement, if the Collateral Agent's obligations under this Agreement are assumed or are deemed to be assumed in full by the Person to whom the Collateral Agent's obligations under the Collateral Agent and Intercreditor Agreement and the Senior Debt Documents are assigned.
- (c) Neither the Restricted Parties nor the Subordinated Lender shall be entitled to assign all or any part of their respective rights and obligations under this Agreement or the Subordinated Debt or Subordinated Security.
- (d) Except in accordance with Sections 21(a), 21(b) or 21(c) hereof, third parties will have no rights or benefits under this Agreement.

22. **Entire Agreement; Severability.**

This Agreement contains the entire agreement among the parties hereto with respect to the subordination, postponement and stand-still of obligations of the Subordinated Lender. Notwithstanding anything contained herein, the provisions of the Collateral Agent and Intercreditor Agreement shall govern notwithstanding the terms of hereof (including in the case of any conflict between the terms of this Agreement and the terms of the Collateral Agent and Intercreditor Agreement) and whether or not any Insolvency Proceeding shall have commenced against any Restricted Party or the Subordinated Lender. If any of the provisions of this Agreement shall be held invalid or unenforceable by any court having jurisdiction, this Agreement shall be construed as if not containing those provisions, and the rights and obligations of the parties hereto should be construed and enforced accordingly. This Agreement cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or agreements, express, implied or statutory, between the Collateral Agent and the Subordinated Lender with respect to the subject matter hereof except as expressly set forth herein.

23. **Other Rights Not Affected.**

The postponement and subordination provided for in this Agreement is in addition to and not in substitution for or limitation of any other agreement, right or other security by whomsoever given or at any time held by or for the benefit of the Beneficiaries in respect of the obligations of the Restricted Parties or the Subordinated Lender to the Beneficiaries, and nothing in this Agreement shall limit or prejudice any of the contractual, statutory or other rights of the Beneficiaries or the Subordinated Lender or the contractual, statutory or other priority of the obligations of the Restricted Parties and the Subordinated Lender to the Beneficiaries or the Restricted Parties to the Subordinated Lender, in each case, insofar as such rights or priority arises or exists outside of this Agreement.

24. **Acknowledgement.**

Each Restricted Party and the Subordinated Lender hereby acknowledges receipt of a copy of this Agreement and accepts and further agrees with the Collateral Agent to give effect to all of the provisions of this Agreement, notwithstanding the terms of the Subordinated Loan Agreements.

25. **Governing Law.**

This Agreement will be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

26. **Termination.**

This Agreement will terminate upon the earlier of the written agreement of the Collateral Agent (for and on behalf of the Beneficiaries), the Restricted Parties and the Subordinated Lender.

27. **Amendments and Waivers.**

- (a) No provision of this agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any such amendment, waiver, discharge or termination may only be made in writing signed by the Collateral Agent (for and on behalf of the Beneficiaries), the Subordinated Lender and each Restricted Party, provided, however, that no consent of the Restricted Parties shall be necessary to any amendment of the terms hereof by the Collateral Agent and the Subordinated Lender unless the interests of the Restricted Parties are directly and adversely affected.
- (b) No failure on the part of the Collateral Agent (for and on behalf of the Beneficiaries) to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof unless specifically waived in writing, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- (c) Any waiver of any provision of this Agreement or consent to any departure by any part therefrom shall be effective only in the specific instance and for the specific purpose for which given and shall not in any way be or be construed as a waiver of any future requirement.

28. **Enurement.**

This Agreement will be binding upon and enure solely to the benefit of each party hereto, and nothing in this Agreement, express or implied, is intended to or will confer upon any other Person any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

29. **Notices.**

Any notice to be given under this Agreement may be effectively given by delivering (whether by courier or personal delivery) such notice at the address set forth in the signature pages of this Agreement or by sending such notice by prepaid registered mail to such address or by facsimile to the parties at the facsimile number set out on the signature pages of this Agreement. Any notice mailed will be deemed to have been received on the 5th day next following the registered mailing of such notice. Any facsimile notice will be deemed to have been received on transmission if sent before 4:00 p.m. Toronto time on a Business Day, and, if not, on the next Business Day following transmission.

30. **Waiver of Jury Trial.**

The parties hereto do hereby irrevocably, to the extent legally permitted, waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to this Agreement.

31. **Collateral Agent Execution.**

China Construction Bank Toronto Branch is entering into this Agreement in its capacity as collateral agent under the Collateral Agent and Intercreditor Agreement and as collateral agent for and on behalf of each of the Beneficiaries.

32. **Counterpart and Facsimile Execution.**

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. For the purposes of this Section, the delivery of a facsimile copy or pdf formatted copy of an executed counterpart of this Agreement shall be deemed to be valid execution and delivery of this Agreement.

33. **Power of Attorney**

The Subordinated Lender hereby constitutes and appoints the Collateral Agent and any officer or agent of the Collateral Agent, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Subordinated Lender or in the Subordinated Lender's own name, from time to time in the Collateral Agent's discretion, to take any and all appropriate action or step which the Subordinated Lender is required to take hereunder (including any endorsements or other instruments of transfer or release) in the name of the Subordinated Lender whenever and wherever the Collateral Agent may consider it to be necessary or expedient, which appointment shall be irrevocable and coupled with an interest.

34. **Amendment and Restatement.**

Effective as of the date hereof, the subordination and postponement agreement made as of January 31, 2017 (the "**Original Agreement**") between China Construction Bank Toronto Branch (in such capacity, the "**Original CCB Lender**"), the Debtor and the Subordinated Lender is: (a) hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of the Original Agreement prior to the amendment and restatement hereby; and (b) as so amended and restated, the Original Agreement is hereby ratified and confirmed. All references to the Original Agreement or similar references contained in the documents delivered prior to the effectiveness of this Agreement in connection with or under the Original Agreement shall be references to this Agreement without further amendment to those documents.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or representatives as of the day and year first above written.

LONG RUN EXPLORATION LTD., as
Debtor

Address:
Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

By:

Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

Name:
Title:

By:

Name:
Title:

CHINA CONSTRUCTION BANK
TORONTO BRANCH, as Collateral
Agent and as Original CCB Lender

Address:
3650 – 181 Bay Street
Toronto, ON
M5J 2T3

Attention: Ziqing Zou (Eddie)
Senior Vice President, Corporate Banking
Facsimile No.: (647) 777-7739

By: _____
Name:
Title:

By: _____
Name:
Title:

**CALGARY SINOENERGY
INVESTMENT CORP.**, as Subordinated
Lender

Address:
Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5

Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

By: _____
Name:
Title:

By: _____
Name:
Title:

Schedule 1.01(A)

Compliance Certificate

TO: China Construction Bank Toronto Branch, as Administrative Agent (as defined below)
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: •

This Compliance Certificate is delivered to you pursuant to Section [9.03(3) / 9.03(4)] of the credit agreement made as of October 27, 2020 between, *inter alia*, the Borrower and you, as administrative agent (in such capacity, the "**Administrative Agent**"), as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Compliance Certificate that are defined in the Credit Agreement have the same meanings herein.

I, [name], the [title] of the Borrower, certify for and on behalf of the Borrower, and not in my personal capacity and without personal liability whatsoever, that:

1. Representations and Warranties All of the representations and warranties of the Borrower contained in Section 8.01 of the Credit Agreement are true and correct in all material respects on and as of the date hereof as though made on and as of the date hereof unless varied as contemplated in Section 8.02.
2. Terms, Covenants and Conditions All of the terms, covenants and conditions of the Credit Agreement and each of the other Loan Documents to be performed or complied with by the Borrower at or prior to the date hereof have been performed or complied with.
3. Default No Default or Event of Default has occurred and is continuing on the date hereof.
4. Financial Statements Attached hereto are the financial statements of most recent date referred to in Sections 9.03(1) and (2) of the Credit Agreement.
5. Debt Debt as at _____ is Cdn. \$_____.
6. EBITDA Consolidated EBITDA for the four fiscal quarters ended _____ is Cdn. \$_____.

DATED effective the date and year first above written.

LONG RUN EXPLORATION LTD.

- 2 -

Per:

Name: []

Title: []

Schedule 1.01(B)

Environmental Certificate

TO: China Construction Bank Toronto Branch, as Administrative Agent (as defined below)
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: •

This Environmental Certificate is delivered to you pursuant to Section [9.03(3) / 9.03(4)] of the credit agreement made as of October 27, 2020 between, *inter alia*, the Borrower and you, as administrative agent (in such capacity, the "**Administrative Agent**"), as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Environmental Certificate that are defined in the Credit Agreement have the same meanings herein.

The undersigned, _____, being the [insert name of office] of the Borrower, hereby certifies as an officer of the Borrower and not in any personal capacity and without assuming any personal liability whatsoever:

1. The following certifications in sections 3 to 9 are made to my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Borrower to confirm that the internal environmental reporting and response procedures of the Borrower have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
2. The following certifications in sections 3 to 9 are qualified as to: (a) the matters, if any, disclosed in Exhibit 1 hereto; and (b) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or could not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
3. The Property of the Borrower is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
4. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from a Governmental Authority by the Borrower, or of which the Borrower is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by the Borrower; or

- (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from a Governmental Authority by the Borrower or which the Borrower is otherwise aware, relating to the environment which as a result thereof, requires any work, repair, remediation, cleanup, construction or capital expenditure with respect to any property owned, leased, managed, controlled or operated by the Borrower.
5. Except in compliance with Environmental Laws, no contaminant has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or release of a contaminant at, on, from or under any property owned, leased, managed, controlled or operated by the Borrower.
 6. None of the lands and facilities owned, leased, managed, controlled or operated by the Borrower, have been used as a landfill site or, except in compliance with Environmental Laws, as a waste disposal site.
 7. No condition exists, at, on or under any of the premises or facilities owned, leased, managed, controlled or operated by the Borrower, which with the passage of time, or the giving of notice or both, has given rise to or could reasonably be expected to give rise to a violation or liability under any Environmental Laws.
 8. The Borrower has obtained all permits, licenses and other authorizations (collectively the "**Permits**") except where not obtaining a Permit could not constitute or be reasonably be expected to constitute or cause a Material Adverse Effect, which are required under Environmental Laws and are in compliance, except where non-compliance could not constitute or be reasonably be expected to constitute or cause a Material Adverse Effect, with all terms and conditions of all Permits and each of the Permits is in full force and effect and unrevoked as of the date of this Certificate.
 9. The Borrower is not aware of any matter affecting the environment which has had or could reasonably be expected to have a Material Adverse Effect.

DATED effective the date and year first above written.

LONG RUN EXPLORATION LTD.

Per:

Name: []

Title: [] _____

Schedule 1.01(F)

Relevant Jurisdictions

ALBERTA

SASKATCHEWAN

BRITISH COLUMBIA

Schedule 1.01(G)

Repayment Notice

TO: China Construction Bank Toronto Branch, as Administrative Agent (as defined below)
3650-181 Bay Street, Toronto, Ontario, M5J 2T3

FROM: Long Run Exploration Ltd.
(the "**Borrower**")

DATE: •

1. This Repayment Notice is delivered pursuant to [**Section 6.04**] [or] [**Section 6.05**] of the credit agreement made as of October 27, 2020 between, *inter alia*, the Borrower and you, as administrative agent (in such capacity, the "**Administrative Agent**"), as amended to the date hereof (the "**Credit Agreement**"). All terms used in this Repayment Notice that are defined in the Credit Agreement have the same meanings herein.

2. The Borrower hereby gives you notice that it intends to repay [[**Cdn. \$•**] under the **Credit Facility, such amount being the Net Proceeds from [describe Disposition]] or [repay [**Cdn. \$•**] under the Credit Facility on [date which must be at least 5 Business Days after the delivery of this Notice]].**

3. The amount of such repayment will, subject to the provisions of the Credit Agreement, be used to repay Loans of the following type:

<u>Loan Type</u>	<u>Principal Amount</u>
•	•

LONG RUN EXPLORATION LTD.

By: _____
Name:
Title:

Schedule 8.01(17)

Ownership Structure

Legal Name	Jurisdiction of Incorporation or Formation	Location of Chief Executive Office	Location of Business and Assets	Ownership of Issued Voting Securities	Designation
Long Run Exploration Ltd.	Alberta	600, 600 3rd Avenue SW, Calgary, Alberta, T2P 0G5	Alberta, British Columbia and Saskatchewan	100% common shares held by Calgary Sinoenergy Investment Corp.	Borrower
Calgary Sinoenergy Investment Corp.	Alberta	600, 600 3rd Avenue SW, Calgary, Alberta, T2P 0G5	Alberta	Sinoenergy Oil Investment Ltd.	Guarantor

Schedule 8.01(21)

Intellectual Property Rights

NIL

Schedule 8.01(25)

Pension Plan Disclosure

NIL

Schedule 8.01(30)

Controlled Account Disclosure

Owner	Type of Accounts	Account Numbers	Depository Institution/Address	Description of Account
Long Run Exploration Ltd	CAD	129890055611	Bank of Nova Scotia 44 King Street West Toronto, Ontario, Canada M5H 1H1	Business CAD account
Long Run Exploration Ltd	USD	129890701319	Bank of Nova Scotia 44 King Street West Toronto, Ontario, Canada M5H 1H1	Business USD account
Long Run Exploration Ltd	CAD USD RMB	682001018700	China Construction Bank, 181 Bay Street, Suite 3650, Toronto, ON M5J 2T3	Current account

Schedule 9.01(5)

Calgary Sinoenergy Business

No active business. Liability listing as attached.

As at September 30, 2020:

Liabilities and Owner's Equity		Balance
Current Liabilities		
Short-term loans		
Financial Liabilities		
Notes payable		
Accounts payable		
Advance from customers		
Payroll payable		
Taxes payable		-
Interest payable		
Dividend payable		
Other payable		350,566,329.55
Non-current liability due within one year		
Other current liability		
Total current liability		350,566,329.55
Non-current liabilities :		
Long-term loans		320,070,000.00
Bonds payable		
Long-term payable		
Grants & Subsidies received		
Provisions		
Deferred Tax liabilities		
Other non-current liabilities		
Total non-current liabilities		320,070,000.00
Total Liabilities		670,636,329.55

This is **Exhibit "F"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO #85481T



AMENDED AND RESTATED FIXED AND FLOATING CHARGE DEMAND DEBENTURE
(Long Run Exploration Ltd.)

Principal Sum: \$1,200,000,000 Canadian Dollars

Interest Rate: 20.0% per annum

Date: October 27, 2020

ARTICLE 1- PROMISE TO PAY

Promise to Pay

1.1 For value received, the undersigned (the "**Debtor**") hereby acknowledges itself indebted and promises to pay ON DEMAND to or to the order of China Construction Bank Toronto Branch in its capacity as collateral agent (in such capacity, the "**Agent**") for its own benefit and on behalf of the other secured parties (including, for certainty, the Secured Parties (as defined in the Collateral Agent and Intercreditor Agreement)) (collectively, the "**Secured Parties**") described in the collateral agent and intercreditor agreement made as of October 27, 2020 (as the same may be amended, modified, supplemented or amended and restated from time to time, the "**Collateral Agent and Intercreditor Agreement**"), for the benefit of the Agent and the other Secured Parties (collectively, the "**Beneficiaries**"), the principal sum herein stipulated on presentation and surrender of this debenture at the Agent's offices at 3650 – 181 Bay Street, Toronto, ON M5J 2T3, or at such other place as the Agent may designate by notice in writing to the Debtor, and to pay interest thereon from the date hereof at the rate per annum herein stipulated in like money at the same place monthly on the last day of each month; and, if the Debtor should at any time make default in the payment of any principal or interest to pay interest on the amount in default both before and after demand, default and judgment at the same rate in lawful money of Canada at the same place.

The Agent, on behalf of the Beneficiaries, is the person entitled to receive the principal of and interest on this debenture and all other amounts payable hereunder.

ARTICLE 2- CHARGE

Charge

2.1 As security for the due payment of all money payable hereunder and all other obligations hereunder, the Debtor hereby:

- (a) grants, assigns, mortgages and charges, as and by way of a fixed and specific mortgage, assignment and charge to and in favour of the Agent and its successors and assigns and the other Beneficiaries and their respective successors and permitted assigns:
 - (i) all of the right, title, interest (including, without limitation, leasehold interests) and estate of the Debtor (both present and future) in and to:
 - (A) the property, assets, rights and interests described in Schedule A attached hereto;
 - (B) the agreements, leases, instruments and other documents described in Schedule A attached hereto;
 - (C) without limiting the generality of the foregoing, those lands and premises described in Schedule A attached hereto, together with all rights and privileges appurtenant thereto and all buildings, erections, structures, improvements, equipment and fixtures now or hereafter constructed or placed therein, thereunder or thereon, including, without limitation all leasehold interests of the Debtor in respect thereof; provided that where the interest of the Debtor in the foregoing is

leasehold, such demise, mortgage and charge is by way of sublease and charge and shall be subject to the provisions of Section 5.5 herein;

- (D) all easements, rights-of-way, rights, licenses and privileges appurtenant or appertaining to any of the foregoing; and
 - (E) all interests in any of the foregoing and all benefits, rights and proceeds thereof; and
- (b) (i) mortgages, assigns and charges, as and by way of a first floating charge (the "**Floating Charge**") to and in favour of the Agent and its successors and assigns, for the benefit of the Beneficiaries and their respective successors and assigns; and (ii) grants to and in favour of the Agent and its successors and assigns, for the benefit of the Beneficiaries and their respective successors and assigns, a first priority security interest in and to, in each case, all of the undertaking, property and assets of the Debtor, both present and future, of every nature and kind and wherever situate including, without limitation, all of its present and future personal and real property (including, without limitation, of which it is or will become registered owner of an estate in fee simple, or of which, it has or will acquire a leasehold interest), goodwill, trade-marks, inventions, processes, patents and patent rights, materials, supplies, inventories, motor vehicles, trucks, trailers, machinery, implements, equipment and apparatus of every kind, furniture, rent, revenues, income, money, rights, powers, privileges, franchises, benefits, amenities, contracts, agreements, leases of real and personal property, licenses, permits, book debts, accounts receivable, negotiable and non-negotiable instruments, judgments, securities, choses in action, unpaid capital and all other property and things of value of every kind and nature, tangible and intangible, legal or equitable, which the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter and any and all proceeds of any of the foregoing, except only such property and assets as are validly and effectively subject to any fixed and specific mortgages, assignments and charges created hereunder.

In this debenture, the mortgages, assignments, charges and security interests created and provided for are collectively called the "**Charge**"; the subject matter of the Charge is called the "**Charged Premises**".

Dealings with the Charged Premises

2.2 Subject to the Credit Agreements (as defined in the Collateral Agent and Intercreditor Agreement), Section 3.1 hereof and until the Charge becomes enforceable in accordance with Section 4.1, the Debtor may dispose of or deal with the property and assets subject to the Floating Charge and the Security Interest (but excluding, for certainty, any property and assets as are validly and effectively subject to any fixed and specific mortgages, assignments and charges created hereunder) in the ordinary course of business and for the purpose of carrying on the same, so that purchasers thereof or parties dealing with the Debtor take title thereto free and clear of the Floating Charge and the Security Interest.

2.3 Notwithstanding the provisions of this debenture, (i) the Debtor shall remain liable to perform all of its duties and obligations in regard to the Charged Premises (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining thereto) to the same extent as if this debenture had not been executed; (ii) the exercise by the Agent of any rights and remedies under or in regard to this debenture shall not release the Debtor from such duties and obligations; and (iii) the Agent shall have no liability for such duties and obligations or be accountable for any reason to the Debtor by reason only of the execution and delivery of this debenture.

Last Day

2.4 The Charge shall not extend, include or apply to the last day of the term of any lease or agreement to lease but upon the enforcement of the Charge the Debtor shall thereafter stand possessed of such last day in trust for the Agent to assign the same to any person acquiring such term in the course of enforcement of the Charge.

Exception for Certain Contractual Rights

2.5 The Charge does not and shall not extend to, and the Charged Premises shall not include, any agreement, right, franchise, licence or permit (the "**Contractual Rights**") to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of or permit any person to terminate the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Agent and shall assign such Contractual Rights to the Agent forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of the Agent, acting in accordance with the Collateral Agent and Intercreditor Agreement, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

Crystallization Against Real Property

2.6 In respect of real property (and interests therein) subject to the Floating Charge, such Floating Charge shall crystallize and become a fixed charge against such property and interests (such occurrence, a "**Crystallization**") upon the earlier of (a) the Charge becoming enforceable in accordance with Section 4.1, (b) the Agent giving written notice to the Debtor that all or part of the Floating Charge has become a fixed charge on the real property and interests charged thereby (such written notice may be delivered by the Agent at any time and from time to time), (c) in the case of any Additional Property (as contemplated in Section 5.9), upon the acquisition thereof, and (d) the occurrence of any other event which by operation of law would result in the floating charge becoming a fixed charge on the real property and interests therein of the Debtor charged thereby.

2.7 Upon a Crystallization, the Debtor shall not thereafter dispose of or otherwise deal with the Charged Premises that is the subject of such Crystallization without the prior written consent of the Agent (for certainty, Section 2.2 shall not apply to such Charged Premises).

ARTICLE 3- NEGATIVE PLEDGE

Negative Pledge

3.1 Except as has otherwise been agreed in writing by the Beneficiaries, the Debtor shall not create, assume, have outstanding or permit to exist, except in favour of the Agent, any mortgage, charge, pledge, lien, assignment by way of security, security interest or other encumbrance (collectively, a "**Lien**") on any part of the Charged Premises.

ARTICLE 4 - DEFAULT AND REMEDIES

Default

4.1 If the Debtor makes default in the payment of principal, interest or any other amount payable hereunder, or in the due performance of the terms and conditions of Section 3.1 hereof, the Charge shall immediately become enforceable.

Remedies

4.2 (1) Whenever the Charge has become enforceable in accordance with Section 4.1, the Agent may realize upon the Charged Premises and shall have the following rights and remedies, which rights and remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights or remedies the Beneficiaries may have:

- (a) the Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Charged Premises and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Premises or any part thereof; and the term "Agent" when used in this Section 4.2 shall include any Receiver so appointed and the agents, officers and

employees of such Receiver; and the Agent shall not be in any way responsible for any misconduct or negligence of any such Receiver;

- (b) the Agent may take possession of the Charged Premises and require the Debtor to make the Charged Premises available to the Agent;
 - (c) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Charged Premises;
 - (d) the Agent may carry on or concur in the carrying on of all or any part of the business of the Debtor relating to the Charged Premises;
 - (e) the Agent may enforce any rights of the Debtor in respect of the Charged Premises by any manner permitted by law;
 - (f) the Agent may sell, lease or otherwise dispose of the Charged Premises by judicial sale, by foreclosure, by public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Debtor unless required by law, and may execute and deliver to the purchaser or purchasers of the Charged Premises or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any authorized officer of the Agent being hereby constituted the irrevocable attorney (coupled with an interest) of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Charged Premises by, from, through or under the Debtor;
 - (g) the Agent may accept the Charged Premises in satisfaction or partial satisfaction of the Charge upon notice to the Debtor of its intention to do so in the manner required by law;
 - (h) the Agent may borrow money on the security of the Charged Premises for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Charged Premises in priority to the Charge;
 - (i) the Agent may perform any obligation, covenant or provision under the Collateral Agent and Intercreditor Agreement and the other Secured Debt Documents (as defined in the Collateral Agent and Intercreditor Agreement) and the entire costs thereof are a charge on the Charged Premises and shall be added to the amounts due hereunder and shall be secured by the Charge; and
 - (j) the Agent may exercise any other right or remedy permitted by law or equity, including, without limitation, all rights and remedies of a secured party under the *Personal Property Security Act* (Alberta) or any similar personal property legislation of any jurisdiction in which any of the Charged Premises is located or which, by operation of law, governs or is deemed to govern the Charged Premises.
- (2) The Debtor further agrees with the Agent that:
- (a) the Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Charged Premises and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Charged Premises or for the purpose of preserving any rights of the Beneficiaries, the Debtor or any other person, firm or corporation in respect of the Charged Premises;
 - (b) the Beneficiaries may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Charged Premises and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the

Charged Premises and other securities as the Agent may see fit without prejudice to the liability of the Debtor to the Beneficiaries or the Beneficiaries' rights hereunder;

- (c) to facilitate the realization of the Charged Premises, the Agent may enter upon, occupy and use all or any of the premises, buildings and plant comprising the Charged Premises and use all or any of the equipment and other personal property of the Debtor for such time as the Agent requires to facilitate such realization, free of charge (as between the Debtor and the Agent), and the Beneficiaries shall not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges or depreciation in connection with such actions;
- (d) the Agent may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal (on a solicitor-client, full indemnity basis), Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith shall be added to the amounts due hereunder and shall be secured by the Charge;
- (e) the Agent may discharge any claim, Lien, encumbrance or any rights of others that may exist or be threatened against the Charged Premises, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the amounts due hereunder and shall be secured by the Charge; and
- (f) any proceeds of realization of the Charged Premises may be applied by the Agent to the payment of expenses in connection with the preservation and realization of the Charged Premises as above described and any balance of such proceeds shall be applied by the Agent to payment of any amount owing by the Debtor to the Agent and the other Beneficiaries as set forth in the Collateral Agent and Intercreditor Agreement and the other Secured Debt Documents (as defined in the Collateral Agent and Intercreditor Agreement); if there is any surplus remaining, it may be paid to any person having a claim thereto in priority to the Debtor of whom the Agent has knowledge and may be applied or retained as reserves against potential claims that the Agent or the Receiver in good faith believes should be maintained and the balance remaining, if any, shall (subject to applicable law) be paid to the Debtor.

(3) Any Receiver shall be entitled to exercise all rights and powers of the Agent hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Agent and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.

(4) The Debtor hereby irrevocably appoints the Agent attorney on its behalf to sell or transfer the Charged Premises and to execute all instruments, and do all acts, matters and things that may be necessary for carrying out the powers hereby given and for the recovery of all rents and sums of money that may become or are now due or owing to the Debtor in respect of the Charged Premises and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Charged Premises or on any person in respect of it and this appointment shall take effect if the Charge has become enforceable in accordance with Section 4.1. The foregoing power of attorney is coupled with an interest.

ARTICLE 5 – COVENANTS, REPRESENTATIONS, WARRANTIES, CONFIRMATIONS AND AGREEMENTS

Confirmation re: Value

5.1 The Debtor confirms that value has been given, that the Debtor has rights in the Charged Premises (other than after-acquired Charged Premises) and that the Debtor and the Agent (for its own benefit and on behalf of the other Beneficiaries) have not agreed to postpone the time of attachment of the Charge to any of the Charged

Premises. In respect of the Charged Premises which is acquired after the date of the execution hereof, the time for attachment will be the time when the Debtor acquires rights in such after-acquired Charged Premises.

Fixed Charge

5.2 At any time and from time to time, upon the written request of the Agent, and at the sole expense of the Debtor, as general and continuing collateral security for the due payment of the principal sum herein stipulated, interest and all other monies payable hereunder or from time to time secured hereby, and as further security for the performance and observance of the covenants and agreements on the part of the Debtor herein contained, the Debtor will grant, assign, mortgage and charge, as and by way of a fixed and specific mortgage, assignment and charge, to and in favour of the Agent (for the benefit of the Beneficiaries), all of the right, title, interest and estate of the Debtor (both present and future) in and to all or any portion of the Charged Premises (except for the Charged Premises already subject to any fixed and specific mortgages, assignments and charges created hereby).

Warranty of Leasehold Title

5.3 The Debtor warrants that (i) the Debtor has good leasehold title to the Charged Premises where the interest of the Debtor therein is leasehold, subject only to those Liens that are not prohibited by Section 3.1; (ii) the Debtor shall defend and preserve its leasehold title to the Charged Premises and the rights granted by this debenture with respect thereto against all claims of all persons and entities; (iii) the Debtor shall warrant, defend and preserve such title and the Charge of this debenture thereon granted against all claims of all persons and entities; (iv) all leases in respect of the Charged Premises are in full force and effect and the Debtor is the holder of the lessee's or tenant's interest thereunder; and (v) the Debtor has paid all rents and other charges to the extent due and payable under all leases in respect of the Charged Premises, is not in default under any leases in respect of the Charged Premises, has received no notice of default from the applicable lessor thereunder and knows of no material default by the applicable lessor thereunder.

Charged Premises

5.4 The Debtor covenants and agrees that:

- (a) it has good title to the Charged Premises;
- (b) it has the right to mortgage the Charged Premises;
- (c) upon the Charge becoming enforceable in accordance with Section 4.1, the Agent (for its own benefit and on behalf of the other Beneficiaries) shall have quiet possession of its interest in the Charged Premises, free from all Liens except those Liens that are not prohibited by Section 3.1;
- (d) it will execute such further assurances of the Charged Premises as may be requisite; and
- (e) it has done no act to encumber its interest in the Charged Premises except those Liens that are not prohibited by Section 3.1.

Leasehold Charge and Covenants

5.5 If the interest of the Debtor in any part of the Charged Premises is a leasehold interest (which, for the purpose of this Section 5.5, includes any subleasehold interest, as the case may be) the following provisions shall apply:

- (a) as security for the payment and performance of the obligations secured (in addition to the Charge), the Debtor mortgages and charges by way of sublease to and in favour of the Agent, for its own benefit and on behalf of the other Beneficiaries, all of its leasehold interest in the Charged Premises for and during the unexpired residue of the term of the lease (which, for the purpose of this Section 5.5, includes any sublease, as the case may be) under which such leasehold interest is created, except

the last day thereof, and all other estate, term, right of renewal and other interest of the Debtor in such lease (and any renewal or replacement thereof). The Debtor shall stand possessed of the reversion thereby remaining in any such lease upon a trust for the Agent, for its own benefit and on behalf of the other Beneficiaries, or for the nominee of the Agent, for its own benefit and on behalf of the other Beneficiaries, for the purpose of this debenture and will assign and dispose thereof as the Agent, for its own benefit and on behalf of the other Beneficiaries, or its nominee shall direct upon any sale or sales of the Debtor's interest in such lease for any part thereof whether pursuant to any statutory power or power of sale contained in this debenture or otherwise.

- (b) without limitation to Sections 2.4 and 7.1, when the Charge has become enforceable in accordance with Section 4.1, and upon the Agent, for its own benefit and on behalf of the other Beneficiaries, giving any notice required by this debenture, the Agent, for and on behalf of the Debtor, may assign the lease which creates the leasehold interest and all estate, term, right of renewal and other interest of the Debtor in such lease (and any renewal or replacement thereof) and convey the Debtor's leasehold interest and the last day of the term granted by such lease as the Agent, for its own benefit and on behalf of the other Beneficiaries, shall at any time direct. On any sale made by the Agent, for its own benefit and on behalf of the other Beneficiaries, under any statutory power or power of sale contained in this debenture, the Agent, for its own benefit and on behalf of the other Beneficiaries, may assign such lease, the Debtor's leasehold interest and the reversion to the purchaser. The Agent, for its own benefit and on behalf of the Beneficiaries, for the purpose of vesting the residue of such term in any purchaser or purchasers, shall be entitled by transfer or agreement to nominate such purchaser or purchasers or any other person or persons as a new trustee or trustees of such residue of the term, any renewal or substituted term of such lease in place of the Debtor, and upon such nomination, the same shall vest forthwith in the new trustee or trustees and the Debtor irrevocably authorizes, empowers and appoints the Agent, for its own benefit and on behalf of the other Beneficiaries, to act as its attorney, coupled with an interest, and with full power of substitution, for all or any of the said purposes.
- (c) upon the Charge becoming enforceable in accordance with Section 4.1, the Agent, for its own benefit and on behalf of the other Beneficiaries, shall have the right to exercise any right or option to renew or extend the term of the lease and each such renewal and extension of the lease shall be subject to the Charge.

Further Identification of Collateral

5.6 The Debtor will furnish to the Agent from time to time such statements and schedules further identifying and describing the Charged Premises and such other reports in connection with the Charged Premises as the Agent may reasonably request, all to the extent necessary to permit the Charged Premises to be sufficiently described.

Waiver of Applicable Laws

5.7 The Debtor covenants, acknowledges and agrees that:

- (a) *The Land Contracts (Actions) Act, 2018 (Saskatchewan)* shall have no application to any action, as defined in that Act, with respect to this debenture or any agreement renewing, extending or collateral to this debenture; and
- (b) *The Limitation of Civil Rights Act (Saskatchewan)* shall have no application to:
 - (i) this debenture, the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto;
 - (ii) any Lien made, given or created or contemplated by this debenture, the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto;

- (iii) any agreement or instrument renewing or extending or collateral to this debenture, the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto, or renewing or extending or collateral to any Lien referred to or mentioned in sub-division (ii) of this subparagraph (b) of this Section 5.7; or
 - (iv) the rights, powers, remedies of the Agent and the other Beneficiaries under this debenture (or the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto) or under any Lien, other security, agreement or instrument referred to or mentioned in sub-division (ii) or sub-division (iii) of the subparagraph (b) of this Section 5.7;
- (c) it is aware of and has been fully instructed and advised by its counsel as to the provisions of the *Expropriation Act* (Alberta), and the rights, benefits and protections given to the Debtor thereunder (in particular, sections 49 and 52 thereof) and the Debtor hereby irrevocably waives the provisions of sections 49 and 52 of the *Expropriation Act* (Alberta) and any legislation enacted in place thereof;
 - (d) it irrevocably waives any and all statutory provisions which may require that proceeds of insurance be used, or permit an insurer to use proceeds of insurance, to restore or rebuild, including the *Fires Prevention (Metropolis) Act, 1774* and the *Insurance Act* (Alberta);
 - (e) it waives any protection or rights granted to it pursuant to the provisions of Part 4 of the *Law of Property Act* (Alberta) and amendments thereto, to the extent such waiver is not void as against public policy;
- (a) clause 15 of Schedule 6 of the *Land Transfer Form Act* (British Columbia) is expressly excluded from this debenture;
 - (b) to the extent this debenture is registered in British Columbia, Form B of Part 1 of this debenture is a summary of terms contained in these express mortgage terms and consequently, in the event of conflict between these express mortgage terms and Form B of Part 1 of this debenture, these express mortgage terms shall prevail and Form B of Part 1 shall be interpreted in accordance with the definitions included in, and the terms of, these express mortgage terms;
 - (c) the Debtor irrevocably consents and agrees to any award of legal costs and expenses on a solicitor-client, full indemnity basis by any court under Section 20 of the *Law and Equity Act* (British Columbia) as amended in any foreclosure proceeding in respect of this debenture;
 - (d) the covenants that may be implied in a mortgage by Part 3 and Schedule 6 of the *Land Transfer Form Act* (British Columbia) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in this debenture. In the event of any conflict between any such implied covenants and any other covenant or provision of this debenture, such other covenant or provision of this debenture shall prevail;
 - (f) Section 31 of the *Property Law Act* (British Columbia), abolishing the doctrine of consolidation, is not intended to apply to this debenture; and
 - (g) without limiting Section 2.6, for all purposes, including without limitation any application to register a crystallized floating charge under the *Land Title Act* (British Columbia) against any real property, the Floating Charge created by this debenture shall be crystallized and become a fixed charge upon the Charge becoming enforceable in accordance with Section 4.1.

Registrations and Further Assurances

5.8 At any time and from time to time (including, without limitation, upon a Crystallization): (a) the Agent may (at the sole expense of the Debtor) file or register this debenture or such caveats, security notices, financing

statements, financing change statements or other instruments under applicable law with respect to this debenture, at any public registry or other office maintained for the purposes of registering fixed and specific mortgages, security interests and other like interests (including, without limitation, filings or registrations pursuant to the *Land Titles Act* (Alberta) or the *Mines and Minerals Act* (Alberta)) as it deems necessary (in its sole discretion) for obtaining or preserving the full benefits of this debenture and the rights and powers herein granted; and (b) upon the written request of the Agent, and at the sole expense of the Debtor, the Debtor will promptly and duly execute and deliver such further instruments and documents and take such further action as the Agent may reasonably request for the purposes of granting a mortgage and charge against, assignment of and security interest in and assuring, confirming, mortgaging, pledging, assigning and transferring to the Agent (for the benefit of the Beneficiaries) the Charged Premises and obtaining or preserving the full benefits of this debenture and of the rights and powers herein granted, including the filing, execution or registration of any caveats, security notices, financing statements, financing change statements or other instruments under any applicable law with respect to this debenture. The Debtor also hereby authorizes the Agent to file any such caveats, security notices, financing statements, financing change statements or other instruments without the signature of the Debtor to the extent permitted by applicable law. The Debtor shall ensure and will assist the Agent to ensure that this debenture and all such supplementary and corrective instruments and all additional mortgage and security documents and all documents, caveats, cautions, memorials, security notices and financing statements in respect thereof are promptly filed and refiled, registered and re-registered and deposited and re-deposited in such manner, in such offices and places, and at such times as often as may be required by applicable law or as necessary or desirable to perfect and preserve the Charge as a first priority charge, mortgage and security interest, and will cause to be furnished promptly to the Agent evidence satisfactory to the Agent of such filing, registering and depositing. The Debtor shall, forthwith on demand being made by the Agent, pay all fees, costs and expenses incurred by the Agent or its agents in connection with the foregoing, all of which shall be secured by the Charge.

5.9 The Debtor shall provide to the Agent, at the Debtor's sole cost and from time to time and, in any event, upon any (i) material change to correctness of the current iteration of Schedule A attached hereto on the date hereof, or (ii) the acquisition, sale or other material change to any of the Debtor's real property, with an updated iteration of Schedule A (which the Agent may, without the consent or notice to the Debtor, use to replace the current iteration of Schedule A (as applicable) attached hereto), and shall update, correct or elaborate the description of the Charged Premises as reasonably required by the Agent. Upon each updated iteration of Schedule A (as applicable) being provided to the Agent, this debenture shall be modified in accordance therewith, and each such replacement iteration of Schedule A shall form part of this debenture. To the extent that any such updated iteration of Schedule A hereto sets out additional real property that is not included in the then current iteration of Schedule A attached hereto (the "**Additional Properties**"), the Debtor shall, without limitation to Section 2.6(c), (within 30 days of its acquisition of the Additional Properties) take such actions and execute and deliver such agreements as is necessary to provide the Agent (on behalf of the Beneficiaries) with a fixed and specific mortgage, assignment and charge satisfactory to the Agent over the Additional Properties and shall promptly provide the Agent with evidence thereof satisfactory to the Agent. For certainty, the Additional Properties shall be, and shall be included as, Charged Premises hereunder.

5.10 Without limiting the generality of the foregoing, the Debtor acknowledges that this debenture has been prepared based on applicable law and the Debtor agrees that the Agent will have the right, acting reasonably, to require that this debenture be amended or supplemented: (i) to reflect any changes in applicable law, whether arising as a result of statutory amendments, court decisions or otherwise; (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions; or (iii) if the Debtor amalgamates with any other person or enters into any reorganization, in each case in order to confer upon the Agent the security intended to be created hereby.

ARTICLE 6 - GENERAL

Expenses

6.1 The Debtor shall pay to the Agent forthwith on demand all reasonable fees, costs, charges and expenses, including all reasonable legal fees (on a solicitor-client, full indemnity basis), incurred by the Agent (or its agents) in connection with:

- (a) the recovery or enforcement of payment of any moneys owing hereunder whether by realization or otherwise; and
- (b) the preparation, execution, perfection and registration of this debenture (including, for certainty, any filings or registration made pursuant to Section 5.8),

all such sums, together with interest thereon at the rate set forth in this debenture, shall be added to the amount payable hereunder and shall be secured by the Charge.

Pledge of Debenture

6.2 This debenture may be pledged by the Debtor as security for its indebtedness and liabilities. While this debenture is so pledged, no payment by the Debtor of the whole or any part of any indebtedness secured by this debenture shall reduce the amount owing under this debenture unless specifically appropriated to and noted on this debenture by the Agent at the time of payment.

Not Negotiable

6.3 This debenture is not a negotiable instrument and the rights created hereunder which are exercisable by any holder hereof other than the Agent are no greater than the rights of the Agent, and any holder hereof is subject to the same obligations, duties, liabilities and defences as the Agent would have been subject to.

No Waiver, Remedies

6.4 No failure on the part of the Beneficiaries or the Agent on their behalf to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Notices

6.5 Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery, by transmittal, by facsimile transmission or other electronic means of communication (subject, in the latter case, to procedures approved by the Agent, if any, respecting confirmation of receipt of communications delivered by electronic means) addressed to the Debtor as follows:

Long Run Exploration Ltd.
Eau Claire Tower
600, 600 3rd Avenue S.W.
T2P 0G5

Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

or to such other address or electronic communication number as the Debtor may from time to time notify the Agent in writing. Any demand, notice or communication made or given by personal delivery or by facsimile transmission or other electronic means of communication shall be conclusively deemed to have been made or given on the day of actual delivery or transmittal thereof.

Additional Security

6.6 This debenture and the Charge shall be and shall be deemed to have been given in addition to and not in place of any other security now or hereafter held or acquired by the Beneficiaries.

Headings; References to Debenture

6.7 The division of this debenture into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this debenture. The terms "this debenture", "hereof", "hereunder" and similar expressions refer to this debenture and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this debenture.

Number; Gender; Persons

6.8 In this debenture words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

Governing Law

6.9 This debenture shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

Attornment

6.10 The Debtor hereby attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this debenture shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this debenture. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or the Beneficiaries to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

Benefit of the Debenture

6.11 This debenture shall be binding upon the successors and permitted assigns of the Debtor (including, without limitation, any corporation resulting from an amalgamation with the Debtor) except that the Debtor may not assign its obligations under this debenture without the prior written consent of the Agent. This debenture shall benefit the successors and permitted assigns of the Beneficiaries.

6.12 In the event the ownership of the Charged Premises (in whole or in part) or any part thereof becomes vested in a person other than the Debtor, without the Agent's prior written consent, then such successor or successors in interest may be dealt with, with reference to this debenture and to the indebtedness secured hereby, in the same manner as with the Debtor, without in any way vitiating or discharging the Debtor's liability hereunder or for the payment of the indebtedness or performance of the obligations secured hereby. No transfer of the Charged Premises (in whole or in part), no forbearance, and no extension of the time for the payment of the indebtedness secured hereby, shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of the Debtor hereunder or for the payment of the indebtedness or performance of the obligations secured hereby, or the liability of any other person hereunder or for the payment of the indebtedness secured hereby.

Time of the Essence

6.13 Time shall be of the essence with regard to this debenture.

Discharge

6.14 The Debtor shall not be discharged from the Charge, this debenture or any of its obligations hereunder except by a release or discharge in writing signed by the Agent.

Waiver of Financing Statement, Etc.

6.15 The Debtor hereby acknowledges receipt of an executed copy of this debenture and waives the right to receive from the Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this debenture or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this debenture.

No Merger

6.16 No item or part of this debenture shall be merged or be deemed to have been merged in or by any documents, instruments or acknowledgements delivered in connection with this debenture, the Collateral Agent and Intercreditor Agreement or the other Secured Debt Documents (as defined in the Collateral Agent and Intercreditor Agreement), or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Beneficiaries under any security, instruments or agreements held by it or at law or in equity. No obligation of the Debtor hereunder shall merge in any judgment relating to any such obligation.

Severability

6.17 If any provision of this debenture is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the Debtor hereby waives any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

Charge Not Impaired

6.18 To the extent permitted by applicable law, the Charge shall not be impaired by any indulgence, moratorium or release which may be granted including, but not limited to, any renewal, extension or modification which may be granted with respect to any secured indebtedness, or any surrender, compromise, release, renewal, extension, exchange or substitution which may be granted in respect of the Charged Premises, or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any of the principal sum herein stipulated.

Presentment

6.19 The Debtor hereby expressly waives presentment, protest and notice of dishonour of this debenture. Any failure or omission by the Agent to present this debenture for payment, protest or provide notice of dishonour will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this debenture.

ARTICLE 7 - ATTORNEY IN FACT

Attorney in Fact

7.1 The Debtor hereby irrevocably constitutes and appoints the Agent and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Debtor and in the name of the Debtor or in its own name, from time to time in the Agent's discretion, for the purpose of carrying out the terms of this debenture, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this debenture and which the Debtor being required to take or execute has failed to take or execute. The Debtor hereby ratifies all that said attorneys will lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and is irrevocable. The Debtor also authorizes the Agent, at any time and from time to time, to execute any endorsements, assignments or other instruments of conveyance or transfer with respect

to the Charged Premises in connection with the sale provided for in Section 4.2(f) (and without limiting the power of attorney granted therein or in Section 4.2(4)).

ARTICLE 8 - NO LIABILITY

No Liability

8.1 Neither the Agent nor any of the Beneficiaries shall be liable for any error of judgment or act done by any of them in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for their gross negligence or wilful misconduct. The Agent shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by the Agent hereunder, believed by the Agent in good faith to be genuine. All moneys received by the Agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law), and the Agent shall be under no liability for interest on any moneys received by it hereunder. The Debtor hereby ratifies and confirms any and all acts which the Agent or its successors or substitutes shall do lawfully by virtue hereof.

ARTICLE 9 AMENDMENT AND RESTATEMENT

Amendment and Restatement

9.1 Effective as of the date hereof, the demand debenture dated January 31, 2017 (the "**Original Debenture**") granted by the Debtor to the China Construction Bank Toronto Branch is: (a) hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of the Original Debenture prior to the amendment and restatement hereby; and (b) as so amended and restated, the Original Debenture is hereby ratified and confirmed. All references to the Original Debenture or similar references contained in the documents delivered prior to the effectiveness of this debenture in connection with or under the Original Debenture shall be references to this debenture without further amendment to those documents.

ARTICLE 10 STANDARD CHARGE

Charge

10.1 For the better securing to the Agent, for its own benefit and on behalf of the other Beneficiaries, the repayment in the manner set out in this debenture of the principal sum herein stipulated and interest thereon at the rate per annum herein stipulated and all other indebtedness thereof and any other amounts hereby secured, and the due performance by the Debtor of the covenants, provisos and conditions herein expressed or implied, the Debtor does hereby mortgage to the Agent, for its own benefit and on behalf of the Beneficiaries, all of its estate and interest in the Charged Premises.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Debtor has executed this debenture.

LONG RUN EXPLORATION LTD.

Per: 

Name: Jason Ge

Title: Chief Executive Officer

Per: _____

Name: _____

Title: _____

SCHEDULE A

(see attached)

	A	B	C
1	Area	Reporting Area	LESSOR_NUMBER
2	SNIPE LAKE	Peace - Other	121
3	SNIPE LAKE	Peace - Other	122
4	LINDBROOK	Redwater - Other	285
5	LINDBROOK	Redwater - Other	300
6	SNIPE LAKE	Peace - Other	395
7	SNIPE LAKE	Peace - Other	396
8	SNIPE LAKE	Peace - Other	397
9	LINDBROOK	Redwater - Other	465
10	JARROW	Redwater - Other	542
11	LINDBROOK	Redwater - Other	711
12	LINDBROOK	Redwater - Other	718
13	PLAIN LAKE	Redwater - Other	843
14	PLAIN LAKE	Redwater - Other	848
15	JARROW	Redwater - Other	940
16	PINE CREEK	PINE CREEK	952
17	LINDBROOK	Redwater - Other	1011
18	PINE CREEK	PINE CREEK	1089
19	SNIPE LAKE	Peace - Other	1096
20	JARROW	Redwater - Other	1340
21	JARROW	Redwater - Other	1341
22	JARROW	Redwater - Other	1353
23	BREMNER	Redwater - Other	1458
24	JARROW	Redwater - Other	1472
25	JARROW	Redwater - Other	1473
26	SNIPE LAKE	Peace - Other	1594
27	LINDBROOK	Redwater - Other	1615
28	PROVOST	Redwater - Other	1630
29	KEG WEST	Boyer	1643
30	KEG WEST	Boyer	1680
31	JARROW	Redwater - Other	1688
32	KEG WEST	Boyer	1695
33	KEG WEST	Boyer	1696
34	JARROW	Redwater - Other	1720
35	JARROW	Redwater - Other	1721
36	JARROW	Redwater - Other	1722
37	KEG EAST	Boyer	1864

	A	B	C
38	KEG EAST	Boyer	1865
39	KEG EAST	Boyer	1873
40	PADDLE SOUTH	Boyer	1874
41	KEG WEST	Boyer	1883
42	KEG EAST	Boyer	1885
43	KEG EAST	Boyer	1886
44	PADDLE NORTH	Boyer	1893
45	DIXONVILLE	Peace - Other	1896
46	SNIPE LAKE	Peace - Other	2355
47	SNIPE LAKE	Peace - Other	2356
48	SNIPE LAKE	Peace - Other	2357
49	SNIPE LAKE	Peace - Other	2358
50	SNIPE LAKE	Peace - Other	2398
51	SNIPE LAKE	Peace - Other	2400
52	SNIPE LAKE	Peace - Other	2401
53	SNIPE LAKE	Peace - Other	2402
54	SNIPE LAKE	Peace - Other	2403
55	PINE CREEK	PINE CREEK	2864
56	SNIPE LAKE	Peace - Other	2944
57	LINDBROOK	Redwater - Other	3361
58	LINDBROOK	Redwater - Other	3362
59	PINE CREEK	PINE CREEK	4742
60	JARROW	Redwater - Other	5164
61	PROVOST	Redwater - Other	6285
62	PROVOST	Redwater - Other	6286
63	JARROW	Redwater - Other	6303
64	JARROW	Redwater - Other	6308
65	JARROW	Redwater - Other	6309
66	JARROW	Redwater - Other	6310
67	JARROW	Redwater - Other	6311
68	PROVOST	Redwater - Other	7062
69	PROVOST	Redwater - Other	7063
70	PROVOST	Redwater - Other	7064
71	CHERHILL	Redwater - Cherhill	7632
72	WIMBORNE	Redwater - Other	9760
73	REDWATER OTHER	Redwater - Other	10015
74	JARROW	Redwater - Other	10111

	A	B	C
75	JARROW	Redwater - Other	10799
76	JARROW	Redwater - Other	10805
77	REDWATER NORTH	Redwater - Viking	11078
78	REDWATER OTHER	Redwater - Other	11582
79	PROVOST	Redwater - Other	12346
80	KEG EAST	Boyer	12505
81	KEG EAST	Boyer	12506
82	PROVOST	Redwater - Other	13013
83	JARROW	Redwater - Other	13237
84	PINE CREEK	PINE CREEK	13507
85	LINDBROOK	Redwater - Other	13841
86	LINDBROOK	Redwater - Other	13842
87	LINDBROOK	Redwater - Other	13843
88	LINDBROOK	Redwater - Other	13844
89	BREMNER	Redwater - Other	13845
90	BREMNER	Redwater - Other	13846
91	LINDBROOK	Redwater - Other	13868
92	LINDBROOK	Redwater - Other	13875
93	BREMNER	Redwater - Other	13876
94	LINDBROOK	Redwater - Other	13877
95	LINDBROOK	Redwater - Other	13878
96	LINDBROOK	Redwater - Other	13879
97	WESTLOCK	Redwater - Cherhill	13900
98	TABER	Redwater - Other	13967
99	PROVOST	Redwater - Other	14147
100	PROVOST	Redwater - Other	14148
101	PROVOST	Redwater - Other	14149
102	PROVOST	Redwater - Other	14150
103	PROVOST	Redwater - Other	14151
104	PROVOST	Redwater - Other	14152
105	PROVOST	Redwater - Other	14153
106	PROVOST	Redwater - Other	14154
107	PROVOST	Redwater - Other	14155
108	PROVOST	Redwater - Other	14156
109	PROVOST	Redwater - Other	14157
110	PROVOST	Redwater - Other	14158
111	PROVOST	Redwater - Other	14159

	A	B	C
112	PROVOST	Redwater - Other	14160
113	PROVOST	Redwater - Other	14164
114	PROVOST	Redwater - Other	14167
115	BOYER OTHER	Boyer	14473
116	ALEXIS	Redwater - Cherhill	14542
117	ALEXIS	Redwater - Cherhill	14543
118	CHERHILL	Redwater - Cherhill	14544
119	CHERHILL	Redwater - Cherhill	14554
120	WIMBORNE	Redwater - Other	14930
121	KEG EAST	Boyer	15360
122	CHERHILL	Redwater - Cherhill	15477
123	PROVOST	Redwater - Other	16042
124	JARROW	Redwater - Other	16144
125	JARROW	Redwater - Other	16146
126	JARROW	Redwater - Other	16147
127	JARROW	Redwater - Other	16148
128	JARROW	Redwater - Other	16149
129	JARROW	Redwater - Other	16150
130	JARROW	Redwater - Other	16151
131	JARROW	Redwater - Other	16152
132	JARROW	Redwater - Other	16153
133	JARROW	Redwater - Other	16154
134	JARROW	Redwater - Other	16156
135	JARROW	Redwater - Other	16157
136	JARROW	Redwater - Other	16158
137	PROVOST	Redwater - Other	16241
138	PROVOST	Redwater - Other	16242
139	PADDLE NORTH	Boyer	17524
140	PADDLE NORTH	Boyer	17525
141	PADDLE NORTH	Boyer	17526
142	PADDLE NORTH	Boyer	17645
143	PADDLE NORTH	Boyer	17646
144	PADDLE NORTH	Boyer	17647
145	PADDLE NORTH	Boyer	17648
146	BOYER OTHER	Boyer	17693
147	PADDLE SOUTH	Boyer	18142
148	DRUMHELLER	Redwater - Other	18247

	A	B	C
149	DAWSON	Peace - Other	18547
150	OYEN	Redwater - Other	19131
151	KAKWA	Wapiti - Kakwa	19614
152	PADDLE SOUTH	Boyer	19651
153	PADDLE SOUTH	Boyer	19652
154	REDWATER NORTH	Redwater - Viking	20244
155	THREE HILLS	Redwater - Other	20547
156	WIMBORNE	Redwater - Other	20936
157	PINE CREEK	PINE CREEK	21003
158	REDWATER NORTH	Redwater - Viking	21038
159	WIMBORNE	Redwater - Other	21043
160	BARRHEAD	Redwater - Cherhill	21247
161	BARRHEAD	Redwater - Cherhill	21248
162	ALEXIS	Redwater - Cherhill	21305
163	MCLEOD	PINE CREEK	21400
164	JARROW	Redwater - Other	21464
165	JARROW	Redwater - Other	21465
166	PADDLE NORTH	Boyer	21549
167	REDWATER OTHER	Redwater - Other	21584
168	REDWATER OTHER	Redwater - Other	21586
169	PINE CREEK	PINE CREEK	21591
170	REDWATER NORTH	Redwater - Viking	21729
171	JARROW	Redwater - Other	21756
172	JARROW	Redwater - Other	21757
173	JARROW	Redwater - Other	21758
174	JARROW	Redwater - Other	21759
175	JARROW	Redwater - Other	21760
176	JARROW	Redwater - Other	21761
177	JARROW	Redwater - Other	21762
178	WIMBORNE	Redwater - Other	21914
179	REDWATER NORTH	Redwater - Viking	22008
180	CHERHILL	Redwater - Cherhill	22383
181	REDWATER NORTH	Redwater - Viking	22770
182	JARROW	Redwater - Other	22827
183	HANLAN	Pine Creek	22853
184	REDWATER OTHER	Redwater - Other	22871
185	OYEN	Redwater - Other	22941

	A	B	C
186	LINDBROOK	Redwater - Other	23001
187	LINDBROOK	Redwater - Other	23002
188	WIMBORNE	Redwater - Other	23238
189	REDWATER NORTH	Redwater - Viking	23379
190	WIMBORNE	Redwater - Other	23498
191	BOYER OTHER	Boyer	23577
192	PARTRIDGE	Redwater - Other	23668
193	PROVOST	Redwater - Other	23823
194	ALEXIS	Redwater - Cherhill	23933
195	REDWATER CENTRAL	Redwater - Viking	23986
196	PINE CREEK	PINE CREEK	24101
197	PINE CREEK	PINE CREEK	24108
198	REDWATER CENTRAL	Redwater - Viking	24276
199	REDWATER CENTRAL	Redwater - Viking	24277
200	REDWATER CENTRAL	Redwater - Viking	24278
201	JARROW	Redwater - Other	24305
202	JARROW	Redwater - Other	24565
203	REDWATER CENTRAL	Redwater - Viking	25085
204	REDWATER CENTRAL	Redwater - Viking	25086
205	REDWATER CENTRAL	Redwater - Viking	25087
206	REDWATER CENTRAL	Redwater - Viking	25100
207	REDWATER NORTH	Redwater - Viking	25101
208	PLAIN LAKE	Redwater - Other	25121
209	WIMBORNE	Redwater - Other	25206
210	LINDBROOK	Redwater - Other	25856
211	LINDBROOK	Redwater - Other	25857
212	LINDBROOK	Redwater - Other	25858
213	LINDBROOK	Redwater - Other	25859
214	LINDBROOK	Redwater - Other	25860
215	LINDBROOK	Redwater - Other	25861
216	LINDBROOK	Redwater - Other	25862
217	LINDBROOK	Redwater - Other	25863
218	LINDBROOK	Redwater - Other	25864
219	REDWATER CENTRAL	Redwater - Viking	25872
220	REDWATER CENTRAL	Redwater - Viking	25873
221	BRUDERHEIM NORTH	Redwater - Viking	25901
222	BRUDERHEIM NORTH	Redwater - Viking	25916

	A	B	C
223	REDWATER CENTRAL	Redwater - Viking	25969
224	BRUDERHEIM NORTH	Redwater - Viking	25970
225	JARROW	Redwater - Other	26007
226	BRUDERHEIM NORTH	Redwater - Viking	26026
227	REDWATER CENTRAL	Redwater - Viking	26039
228	PUSKWA	Peace - Other	26067
229	PINE CREEK	PINE CREEK	26162
230	WIMBORNE	Redwater - Other	26360
231	REDWATER CENTRAL	Redwater - Viking	26510
232	REDWATER CENTRAL	Redwater - Viking	26511
233	TABER	Redwater - Other	26712
234	SNIPE LAKE	Peace - Other	27408
235	HANLAN	Pine Creek	27438
236	JARROW	Redwater - Other	27455
237	JARROW	Redwater - Other	27456
238	JARROW	Redwater - Other	27457
239	PINE CREEK	PINE CREEK	27752
240	JARROW	Redwater - Other	27961
241	JARROW	Redwater - Other	27962
242	JARROW	Redwater - Other	27963
243	JARROW	Redwater - Other	27964
244	JARROW	Redwater - Other	27971
245	KILLAM	Redwater - Other	27972
246	KILLAM	Redwater - Other	27973
247	KILLAM	Redwater - Other	27974
248	PINE CREEK	PINE CREEK	28009
249	PINE CREEK	PINE CREEK	28013
250	REDWATER NORTH	Redwater - Viking	28080
251	JARROW	Redwater - Other	28098
252	JARROW	Redwater - Other	28099
253	JARROW	Redwater - Other	28100
254	JARROW	Redwater - Other	28101
255	JARROW	Redwater - Other	28102
256	JARROW	Redwater - Other	28104
257	JARROW	Redwater - Other	28105
258	JARROW	Redwater - Other	28140
259	JARROW	Redwater - Other	28141

	A	B	C
260	JARROW	Redwater - Other	28142
261	JARROW	Redwater - Other	28143
262	JARROW	Redwater - Other	28144
263	JARROW	Redwater - Other	28146
264	JARROW	Redwater - Other	28149
265	REDWATER CENTRAL	Redwater - Viking	28192
266	PLAIN LAKE	Redwater - Other	28210
267	PINE CREEK	PINE CREEK	28366
268	PINE CREEK	PINE CREEK	28764
269	JARROW	Redwater - Other	28872
270	PLAIN LAKE	Redwater - Other	29214
271	PLAIN LAKE	Redwater - Other	29215
272	THREE HILLS	Redwater - Other	29542
273	THREE HILLS	Redwater - Other	29543
274	PINE CREEK	PINE CREEK	29586
275	DRUMHELLER	Redwater - Other	29651
276	PINE CREEK	PINE CREEK	29980
277	JARROW	Redwater - Other	30015
278	JARROW	Redwater - Other	30536
279	JARROW	Redwater - Other	30537
280	PINE CREEK	PINE CREEK	30568
281	OYEN	Redwater - Other	30576
282	OYEN	Redwater - Other	30580
283	PINE CREEK	PINE CREEK	30583
284	PINE CREEK	PINE CREEK	30584
285	PINE CREEK	PINE CREEK	30586
286	PLAIN LAKE	Redwater - Other	30682
287	KAKWA	Wapiti - Kakwa	30838
288	ALEXIS	Redwater - Cherhill	31080
289	PINE CREEK	PINE CREEK	31138
290	PINE CREEK	PINE CREEK	31139
291	BOYER OTHER	Boyer	31171
292	PINE CREEK	PINE CREEK	31282
293	REDWATER OTHER	Redwater - Other	31486
294	GIROUXVILLE	Peace - Montney	31577
295	GIROUXVILLE	Peace - Montney	31579
296	REDWATER CENTRAL	Redwater - Viking	31618

	A	B	C
297	THREE HILLS	Redwater - Other	32138
298	JARROW	Redwater - Other	32481
299	WIMBORNE	Redwater - Other	32514
300	WIMBORNE	Redwater - Other	32515
301	WIMBORNE	Redwater - Other	32516
302	BERWYN	Peace - Other	32891
303	PINE CREEK	PINE CREEK	33063
304	WIMBORNE	Redwater - Other	33633
305	PINE CREEK	PINE CREEK	33976
306	PINE CREEK	PINE CREEK	33977
307	PINE CREEK	PINE CREEK	33987
308	TABER	Redwater - Other	34251
309	TABER	Redwater - Other	34286
310	KILLAM	Redwater - Other	34333
311	KILLAM	Redwater - Other	34334
312	STEEN	Boyer	34436
313	STEEN	Boyer	34537
314	HIGH LEVEL SOUTH	Boyer	34550
315	HIGH LEVEL SOUTH	Boyer	34551
316	KAKWA	Wapiti - Kakwa	34646
317	WESTLOCK	Redwater - Cherhill	34906
318	TABER	Redwater - Other	35251
319	TABER	Redwater - Other	35252
320	HANLAN	Pine Creek	35433
321	HANLAN	Pine Creek	35434
322	JARROW	Redwater - Other	35651
323	ELMWORTH	Wapiti - Elmworth	35696
324	THREE HILLS	Redwater - Other	35851
325	BERWYN	Peace - Other	36109
326	SNIPE LAKE	Peace - Other	36183
327	SNIPE LAKE	Peace - Other	36184
328	SNIPE LAKE	Peace - Other	36185
329	REDWATER OTHER	Redwater - Other	36418
330	LINDBROOK	Redwater - Other	36479
331	LINDBROOK	Redwater - Other	36482
332	LINDBROOK	Redwater - Other	36483
333	LINDBROOK	Redwater - Other	36485

	A	B	C
334	PARTRIDGE	Redwater - Other	36584
335	WEST CULP	Peace - Other	36797
336	WEST CULP	Peace - Other	36970
337	KILLAM	Redwater - Other	37317
338	PINE CREEK	PINE CREEK	37600
339	PINE CREEK	PINE CREEK	37601
340	DAWSON	Peace - Other	37697
341	DAWSON	Peace - Other	37853
342	MCLEOD	PINE CREEK	38505
343	SINCLAIR	Peace - Other	38594
344	BRUDERHEIM NORTH	Redwater - Viking	38780
345	BRUDERHEIM NORTH	Redwater - Viking	38781
346	WIMBORNE	Redwater - Other	39002
347	TABER	Redwater - Other	39104
348	TABER	Redwater - Other	39105
349	TABER	Redwater - Other	39106
350	REDWATER OTHER	Redwater - Other	39169
351	KAKUT WEST	Peace - Other	39970
352	LINDBROOK	Redwater - Other	39978
353	LINDBROOK	Redwater - Other	39979
354	LINDBROOK	Redwater - Other	39980
355	TABER	Redwater - Other	40246
356	JARROW	Redwater - Other	40501
357	CHERHILL	Redwater - Cherhill	40550
358	PINE CREEK	PINE CREEK	40611
359	WESTLOCK	Redwater - Cherhill	41097
360	WESTLOCK	Redwater - Cherhill	41105
361	CHERHILL	Redwater - Cherhill	41400
362	CHERHILL	Redwater - Cherhill	41402
363	HANLAN	Pine Creek	41448
364	HANLAN	Pine Creek	41450
365	PADDLE NORTH	Boyer	41476
366	PADDLE NORTH	Boyer	41477
367	PADDLE NORTH	Boyer	41483
368	PADDLE NORTH	Boyer	41486
369	PADDLE NORTH	Boyer	41490
370	THREE HILLS	Redwater - Other	41586

	A	B	C
371	JARROW	Redwater - Other	41998
372	JARROW	Redwater - Other	42002
373	JARROW	Redwater - Other	42065
374	JARROW	Redwater - Other	42205
375	JARROW	Redwater - Other	42206
376	PINE CREEK	PINE CREEK	42451
377	HIGH LEVEL SOUTH	Boyer	42474
378	PADDLE NORTH	Boyer	42480
379	ALEXIS	Redwater - Cherhill	42736
380	JARROW	Redwater - Other	42806
381	JARROW	Redwater - Other	42811
382	PROVOST	Redwater - Other	103770
383	JARROW	Redwater - Other	103942
384	JARROW	Redwater - Other	103943
385	LINDBROOK	Redwater - Other	104954
386	LINDBROOK	Redwater - Other	104955
387	LINDBROOK	Redwater - Other	104956
388	MCLEOD	PINE CREEK	105075
389	PINE CREEK	PINE CREEK	105290
390	SNIFE LAKE	Peace - Other	105593
391	THREE HILLS	Redwater - Other	107341
392	WIMBORNE	Redwater - Other	108660
393	WIMBORNE	Redwater - Other	109962
394	WHITELAW	Peace - Other	110166
395	WHITELAW	Peace - Other	110167
396	ELMWORTH	Wapiti - Elmworth	113859
397	ELMWORTH	Wapiti - Elmworth	114531
398	ELMWORTH	Wapiti - Elmworth	114548
399	ELMWORTH	Wapiti - Elmworth	114549
400	ELMWORTH	Wapiti - Elmworth	114552
401	PINE CREEK	PINE CREEK	116445
402	PINE CREEK	PINE CREEK	116446
403	PINE CREEK	PINE CREEK	117260
404	REDWATER CENTRAL	Redwater - Viking	117371
405	REDWATER OTHER	Redwater - Other	118869
406	DRUMHELLER	Redwater - Other	121303
407	DRUMHELLER	Redwater - Other	121304

	A	B	C
408	JARROW	Redwater - Other	122175
409	REDWATER OTHER	Redwater - Other	122436
410	REDWATER OTHER	Redwater - Other	122501
411	TWIN LAKE	Redwater - Cherhill	123740
412	SNIPE LAKE	Peace - Other	124140
413	ALEXIS	Redwater - Cherhill	124926
414	BRUDERHEIM SOUTH	Redwater - Viking	125001
415	PINE CREEK	PINE CREEK	127005
416	SNIPE LAKE	Peace - Other	127185
417	SNIPE LAKE	Peace - Other	127186
418	SNIPE LAKE	Peace - Other	127188
419	BOYER OTHER	Boyer	127388
420	KEG POST	Boyer	128077
421	PINE CREEK	PINE CREEK	128412
422	PINE CREEK	PINE CREEK	128413
423	ELMWORTH	Wapiti - Elmworth	128705
424	KEG EAST	Boyer	128853
425	KEG EAST	Boyer	128854
426	KEG EAST	Boyer	128855
427	KEG EAST	Boyer	128856
428	BOYER OTHER	Boyer	129042
429	WEST CULP	Peace - Other	0176070015
430	CHERHILL	Redwater - Cherhill	0176100050
431	CHERHILL	Redwater - Cherhill	0176100051
432	BERWYN	Peace - Other	0177020079
433	BERWYN	Peace - Other	0177030004
434	HARO	Boyer	0177050133
435	PADDLE NORTH	Boyer	0177060001
436	WEST CULP	Peace - Other	0177060045
437	CHERHILL	Redwater - Cherhill	0177090079
438	KEG POST	Boyer	0178070009
439	KEG EAST	Boyer	0179020031
440	WEST CULP	Peace - Other	0179090002
441	WEST CULP	Peace - Other	0179090005
442	WEST CULP	Peace - Other	0179090006
443	PADDLE NORTH	Boyer	0179120009
444	PADDLE NORTH	Boyer	0179120010

	A	B	C
445	PADDLE NORTH	Boyer	0179120011
446	EAGLESHAM	Peace - Other	0180050005
447	WEST CULP	Peace - Other	0180050006
448	EAGLESHAM	Peace - Other	0180110001
449	EAGLESHAM	Peace - Other	0181010013
450	WEST CULP	Peace - Other	0181020004
451	BOYER OTHER	Boyer	0181050011
452	CHERHILL	Redwater - Cherhill	0182030004
453	BARRHEAD	Redwater - Cherhill	0182030006
454	PADDLE SOUTH	Boyer	0277020005
455	KEG WEST	Boyer	0277030006
456	PADDLE NORTH	Boyer	0277030013
457	PADDLE SOUTH	Boyer	0277030021
458	PADDLE NORTH	Boyer	0277030026
459	PADDLE NORTH	Boyer	0277030027
460	PADDLE NORTH	Boyer	0277030028
461	PADDLE NORTH	Boyer	0277030029
462	HOTCHKISS	Peace - Other	0277040005
463	HOTCHKISS	Peace - Other	0277040006
464	PADDLE SOUTH	Boyer	0277040010
465	PADDLE NORTH	Boyer	0277040012
466	PADDLE SOUTH	Boyer	0277040018
467	WHITELAW	Peace - Other	0277040019
468	KEG EAST	Boyer	0277060001
469	KEG POST	Boyer	0277060013
470	PADDLE NORTH	Boyer	0277070001
471	HIGH LEVEL SOUTH	Boyer	0277110004
472	HIGH LEVEL SOUTH	Boyer	0277110005
473	PADDLE NORTH	Boyer	0278040004
474	PADDLE NORTH	Boyer	0278040005
475	STEEN	Boyer	0279020003
476	KEG POST	Boyer	0279040003
477	PADDLE SOUTH	Boyer	0281010002
478	JARROW	Redwater - Other	0400010158
479	JARROW	Redwater - Other	0400010175
480	KILLAM	Redwater - Other	0400010463
481	JARROW	Redwater - Other	0400010486

	A	B	C
482	OYEN	Redwater - Other	0400020056
483	OYEN	Redwater - Other	0400020057
484	OYEN	Redwater - Other	0400020058
485	JARROW	Redwater - Other	0400020152
486	OYEN	Redwater - Other	0400030382
487	REDWATER OTHER	Redwater - Other	0400040395
488	JARROW	Redwater - Other	0400040783
489	JARROW	Redwater - Other	0400060269
490	JARROW	Redwater - Other	0400060276
491	PLAIN LAKE	Redwater - Other	0400060283
492	BRUDERHEIM NORTH	Redwater - Viking	0400060284
493	BRUDERHEIM NORTH	Redwater - Viking	0400060285
494	BRUDERHEIM NORTH	Redwater - Viking	0400070166
495	DRUMHELLER	Redwater - Other	0400100047
496	JARROW	Redwater - Other	0400100087
497	JARROW	Redwater - Other	0400100088
498	JARROW	Redwater - Other	0400110892
499	TABER	Redwater - Other	0400120005
500	THREE HILLS	Redwater - Other	0401010174
501	THREE HILLS	Redwater - Other	0401010175
502	OYEN	Redwater - Other	0401010568
503	JARROW	Redwater - Other	0401010613
504	THREE HILLS	Redwater - Other	0401050113
505	REDWATER OTHER	Redwater - Other	0401050466
506	REDWATER OTHER	Redwater - Other	0401050467
507	REDWATER OTHER	Redwater - Other	0401050468
508	REDWATER OTHER	Redwater - Other	0401050469
509	TWIN LAKE	Redwater - Cherhill	0401050495
510	OYEN	Redwater - Other	0401050644
511	JARROW	Redwater - Other	0401060144
512	THREE HILLS	Redwater - Other	0401070135
513	BASHAW	Redwater - Other	0401070186
514	OYEN	Redwater - Other	0401070582
515	DRUMHELLER	Redwater - Other	0401070583
516	OYEN	Redwater - Other	0401080062
517	OYEN	Redwater - Other	0401080065
518	ALEXIS	Redwater - Cherhill	0401080193

	A	B	C
519	REDWATER OTHER	Redwater - Other	0401080289
520	WESTLOCK	Redwater - Cherhill	0401080481
521	REDWATER OTHER	Redwater - Other	0401090021
522	REDWATER OTHER	Redwater - Other	0401090022
523	KILLAM	Redwater - Other	0401090346
524	KILLAM	Redwater - Other	0401090347
525	KILLAM	Redwater - Other	0401090348
526	KILLAM	Redwater - Other	0401090349
527	OYEN	Redwater - Other	0401110038
528	OYEN	Redwater - Other	0401110039
529	OYEN	Redwater - Other	0401110240
530	THREE HILLS	Redwater - Other	0401110467
531	OYEN	Redwater - Other	0401120060
532	OYEN	Redwater - Other	0401120061
533	OYEN	Redwater - Other	0402010043
534	HIGHVALE	Redwater - Other	0402020101
535	KILLAM	Redwater - Other	0402030184
536	JARROW	Redwater - Other	0402060070
537	KILLAM	Redwater - Other	0402060290
538	OYEN	Redwater - Other	0402080049
539	KILLAM	Redwater - Other	0402080396
540	REDWATER NORTH	Redwater - Viking	0402080448
541	OYEN	Redwater - Other	0402090374
542	PLAIN LAKE	Redwater - Other	0402100718
543	JARROW	Redwater - Other	0402110319
544	JARROW	Redwater - Other	0402110320
545	JARROW	Redwater - Other	0402110321
546	JARROW	Redwater - Other	0402110323
547	KILLAM	Redwater - Other	0402120101
548	OYEN	Redwater - Other	0403010097
549	REDWATER OTHER	Redwater - Other	0403010613
550	BASHAW	Redwater - Other	0403020099
551	PLAIN LAKE	Redwater - Other	0403020121
552	PLAIN LAKE	Redwater - Other	0403020122
553	HIGHVALE	Redwater - Other	0403030338
554	REDWATER NORTH	Redwater - Viking	0403030373
555	BASHAW	Redwater - Other	0403030776

	A	B	C
556	OYEN	Redwater - Other	0403040558
557	REDWATER OTHER	Redwater - Other	0403050489
558	REDWATER OTHER	Redwater - Other	0403050996
559	JARROW	Redwater - Other	0403060123
560	PLAIN LAKE	Redwater - Other	0403060689
561	REDWATER NORTH	Redwater - Viking	0403070124
562	REDWATER NORTH	Redwater - Viking	0403070125
563	REDWATER NORTH	Redwater - Viking	0403070126
564	PLAIN LAKE	Redwater - Other	0403070533
565	JARROW	Redwater - Other	0403080144
566	KILLAM	Redwater - Other	0403080145
567	REDWATER NORTH	Redwater - Viking	0403080182
568	REDWATER NORTH	Redwater - Viking	0403080184
569	REDWATER NORTH	Redwater - Viking	0403080186
570	REDWATER NORTH	Redwater - Viking	0403080188
571	REDWATER NORTH	Redwater - Viking	0403080190
572	REDWATER NORTH	Redwater - Viking	0403080197
573	REDWATER OTHER	Redwater - Other	0403080200
574	REDWATER NORTH	Redwater - Viking	0403080572
575	REDWATER NORTH	Redwater - Viking	0403080573
576	REDWATER NORTH	Redwater - Viking	0403100154
577	OYEN	Redwater - Other	0403100684
578	TWIN LAKE	Redwater - Cherhill	0403100765
579	WESTLOCK	Redwater - Cherhill	0403110112
580	JARROW	Redwater - Other	0403110404
581	WIMBORNE	Redwater - Other	0404010519
582	THREE HILLS	Redwater - Other	0404010528
583	REDWATER NORTH	Redwater - Viking	0404010581
584	PLAIN LAKE	Redwater - Other	0404030178
585	PLAIN LAKE	Redwater - Other	0404030197
586	TABER	Redwater - Other	0404040027
587	TABER	Redwater - Other	0404040028
588	PLAIN LAKE	Redwater - Other	0404040380
589	BRUDERHEIM SOUTH	Redwater - Viking	0404040397
590	BRUDERHEIM SOUTH	Redwater - Viking	0404040398
591	PLAIN LAKE	Redwater - Other	0404050886
592	CHERHILL	Redwater - Cherhill	0404060394

	A	B	C
593	CHERHILL	Redwater - Cherhill	0404060396
594	CHERHILL	Redwater - Cherhill	0404060397
595	OYEN	Redwater - Other	0404070071
596	OYEN	Redwater - Other	0404070079
597	OYEN	Redwater - Other	0404070080
598	OYEN	Redwater - Other	0404070081
599	PLAIN LAKE	Redwater - Other	0404070183
600	PLAIN LAKE	Redwater - Other	0404070185
601	DRUMHELLER	Redwater - Other	0404090052
602	PLAIN LAKE	Redwater - Other	0404090804
603	REDWATER NORTH	Redwater - Viking	0404100136
604	REDWATER NORTH	Redwater - Viking	0404100137
605	DRUMHELLER	Redwater - Other	0404110079
606	REDWATER OTHER	Redwater - Other	0405010143
607	BASHAW	Redwater - Other	0405010147
608	BASHAW	Redwater - Other	0405010166
609	TABER	Redwater - Other	0405010554
610	JARROW	Redwater - Other	0405010598
611	OYEN	Redwater - Other	0405030091
612	KILLAM	Redwater - Other	0405030199
613	DRUMHELLER	Redwater - Other	0405040073
614	REDWATER NORTH	Redwater - Viking	0405040173
615	DRUMHELLER	Redwater - Other	0405040390
616	REDWATER CENTRAL	Redwater - Viking	0405040436
617	REDWATER CENTRAL	Redwater - Viking	0405040437
618	JARROW	Redwater - Other	0405050125
619	KILLAM	Redwater - Other	0405060743
620	REDWATER NORTH	Redwater - Viking	0405060772
621	REDWATER NORTH	Redwater - Viking	0405090453
622	REDWATER NORTH	Redwater - Viking	0405090461
623	PLAIN LAKE	Redwater - Other	0405090660
624	JARROW	Redwater - Other	0405100133
625	JARROW	Redwater - Other	0405100134
626	REDWATER OTHER	Redwater - Other	0405100168
627	OYEN	Redwater - Other	0405110399
628	BASHAW	Redwater - Other	0405120599
629	REDWATER NORTH	Redwater - Viking	0405120717

	A	B	C
630	REDWATER NORTH	Redwater - Viking	0405120718
631	REDWATER NORTH	Redwater - Viking	0405120719
632	REDWATER NORTH	Redwater - Viking	0405120735
633	OYEN	Redwater - Other	0406010067
634	THREE HILLS	Redwater - Other	0406010761
635	REDWATER NORTH	Redwater - Viking	0406020136
636	REDWATER NORTH	Redwater - Viking	0406080246
637	REDWATER NORTH	Redwater - Viking	0406080247
638	JARROW	Redwater - Other	0406090540
639	JARROW	Redwater - Other	0406090541
640	REDWATER NORTH	Redwater - Viking	0407010145
641	REDWATER NORTH	Redwater - Viking	0407010151
642	JARROW	Redwater - Other	0407030674
643	KILLAM	Redwater - Other	0407070382
644	KILLAM	Redwater - Other	0407070383
645	BRUDERHEIM SOUTH	Redwater - Viking	0407110384
646	KILLAM	Redwater - Other	0408030609
647	JARROW	Redwater - Other	0408040330
648	KILLAM	Redwater - Other	0408060216
649	THREE HILLS	Redwater - Other	0408080286
650	KILLAM	Redwater - Other	0409090052
651	REDWATER CENTRAL	Redwater - Viking	0409110081
652	REDWATER NORTH	Redwater - Viking	0409120071
653	REDWATER NORTH	Redwater - Viking	0410040157
654	OYEN	Redwater - Other	0410070476
655	REDWATER NORTH	Redwater - Viking	0410070536
656	REDWATER NORTH	Redwater - Viking	0411010082
657	JARROW	Redwater - Other	0411010572
658	JARROW	Redwater - Other	0411010573
659	JARROW	Redwater - Other	0411010574
660	REDWATER CENTRAL	Redwater - Viking	0412080308
661	REDWATER NORTH	Redwater - Viking	0412090279
662	REDWATER NORTH	Redwater - Viking	0412090280
663	REDWATER NORTH	Redwater - Viking	0412090281
664	REDWATER CENTRAL	Redwater - Viking	0412100383
665	REDWATER NORTH	Redwater - Viking	0412120150
666	KILLAM	Redwater - Other	0413060270

	A	B	C
667	REDWATER CENTRAL	Redwater - Viking	0413110302
668	REDWATER OTHER	Redwater - Other	0415120058
669	HIGHVALE	Redwater - Other	0416030048
670	BRUDERHEIM NORTH	Redwater - Viking	0416040019
671	KILLAM	Redwater - Other	0416090013
672	JARROW	Redwater - Other	0416110032
673	REDWATER NORTH	Redwater - Viking	0416120078
674	REDWATER NORTH	Redwater - Viking	0416120079
675	REDWATER NORTH	Redwater - Viking	0416120080
676	REDWATER NORTH	Redwater - Viking	0416120081
677	REDWATER NORTH	Redwater - Viking	0416120082
678	REDWATER OTHER	Redwater - Other	0417060057
679	BASHAW	Redwater - Other	0417080094
680	BRUDERHEIM SOUTH	Redwater - Viking	0417090050
681	THREE HILLS	Redwater - Other	0417100034
682	REDWATER OTHER	Redwater - Other	0417110181
683	REDWATER OTHER	Redwater - Other	0417110184
684	OYEN	Redwater - Other	0417120008
685	REDWATER OTHER	Redwater - Other	0418010004
686	OYEN	Redwater - Other	0418010011
687	REDWATER OTHER	Redwater - Other	0418030336
688	JARROW	Redwater - Other	0418050068
689	REDWATER OTHER	Redwater - Other	0418050219
690	KILLAM	Redwater - Other	0418070165
691	WESTLOCK	Redwater - Cherhill	0418070167
692	WESTLOCK	Redwater - Cherhill	0418070168
693	KILLAM	Redwater - Other	0418080072
694	JARROW	Redwater - Other	0418080175
695	JARROW	Redwater - Other	0418080297
696	JARROW	Redwater - Other	0418110074
697	MAJEAU LAKE	Redwater - Cherhill	0419080040
698	JARROW	Redwater - Other	0419080278
699	PLAIN LAKE	Redwater - Other	0419100015
700	REDWATER NORTH	Redwater - Viking	0419100017
701	REDWATER OTHER	Redwater - Other	0419120015
702	JARROW	Redwater - Other	0476080043
703	DRUMHELLER	Redwater - Other	0476090007

	A	B	C
704	JARROW	Redwater - Other	0476100014
705	JARROW	Redwater - Other	0476100016
706	JARROW	Redwater - Other	0476100017
707	WESTLOCK	Redwater - Cherhill	0476100157
708	JARROW	Redwater - Other	0476110148
709	JARROW	Redwater - Other	0476110157
710	JARROW	Redwater - Other	0476110163
711	THREE HILLS	Redwater - Other	0477010004
712	THREE HILLS	Redwater - Other	0477010005
713	MAJEAU LAKE	Redwater - Cherhill	0477010113
714	JARROW	Redwater - Other	0477020056
715	JARROW	Redwater - Other	0477020147
716	LINDBROOK	Redwater - Other	0477030189
717	JARROW	Redwater - Other	0477060235
718	CHERHILL	Redwater - Cherhill	0477090026
719	REDWATER OTHER	Redwater - Other	0477090078
720	WIMBORNE	Redwater - Other	0477110008
721	REDWATER NORTH	Redwater - Viking	0477110021
722	JARROW	Redwater - Other	0477110194
723	JARROW	Redwater - Other	0477120121
724	REDWATER OTHER	Redwater - Other	0478040011
725	BRUDERHEIM NORTH	Redwater - Viking	0478040272
726	DRUMHELLER	Redwater - Other	0478050162
727	WIMBORNE	Redwater - Other	0478080010
728	WIMBORNE	Redwater - Other	0478090158
729	JARROW	Redwater - Other	0478110099
730	JARROW	Redwater - Other	0479020245
731	MAJEAU LAKE	Redwater - Cherhill	0479040152
732	DRUMHELLER	Redwater - Other	0479050117
733	REDWATER OTHER	Redwater - Other	0479050203
734	MAJEAU LAKE	Redwater - Cherhill	0479060101
735	JARROW	Redwater - Other	0479090226
736	MAJEAU LAKE	Redwater - Cherhill	0480030237
737	WESTLOCK	Redwater - Cherhill	0480050128
738	CHERHILL	Redwater - Cherhill	0480060248
739	HIGHVALE	Redwater - Other	0480070326
740	MAJEAU LAKE	Redwater - Cherhill	0480120055

	A	B	C
741	OYEN	Redwater - Other	0481040207
742	MAJEAU LAKE	Redwater - Cherhill	0481060042
743	CHERHILL	Redwater - Cherhill	0481070145
744	DRUMHELLER	Redwater - Other	0482090065
745	JARROW	Redwater - Other	0482120176
746	DRUMHELLER	Redwater - Other	0483050006
747	REDWATER OTHER	Redwater - Other	0483050030
748	LINDBROOK	Redwater - Other	0483050038
749	DRUMHELLER	Redwater - Other	0483050150
750	THREE HILLS	Redwater - Other	0483080019
751	JARROW	Redwater - Other	0483080152
752	WIMBORNE	Redwater - Other	0484060144
753	BRUDERHEIM NORTH	Redwater - Viking	0484090081
754	BRUDERHEIM NORTH	Redwater - Viking	0484090083
755	CHERHILL	Redwater - Cherhill	0484090264
756	DRUMHELLER	Redwater - Other	0485010036
757	WIMBORNE	Redwater - Other	0485010190
758	WIMBORNE	Redwater - Other	0485030031
759	WIMBORNE	Redwater - Other	0485030032
760	WIMBORNE	Redwater - Other	0485050276
761	WIMBORNE	Redwater - Other	0485050278
762	JARROW	Redwater - Other	0485090069
763	MAJEAU LAKE	Redwater - Cherhill	0485090374
764	MAJEAU LAKE	Redwater - Cherhill	0485090375
765	THREE HILLS	Redwater - Other	0485110026
766	TABER	Redwater - Other	0486010013
767	DRUMHELLER	Redwater - Other	0486050447
768	WIMBORNE	Redwater - Other	0486070157
769	JARROW	Redwater - Other	0486080270
770	MAJEAU LAKE	Redwater - Cherhill	0486100380
771	MAJEAU LAKE	Redwater - Cherhill	0486100381
772	DRUMHELLER	Redwater - Other	0487010038
773	JARROW	Redwater - Other	0487010078
774	DRUMHELLER	Redwater - Other	0487040045
775	DRUMHELLER	Redwater - Other	0487090060
776	DRUMHELLER	Redwater - Other	0487100505
777	DRUMHELLER	Redwater - Other	0487100506

	A	B	C
778	DRUMHELLER	Redwater - Other	0487120305
779	WIMBORNE	Redwater - Other	0488090098
780	DRUMHELLER	Redwater - Other	0489020396
781	DRUMHELLER	Redwater - Other	0489080415
782	REDWATER NORTH	Redwater - Viking	0489100088
783	REDWATER NORTH	Redwater - Viking	0490010130
784	WESTLOCK	Redwater - Cherhill	0490030358
785	REDWATER NORTH	Redwater - Viking	0490090364
786	REDWATER NORTH	Redwater - Viking	0490120247
787	HIGHVALE	Redwater - Other	0491020091
788	HIGHVALE	Redwater - Other	0491110351
789	WIMBORNE	Redwater - Other	0492020045
790	WIMBORNE	Redwater - Other	0492020049
791	REDWATER NORTH	Redwater - Viking	0492020389
792	DRUMHELLER	Redwater - Other	0492080205
793	DRUMHELLER	Redwater - Other	0492080212
794	MAJEAU LAKE	Redwater - Cherhill	0492090140
795	BRUDERHEIM NORTH	Redwater - Viking	0492100124
796	REDWATER NORTH	Redwater - Viking	0492120307
797	REDWATER NORTH	Redwater - Viking	0493020117
798	REDWATER NORTH	Redwater - Viking	0493020119
799	REDWATER NORTH	Redwater - Viking	0493020134
800	WESTLOCK	Redwater - Cherhill	0493030104
801	DRUMHELLER	Redwater - Other	0493050087
802	THREE HILLS	Redwater - Other	0493060046
803	THREE HILLS	Redwater - Other	0493060048
804	THREE HILLS	Redwater - Other	0493060303
805	THREE HILLS	Redwater - Other	0493070111
806	TABER	Redwater - Other	0493090271
807	TABER	Redwater - Other	0493090272
808	TABER	Redwater - Other	0493090273
809	THREE HILLS	Redwater - Other	0493100067
810	REDWATER NORTH	Redwater - Viking	0493100483
811	REDWATER NORTH	Redwater - Viking	0494040415
812	REDWATER NORTH	Redwater - Viking	0494080133
813	WESTLOCK	Redwater - Cherhill	0494090911
814	OYEN	Redwater - Other	0494100739

	A	B	C
815	REDWATER NORTH	Redwater - Viking	0494110157
816	TABER	Redwater - Other	0495030020
817	DRUMHELLER	Redwater - Other	0495030432
818	REDWATER NORTH	Redwater - Viking	0495070098
819	REDWATER NORTH	Redwater - Viking	0495070453
820	REDWATER NORTH	Redwater - Viking	0495080720
821	MAJEAU LAKE	Redwater - Cherhill	0495090134
822	BRUDERHEIM SOUTH	Redwater - Viking	0495110106
823	THREE HILLS	Redwater - Other	0496020371
824	WESTLOCK	Redwater - Cherhill	0496020583
825	JARROW	Redwater - Other	0496030575
826	JARROW	Redwater - Other	0496030608
827	MAJEAU LAKE	Redwater - Cherhill	0496060565
828	DRUMHELLER	Redwater - Other	0496060569
829	DRUMHELLER	Redwater - Other	0496060581
830	JARROW	Redwater - Other	0496070097
831	DRUMHELLER	Redwater - Other	0496070592
832	JARROW	Redwater - Other	0496080396
833	HIGHVALE	Redwater - Other	0497020175
834	REDWATER CENTRAL	Redwater - Viking	0497030734
835	WESTLOCK	Redwater - Cherhill	0497030907
836	WESTLOCK	Redwater - Cherhill	0497040188
837	JARROW	Redwater - Other	0497050145
838	JARROW	Redwater - Other	0497050146
839	JARROW	Redwater - Other	0497050147
840	WIMBORNE	Redwater - Other	0497070430
841	BRUDERHEIM NORTH	Redwater - Viking	0497080301
842	BRUDERHEIM NORTH	Redwater - Viking	0497080302
843	JARROW	Redwater - Other	0497090111
844	JARROW	Redwater - Other	0497090115
845	REDWATER OTHER	Redwater - Other	0497100043
846	JARROW	Redwater - Other	0497100650
847	REDWATER NORTH	Redwater - Viking	0498010521
848	JARROW	Redwater - Other	0498020110
849	JARROW	Redwater - Other	0498020111
850	TABER	Redwater - Other	0498040024
851	TABER	Redwater - Other	0498040025

	A	B	C
852	TABER	Redwater - Other	0498040028
853	REDWATER OTHER	Redwater - Other	0498040080
854	WESTLOCK	Redwater - Cherhill	0498060191
855	REDWATER OTHER	Redwater - Other	0498090292
856	JARROW	Redwater - Other	0498100062
857	JARROW	Redwater - Other	0498100063
858	THREE HILLS	Redwater - Other	0498120009
859	JARROW	Redwater - Other	0499010081
860	REDWATER OTHER	Redwater - Other	0499020025
861	REDWATER OTHER	Redwater - Other	0499020033
862	DRUMHELLER	Redwater - Other	0499030072
863	REDWATER OTHER	Redwater - Other	0499030084
864	JARROW	Redwater - Other	0499070268
865	JARROW	Redwater - Other	0499070270
866	JARROW	Redwater - Other	0499080095
867	JARROW	Redwater - Other	0499080107
868	LINDBROOK	Redwater - Other	0499080109
869	LINDBROOK	Redwater - Other	0499080110
870	JARROW	Redwater - Other	0499090094
871	JARROW	Redwater - Other	0499090095
872	JARROW	Redwater - Other	0499090098
873	JARROW	Redwater - Other	0499090103
874	JARROW	Redwater - Other	0499090123
875	JARROW	Redwater - Other	0499090127
876	JARROW	Redwater - Other	0499090131
877	JARROW	Redwater - Other	0499090132
878	JARROW	Redwater - Other	0499090142
879	JARROW	Redwater - Other	0499090336
880	JARROW	Redwater - Other	0499090337
881	OYEN	Redwater - Other	0499100024
882	JARROW	Redwater - Other	0499100304
883	JARROW	Redwater - Other	0499100306
884	BRUDERHEIM NORTH	Redwater - Viking	0499100338
885	BRUDERHEIM NORTH	Redwater - Viking	0499100339
886	REDWATER CENTRAL	Redwater - Viking	0499100357
887	REDWATER CENTRAL	Redwater - Viking	0499110105
888	REDWATER NORTH	Redwater - Viking	0499110112

	A	B	C
889	REDWATER NORTH	Redwater - Viking	0499110113
890	REDWATER NORTH	Redwater - Viking	0499110407
891	REDWATER NORTH	Redwater - Viking	0499110409
892	REDWATER NORTH	Redwater - Viking	0499110411
893	REDWATER NORTH	Redwater - Viking	0499110413
894	JARROW	Redwater - Other	0499120080
895	JARROW	Redwater - Other	0499120086
896	JARROW	Redwater - Other	0499120087
897	JARROW	Redwater - Other	0499120088
898	JARROW	Redwater - Other	0499120348
899	JARROW	Redwater - Other	0499120350
900	PINE CREEK	PINE CREEK	0500010249
901	PINE CREEK	PINE CREEK	0500010561
902	DIXONVILLE	Peace - Other	0500010619
903	EAGLESHAM	Peace - Other	0500020576
904	PINE CREEK	PINE CREEK	0500040532
905	PINE CREEK	PINE CREEK	0500040533
906	MCLEOD	PINE CREEK	0500050408
907	JOSEPHINE	Peace - Other	0500050443
908	HIGH LEVEL NORTH	Boyer	0500060582
909	PADDLE NORTH	Boyer	0500060585
910	CHERHILL	Redwater - Cherhill	0500070214
911	DAWSON	Peace - Other	0500070544
912	HIGH LEVEL SOUTH	Boyer	0500070556
913	HIGH LEVEL SOUTH	Boyer	0500070557
914	WEST COVE	Redwater - Cherhill	0500080482
915	HEART RIVER	Peace - Other	0500080510
916	KEG POST	Boyer	0500090201
917	KEG EAST	Boyer	0500090202
918	PINE CREEK	PINE CREEK	0500090310
919	DAWSON	Peace - Other	0500090374
920	DAWSON	Peace - Other	0500090376
921	DAWSON	Peace - Other	0500090377
922	DAWSON	Peace - Other	0500090378
923	DAWSON	Peace - Other	0500090402
924	STEEN	Boyer	0500090421
925	DAWSON	Peace - Other	0500100210

	A	B	C
926	DAWSON	Peace - Other	0500100213
927	STEEN	Boyer	0500100253
928	STEEN	Boyer	0500100254
929	STEEN	Boyer	0500100255
930	PINE CREEK	PINE CREEK	0500100446
931	PINE CREEK	PINE CREEK	0500110159
932	PINE CREEK	PINE CREEK	0500110160
933	PINE CREEK	PINE CREEK	0500110534
934	PINE CREEK	PINE CREEK	0500110795
935	PEORIA	Peace - Other	0500120177
936	PINE CREEK	PINE CREEK	0501010348
937	PINE CREEK	PINE CREEK	0501010359
938	KAKWA	Wapiti - Kakwa	0501010408
939	PINE CREEK	PINE CREEK	0501040189
940	SINCLAIR	Peace - Other	0501040230
941	WEST COVE	Redwater - Cherhill	0501050533
942	GIROUXVILLE	Peace - Montney	0501050567
943	CLEAR HILLS	Peace - Other	0501050590
944	CHERHILL	Redwater - Cherhill	0501060222
945	EAGLESHAM	Peace - Other	0501060258
946	KAKWA	Wapiti - Kakwa	0501070749
947	CHERHILL	Redwater - Cherhill	0501080227
948	CHERHILL	Redwater - Cherhill	0501080230
949	MIRAGE	Peace - Other	0501080270
950	CLEAR HILLS	Peace - Other	0501080574
951	ALEXIS	Redwater - Cherhill	0501090154
952	PINE CREEK	PINE CREEK	0501090159
953	PEORIA	Peace - Other	0501100212
954	MIRAGE	Peace - Other	0501100217
955	CLEAR HILLS	Peace - Other	0501100408
956	EAGLESHAM	Peace - Other	0501120216
957	LOST SOUTH LEDDY	Peace - Other	0501120234
958	PINE CREEK	PINE CREEK	0502010218
959	ELMWORTH	Wapiti - Elmworth	0502010239
960	MCLEOD	PINE CREEK	0502030291
961	JOSEPHINE	Peace - Other	0502030362
962	KAKWA	Wapiti - Kakwa	0502030552

	A	B	C
963	GIROUXVILLE	Peace - Montney	0502040361
964	WEST COVE	Redwater - Cherhill	0502050089
965	ELMWORTH	Wapiti - Elmworth	0502050405
966	ELMWORTH	Wapiti - Elmworth	0502050406
967	KAKWA	Wapiti - Kakwa	0502050668
968	ALEXIS	Redwater - Cherhill	0502060120
969	PINE CREEK	PINE CREEK	0502070198
970	DAWSON	Peace - Other	0502080236
971	PINE CREEK	PINE CREEK	0502080492
972	ELMWORTH	Wapiti - Elmworth	0502090223
973	JOSEPHINE	Peace - Other	0502090571
974	KAKWA	Wapiti - Kakwa	0502100467
975	RYCROFT	Peace - Other	0502100790
976	PINE CREEK	PINE CREEK	0502120174
977	PINE CREEK	PINE CREEK	0502120175
978	KAKWA	Wapiti - Kakwa	0502120186
979	TEEPEE CREEK	Peace - Other	0502120205
980	TEEPEE CREEK	Peace - Other	0502120206
981	TWIN LAKE	Redwater - Cherhill	0503020201
982	RYCROFT	Peace - Other	0503030547
983	JOSEPHINE	Peace - Other	0503031037
984	MCLEOD	PINE CREEK	0503050195
985	KAKWA	Wapiti - Kakwa	0503050549
986	GIROUXVILLE	Peace - Montney	0503050595
987	EAGLESHAM	Peace - Other	0503060275
988	EAGLESHAM	Peace - Other	0503060278
989	MCLEOD	PINE CREEK	0503060528
990	MCLEOD	PINE CREEK	0503060529
991	MCLEAN CREEK	PEACE - OTHER	0503070621
992	PINE CREEK	PINE CREEK	0503080254
993	MCLEOD	PINE CREEK	0503080257
994	WEST COVE	Redwater - Cherhill	0503080633
995	WEST COVE	Redwater - Cherhill	0503080641
996	GIROUXVILLE	Peace - Montney	0503090567
997	GIROUXVILLE	Peace - Montney	0503090571
998	GIROUXVILLE	Peace - Montney	0503090572
999	PEACE OTHER	Peace - Other	0503090581

	A	B	C
1000	GIROUXVILLE	Peace - Montney	0503110214
1001	GIROUXVILLE	Peace - Montney	0503110215
1002	GIROUXVILLE	Peace - Montney	0503110216
1003	GIROUXVILLE	Peace - Montney	0503110217
1004	KAKWA	Wapiti - Kakwa	0503110472
1005	KAKWA	Wapiti - Kakwa	0503110475
1006	GIROUXVILLE	Peace - Montney	0504010306
1007	GIROUXVILLE	Peace - Montney	0504010307
1008	GIROUXVILLE	Peace - Montney	0504010308
1009	GIROUXVILLE	Peace - Montney	0504010309
1010	MCLEOD	PINE CREEK	0504030326
1011	MCLEOD	PINE CREEK	0504030327
1012	KAKWA	Wapiti - Kakwa	0504030346
1013	ELMWORTH	Wapiti - Elmworth	0504040537
1014	ELMWORTH	Wapiti - Elmworth	0504040539
1015	TEEPEE CREEK	Peace - Other	0504040569
1016	KAKUT	PEACE - OTHER	0504040576
1017	GIROUXVILLE	Peace - Montney	0504040581
1018	GIROUXVILLE	Peace - Montney	0504040591
1019	GIROUXVILLE	Peace - Montney	0504040593
1020	GIROUXVILLE	Peace - Montney	0504040594
1021	GIROUXVILLE	Peace - Montney	0504040878
1022	CLEAR HILLS	Peace - Other	0504040886
1023	CLEAR HILLS	Peace - Other	0504040887
1024	CLEAR HILLS	Peace - Other	0504040888
1025	KAKUT WEST	Peace - Other	0504060493
1026	PINE CREEK	PINE CREEK	0504080154
1027	KAKUT WEST	Peace - Other	0504080667
1028	GIROUXVILLE	Peace - Montney	0504080678
1029	GIROUXVILLE	Peace - Montney	0504080679
1030	KAKUT WEST	Peace - Other	0504090254
1031	CLEAR HILLS	Peace - Other	0504090912
1032	CLEAR HILLS	Peace - Other	0504100483
1033	NORMANDVILLE	Peace - Montney	0504120238
1034	NORMANDVILLE	Peace - Montney	0504120239
1035	NORMANDVILLE	Peace - Montney	0504120241
1036	NORMANDVILLE	Peace - Montney	0504120242

	A	B	C
1037	CHERHILL	Redwater - Cherhill	0504120621
1038	MCLEAN CREEK	PEACE - OTHER	0504120678
1039	DAWSON	Peace - Other	0505010386
1040	DAWSON	Peace - Other	0505010387
1041	CLEAR HILLS	Peace - Other	0505010426
1042	ELMWORTH	Wapiti - Elmworth	0505030434
1043	CENTRAL AB MINORS	Redwater - Other	0505040507
1044	ELMWORTH	Wapiti - Elmworth	0505050226
1045	CLEAR HILLS	Peace - Other	0505050612
1046	PINE CREEK	PINE CREEK	0505060135
1047	PINE CREEK	PINE CREEK	0505060136
1048	CHERHILL	Redwater - Cherhill	0505060148
1049	SNIPE LAKE	Peace - Other	0505060200
1050	SNIPE LAKE	Peace - Other	0505060202
1051	EAGLESHAM	Peace - Other	0505060235
1052	PINE CREEK	PINE CREEK	0505060482
1053	CHERHILL	Redwater - Cherhill	0505060822
1054	ELMWORTH	Wapiti - Elmworth	0505060857
1055	WEST CULP	Peace - Other	0505060899
1056	WHITELAW	Peace - Other	0505070415
1057	PINE CREEK	PINE CREEK	0505070683
1058	GIROUXVILLE	Peace - Montney	0505080594
1059	ELMWORTH	Wapiti - Elmworth	0505090166
1060	ELMWORTH	Wapiti - Elmworth	0505090168
1061	GIROUXVILLE	Peace - Montney	0505090205
1062	EAGLESHAM	Peace - Other	0505090207
1063	MCLEAN CREEK	PEACE - OTHER	0505090566
1064	NORMANDVILLE	Peace - Montney	0505120199
1065	NORMANDVILLE	Peace - Montney	0505120916
1066	NORMANDVILLE	Peace - Montney	0505120917
1067	NORMANDVILLE	Peace - Montney	0505120918
1068	NORMANDVILLE	Peace - Montney	0505120919
1069	NORMANDVILLE	Peace - Montney	0505120920
1070	NORMANDVILLE	Peace - Montney	0505120921
1071	NORMANDVILLE	Peace - Montney	0505120922
1072	NORMANDVILLE	Peace - Montney	0505120923
1073	REDWATER OTHER	Redwater - Other	0506010424

	A	B	C
1074	TWIN LAKE	Redwater - Cherhill	0506010919
1075	WHITELAW	Peace - Other	0506011015
1076	BERWYN	Peace - Other	0506011021
1077	BERWYN	Peace - Other	0506011023
1078	MCLEOD	PINE CREEK	0506030943
1079	KAKUT WEST	Peace - Other	0506031007
1080	MCLEAN CREEK	PEACE - OTHER	0506040241
1081	MCLEAN CREEK	PEACE - OTHER	0506040244
1082	MCLEAN CREEK	PEACE - OTHER	0506040246
1083	ALEXIS	Redwater - Cherhill	0506040631
1084	ELMWORTH	Wapiti - Elmworth	0506040641
1085	WEST COVE	Redwater - Cherhill	0506050548
1086	WEST COVE	Redwater - Cherhill	0506050549
1087	ELMWORTH	Wapiti - Elmworth	0506060190
1088	ELMWORTH	Wapiti - Elmworth	0506060192
1089	CLEAR HILLS	Peace - Other	0506060265
1090	CLEAR HILLS	Peace - Other	0506060266
1091	KAKUT WEST	Peace - Other	0506060556
1092	LOST SOUTH LEDDY	Peace - Other	0506060579
1093	PINE CREEK	PINE CREEK	0506070141
1094	FALHER	Peace - Other	0506070229
1095	WEST CULP	Peace - Other	0506100492
1096	WEST CULP	Peace - Other	0506100493
1097	WEST CULP	Peace - Other	0506100497
1098	WEST CULP	Peace - Other	0506100517
1099	PINE CREEK	PINE CREEK	0506110105
1100	PINE CREEK	PINE CREEK	0506110107
1101	MCLEOD	PINE CREEK	0506110116
1102	ELMWORTH	Wapiti - Elmworth	0506110345
1103	ELMWORTH	Wapiti - Elmworth	0506110349
1104	NORMANDVILLE	Peace - Montney	0506110661
1105	MCLEAN CREEK	PEACE - OTHER	0507010345
1106	MCLEAN CREEK	PEACE - OTHER	0507010357
1107	MCLEAN CREEK	PEACE - OTHER	0507010360
1108	MCLEAN CREEK	PEACE - OTHER	0507010364
1109	MCLEAN CREEK	PEACE - OTHER	0507010366
1110	KAKUT WEST	Peace - Other	0507010781

	A	B	C
1111	ELMWORTH	Wapiti - Elmworth	0507020189
1112	ELMWORTH	Wapiti - Elmworth	0507030341
1113	PINE CREEK	PINE CREEK	0507040111
1114	PINE CREEK	PINE CREEK	0507050333
1115	PINE CREEK	PINE CREEK	0507050334
1116	ELMWORTH	Wapiti - Elmworth	0507060076
1117	PINE CREEK	PINE CREEK	0507060271
1118	MCLEAN CREEK	PEACE - OTHER	0507070500
1119	PINE CREEK	PINE CREEK	0507090581
1120	FALHER	Peace - Other	0507090654
1121	FALHER	Peace - Other	0507090655
1122	PINE CREEK	PINE CREEK	0507100366
1123	PINE CREEK	PINE CREEK	0507100562
1124	PINE CREEK	PINE CREEK	0507110721
1125	SINCLAIR	Peace - Other	0508010127
1126	ELMWORTH	Wapiti - Elmworth	0508030336
1127	PINE CREEK	PINE CREEK	0508030664
1128	KAKUT WEST	Peace - Other	0508050435
1129	PINE CREEK	PINE CREEK	0508060087
1130	PINE CREEK	PINE CREEK	0508060247
1131	MCLEAN CREEK	PEACE - OTHER	0508090444
1132	ELMWORTH	Wapiti - Elmworth	0508120431
1133	PINE CREEK	PINE CREEK	0509010464
1134	NORMANDVILLE	Peace - Montney	0509040215
1135	PINE CREEK	PINE CREEK	0509050054
1136	EAGLESHAM	Peace - Other	0509070197
1137	GIROUXVILLE	Peace - Montney	0510020162
1138	KAKWA	Wapiti - Kakwa	0510030284
1139	GIROUXVILLE	Peace - Montney	0510030704
1140	ELMWORTH	Wapiti - Elmworth	0510120399
1141	NORMANDVILLE	Peace - Montney	0511090449
1142	NORMANDVILLE	Peace - Montney	0511090450
1143	BOYER OTHER	Boyer	0512080126
1144	PINE CREEK	PINE CREEK	0513030383
1145	PINE CREEK	PINE CREEK	0513070242
1146	ELMWORTH	Wapiti - Elmworth	0514060166
1147	PINE CREEK	PINE CREEK	0514090056

	A	B	C
1148	REDWATER OTHER	Redwater - Other	0514120319
1149	MCLEAN CREEK	PEACE - OTHER	0515040138
1150	MCLEAN CREEK	PEACE - OTHER	0515040139
1151	KEG POST	Boyer	0515050093
1152	KEG POST	Boyer	0515050094
1153	KEG POST	Boyer	0515050095
1154	KEG POST	Boyer	0515050097
1155	PINE CREEK	PINE CREEK	0515060057
1156	PINE CREEK	PINE CREEK	0515060058
1157	PINE CREEK	PINE CREEK	0515060059
1158	PINE CREEK	PINE CREEK	0515060063
1159	DAWSON	Peace - Other	0515070106
1160	BOYER OTHER	Boyer	0515070115
1161	PINE CREEK	PINE CREEK	0515080107
1162	PINE CREEK	PINE CREEK	0515080108
1163	PINE CREEK	PINE CREEK	0515080110
1164	PINE CREEK	PINE CREEK	0515080111
1165	PINE CREEK	PINE CREEK	0515080112
1166	PINE CREEK	PINE CREEK	0515080129
1167	PICA/JACK	Peace - Other	0515080245
1168	KAKUT	PEACE - OTHER	0515100176
1169	NORMANDVILLE	Peace - Montney	0515100179
1170	NORMANDVILLE	Peace - Montney	0515100180
1171	SPRINGBURN	Peace - Other	0515100183
1172	SPRINGBURN	Peace - Other	0515100184
1173	SPRINGBURN	Peace - Other	0515100185
1174	DAWSON	Peace - Other	0515100186
1175	TANGENT	Peace - Other	0515100187
1176	DAWSON	Peace - Other	0515120037
1177	TANGENT	Peace - Other	0515120139
1178	DAWSON	Peace - Other	0515120140
1179	DAWSON	Peace - Other	0515120141
1180	KAKUT WEST	Peace - Other	0516010166
1181	DIXONVILLE	Peace - Other	0516010168
1182	GIROUXVILLE	Peace - Montney	0516030084
1183	MCLEAN CREEK	PEACE - OTHER	0516030085
1184	MCLEAN CREEK	PEACE - OTHER	0516030086

	A	B	C
1185	BERWYN	Peace - Other	0516030090
1186	WHITELAW	Peace - Other	0516030091
1187	CLAYHURST	Peace - Other	0516030093
1188	PUSKWA	Peace - Other	0516030159
1189	TANGENT	Peace - Other	0516030167
1190	LOST SOUTH LEDDY	Peace - Other	0516050028
1191	KAKUT WEST	Peace - Other	0516060095
1192	MCLEAN CREEK	PEACE - OTHER	0516070150
1193	MCLEAN CREEK	PEACE - OTHER	0516080054
1194	EAGLESHAM	Peace - Other	0516080055
1195	KEG POST	Boyer	0516090042
1196	KEG EAST	Boyer	0516090043
1197	LOST SOUTH LEDDY	Peace - Other	0516090120
1198	REDWATER OTHER	Redwater - Other	0516110055
1199	DAWSON	Peace - Other	0517020149
1200	PINE CREEK	PINE CREEK	0517040105
1201	MCLEAN CREEK	PEACE - OTHER	0517080139
1202	KAKUT WEST	Peace - Other	0517080140
1203	EAGLESHAM	Peace - Other	0517090073
1204	EAGLESHAM	Peace - Other	0517090074
1205	MCLEAN CREEK	PEACE - OTHER	0517100082
1206	GIROUXVILLE	Peace - Montney	0517100168
1207	HANLAN	Pine Creek	0517110111
1208	HANLAN	Pine Creek	0517110188
1209	LOST SOUTH LEDDY	Peace - Other	0517120192
1210	KAKWA	Wapiti - Kakwa	0518010181
1211	NORMANDVILLE	Peace - Montney	0518010191
1212	FALHER	Peace - Other	0518010192
1213	WEST COVE	Redwater - Cherhill	0518030181
1214	CHERHILL	Redwater - Cherhill	0518030183
1215	GIROUXVILLE	Peace - Montney	0518030231
1216	NORMANDVILLE	Peace - Montney	0518030369
1217	RYCROFT	Peace - Other	0518050088
1218	MCLEAN CREEK	PEACE - OTHER	0518050276
1219	MCLEAN CREEK	PEACE - OTHER	0518070062
1220	HANLAN	Pine Creek	0518080086
1221	HANLAN	Pine Creek	0518080088

	A	B	C
1222	HOTCHKISS	Peace - Other	0518090051
1223	WHITELAW	Peace - Other	0518100149
1224	WHITELAW	Peace - Other	0518100150
1225	ALEXIS	Redwater - Cherhill	0519040091
1226	REDWATER OTHER	Redwater - Other	0519060030
1227	REDWATER OTHER	Redwater - Other	0519060031
1228	SPRINGBURN	Peace - Other	0519060106
1229	SPRINGBURN	Peace - Other	0519060107
1230	WEST COVE	Redwater - Cherhill	0519070025
1231	LOST SOUTH LEDDY	Peace - Other	0519070032
1232	MCLEAN CREEK	PEACE - OTHER	0519090067
1233	ALEXIS	Redwater - Cherhill	0519100100
1234	MCLEAN CREEK	PEACE - OTHER	0520010052
1235	PINE CREEK	PINE CREEK	0520030010
1236	PEORIA	Peace - Other	0520030031
1237	PEORIA	Peace - Other	0520030032
1238	PINE CREEK	PINE CREEK	0576080023
1239	WHITELAW	Peace - Other	0576080029
1240	CHERHILL	Redwater - Cherhill	0576110022
1241	PINE CREEK	PINE CREEK	0576110124
1242	CHERHILL	Redwater - Cherhill	0577020030
1243	CHERHILL	Redwater - Cherhill	0577020031
1244	CHERHILL	Redwater - Cherhill	0577020070
1245	PINE CREEK	PINE CREEK	0577020120
1246	CHERHILL	Redwater - Cherhill	0577030155
1247	PINE CREEK	PINE CREEK	0577040032
1248	CHERHILL	Redwater - Cherhill	0577040066
1249	PINE CREEK	PINE CREEK	0577050033
1250	ALEXIS	Redwater - Cherhill	0577110030
1251	PINE CREEK	PINE CREEK	0578040235
1252	PINE CREEK	PINE CREEK	0578040236
1253	PINE CREEK	PINE CREEK	0578040237
1254	PINE CREEK	PINE CREEK	0578040238
1255	CHERHILL	Redwater - Cherhill	0578090133
1256	CHERHILL	Redwater - Cherhill	0578110144
1257	DAWSON	Peace - Other	0579040176
1258	CHERHILL	Redwater - Cherhill	0579110142

	A	B	C
1259	PINE CREEK	PINE CREEK	0579120073
1260	PINE CREEK	PINE CREEK	0579120074
1261	PINE CREEK	PINE CREEK	0579120076
1262	CHERHILL	Redwater - Cherhill	0579120173
1263	CHERHILL	Redwater - Cherhill	0579120174
1264	CHERHILL	Redwater - Cherhill	0579120175
1265	PINE CREEK	PINE CREEK	0580010188
1266	PINE CREEK	PINE CREEK	0580070065
1267	PINE CREEK	PINE CREEK	0580070066
1268	PINE CREEK	PINE CREEK	0580070069
1269	PINE CREEK	PINE CREEK	0580070270
1270	PINE CREEK	PINE CREEK	0580070271
1271	CLEAR HILLS	Peace - Other	0580080090
1272	PINE CREEK	PINE CREEK	0580080176
1273	EAGLESHAM	Peace - Other	0580100234
1274	PINE CREEK	PINE CREEK	0580110055
1275	ELMWORTH	Wapiti - Elmworth	0581010236
1276	ELMWORTH	Wapiti - Elmworth	0581020230
1277	REDWATER OTHER	Redwater - Other	0581030227
1278	HANLAN	Pine Creek	0581030251
1279	REDWATER OTHER	Redwater - Other	0581040047
1280	REDWATER OTHER	Redwater - Other	0581040048
1281	KEG EAST	Boyer	0581040193
1282	REDWATER OTHER	Redwater - Other	0581050177
1283	NORMANDVILLE	Peace - Montney	0581060243
1284	REDWATER OTHER	Redwater - Other	0581070078
1285	REDWATER OTHER	Redwater - Other	0581070227
1286	TWIN LAKE	Redwater - Cherhill	0581090171
1287	WEST COVE	Redwater - Cherhill	0581090185
1288	WEST COVE	Redwater - Cherhill	0581090214
1289	DAWSON	Peace - Other	0581100063
1290	WEST COVE	Redwater - Cherhill	0581100188
1291	ELMWORTH	Wapiti - Elmworth	0582020192
1292	ELMWORTH	Wapiti - Elmworth	0582020197
1293	CHERHILL	Redwater - Cherhill	0582030145
1294	GIROUXVILLE	Peace - Montney	0582040161
1295	KAKWA	Wapiti - Kakwa	0582060036

	A	B	C
1296	PADDLE NORTH	Boyer	0582120144
1297	ELMWORTH	Wapiti - Elmworth	0583010150
1298	KAKWA	Wapiti - Kakwa	0583040163
1299	KAKWA	Wapiti - Kakwa	0583040165
1300	JOSEPHINE	Peace - Other	0583070242
1301	KAKWA	Wapiti - Kakwa	0583070294
1302	KAKWA	Wapiti - Kakwa	0583080294
1303	PINE CREEK	PINE CREEK	0583090085
1304	MIRAGE	Peace - Other	0583100292
1305	CHERHILL	Redwater - Cherhill	0583110098
1306	CHERHILL	Redwater - Cherhill	0583110099
1307	KAKWA	Wapiti - Kakwa	0583110302
1308	PINE CREEK	PINE CREEK	0584020294
1309	CHERHILL	Redwater - Cherhill	0584030225
1310	CHERHILL	Redwater - Cherhill	0584030226
1311	CHERHILL	Redwater - Cherhill	0584030228
1312	GIROUXVILLE	Peace - Montney	0584040255
1313	PINE CREEK	PINE CREEK	0584050375
1314	CHERHILL	Redwater - Cherhill	0584070118
1315	NORMANDVILLE	Peace - Montney	0584070304
1316	EAGLESHAM	Peace - Other	0584070324
1317	GIROUXVILLE	Peace - Montney	0584090374
1318	KAKUT WEST	Peace - Other	0584110416
1319	NORMANDVILLE	Peace - Montney	0584110498
1320	WEST CULP	Peace - Other	0585010307
1321	WEST CULP	Peace - Other	0585010312
1322	PADDLE RIVER	Redwater - Cherhill	0585010338
1323	GIROUXVILLE	Peace - Montney	0585010353
1324	PINE CREEK	PINE CREEK	0585020257
1325	GIROUXVILLE	Peace - Montney	0585030135
1326	ALEXIS	Redwater - Cherhill	0585030398
1327	WEST CULP	Peace - Other	0585040145
1328	WEST CULP	Peace - Other	0585050361
1329	MCLEOD	PINE CREEK	0585060268
1330	FALHER	Peace - Other	0585070370
1331	GIROUXVILLE	Peace - Montney	0585090125
1332	WEST CULP	Peace - Other	0585100140

	A	B	C
1333	CLEAR HILLS	Peace - Other	0586010373
1334	BERWYN	Peace - Other	0586010431
1335	BOYER OTHER	Boyer	0586020365
1336	BERWYN	Peace - Other	0586050268
1337	BOYER OTHER	Boyer	0586070116
1338	WEST CULP	Peace - Other	0586080164
1339	MIRAGE	Peace - Other	0586120144
1340	WEST CULP	Peace - Other	0587010372
1341	PUSKWA	Peace - Other	0587030273
1342	KAKUT WEST	Peace - Other	0587100427
1343	WEST CULP	Peace - Other	0587110518
1344	MCLEAN CREEK	PEACE - OTHER	0587110527
1345	BOYER OTHER	Boyer	0588010243
1346	WEST CULP	Peace - Other	0588010537
1347	BARRHEAD	Redwater - Cherhill	0588030179
1348	WEST CULP	Peace - Other	0588030229
1349	BARRHEAD	Redwater - Cherhill	0588060546
1350	KAKUT WEST	Peace - Other	0588060640
1351	BERWYN	Peace - Other	0588080554
1352	BARRHEAD	Redwater - Cherhill	0588100418
1353	WEST CULP	Peace - Other	0588110214
1354	BOYER OTHER	Boyer	0588110558
1355	BARRHEAD	Redwater - Cherhill	0588120520
1356	WHITELAW	Peace - Other	0589050144
1357	WEST CULP	Peace - Other	0589080411
1358	BOYER OTHER	Boyer	0589080439
1359	GIROUXVILLE	Peace - Montney	0589090404
1360	EAGLESHAM	Peace - Other	0589100410
1361	GIROUXVILLE	Peace - Montney	0589120154
1362	GIROUXVILLE	Peace - Montney	0589120155
1363	GIROUXVILLE	Peace - Montney	0589120156
1364	TWIN LAKE	Redwater - Cherhill	0589120197
1365	GIROUXVILLE	Peace - Montney	0589120203
1366	DAWSON	Peace - Other	0590020432
1367	GIROUXVILLE	Peace - Montney	0590040442
1368	GIROUXVILLE	Peace - Montney	0590040443
1369	GIROUXVILLE	Peace - Montney	0590040444

	A	B	C
1370	GIROUXVILLE	Peace - Montney	0590040445
1371	MCLEAN CREEK	PEACE - OTHER	0590090495
1372	GIROUXVILLE	Peace - Montney	0591020172
1373	JOSEPHINE	Peace - Other	0591020211
1374	PINE CREEK	PINE CREEK	0591050573
1375	CHERHILL	Redwater - Cherhill	0591100097
1376	WEST CULP	Peace - Other	0592010384
1377	WEST CULP	Peace - Other	0592010385
1378	EAGLESHAM	Peace - Other	0592020399
1379	PICA/JACK	Peace - Other	0592030372
1380	WEST COVE	Redwater - Cherhill	0592040100
1381	REDWATER OTHER	Redwater - Other	0592040388
1382	KAKUT WEST	Peace - Other	0592100195
1383	BOYER OTHER	Boyer	0592100222
1384	BOYER OTHER	Boyer	0592110175
1385	WHITELAW	Peace - Other	0592110177
1386	CHERHILL	Redwater - Cherhill	0593040620
1387	PUSKWA	Peace - Other	0593040641
1388	DIXONVILLE	Peace - Other	0593040669
1389	DIXONVILLE	Peace - Other	0593040670
1390	BARRHEAD	Redwater - Cherhill	0593060139
1391	GIROUXVILLE	Peace - Montney	0593060436
1392	MCLEAN CREEK	PEACE - OTHER	0593070475
1393	MCLEAN CREEK	PEACE - OTHER	0593070476
1394	JOSEPHINE	Peace - Other	0593080506
1395	JOSEPHINE	Peace - Other	0593080506
1396	JOSEPHINE	Peace - Other	0593080513
1397	BARRHEAD	Redwater - Cherhill	0593090169
1398	BOYER OTHER	Boyer	0593100446
1399	BOYER OTHER	Boyer	0593110721
1400	KEG EAST	Boyer	0594020697
1401	KEG EAST	Boyer	0594020698
1402	KAKUT WEST	Peace - Other	0594020726
1403	HIGH LEVEL SOUTH	Boyer	0594030242
1404	PINE CREEK	PINE CREEK	0594030975
1405	CHERHILL	Redwater - Cherhill	0594040192
1406	KAKWA	Wapiti - Kakwa	0594050198

	A	B	C
1407	TWIN LAKE	Redwater - Cherhill	0594050458
1408	PUSKWA	Peace - Other	0594050651
1409	KAKUT	PEACE - OTHER	0594050670
1410	PINE CREEK	PINE CREEK	0594060625
1411	PINE CREEK	PINE CREEK	0594060627
1412	PINE CREEK	PINE CREEK	0594060628
1413	PINE CREEK	PINE CREEK	0594060629
1414	PEORIA	Peace - Other	0594060739
1415	KAKUT	PEACE - OTHER	0594060745
1416	PUSKWA	Peace - Other	0594060746
1417	CHERHILL	Redwater - Cherhill	0594080389
1418	CHERHILL	Redwater - Cherhill	0594080390
1419	PEACE OTHER	Peace - Other	0594091106
1420	PINE CREEK	PINE CREEK	0594100549
1421	ELMWORTH	Wapiti - Elmworth	0594100577
1422	NORMANDVILLE	Peace - Montney	0594100619
1423	FERRIER	Pine Creek	0594100883
1424	BERWYN	Peace - Other	0594110293
1425	DAWSON	Peace - Other	0594110845
1426	DAWSON	Peace - Other	0594120325
1427	DAWSON	Peace - Other	0594120327
1428	ELMWORTH	Wapiti - Elmworth	0595010671
1429	NORMANDVILLE	Peace - Montney	0595010691
1430	DAWSON	Peace - Other	0595010710
1431	ELMWORTH	Wapiti - Elmworth	0595010793
1432	CHERHILL	Redwater - Cherhill	0595020668
1433	MCLEAN CREEK	PEACE - OTHER	0595030301
1434	PUSKWA	Peace - Other	0595030302
1435	GIROUXVILLE	Peace - Montney	0595030307
1436	BERWYN	Peace - Other	0595030688
1437	HARO	Boyer	0595050363
1438	SINCLAIR	Peace - Other	0595060398
1439	PINE CREEK	PINE CREEK	0595070333
1440	DAWSON	Peace - Other	0595080453
1441	MIRAGE	Peace - Other	0595080732
1442	TWIN LAKE	Redwater - Cherhill	0595100577
1443	GIROUXVILLE	Peace - Montney	0596010515

	A	B	C
1444	GIROUXVILLE	Peace - Montney	0596010516
1445	NORMANDVILLE	Peace - Montney	0596010518
1446	NORMANDVILLE	Peace - Montney	0596010519
1447	RYCROFT	Peace - Other	0596030592
1448	MIRAGE	Peace - Other	0596040185
1449	ELMWORTH	Wapiti - Elmworth	0596060236
1450	ELMWORTH	Wapiti - Elmworth	0596060237
1451	ELMWORTH	Wapiti - Elmworth	0596070512
1452	RYCROFT	Peace - Other	0596070616
1453	MCLEAN CREEK	PEACE - OTHER	0596100591
1454	REDWATER OTHER	Redwater - Other	0596110159
1455	EAGLESHAM	Peace - Other	0596110406
1456	MCLEOD	PINE CREEK	0596110455
1457	JOSEPHINE	Peace - Other	0596120305
1458	PINE CREEK	PINE CREEK	0597010346
1459	CLAYHURST	Peace - Other	0597010463
1460	PINE CREEK	PINE CREEK	0597010991
1461	PINE CREEK	PINE CREEK	0597010995
1462	BOYER OTHER	Boyer	0597030604
1463	BOYER OTHER	Boyer	0597030605
1464	PINE CREEK	PINE CREEK	0597050224
1465	PINE CREEK	PINE CREEK	0597050225
1466	ELMWORTH	Wapiti - Elmworth	0597050500
1467	ELMWORTH	Wapiti - Elmworth	0597050501
1468	PINE CREEK	PINE CREEK	0597050810
1469	BOYER OTHER	Boyer	0597050924
1470	RYCROFT	Peace - Other	0597060197
1471	CLEAR HILLS	Peace - Other	0597060205
1472	PINE CREEK	PINE CREEK	0597060500
1473	PINE CREEK	PINE CREEK	0597060501
1474	PUSKWA	Peace - Other	0597060656
1475	DAWSON	Peace - Other	0597070299
1476	BOYER OTHER	Boyer	0597070617
1477	WEST CULP	Peace - Other	0597070636
1478	BARRHEAD	Redwater - Cherhill	0597070684
1479	KAKWA	Wapiti - Kakwa	0597070703
1480	CHERHILL	Redwater - Cherhill	0597080374

	A	B	C
1481	WEST COVE	Redwater - Cherhill	0597080478
1482	PINE CREEK	PINE CREEK	0597090522
1483	RYCROFT	Peace - Other	0597090704
1484	PICA/JACK	Peace - Other	0597090720
1485	PADDLE RIVER	Redwater - Cherhill	0597090743
1486	KAKUT	PEACE - OTHER	0597100740
1487	MCLEAN CREEK	PEACE - OTHER	0597110161
1488	GIROUXVILLE	Peace - Montney	0597110382
1489	MCLEAN CREEK	PEACE - OTHER	0597110386
1490	MCLEAN CREEK	PEACE - OTHER	0597110389
1491	MCLEAN CREEK	PEACE - OTHER	0597110390
1492	MCLEAN CREEK	PEACE - OTHER	0597110391
1493	MCLEAN CREEK	PEACE - OTHER	0597110393
1494	ELMWORTH	Wapiti - Elmworth	0598010294
1495	MCLEOD	PINE CREEK	0598020195
1496	MCLEOD	PINE CREEK	0598020196
1497	MCLEOD	PINE CREEK	0598020197
1498	WEST COVE	Redwater - Cherhill	0598030398
1499	WEST COVE	Redwater - Cherhill	0598030401
1500	MCLEAN CREEK	PEACE - OTHER	0598030487
1501	MCLEAN CREEK	PEACE - OTHER	0598030488
1502	MCLEAN CREEK	PEACE - OTHER	0598030489
1503	DAWSON	Peace - Other	0598030510
1504	DAWSON	Peace - Other	0598030511
1505	WEST COVE	Redwater - Cherhill	0598030791
1506	MCLEAN CREEK	PEACE - OTHER	0598040392
1507	PEORIA	Peace - Other	0598040394
1508	MCLEAN CREEK	PEACE - OTHER	0598040399
1509	PINE CREEK	PINE CREEK	0598060223
1510	MCLEAN CREEK	PEACE - OTHER	0598070254
1511	ALEXIS	Redwater - Cherhill	0598090144
1512	PINE CREEK	PINE CREEK	0598090148
1513	PINE CREEK	PINE CREEK	0598090149
1514	PINE CREEK	PINE CREEK	0598090151
1515	WEST COVE	Redwater - Cherhill	0598100320
1516	GIROUXVILLE	Peace - Montney	0598110146
1517	CHERHILL	Redwater - Cherhill	0598120234

	A	B	C
1518	NORMANDVILLE	Peace - Montney	0599010331
1519	ELMWORTH	Wapiti - Elmworth	0599020159
1520	BOYER OTHER	Boyer	0599020206
1521	BOYER OTHER	Boyer	0599020208
1522	ELMWORTH	Wapiti - Elmworth	0599030261
1523	BARRHEAD	Redwater - Cherhill	0599050117
1524	CHERHILL	Redwater - Cherhill	0599060300
1525	PINE CREEK	PINE CREEK	0599070553
1526	WEST CULP	Peace - Other	0599080389
1527	MCLEOD	PINE CREEK	0599100129
1528	PICA/JACK	Peace - Other	0599110500
1529	PADDLE NORTH	Boyer	0599120229
1530	JOSEPHINE	Peace - Other	0599120507
1531	PINE CREEK OTHER	Pine Creek	0602090276
1532	KAKWA	Wapiti - Kakwa	0684060273
1533	PINE CREEK OTHER	Pine Creek	0694050757
1534	PINE CREEK OTHER	Pine Creek	0697060233
1535	PINE CREEK OTHER	Pine Creek	0697060234
1536	OYEN	Redwater - Other	5301100110
1537	BASHAW	Redwater - Other	5303120284
1538	REDWATER NORTH	Redwater - Viking	5396050004
1539	WESTLOCK	Redwater - Cherhill	5396070083
1540	REDWATER NORTH	Redwater - Viking	5397030123
1541	REDWATER NORTH	Redwater - Viking	5397040002
1542	REDWATER NORTH	Redwater - Viking	5397060094
1543	MAJEAU LAKE	Redwater - Cherhill	5397090009
1544	REDWATER NORTH	Redwater - Viking	5397120017
1545	REDWATER NORTH	Redwater - Viking	5397120022
1546	REDWATER NORTH	Redwater - Viking	5398010135
1547	MAJEAU LAKE	Redwater - Cherhill	5398010150
1548	BRUDERHEIM NORTH	Redwater - Viking	5398060054
1549	REDWATER OTHER	Redwater - Other	5399010033
1550	REDWATER OTHER	Redwater - Other	5399010036
1551	SENEX	Peace - Other	5400010058
1552	NORMANDVILLE	Peace - Montney	5400010114
1553	NORMANDVILLE	Peace - Montney	5400030114
1554	NORMANDVILLE	Peace - Montney	5400060049

	A	B	C
1555	GIROUXVILLE	Peace - Montney	5400060118
1556	NORMANDVILLE	Peace - Montney	5400060125
1557	BOYER OTHER	Boyer	5400060200
1558	HIGH LEVEL NORTH	Boyer	5400060201
1559	PADDLE NORTH	Boyer	5400060202
1560	PADDLE NORTH	Boyer	5400060203
1561	PADDLE NORTH	Boyer	5400060204
1562	HIGH LEVEL NORTH	Boyer	5400070106
1563	HIGH LEVEL SOUTH	Boyer	5400070107
1564	HIGH LEVEL NORTH	Boyer	5400070108
1565	HIGH LEVEL NORTH	Boyer	5400070109
1566	HIGH LEVEL NORTH	Boyer	5400070110
1567	HIGH LEVEL NORTH	Boyer	5400070111
1568	HIGH LEVEL NORTH	Boyer	5400080053
1569	KAKUT WEST	Peace - Other	5400090028
1570	STEEN	Boyer	5400090055
1571	STEEN	Boyer	5400090056
1572	STEEN	Boyer	5400090057
1573	STEEN	Boyer	5400090058
1574	NORMANDVILLE	Peace - Montney	5400090088
1575	DAWSON	Peace - Other	5400090098
1576	DAWSON	Peace - Other	5400090099
1577	DAWSON	Peace - Other	5400090100
1578	HIGH LEVEL NORTH	Boyer	5400090154
1579	HIGH LEVEL NORTH	Boyer	5400090155
1580	HIGH LEVEL NORTH	Boyer	5400090156
1581	STEEN	Boyer	5400090157
1582	STEEN	Boyer	5400090158
1583	STEEN	Boyer	5400090164
1584	STEEN	Boyer	5400090165
1585	DAWSON	Peace - Other	5400100039
1586	KAKUT	PEACE - OTHER	5400100116
1587	KAKUT	PEACE - OTHER	5400100117
1588	KAKUT	PEACE - OTHER	5400100118
1589	NORMANDVILLE	Peace - Montney	5400100125
1590	LOST SOUTH LEDDY	Peace - Other	5400110132
1591	KAKUT WEST	Peace - Other	5400120020

	A	B	C
1592	EAGLESHAM	Peace - Other	5400120033
1593	EAGLESHAM	Peace - Other	5400120034
1594	EAGLESHAM	Peace - Other	5400120037
1595	TWIN LAKE	Redwater - Cherhill	5401030018
1596	MIRAGE	Peace - Other	5401030038
1597	KEG EAST	Boyer	5401030085
1598	NORMANDVILLE	Peace - Montney	5401030176
1599	KAKUT WEST	Peace - Other	5401050033
1600	RYCROFT	Peace - Other	5401050034
1601	KAKUT	PEACE - OTHER	5401050082
1602	WEST COVE	Redwater - Cherhill	5401050216
1603	GIROUXVILLE	Peace - Montney	5401070067
1604	KAKUT WEST	Peace - Other	5401070151
1605	EAGLESHAM	Peace - Other	5401080073
1606	HANLAN	Pine Creek	5401090055
1607	GIROUXVILLE	Peace - Montney	5401100143
1608	EAGLESHAM	Peace - Other	5401120042
1609	KAKWA	Wapiti - Kakwa	5402010104
1610	GIROUXVILLE	Peace - Montney	5402060019
1611	CLEAR HILLS	Peace - Other	5402070109
1612	PINE CREEK	PINE CREEK	5402090005
1613	GIROUXVILLE	Peace - Montney	5402090069
1614	GIROUXVILLE	Peace - Montney	5402090073
1615	GIROUXVILLE	Peace - Montney	5402090074
1616	PINE CREEK	PINE CREEK	5402100126
1617	PINE CREEK	PINE CREEK	5403010729
1618	MCLEOD	PINE CREEK	5403020274
1619	PINE CREEK	PINE CREEK	5404020362
1620	PINE CREEK	PINE CREEK	5404020363
1621	EAGLESHAM	Peace - Other	5404040911
1622	PINE CREEK	PINE CREEK	5404060249
1623	PINE CREEK	PINE CREEK	5404080281
1624	PINE CREEK	PINE CREEK	5404080282
1625	PEACE OTHER	Peace - Other	5404080851
1626	SENEX	Peace - Other	5404090979
1627	KEG POST	Boyer	5404090989
1628	KEG EAST	Boyer	5404090990

	A	B	C
1629	PINE CREEK	PINE CREEK	5404110346
1630	KEG POST	Boyer	5404120324
1631	KEG EAST	Boyer	5404120325
1632	KAKUT WEST	Peace - Other	5404120806
1633	KAKUT WEST	Peace - Other	5404120808
1634	ELMWORTH	Wapiti - Elmworth	5405090616
1635	KEG EAST	Boyer	5405100380
1636	REDWATER OTHER	Redwater - Other	5405100638
1637	KAKUT WEST	Peace - Other	5405100662
1638	KAKUT WEST	Peace - Other	5405121070
1639	KAKUT WEST	Peace - Other	5405121081
1640	GIROUXVILLE	Peace - Montney	5406030572
1641	KAKUT WEST	Peace - Other	5406030575
1642	GIROUXVILLE	Peace - Montney	5406031096
1643	KAKUT WEST	Peace - Other	5406040726
1644	KAKUT WEST	Peace - Other	5406050308
1645	GIROUXVILLE	Peace - Montney	5406060313
1646	PINE CREEK	PINE CREEK	5406070284
1647	PINE CREEK	PINE CREEK	5406070286
1648	PINE CREEK	PINE CREEK	5406070288
1649	PINE CREEK	PINE CREEK	5406100238
1650	GIROUXVILLE	Peace - Montney	5406110705
1651	PINE CREEK	PINE CREEK	5407010474
1652	EAGLESHAM	Peace - Other	5407050146
1653	MCLEOD	PINE CREEK	5407070189
1654	KAKUT WEST	Peace - Other	5407080510
1655	NORMANDVILLE	Peace - Montney	5407100649
1656	GIROUXVILLE	Peace - Montney	5408010206
1657	NORMANDVILLE	Peace - Montney	5408010211
1658	NORMANDVILLE	Peace - Montney	5408010212
1659	NORMANDVILLE	Peace - Montney	5408010213
1660	PINE CREEK	PINE CREEK	5408050205
1661	KAKUT WEST	Peace - Other	5408050485
1662	KAKUT WEST	Peace - Other	5408050486
1663	GIROUXVILLE	Peace - Montney	5408090524
1664	GIROUXVILLE	Peace - Montney	5408090526
1665	GIROUXVILLE	Peace - Montney	5408090531

	A	B	C
1666	NORMANDVILLE	Peace - Montney	5408100672
1667	KAKWA	Wapiti - Kakwa	5408120508
1668	GIROUXVILLE	Peace - Montney	5409030320
1669	GIROUXVILLE	Peace - Montney	5409030321
1670	KAKWA	Wapiti - Kakwa	5409040225
1671	GIROUXVILLE	Peace - Montney	5409090195
1672	GIROUXVILLE	Peace - Montney	5409120162
1673	GIROUXVILLE	Peace - Montney	5409120163
1674	NORMANDVILLE	Peace - Montney	5410030405
1675	NORMANDVILLE	Peace - Montney	5410100207
1676	NORMANDVILLE	Peace - Montney	5411010273
1677	NORMANDVILLE	Peace - Montney	5411010274
1678	NORMANDVILLE	Peace - Montney	5411010279
1679	NORMANDVILLE	Peace - Montney	5411010282
1680	GIROUXVILLE	Peace - Montney	5411070281
1681	GIROUXVILLE	Peace - Montney	5411070284
1682	GIROUXVILLE	Peace - Montney	5411070285
1683	GIROUXVILLE	Peace - Montney	5411070286
1684	GIROUXVILLE	Peace - Montney	5411070291
1685	GIROUXVILLE	Peace - Montney	5411070294
1686	GIROUXVILLE	Peace - Montney	5411080465
1687	GIROUXVILLE	Peace - Montney	5411080466
1688	NORMANDVILLE	Peace - Montney	5411080467
1689	WEST COVE	Redwater - Cherhill	5411110201
1690	WEST COVE	Redwater - Cherhill	5411110202
1691	WEST COVE	Redwater - Cherhill	5411110205
1692	GIROUXVILLE	Peace - Montney	5412090208
1693	FALHER	Peace - Other	5412110066
1694	GIROUXVILLE	Peace - Montney	5412110219
1695	CLOUSTON	Peace - Other	5412110354
1696	GIROUXVILLE	Peace - Montney	5413080386
1697	CHERHILL	Redwater - Cherhill	5413090128
1698	CHERHILL	Redwater - Cherhill	5413090129
1699	CHERHILL	Redwater - Cherhill	5413090132
1700	KAKUT WEST	Peace - Other	5417030092
1701	KAKUT WEST	Peace - Other	5417040131
1702	WEST CULP	Peace - Other	5417040132

	A	B	C
1703	HANLAN	Pine Creek	5417110135
1704	HANLAN	Pine Creek	5417110204
1705	HANLAN	Pine Creek	5418010195
1706	KAKUT WEST	Peace - Other	5418010204
1707	KAKUT WEST	Peace - Other	5418020216
1708	JOSEPHINE	Peace - Other	5418050290
1709	ELMWORTH	Wapiti - Elmworth	5494010041
1710	HIGH LEVEL SOUTH	Boyer	5494010081
1711	HIGH LEVEL SOUTH	Boyer	5494010082
1712	DAWSON	Peace - Other	5494010139
1713	DAWSON	Peace - Other	5494010141
1714	TWIN LAKE	Redwater - Cherhill	5494010171
1715	PADDLE SOUTH	Boyer	5494010196
1716	PUSKWA	Peace - Other	5494020062
1717	MIRAGE	Peace - Other	5494030098
1718	BERWYN	Peace - Other	5494030229
1719	HIGH LEVEL SOUTH	Boyer	5494050151
1720	WEST COVE	Redwater - Cherhill	5494060044
1721	HIGH LEVEL SOUTH	Boyer	5494060064
1722	GIROUXVILLE	Peace - Montney	5494070058
1723	MIRAGE	Peace - Other	5494080044
1724	KAKWA	Wapiti - Kakwa	5494080092
1725	STEEN	Boyer	5494110078
1726	STEEN	Boyer	5494110079
1727	DAWSON	Peace - Other	5494120038
1728	BERWYN	Peace - Other	5494120042
1729	ELMWORTH	Wapiti - Elmworth	5495010062
1730	MCLEAN CREEK	PEACE - OTHER	5495010199
1731	HIGH LEVEL NORTH	Boyer	5495020097
1732	HIGH LEVEL NORTH	Boyer	5495020098
1733	SENEX	Peace - Other	5495020220
1734	HIGH LEVEL NORTH	Boyer	5495030118
1735	HIGH LEVEL SOUTH	Boyer	5495030119
1736	HIGH LEVEL SOUTH	Boyer	5495030120
1737	HIGH LEVEL NORTH	Boyer	5495030121
1738	STEEN	Boyer	5495040160
1739	STEEN	Boyer	5495050066

	A	B	C
1740	HIGH LEVEL SOUTH	Boyer	5495050168
1741	ELMWORTH	Wapiti - Elmworth	5495070512
1742	MCLEOD	PINE CREEK	5495080085
1743	PICA/JACK	Peace - Other	5495100066
1744	DIXONVILLE	Peace - Other	5496010106
1745	SPRINGBURN	Peace - Other	5496020049
1746	MCLEOD	PINE CREEK	5496030022
1747	FALHER	Peace - Other	5496040113
1748	PINE CREEK	PINE CREEK	5496050090
1749	PINE CREEK	PINE CREEK	5496050091
1750	WHITELAW	Peace - Other	5496050259
1751	REDWATER OTHER	Redwater - Other	5496090041
1752	DAWSON	Peace - Other	5496090185
1753	BERWYN	Peace - Other	5496090190
1754	HANLAN	Pine Creek	5496100015
1755	HEART RIVER	Peace - Other	5496100056
1756	DAWSON	Peace - Other	5496100066
1757	BERWYN	Peace - Other	5496110054
1758	GIROUXVILLE	Peace - Montney	5496110145
1759	KAKUT WEST	Peace - Other	5496120048
1760	KAKUT	PEACE - OTHER	5497010070
1761	GIROUXVILLE	Peace - Montney	5497010073
1762	KEG POST	Boyer	5497010154
1763	CLAYHURST	Peace - Other	5497010259
1764	CLAYHURST	Peace - Other	5497010265
1765	DAWSON	Peace - Other	5497020102
1766	CLAYHURST	Peace - Other	5497020118
1767	REDWATER OTHER	Redwater - Other	5497030137
1768	KAKWA	Wapiti - Kakwa	5497030145
1769	PINE CREEK	PINE CREEK	5497040007
1770	WAPITI OTHER	#N/A	5497050091
1771	HARO	Boyer	5497050144
1772	PINE CREEK	PINE CREEK	5497050174
1773	TEEPEE CREEK	Peace - Other	5497060036
1774	TEEPEE CREEK	Peace - Other	5497060038
1775	ELMWORTH	Wapiti - Elmworth	5497070015
1776	SPRINGBURN	Peace - Other	5497070029

	A	B	C
1777	DAWSON	Peace - Other	5497070038
1778	KAKWA	Wapiti - Kakwa	5497090141
1779	KAKUT	PEACE - OTHER	5497090155
1780	HIGH LEVEL NORTH	Boyer	5497090192
1781	HIGH LEVEL NORTH	Boyer	5497090193
1782	HANLAN	Pine Creek	5497100017
1783	HIGH LEVEL NORTH	Boyer	5497100076
1784	HIGH LEVEL NORTH	Boyer	5497100077
1785	PINE CREEK	PINE CREEK	5497100097
1786	TEEPEE CREEK	Peace - Other	5497100116
1787	PADDLE RIVER	Redwater - Cherhill	5497110058
1788	KAKWA	Wapiti - Kakwa	5497110060
1789	KAKUT WEST	Peace - Other	5497110080
1790	TEEPEE CREEK	Peace - Other	5497120121
1791	DAWSON	Peace - Other	5498010079
1792	PINE CREEK	PINE CREEK	5498010188
1793	PINE CREEK	PINE CREEK	5498010189
1794	PINE CREEK	PINE CREEK	5498020010
1795	EAGLESHAM	Peace - Other	5498020029
1796	MCLEAN CREEK	PEACE - OTHER	5498040057
1797	MCLEAN CREEK	PEACE - OTHER	5498040064
1798	MCLEAN CREEK	PEACE - OTHER	5498040065
1799	MCLEAN CREEK	PEACE - OTHER	5498050049
1800	MCLEAN CREEK	PEACE - OTHER	5498050050
1801	GIROUXVILLE	Peace - Montney	5498050127
1802	DAWSON	Peace - Other	5498060028
1803	DAWSON	Peace - Other	5498070034
1804	MCLEAN CREEK	PEACE - OTHER	5498090026
1805	DAWSON	Peace - Other	5498090038
1806	EAGLESHAM	Peace - Other	5498100088
1807	RYCROFT	Peace - Other	5498120012
1808	NORMANDVILLE	Peace - Montney	5499010013
1809	REDWATER OTHER	Redwater - Other	5499020006
1810	PEACE OTHER	Peace - Other	5499020030
1811	GIROUXVILLE	Peace - Montney	5499040025
1812	WAPITI OTHER	#N/A	5499070052
1813	EAGLESHAM	Peace - Other	5499070058

	A	B	C
1814	PINE CREEK	PINE CREEK	5499080010
1815	NORMANDVILLE	Peace - Montney	5499080014
1816	KAKWA	Wapiti - Kakwa	5499080030
1817	GIROUXVILLE	Peace - Montney	5499090017
1818	NORMANDVILLE	Peace - Montney	5499090019
1819	SPRINGBURN	Peace - Other	5499090020
1820	DAWSON	Peace - Other	5499090081
1821	DAWSON	Peace - Other	5499090082
1822	BOYER OTHER	Boyer	5499100104
1823	WEST COVE	Redwater - Cherhill	5499110044
1824	WEST COVE	Redwater - Cherhill	5499110045
1825	BERWYN	Peace - Other	5499110071
1826	KEG WEST	Boyer	5499110095
1827	PEORIA	Peace - Other	5499120110
1828	NORMANDVILLE	Peace - Montney	5499120113
1829	DAWSON	Peace - Other	5499120120
1830	KAKWA	Wapiti - Kakwa	5507070226
1831	KAKWA	Wapiti - Kakwa	5595120096
1832	KAKWA	Wapiti - Kakwa	5595120098
1833	KAKWA	Wapiti - Kakwa	5596040145
1834	KAKWA	Wapiti - Kakwa	5598100125
1835	EAGLESHAM	Peace - Other	*0501060258
1836	WEST CULP	Peace - Other	*0585050361
1837	WEST CULP	Peace - Other	017607A015
1838	WEST CULP	Peace - Other	017607B015
1839	WEST CULP	Peace - Other	017607C015
1840	KEG EAST	Boyer	017902A031
1841	WEST CULP	Peace - Other	018101A034
1842	MAJEAU LAKE	Redwater - Cherhill	048003A238
1843	DRUMHELLER	Redwater - Other	048207A174
1844	REDWATER OTHER	Redwater - Other	048706A443
1845	CHERHILL	Redwater - Cherhill	057704A066
1846	PINE CREEK	PINE CREEK	058007A071
1847	ELMWORTH	Wapiti - Elmworth	058102A230
1848	ELMWORTH	Wapiti - Elmworth	058112A166
1849	ELMWORTH	Wapiti - Elmworth	058202A192
1850	CHERHILL	Redwater - Cherhill	058203A145

	A	B	C
1851	CHERHILL	Redwater - Cherhill	058403A225
1852	NORMANDVILLE	Peace - Montney	058411A498
1853	NORMANDVILLE	Peace - Montney	058411B498
1854	PINE CREEK	PINE CREEK	058412A164
1855	FALHER	Peace - Other	058507A370
1856	FALHER	Peace - Other	058507B370
1857	WEST CULP	Peace - Other	058803A229
1858	TWIN LAKE	Redwater - Cherhill	058912A197
1859	PINE CREEK	PINE CREEK	059006A388
1860	SNIPE LAKE	Peace - Other	105593A
1861	THREE HILLS	Redwater - Other	107341A
1862	JARROW	Redwater - Other	10798A
1863	JARROW	Redwater - Other	10800A
1864	TABER	Redwater - Other	10922B
1865	ALEXIS	Redwater - Cherhill	110667A
1866	JARROW	Redwater - Other	11608A
1867	THREE HILLS	Redwater - Other	12394A
1868	BOYER OTHER	Boyer	127172C
1869	MCLEOD	PINE CREEK	127785A
1870	BOYER OTHER	Boyer	14473A
1871	CLEAR HILLS	Peace - Other	1854A
1872	PADDLE SOUTH	Boyer	1874A
1873	KEG WEST	Boyer	1883B
1874	KEG WEST	Boyer	1883C
1875	THREE HILLS	Redwater - Other	20547B
1876	CHERHILL	Redwater - Cherhill	2067A
1877	WIMBORNE	Redwater - Other	21043B
1878	WIMBORNE	Redwater - Other	21053-A
1879	REDWATER NORTH	Redwater - Viking	21087A
1880	ALEXIS	Redwater - Cherhill	21305A
1881	JARROW	Redwater - Other	21757A
1882	JARROW	Redwater - Other	21758A
1883	JARROW	Redwater - Other	21758B
1884	ALEXIS	Redwater - Cherhill	23933B
1885	CHERHILL	Redwater - Cherhill	23936C
1886	OYEN	Redwater - Other	25763A
1887	SNIPE LAKE	Peace - Other	27409A

	A	B	C
1888	JARROW	Redwater - Other	30536A
1889	JARROW	Redwater - Other	30538A
1890	GIROUXVILLE	Peace - Montney	31577A
1891	TABER	Redwater - Other	34286A
1892	TABER	Redwater - Other	35251A
1893	TABER	Redwater - Other	35252A
1894	HANLAN	Pine Creek	35434A
1895	HANLAN	Pine Creek	35434B
1896	BRUDERHEIM SOUTH	Redwater - Viking	38779A
1897	MCLEOD	PINE CREEK	39121A
1898	TABER	Redwater - Other	40246A
1899	JARROW	Redwater - Other	5164A
1900	JARROW	Redwater - Other	542B
1901	JARROW	Redwater - Other	542C
1902	PROVOST	Redwater - Other	6285A
1903	JARROW	Redwater - Other	6304A
1904	JARROW	Redwater - Other	6305A
1905	JARROW	Redwater - Other	6305B
1906	JARROW	Redwater - Other	6305C
1907	JARROW	Redwater - Other	6306A
1908	JARROW	Redwater - Other	6306B
1909	JARROW	Redwater - Other	6307A
1910	JARROW	Redwater - Other	6308A
1911	JARROW	Redwater - Other	6308B
1912	JARROW	Redwater - Other	6309A
1913	JARROW	Redwater - Other	6309B
1914	JARROW	Redwater - Other	6309C
1915	JARROW	Redwater - Other	6311A
1916	PROVOST	Redwater - Other	7062A
1917	PROVOST	Redwater - Other	7063A
1918	PROVOST	Redwater - Other	7063B
1919	JARROW	Redwater - Other	728A

This is **Exhibit "G"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



THIS DEBENTURE PLEDGE AGREEMENT made as of October 27, 2020;
(Long Run Exploration Ltd.)

Description of Amended and Restated Fixed and Floating Charge Demand Debenture

Principal Sum: \$1,200,000,000 Canadian Dollars

Interest Rate: 20.0% per annum

Date: October 27, 2020

WHEREAS:

A. China Construction Bank Toronto Branch, in its capacity as collateral agent (in such capacity, the "**Agent**") for the other Secured Parties, and Long Run Exploration Ltd. (the "**Debtor**") have entered into a collateral agent and intercreditor agreement made as of October 27, 2020 (as the same may be amended, modified, supplemented or amended and restated from time to time, the "**Collateral Agent and Intercreditor Agreement**") among, *inter alios*, the Debtor, as borrower, Calgary Sinoenergy Investment Corp., as guarantor, and the Agent, as collateral agent;

B. The Debtor has created and issued to China Construction Bank Toronto Branch (in such capacity, the "**Original CCB Lender**"), the demand debenture dated January 31, 2017 (the "**Original Debenture**") which has been amended and restated in the form of the amended and restated fixed and floating charge demand debenture issued to the Agent and described above (as the same may hereafter be amended, modified, supplemented or amended and restated from time to time, the "**Debenture**"), in order to secure the payment and performance of all present and future Secured Obligations of the Debtor to the Agent and the other Secured Parties (collectively, the "**Beneficiaries**");

C. The purpose of this Debenture Pledge Agreement is to set forth the terms and conditions upon which the Debenture is to be held by the Agent;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby conclusively acknowledged by the Debtor, the Debtor hereby agrees and covenants with the Agent as follows:

1. The Debtor hereby grants a security interest in and deposits with and pledges to the Agent the Debenture to be held by the Agent (for the benefit of the Beneficiaries) as general and continuing collateral security for the payment and performance of the Secured Obligations.

2. The Agent shall neither demand payment pursuant to the Debenture nor enforce the security constituted thereby unless the Agent shall be entitled to do so pursuant to the provisions of the Collateral Agent and Intercreditor Agreement, the other Secured Debt Documents and the other agreements, instruments or documents establishing, creating or evidencing any Secured Obligations (collectively, the "**Credit Documents**"), but thereafter the Agent may at any time exercise and enforce all of the rights and remedies of a holder of the Debenture as if the Agent was the absolute owner thereof without notice to or control by the Debtor, and any such remedy may be exercised separately or in combination with, and shall be in addition to and not in substitution for, any other right or remedy of the Agent and the Beneficiaries however created, provided that the Agent shall not be bound to exercise any such right or remedy.

3. The Agent (including in its capacity as Original CCB Lender) confirms, acknowledges and accepts the amendment and restatement of the Original Debenture in the form of the Debenture delivered on the date hereof.

4. Subject to the requirements of applicable law, the Agent shall not be bound under any circumstances to realize upon or under the Debenture and shall not be responsible to the Debtor for any loss occasioned by any sale or other dealing with the Debenture or the Charged Premises (as defined in the Debenture) or by the retention of or failure to sell or otherwise deal with the same.

5. The proceeds of or any other amount received pursuant to the Debenture shall be applied by the Agent on account of the Secured Obligations as set forth in the Collateral Agent and Intercreditor Agreement without prejudice

to the Agent's or the Beneficiaries' claim upon the Debtor for any deficiency. Subject to the requirements of applicable law, any surplus realized by the Agent in excess of the Secured Obligations shall be paid over to the Debtor.

6. Subject to paragraph 2 hereof, neither the Agent nor any other Beneficiary shall be obliged to exhaust its recourse against the Debtor, any other person or persons, or any other security it may hold with respect to the Secured Obligations before realizing upon, under, or otherwise dealing with the Debenture in such manner as the Agent sees fit. The Agent and the other Beneficiaries may grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other parties, sureties or securities as they may see fit, without prejudice to the liability of the Debtor or the Agent's or the other Beneficiaries' rights in respect of the Debenture.

7. Notwithstanding the stated interest rate per annum in the Debenture, payment to the applicable Beneficiaries or the Agent for the account of the Beneficiaries, as applicable, of the relevant interest, fees and other Secured Obligations due and payable under the applicable Credit Documents (other than the Debenture) for any period in respect of the relevant Secured Obligations at the current rate at which the relevant Secured Obligations bear interest for such period pursuant to the applicable Credit Documents (other than the Debenture) shall be deemed to be payment in satisfaction of the interest payment for the same period under the Debenture.

8. The Debenture shall not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Agent or the other Beneficiaries shall operate by way of merger of or in any way affect the security of the Debenture which is in addition to and not in substitution for any other security now or hereafter held by the Agent or the other Beneficiaries with respect to the Secured Obligations.

9. Notwithstanding the form and terms of the Debenture and the provisions of this Debenture Pledge Agreement, (a) the Agent shall not claim or realize an amount under or in respect of the Debenture in excess of the aggregate Secured Obligations (which shall exclude the stated nominal principal sum of the Debenture and interest payable thereon at the stated nominal rate under the Debenture), due and payable from time to time, of the Debtor to the Agent and the other Beneficiaries, and (b) the provisions of this Debenture Pledge Agreement and the Debenture, in particular, but without limitation, Sections 2.2 and 3.1 of the Debenture, are subject to the provisions of the Credit Documents relating to the subject matter thereof. If there are any express conflicts or inconsistencies between the terms of the Collateral Agent and Intercreditor Agreement and the Debenture or this Debenture Pledge Agreement, then the terms of the Collateral Agent and Intercreditor Agreement and thereafter this Debenture Pledge Agreement (in such order) shall govern in all respects to the extent necessary to eliminate such express conflicts or inconsistencies.

10. Neither the Agent nor any of the Beneficiaries shall be liable for any error of judgment or act done by any of them in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for their gross negligence or wilful misconduct. The Agent shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by the Agent hereunder, believed by the Agent in good faith to be genuine. All moneys received by the Agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law), and the Agent shall be under no liability for interest on any moneys received by it hereunder. The Debtor hereby ratifies and confirms any and all acts which the Agent or its successors or substitutes shall do lawfully by virtue hereof.

11. Time shall be of the essence with regard to this Debenture Pledge Agreement.

12. Capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Collateral Agent and Intercreditor Agreement.

13. This Debenture Pledge Agreement shall enure to the benefit of and be binding upon the Debtor, the Agent and the other Beneficiaries and their respective successors and permitted assigns.

14. The parties hereto each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Debenture Pledge Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to

entertain any action arising under this Debenture Pledge Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of either party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

15. This Debenture Pledge Agreement shall be governed by and construed in accordance with the laws in force in the Province of Alberta and the federal laws of Canada applicable therein.

16. The Debtor hereby waives the right to receive from the Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Debenture Pledge Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Debenture Pledge Agreement.

17. The Debtor may not assign its obligations under this Debenture Pledge Agreement without the prior written consent of the Agent (which consent may be withheld in its sole discretion).

18. If any provision of this Debenture Pledge Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

19. This Debenture Pledge Agreement may be executed electronically and in any number of counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the Debtor has executed this Debenture Pledge Agreement as of the date first above written.

LONG RUN EXPLORATION LTD.

Per: 
Name: Jason Ge
Title: Chief Executive Officer

Per: _____
Name: _____
Title: _____

ACCEPTED AS OF THE DATE FIRST ABOVE WRITTEN BY:

CHINA CONSTRUCTION BANK TORONTO BRANCH, as Agent and as Original CCB Lender

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the Debtor has executed this Debenture Pledge Agreement as of the date first above written.

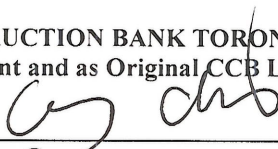
LONG RUN EXPLORATION LTD.

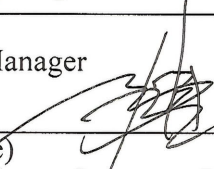
Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

**ACCEPTED AS OF THE DATE FIRST ABOVE
WRITTEN BY:**

**CHINA CONSTRUCTION BANK TORONTO
BRANCH, as Agent and as Original CCB Lender**

Per: 
Name: Chaoyong Gong
Title: Deputy General Manager

Per: 
Name: Ziqing Zou (Eddie)
Title: Senior Vice President - Corporate Banking

This is **Exhibit "H"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO #18548/T



GENERAL SECURITY AGREEMENT
(Long Run Exploration Ltd.)

THIS AGREEMENT made as of October 27, 2020

BETWEEN:

LONG RUN EXPLORATION LTD., a corporation subsisting under the laws of the Province of Alberta (hereinafter referred to as the "**Debtor**")

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, in its capacity as Agent (as defined below).

WHEREAS the Debtor has agreed to grant, as general and continuing security for the payment and performance of the Obligations (as hereinafter defined), the security interest and assignment, mortgage and charge granted herein;

AND WHEREAS pursuant to the Collateral Agent and Intercreditor Agreement, the Agent was appointed and authorized by the Beneficiaries to act as their collateral agent for the purpose of holding security granted by the Debtor;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and the covenants and agreements herein contained the parties agree as follows:

ARTICLE 1- INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

"**Account Control Agreement**" means, with respect to a securities account, a securities account control agreement between the Debtor, the Agent and the securities intermediary which maintains such securities account on behalf of the Debtor, as the same may be amended, modified, supplemented or restated from time to time.

"**Agent**" means China Construction Bank Toronto Branch in its capacity as collateral agent for and on behalf of the Beneficiaries pursuant to the Collateral Agent and Intercreditor Agreement, and its successors in such capacity.

"**Agreement**" means this general security agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Beneficiaries**" means the Secured Parties (as defined in the Collateral Agent and Intercreditor Agreement) and "**Beneficiary**" means any of the Secured Parties (as defined in the Collateral Agent and Intercreditor Agreement).

"**Charge**" means the Liens created hereunder, including, for certainty all mortgages, charges, security interests, assignments and other security granted by the Debtor pursuant to Section 2.1.

"**Collateral**" has the meaning set out in Section 2.1.

"**Collateral Agent and Intercreditor Agreement**" means the collateral agent and intercreditor agreement made as of the date hereof among the Debtor, as borrower, Calgary Sinoenergy Investment Corp., as guarantor, the Agent, as collateral agent, and certain other Beneficiaries, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

"**Delivery**" and the corresponding term "**Delivered**" when used with respect to Collateral means:

- (a) in the case of Collateral constituting certificated securities, transfer thereof to the Agent or its nominee by physical delivery of the security certificates to the Agent or its nominee, such Collateral to be endorsed for transfer or accompanied by Transfer Documents, all in form and content satisfactory to the Agent;
- (b) in the case of Collateral constituting uncertificated securities, (i) registration thereof on the books and records of the issuer thereof in the name of the Agent or its nominee or (ii) the execution and delivery by the issuer thereof of an effective agreement, pursuant to which such issuer agrees that it will comply with instructions originated by the Agent or its nominee without further consent of the Debtor or any other person;
- (c) in the case of Collateral constituting security entitlements in respect of financial assets deposited in or credited to a securities account, (i) completion of all actions necessary to constitute the Agent or its nominee the entitlement holder with respect to each such security entitlement or (ii) the execution and delivery by the relevant securities intermediary of an effective Account Control Agreement pursuant to which such securities intermediary agrees to comply with entitlement orders originated by the Agent or its nominee without further consent of the Debtor or any other person; and
- (d) in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, any Collateral in favour of the Agent or its nominee.

"**Issuer**" has the meaning given to that term in the STA.

"**Obligations**" means, collectively and at any time and from time to time, all Secured Obligations (as defined in the Collateral Agent and Intercreditor Agreement) of the Debtor to the Beneficiaries, in each case, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

"**Pledged Issuer**" means, at any time, any person which is an Issuer of, or with respect to, any Pledged Shares at such time.

"**Pledged Shares**" has the meaning set out in paragraph (a) of the definition of "Stock".

"**Receiver**" has the meaning set out in Section 6.1(a)(i).

"**STA**" means the *Securities Transfer Act* (Alberta), as such legislation may be amended, renamed or replaced from time to time, and includes all regulations from time to time made under such legislation.

"**Stock**" means:

- (a) all securities (collectively, the "**Pledged Shares**") owned by the Debtor, all security certificates, if any, and other instruments and documents evidencing or representing such Pledged Shares, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Shares;
- (b) all additional or substitute shares of capital stock, partnership interests or other equity interests of any class of any issuer from time to time issued to or otherwise acquired by the Debtor in any manner in respect of Pledged Shares, the security certificates, if any, and other instruments representing such additional or substitute shares, and all dividends, interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of such additional or substitute shares; and
- (c) to the extent not otherwise included in the foregoing, all proceeds thereof.

"**Transfer Documents**" means, with respect to the transfer of Pledged Shares or other Stock, stock transfers, powers of attorney or other instruments of transfer, in each case, executed in blank and in form and substance as may be required (from time to time) by the Agent, acting reasonably.

"**ULC**" means an Issuer that is an unlimited company, unlimited liability corporation or unlimited liability company.

"**ULC Laws**" means the *Companies Act* (Nova Scotia), the *Business Corporations Act* (Alberta), the *Business Corporations Act* (British Columbia), and any other present or future laws governing ULCs.

"**ULC Shares**" means shares or other equity interests in the capital stock of a ULC.

1.2 Definitions used in the Collateral Agent and Intercreditor Agreement

Capitalized terms used herein (including in the recitals hereto) without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Collateral Agent and Intercreditor Agreement.

1.3 Personal Property Security Act Definitions

The terms "accessions", "accounts", "certificated security", "chattel paper", "documents of title", "financial asset", "goods", "instruments", "intangibles", "inventory", "investment property", "money", "proceeds", "securities account", "securities intermediary", "security", "security certificate", "security entitlement" and "uncertificated security", whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Alberta) (the "**PPSA**"), including the regulations thereunder, as now enacted or as the same may from time to time be amended, re-enacted or replaced.

1.4 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.5 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.6 References to Statutes and Documents; Successors

In this Agreement:

- (a) any reference to a statute will include and will be deemed to be a reference to the regulations made pursuant to it, and to all amendments made to the statute and regulations in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute referred to or the relevant regulation;
- (b) references herein to any document, instrument or agreement means such document, instrument or agreement as originally executed, as modified, amended, supplemented or restated from time to time; and

- (c) any reference to a person will include and will be deemed to be a reference to any person that is a successor to that person.

1.7 Calculation of Interest

Whenever a rate of interest hereunder is calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.8 Schedules

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

ARTICLE 2 - GRANT OF SECURITY

2.1 Security

As general and continuing security for the payment and performance of the Obligations, the Debtor hereby pledges, hypothecates, assigns, mortgages, charges, conveys, sets over and transfers unto, and in favour of, the Agent for the benefit of the Beneficiaries and does hereby grant to the Agent for the benefit of the Beneficiaries a continuing security interest in and to all of the present and future undertaking, assets and property of the Debtor, both real and personal, including, without limitation, all present and after-acquired personal property of the Debtor (collectively, the "**Collateral**"), and as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby assigns the Collateral to the Agent and mortgages and charges the Collateral to the Agent (with respect to real property, as and by way of a floating charge), in each case, for the benefit of the Beneficiaries. Without limiting the generality of the foregoing, the Collateral shall include all right, title and interest that the Debtor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter or may hereafter have in all property of the following kinds:

- (a) Accounts Receivable: all debts, accounts, accounts receivables, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively, the "**Receivables**");
- (b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease, or furnished or to be furnished under contracts for service, or that are work in progress, or that are raw materials used or consumed in the business of the Debtor (collectively, the "**Inventory**");
- (c) Equipment: all goods, machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory, including, without limiting the generality of the foregoing, the tangible personal property described in any schedule hereto executed by both the Debtor and the Agent;
- (d) Chattel Paper: all chattel paper;
- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Investment Property and Instruments: all of the following (being collectively referred to herein as the "**Investment Property Collateral**"):
 - (i) all securities accounts in the name of the Debtor, including any and all assets of whatever type or kind deposited in or credited to such securities accounts, including all financial assets, all security entitlements related to such financial assets, and all security certificates

and other certificates and instruments from time to time representing or evidencing the same, and all dividends, whether in shares, money or property, interest, distributions, cash and other property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, capital or otherwise distributed or distributable in respect of or in exchange for any or all of the foregoing;

- (ii) all Stock;
- (iii) all financial assets;
- (iv) all security entitlements;
- (v) all other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of the Debtor in respect of, in substitution for, in addition to or in exchange for, any of the foregoing; and
- (vi) all proceeds in respect of the foregoing described in this subparagraph (f) and all rights and interest of the Debtor in respect thereof or evidenced thereby including all money received or receivable from time to time by the Debtor in connection with the sale of any of the foregoing (including all proceeds received or receivable in connection with the redemption or purchase for cancellation of any of the Pledged Shares);
- (g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other intellectual property;
- (h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (i) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to (h) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (j) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to 2.1(i) inclusive; and
- (k) Proceeds: all proceeds of the property described in Sections 2.1(a) to (j) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property;

provided that the Charge shall not: (i) extend, include or apply to the last day of the term of any lease or agreement to lease now held or hereafter acquired by the Debtor, but should the Agent enforce the said Charge, the Debtor shall thereafter stand possessed of such last day in trust for the Agent to assign the same to any person acquiring such term in the course of enforcement of the Charge, (ii) render the Agent or any other Beneficiary liable to observe or perform any term, covenant or condition of any agreement, document or instrument to which the Debtor is a party or by which it is bound, or (iii) extend to, and the Collateral shall not include, any agreement, right, franchise, licence or permit (the "**Contractual Rights**") to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Charge herein would constitute a breach of the terms of, or permit any person to terminate, the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Agent and shall assign such Contractual Rights to the Agent, for the benefit of the Beneficiaries, forthwith upon obtaining the consent of all other parties thereto. The Debtor agrees that it shall, upon the request of the Agent, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Charge herein.

2.2 Security Interest Absolute

The Charge granted hereby and all rights of the Agent hereunder and all obligations of the Debtor hereunder are unconditional and absolute and independent and separate from any other security for the Obligations, whether executed by the Debtor or any other person.

2.3 Continuing Liability of Debtor

This Agreement and the Charge granted hereby is granted as collateral security only and will not subject the Agent or the other Beneficiaries to, or transfer or in any way affect or modify, any obligation or liability of the Debtor with respect to any of the Collateral or any transaction in connection therewith.

2.4 Delivery of Investment Property Collateral; Registration in Name of Agent

Subject to Section 2.5, all Investment Property Collateral shall be Delivered immediately to the Agent or its nominee, including, without limitation, delivery to the Agent of all security certificates, instruments or other documents representing or evidencing the Investment Property Collateral, which shall be endorsed for transfer in blank by the Debtor and accompanied by Transfer Documents, all as satisfactory to Agent, acting reasonably. The Agent may, subject to the terms of the Collateral Agent and Intercreditor Agreement, cause all or any of the Investment Property Collateral to be registered in the name of the Agent or its nominee.

2.5 Subsequently Acquired Investment Property Collateral

To the extent the Debtor has or acquires, by way of amalgamation or otherwise, any additional Investment Property Collateral at any time or from time to time after the date hereof, such Investment Property Collateral will automatically (and without any further action being required to be taken by the Agent or the other Beneficiaries) be subject to the Charge created hereby. The Debtor will take, or cause to be taken, as promptly as practicable and, in any event within 10 Business Days after it obtains such additional Investment Property Collateral, in each case, all steps and actions as the Agent deems necessary to ensure that the additional Investment Property Collateral is Delivered to the Agent or its nominee, including, without limitation, delivery to the Agent or its nominee of any security certificates comprising such additional Investment Property Collateral, accompanied by Transfer Documents, all as satisfactory to the Agent, acting reasonably.

2.6 Attachment of Security Interest

The Debtor acknowledges that the Charge hereby created attaches upon the execution of this Agreement (or in the case of any future property, upon the date the Debtor has any rights therein), that value has been given by the Beneficiaries and that Debtor has, or in the case of future property will have, rights in the Collateral or the power to transfer rights in the Collateral to the Agent.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

3.1 Representations and Warranties

The Debtor hereby represents and warrants to the Agent and the other Beneficiaries that (and acknowledges that the Agent and the other Beneficiaries are relying on the same):

- (a) the Debtor's chief executive office (as such term is utilized in the PPSA) is located in the Province of Alberta;
- (b) as at the date hereof, all of the real property and tangible personal property and assets of the Debtor are located in the Provinces of Alberta, British Columbia and Saskatchewan; and
- (c) no Investment Property Collateral is in the possession or "control" (within the meaning of such term under Section 1(1.1) of the PPSA) of any person, except that the Agent or its nominee or a securities

intermediary acting on its behalf may have possession or "control" (as aforesaid) of the Investment Property Collateral.

3.2 Survival of Representations and Warranties

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel and other representatives. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 7.8 hereof.

3.3 Covenants

The Debtor covenants with the Agent that the Debtor shall:

- (a) not (i) change its name, its chief executive office, the province or provinces in which any of its tangible property and assets, real or personal, are located (except to locations where all registrations, filings and recordings necessary or desirable (as determined by the Agent's counsel, acting reasonably) to preserve, protect and perfect the Security Documents of the Debtor (and the Liens constituted thereby) have previously been made and completed) or its jurisdiction of amalgamation or (ii) continue or amalgamate into, or otherwise be organized under, another jurisdiction, in each case, without giving 15 days' prior written notice thereof to the Agent;
- (b) from time to time forthwith at the request of the Agent execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Agent to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Actionable Default that is continuing, the Debtor hereby irrevocably constitutes and appoints the Agent, or any receiver or receiver and manager appointed by the court or the Agent, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Agent or any such Receiver may consider it to be necessary or expedient, and such appointment of the Agent as the Debtor's attorney is coupled with an interest and is irrevocable;
- (c) pay to the Agent forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Agent in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder;
- (d) not grant possession or "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property (including, for certainty, any Investment Property Collateral) to any person other than the Agent or its nominee or a securities intermediary acting on its behalf ; and
- (e) provide to the Agent, promptly upon request, all information and evidence the Agent may reasonably request concerning the Collateral to enable the Agent to enforce the provisions hereof.

ARTICLE 4 - ACCOUNT DEBTORS

4.1 Notification of Account Debtors

If an Actionable Default has occurred and is continuing, the Agent may give notice of this Agreement and the Charge granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and may give notice to any such account debtors or other person to make all further payments to the Agent, and, after the

occurrence and during the continuance of an Actionable Default, any payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Agent shall be held by the Debtor in trust for the Agent and forthwith paid over to the Agent on request.

ARTICLE 5 – DEALINGS WITH INVESTMENT PROPERTY COLLATERAL

5.1 Rights and Duties of Agent

(1) The Agent may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Investment Property Collateral, the Agent and any nominee on its behalf is only bound to exercise the same degree of care as the Agent would exercise with respect to similar property of its own of similar value held in the same place. The Agent and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Investment Property Collateral if it takes such action for that purpose as the Debtor reasonably requests in writing, but failure of the Agent or its nominee to comply with any such request will not of itself be deemed a failure to exercise reasonable care.

(3) The powers conferred on the Agent hereunder with respect to Investment Property Collateral are solely to protect its interest in the Investment Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Investment Property Collateral in its or its nominees' possession and the accounting for moneys actually received by it or its nominees thereunder, the Agent shall have no duty as to any Investment Property Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Investment Property Collateral and no such duties shall be implied as arising hereunder.

5.2 Voting and Other Rights

(1) Unless an Actionable Default has occurred which is continuing, subject to the terms of the Collateral Agent and Intercreditor Agreement, the Debtor is entitled to exercise, either directly or, if the Investment Property Collateral is registered in the name of the Agent or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Investment Property Collateral including the voting rights from time to time exercisable in respect of the Investment Property Collateral and to give proxies, consents, ratifications and waivers in respect thereof. (If the Investment Property Collateral has been registered in the name of the Agent or its nominee, the Agent will execute and deliver (or cause to be executed and delivered) to the Debtor such proxies, directions and other instruments as the Debtor may request in writing at the Debtor's expense for the purpose of giving effect to the foregoing.) No such action may be taken by the Debtor if it would be prejudicial to the interests of any of the Beneficiaries or would violate or be inconsistent with this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document or would have the effect of reducing the value of the Investment Property Collateral as security for the Obligations or would have the effect of imposing any restriction on the transferability of any of the Investment Property Collateral.

(2) Upon the occurrence of an Actionable Default which is continuing, the Agent, subject to the terms of the Collateral Agent and Intercreditor Agreement, may give the Debtor a notice prohibiting the Debtor from exercising the rights and powers of a holder of the Investment Property Collateral, including the voting rights in respect of the Investment Property Collateral, at which time all such rights of the Debtor will cease immediately and the Agent will have the right to exercise the rights and powers related to such Investment Property Collateral, including the right to vote.

5.3 Distributions

(1) Unless an Actionable Default has occurred which is continuing:

(a) the Debtor is entitled to receive all dividends, distributions, interest payments or other payments in respect of the Investment Property Collateral; and

- (b) if the Investment Property Collateral has been registered in the name of the Agent or its nominee, the Agent will execute and deliver (or cause to be executed and delivered) to the Debtor (at the Debtor's expense) all directions and other instruments as the Debtor may request for the purpose of enabling the Debtor to receive the dividends, distributions, interest payments or other payments that the Debtor is authorized to receive pursuant to Section 5.3(1)(a) above.

(2) Upon the occurrence of an Actionable Default which is continuing, all rights of the Debtor pursuant to Section 5.3(1) will cease and the Agent will have the sole and exclusive right and authority to receive and retain all payments that the Debtor would otherwise be authorized to retain pursuant to Section 5.3(1). All money and other property received by the Agent pursuant to the provisions of this Section 5.3(2) may be applied on account of the Obligations or may be retained by the Agent as additional Collateral hereunder and be applied in accordance with the provisions of the Collateral Agent and Intercreditor Agreement. All payments which are received by the Debtor contrary to the provisions of this Section 5.3(2) will be held by the Debtor in trust for the benefit of the Agent and the other Beneficiaries, will be segregated from other property or funds of the Debtor and will be forthwith paid or Delivered, as applicable, to the Agent or its nominee to be applied on account of the Obligations or to hold as Collateral, as the Agent may see fit, subject to the relevant provisions of the Collateral Agent and Intercreditor Agreement.

5.4 ULC Shares

The Debtor acknowledges that certain of the Collateral may now or in the future consist of ULC Shares, and that it is the intention of the Agent and the Debtor that neither the Agent nor any other Beneficiary should under any circumstances prior to realization thereon be held to be a "member" or a "shareholder", as applicable, of a ULC for the purposes of any ULC Laws. Therefore, notwithstanding any provisions to the contrary contained in this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document, where the Debtor is the registered owner of ULC Shares which are Collateral, the Debtor shall remain the sole registered owner of such ULC Shares until such time as such ULC Shares are effectively transferred into the name of the Agent, any other Beneficiary, or any other person on the books and records of the applicable ULC. Nothing in this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document is intended to, and nothing in this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document shall, constitute the Agent, any other Beneficiary, or any other person other than the Debtor, a member or shareholder of a ULC for the purposes of any ULC Laws (whether listed or unlisted, registered or beneficial), until such time as notice is given to the Debtor and further steps are taken pursuant hereto or thereto so as to register the Agent, any other Beneficiary, or such other person, as specified in such notice, as the holder of the ULC Shares. To the extent any provision hereof would have the effect of constituting the Agent or any other Beneficiary as a member or a shareholder, as applicable, of any ULC prior to such time, such provision shall be severed herefrom and shall be ineffective with respect to ULC Shares which are Collateral without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral which is not ULC Shares. Except upon the exercise of rights of the Agent to sell, transfer or otherwise dispose of ULC Shares in accordance with this Agreement, the Debtor shall not cause or permit, or enable a Pledged Issuer that is a ULC to cause or permit, the Agent or any other Beneficiary to: (a) be registered as a shareholder or member of such Pledged Issuer; (b) have any notation entered in their favour in the share register of such Pledged Issuer; (c) be held out as shareholders or members of such Pledged Issuer; (d) receive, directly or indirectly, any dividends, property or other distributions from such Pledged Issuer by reason of the Agent holding the Liens over the ULC Shares; or (e) act as a shareholder of such Pledged Issuer, or exercise any rights of a shareholder including the right to attend a meeting of shareholders of such Pledged Issuer or to vote its ULC Shares.

ARTICLE 6 - REMEDIES

6.1 Remedies

- (a) Subject to the terms of the Collateral Agent and Intercreditor Agreement, upon the occurrence and during the continuance of any Actionable Default any or all security granted hereby shall become immediately enforceable and, in addition to any right or remedy provided by law, the Agent will have the rights and remedies set out below, all of which rights and remedies will be enforceable

successively, concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Beneficiaries may have:

- (i) the Agent may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "**Receiver**") of the Collateral (which term when used in this Section 6.1 shall include the whole or any part of the Collateral) and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Agent" when used in this Section 6.1 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Agent shall not be in any way responsible for any misconduct or negligence of any such Receiver;
- (ii) the Agent may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Agent at such place or places as may be specified by the Agent ;
- (iii) the Agent may transfer any part of the Investment Property Collateral into the name of the Agent or its nominee if it has not already done so in accordance with Section 2.4;
- (iv) the Agent may exercise any voting rights attaching to any of the Investment Property Collateral (whether or not registered in the name of the Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof;
- (v) the Agent may exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Investment Property Collateral, including the right to exchange at its discretion any of the Investment Property Collateral upon the amalgamation, arrangement, merger, consolidation or other reorganization of the issuer of the Investment Property Collateral, all without liability except to account for property actually received by the Agent;
- (vi) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (vii) the Agent may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (viii) the Agent may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (ix) the Agent may realize upon, collect, sell, transfer, assign, give options to purchase, lease or otherwise dispose of any of the Collateral in such manner as may seem advisable to the Agent, including, without limitation, at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Debtor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Agent being hereby constituted the irrevocable attorney of the Debtor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Debtor and all other persons claiming all or any part of the Collateral by, from, through or under the Debtor. For such purposes, each requirement relating thereto and prescribed by applicable laws or otherwise is hereby waived by the Debtor to the extent permitted by applicable laws and in any offer or sale of any of the Collateral by the Agent is authorized to comply with any limitation or restriction in connection with such offer or sale as the Agent may be advised by counsel is necessary in order to avoid any violation of

applicable laws, or in order to obtain any required approval of the sale or of the purchase by any governmental authority. Such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Agent be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;

- (x) subject to requirements of applicable laws, the Agent may purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise;
 - (xi) subject to requirements of applicable laws, the Agent may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law;
 - (xii) the Agent may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the Charge;
 - (xiii) the Agent may enter upon, occupy and use all or any of the Collateral occupied by the Debtor and use all or any of the Collateral for such time as the Agent requires to facilitate the realization of the Collateral, free of charge, and the Agent and the Beneficiaries will not be liable to the Debtor for any neglect in so doing (other than gross negligence or wilful misconduct on the part thereof) or in respect of any rent, charges, depreciation or damages in connection with such actions;
 - (xiv) the Agent may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal (on a solicitor-client, full indemnity basis), Receiver and accounting fees and expenses, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum equal to the greater of (A) 10% per annum and (B) the highest rate of interest per annum then payable on such costs, charges and expenses pursuant to the terms of the applicable Secured Debt Documents, shall be added to and form part of the Obligations hereby secured; and
 - (xv) the Agent may discharge any claim, Lien, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.
- (b) The Agent and the Beneficiaries may:
- (i) grant extensions of time,
 - (ii) take and perfect or abstain from taking and perfecting security,
 - (iii) give up securities,
 - (iv) accept compositions or compromises,
 - (v) grant releases and discharges, and

- (vi) release any part of the Collateral or otherwise deal with the Debtor, debtors and creditors of the Debtor, sureties and others and with the Collateral and other security as the Agent sees fit,

without prejudice to the liability of the Debtor to the Agent and the Beneficiaries or the Beneficiaries' rights hereunder.

- (c) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Agent, the Debtor or any other person, firm or corporation in respect of the Collateral.
- (d) The Agent shall apply any proceeds of realization of the Collateral in accordance with Section 3.4 of the Collateral Agent and Intercreditor Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor will be liable to pay any deficiency to the Agent and the Beneficiaries forthwith on demand.
- (e) Any Receiver shall be entitled to exercise all rights and powers of the Agent hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Debtor and not of the Agent and the Debtor shall be solely responsible for the Receiver's acts or defaults and remuneration.

6.2 Power of Attorney

The Debtor hereby irrevocably appoints the Agent as attorney of the Debtor, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Agent's discretion at any time after the occurrence and during the continuance of an Actionable Default, to take any and all actions authorized or permitted to be taken by the Agent under this Agreement, subject to the Collateral Agent and Intercreditor Agreement, or by applicable laws and to: (a) execute and deliver all instruments and other documents and do all such further acts and things as may be reasonably required by the Agent to enforce the Charge and remedies provided hereunder or to better evidence and perfect the Charge; and (b) take any action and execute any instrument which the Agent, acting reasonably, may deem necessary or advisable to accomplish the purposes of this Agreement, including, to ask for, demand, collect, sue for, recover, compound, receive and give acquittances and receipts for moneys due and to become due under or in connection with the Collateral, to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or desirable for the collection thereof. Such appointment of the Agent as the Debtor's attorney is coupled with an interest and is irrevocable.

ARTICLE 7 - GENERAL

7.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and permitted assigns of the Agent and the other Beneficiaries.

7.2 Conflict of Terms; Entire Agreement

This Agreement has been entered into as collateral security for the Obligations and is subject to all the terms and conditions of the Collateral Agent and Intercreditor Agreement and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Collateral Agent and Intercreditor Agreement, the rights and obligations of the Debtor, the Agent and the other Beneficiaries shall be governed by the provisions of the Collateral Agent and Intercreditor Agreement. This Agreement together with the Collateral Agent and Intercreditor Agreement and all other Secured Debt Documents constitute the entire agreement between the Debtor and the Agent with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or

collateral agreements, express, implied or statutory, between the Beneficiaries and the Debtor except as expressly set forth therein and herein.

7.3 No Waiver

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

7.4 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.5 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in accordance with Section 9.8 of the Collateral Agent and Intercreditor Agreement.

7.6 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Debtor and the Agent. No waiver of any provision of this Agreement by the Agent shall be effective unless the same is in writing and signed by the Agent, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Agent (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Collateral Agent and Intercreditor Agreement and the other Secured Debt Documents. The Debtor may not assign its obligations under this Agreement without the prior written consent of the Agent (which consent may be withheld in its sole discretion). Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

7.7 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Agent or the other Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Agent.

7.8 Discharge

The Debtor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Agent.

7.9 No Release

The loss, injury or destruction of the Collateral shall not operate in any manner to release or discharge the Debtor from any of its liabilities to the Beneficiaries.

7.10 No Obligation to Act

Notwithstanding any provision of this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document, or the operation, application or effect hereof, the Agent, the other Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

7.11 Admit to Benefit

Subject to Section 7.6, no person other than the Debtor and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

7.12 Time of the Essence

Time shall be of the essence with regard to this Agreement.

7.13 Waiver of Financing Statement, etc.

The Debtor hereby waives the right to receive from the Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

7.14 Governing Law

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

7.15 Attornment

The Debtor and each of the Beneficiaries each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed nor operate to limit the right of the Debtor or any Beneficiary to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

7.16 Saskatchewan Waiver

The Debtor agrees that:

- (a) *The Land Contracts (Actions) Act, 2018 (Saskatchewan)* shall have no application to any action, as defined in that Act, with respect to this Agreement or any agreement renewing, extending or collateral to this Agreement; and
- (b) *The Limitation of Civil Rights Act (Saskatchewan)* shall have no application to:
 - (i) this Agreement, the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto;
 - (ii) any Lien made, given or created or contemplated by this Agreement, the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto;
 - (iii) any agreement or instrument renewing or extending or collateral to this Agreement, the Collateral Agent and Intercreditor Agreement or any agreement renewing, extending or collateral to hereto or thereto, or renewing or extending or collateral to any Lien referred to or mentioned in sub-division (ii) of this subparagraph (b) of this Section 7.16(b); or
 - (iv) the rights, powers, remedies of the Agent and the other Beneficiaries under this Agreement (or the Collateral Agent and Intercreditor Agreement or any agreement renewing,

extending or collateral to hereto or thereto) or under any Lien, other security, agreement or instrument referred to or mentioned in sub-division (ii) or sub-division (iii) of the subparagraph (b) of this Section 7.16(b).

7.17 Executed Copy

The Debtor hereby acknowledges receipt of a fully executed copy of this Agreement.

7.18 Counterparts

This Agreement may be executed electronically and in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

LONG RUN EXPLORATION LTD.

Per: 
Name: Jason Ge
Title: Chief Executive Officer

Per: _____
Name: _____
Title: _____

**CHINA CONSTRUCTION BANK TORONTO
BRANCH, as Agent**

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

LONG RUN EXPLORATION LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

**CHINA CONSTRUCTION BANK TORONTO
BRANCH, as Agent**

Per: _____
Name: Chaoyong Gong
Title: Deputy General Manager

Per: _____
Name: Ziqing Zou (Eddie)
Title: Senior Vice President - Corporate Banking

This is **Exhibit "I"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO #85481T



AMENDED AND RESTATED SECURITIES PLEDGE AGREEMENT

(Securities of Long Run Exploration Ltd.)

between

CALGARY SINOENERGY INVESTMENT CORP.,
as Pledgor,

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH,
as Agent

Made as of October 27, 2020

Table of Contents

Article 1 - INTERPRETATION 1

 1.01 Definitions..... 1

 1.02 Definitions used in the Collateral Agent and Intercreditor Agreement 3

 1.03 *Personal Property Security Act* Definitions 3

 1.04 Headings and References 3

 1.05 Included Words 3

 1.06 References to Statutes and Documents; Successors 3

 1.07 Calculation of Interest..... 4

 1.08 Schedules 4

Article 2 - PLEDGE..... 4

 2.01 Pledge of Collateral..... 4

 2.02 Security Interest Absolute..... 4

 2.03 Continuing Liability of Pledgor 5

 2.04 Delivery of Collateral; Registration in Name of Agent 5

 2.05 Subsequently Acquired Collateral 5

 2.06 Attachment..... 5

Article 3 - REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PLEDGOR. 5

 3.01 Representations and Warranties..... 5

 3.02 Covenants..... 6

Article 4 - CONTINUED PERFECTION OF SECURITY INTEREST 7

 4.01 Continued Perfection 7

 4.02 Further Assurances..... 7

Article 5 - DEALINGS WITH COLLATERAL 7

 5.01 Rights and Duties of Agent..... 7

 5.02 Voting and Other Rights 8

 5.03 Distributions..... 8

Article 6 - REMEDIES AND REALIZATION 8

 6.01 Remedies of Agent..... 8

 6.02 Power of Attorney 10

Article 7 - GENERAL 11

 7.01 Benefit of the Agreement..... 11

 7.02 Conflict of Terms; Entire Agreement 11

 7.03 No Waiver 11

 7.04 Severability 11

 7.05 Notices 11

 7.06 Modification; Waivers; Assignment 11

 7.07 Additional Continuing Security 12

 7.08 Discharge 12

 7.09 No Release 12

 7.10 No Obligation to Act..... 12

 7.11 Admit to Benefit 12

 7.12 Time of the Essence 12

 7.13 Waiver of Financing Statement, etc..... 12

 7.14 Governing Law 12

 7.15 Attornment 12

7.16	Executed Copy	13
7.17	Counterparts	13
7.18	Amendment and Restatement	13

AMENDED AND RESTATED SECURITIES PLEDGE AGREEMENT
(Securities of Long Run Exploration Ltd.)

THIS AGREEMENT made as of October 27, 2020

BETWEEN:

CALGARY SINOENERGY INVESTMENT CORP., a corporation subsisting under the laws of the Province of Alberta (hereinafter referred to as the "**Pledgor**")

- and -

CHINA CONSTRUCTION BANK TORONTO BRANCH, in its capacity as Agent (as defined below).

WHEREAS the Pledgor has agreed to pledge the Collateral (as hereinafter defined) in order to secure the payment and performance of the Obligations (as hereinafter defined);

AND WHEREAS pursuant to the Collateral Agent and Intercreditor Agreement, the Agent was appointed as collateral agent for the Beneficiaries;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the foregoing recitals, the covenants and agreements herein contained and for other good and valuable consideration (the receipt and adequacy of which are hereby conclusively acknowledged), the parties hereto agree as follows:

ARTICLE 1 - INTERPRETATION

1.01 Definitions

In this Agreement, including the recitals hereto, this Section and any schedules or attachments hereto, unless something in the subject matter or context is inconsistent therewith:

"**Account Control Agreement**" means, with respect to a securities account, a securities account control agreement between the Pledgor, the Agent and the securities intermediary which maintains such securities account on behalf of the Pledgor, as the same may be amended, modified, supplemented or restated from time to time.

"**Agent**" means China Construction Bank Toronto Branch in its capacity as collateral agent for and on behalf of the Beneficiaries pursuant to the Collateral Agent and Intercreditor Agreement, and its successors in such capacity.

"**Agreement**" means this agreement, as amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Beneficiaries**" means, collectively, the Agent and the other Secured Parties (under and as defined in the Collateral Agent and Intercreditor Agreement) and "**Beneficiary**" means any of the Secured Parties (under and as defined in the Collateral Agent and Intercreditor Agreement).

"**Borrower**" means Long Run Exploration Ltd., and its successors and assigns.

"**Charge**" means the Liens created hereunder.

"**Collateral**" has the meaning set out in Section 2.01.

"Collateral Agent and Intercreditor Agreement" means the collateral agent and intercreditor agreement made as of the date hereof among the Borrower, as borrower, the Pledgor, as guarantor, the Agent, as collateral agent, and certain other Beneficiaries, as the same may be amended, modified, supplemented or restated from time to time in accordance with the provisions thereof.

"Delivery" and the corresponding term **"Delivered"** when used with respect to Collateral means:

- (a) in the case of Collateral constituting certificated securities, transfer thereof to the Agent or its nominee by physical delivery of the security certificates to the Agent or its nominee, such Collateral to be endorsed for transfer or accompanied by Transfer Documents, all in form and content satisfactory to the Agent;
- (b) in the case of Collateral constituting uncertificated securities, (i) registration thereof on the books and records of the issuer thereof in the name of the Agent or its nominee or (ii) the execution and delivery by the issuer thereof of an effective agreement, pursuant to which such issuer agrees that it will comply with instructions originated by the Agent or its nominee without further consent of the Pledgor or any other person;
- (c) in the case of Collateral constituting security entitlements in respect of financial assets deposited in or credited to a securities account, (i) completion of all actions necessary to constitute the Agent or its nominee the entitlement holder with respect to each such security entitlement or (ii) the execution and delivery by the relevant securities intermediary of an effective Account Control Agreement pursuant to which such securities intermediary agrees to comply with entitlement orders originated by the Agent or its nominee without further consent of the Pledgor or any other person; and
- (d) in each case such additional or alternative procedures as may hereafter become reasonably appropriate to grant control of, or otherwise perfect a security interest in, any Collateral in favour of the Agent or its nominee.

"Obligations" means, collectively and at any time and from time to time, all Secured Obligations (as defined in the Collateral Agent and Intercreditor Agreement) of the Pledgor to the Beneficiaries, in each case, whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again.

"Pledged Shares" has the meaning set out in paragraph (a) of the definition of "Stock".

"PPSA" means the *Personal Property Security Act* (Alberta), including the regulations thereunder, as now enacted or as the same may from time to time be amended, re-enacted or replaced.

"Receiver" has the meaning set out in 3.02(b).

"Stock" means

- (a) all securities in the capital of the Borrower issued in the name of the Pledgor, including all shares in the capital stock described in Schedule A, as such Schedule may be amended, supplemented or modified from time to time (collectively, the **"Pledged Shares"**) owned by the Pledgor, all security certificates, if any, and other instruments and documents evidencing or representing such Pledged Shares, and all rights to any dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time receivable upon or otherwise distributable in respect of or in exchange for any and all of the Pledged Shares;
- (b) all additional or substitute shares of capital stock or other equity interests of any class of any issuer from time to time issued to or otherwise acquired by the Pledgor in any manner in respect of Pledged Shares, the security certificates, if any, and other instruments representing such additional or substitute shares, and all dividends, interests, distributions, cash, instruments and other

property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any or all of such additional or substitute shares; and

- (c) to the extent not otherwise included in the foregoing, all proceeds thereof.

"**Transfer Documents**" means, with respect to the transfer of any Pledged Shares or other Collateral, stock transfers, powers of attorney or other instruments of transfer, in each case, executed in blank and in form and substance as may be required (from time to time) by the Agent, acting reasonably.

1.02 Definitions used in the Collateral Agent and Intercreditor Agreement

Capitalized terms used herein without express definition shall, unless something in the subject matter or context is inconsistent therewith, have the same meanings as are ascribed to such terms in the Collateral Agent and Intercreditor Agreement.

1.03 Personal Property Security Act Definitions

The terms "certificated security", "financial asset", "proceeds", "securities account", "securities intermediary", "security", "security certificate", "security entitlement" and "uncertificated security", whenever used herein shall have the meanings given to those terms in the PPSA.

1.04 Headings and References

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

1.05 Included Words

In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.06 References to Statutes and Documents; Successors

In this Agreement:

- (a) any reference to a statute will include and will be deemed to be a reference to the regulations made pursuant to it, and to all amendments made to the statute and regulations in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute referred to or the relevant regulation;
- (b) references herein to any document, instrument or agreement means such document, instrument or agreement as originally executed, as modified, amended, supplemented or restated from time to time; and
- (c) any reference to a person will include and will be deemed to be a reference to any person that is a successor to that person.

1.07 **Calculation of Interest**

Whenever a rate of interest hereunder is calculated on the basis of a year (the "**deemed year**") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for the purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

1.08 **Schedules**

Any schedule to this Agreement is incorporated by reference and shall be deemed to be part of this Agreement.

ARTICLE 2 - PLEDGE

2.01 **Pledge of Collateral**

As general and continuing collateral security for the prompt and complete payment and performance when due of the Obligations, the Pledgor does hereby pledge, hypothecate, assign, charge, convey, set over and transfer unto the Agent for the benefit of the Beneficiaries and does hereby grant to the Agent for the benefit of the Beneficiaries a continuing security interest in and to, and does hereby deliver unto the Agent for the benefit of the Beneficiaries, all of the right, title and interest of the Pledgor in, to and under the following, whether now owned or hereafter held, possessed of, entitled to or acquired (including by way of amalgamation or otherwise) and whether now existing or hereafter coming into existence (all being collectively referred to herein as the "**Collateral**"):

- (a) all Stock;
- (b) all securities accounts in the name of the Pledgor in respect of the Collateral referred to in subparagraph (a) above, including any and all assets of whatever type or kind deposited in or credited to such securities accounts, including all financial assets, all security entitlements related to such financial assets, and all security certificates and other certificates and instruments from time to time representing or evidencing the same, and all dividends, whether in shares, money or property, interest, distributions, cash and other property from time to time received or receivable upon or paid or payable on account of any return on, or repayment of, capital or otherwise distributed or distributable in respect of or in exchange for any or all of the foregoing;
- (c) all financial assets in respect of the Collateral referred to in subparagraph (a) above;
- (d) all security entitlements in respect of the Collateral referred to in subparagraph (a) above;
- (e) all other property that may at any time be received or receivable or otherwise distributed or distributable to or for the account of the Pledgor in respect of, in substitution for, in addition to or in exchange for, any of the foregoing; and
- (f) all proceeds in respect of the foregoing and all rights and interest of the Pledgor in respect thereof or evidenced thereby including all money received or receivable from time to time by the Pledgor in connection with the sale of any of the foregoing (including all proceeds received or receivable in connection with the redemption or purchase for cancellation of any of the Pledged Shares).

2.02 **Security Interest Absolute**

The Charge granted hereby and all rights of the Agent hereunder and all obligations of the Pledgor hereunder are unconditional and absolute and independent and separate from any other security for the Obligations, whether executed by the Pledgor or any other person.

2.03 **Continuing Liability of Pledgor**

This Agreement and the Charge granted hereby is granted as collateral security only and will not subject the Agent or the other Beneficiaries to, or transfer or in any way affect or modify, any obligation or liability of the Pledgor with respect to any of the Collateral or any transaction in connection therewith.

2.04 **Delivery of Collateral; Registration in Name of Agent**

Subject to Section 2.05, all Collateral must be Delivered immediately to the Agent or its nominee, including, without limitation, delivery to the Agent of all security certificates, instruments or other documents representing or evidencing the Collateral, which shall be endorsed for transfer in blank by the Pledgor and accompanied by Transfer Documents, all as satisfactory to the Agent, acting reasonably. The Agent may, subject to the terms of the Collateral Agent and Intercreditor Agreement, cause all or any of the Collateral to be registered in the name of the Agent or its nominee.

2.05 **Subsequently Acquired Collateral**

To the extent the Pledgor has or acquires, by way of amalgamation or otherwise, any additional Collateral at any time or from time to time after the date hereof, such Collateral will automatically (and without any further action being required to be taken by the Agent) be subject to the Charge created hereby. The Pledgor will take, or cause to be taken, as promptly as practicable and, in any event within 10 Business Days after it obtains such additional Collateral, in each case, all steps and actions as the Agent deems necessary to ensure that the additional Collateral is Delivered to the Agent, including, without limitation, delivery to the Agent of any security certificates comprising such additional Collateral, accompanied by Transfer Documents, all as satisfactory to the Agent, acting reasonably.

2.06 **Attachment**

The Pledgor acknowledges that the Charge hereby created attaches upon the execution of this Agreement (or in the case of any after-acquired or other future Collateral, upon the date the Pledgor has any rights therein), that value has been given by the Beneficiaries and that Pledgor has, or in the case of any after-acquired or future Collateral will have, rights therein or the power to transfer rights therein to the Agent.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PLEDGOR

3.01 **Representations and Warranties**

The Pledgor hereby represents and warrants to the Agent and the other Beneficiaries that (and acknowledges that the Agent and the Beneficiaries are relying on the same):

- (a) the Pledgor's chief executive office (as such term is utilized in the PPSA) is located in the Province of Alberta;
- (b) the Pledgor's registered office or head office, as set out in either (i) the Pledgor's articles or other constating instrument under which the Pledgor was formed, incorporated, continued or amalgamated (as applicable) or (ii) the Pledgor's bylaws or other constating documents, as the case may be, is located in the Province of Alberta;
- (c) no Collateral is in the possession or control of any person asserting a claim thereto or Lien or other security interest therein, except that the Agent or its nominee or a securities intermediary acting on its behalf may have possession or control of the Collateral;
- (d) no effective financing statement or other instrument similar in effect covering all or any part of the Collateral and made, consented to or known by the Pledgor is on file in any recording office, except such as may have been filed in favour of the Agent relating to this Agreement or the other

Secured Debt Documents or except such as has been agreed to in writing by the Agent or as has been released and is being discharged pursuant to agreements executed and delivered as of even date herewith;

- (e) except to the extent disclosed to the Agent in writing prior to the date hereof by or on behalf of the Pledgor or the Borrower, there is no existing agreement, option, right or privilege capable of becoming an agreement or option pursuant to which the Pledgor could be required to sell or otherwise dispose of any of the Collateral;
- (f) this Agreement creates a valid security interest in all of the Collateral securing the payment of all the Obligations;
- (g) the security certificates pledged by the Pledgor hereunder are, and any securities pledged in substitution therefor or in addition thereto will be, duly and validly pledged hereunder in accordance with applicable laws; and
- (h) the Pledgor has the right to pledge the Collateral as herein provided.

The representations and warranties set out in this Agreement shall survive the execution and delivery of this Agreement notwithstanding any investigations or examinations which may be made by any of the Beneficiaries or their legal counsel and other representatives. Such representations and warranties shall survive until this Agreement has been terminated and discharged in accordance with Section 7.08 hereof.

3.02 Covenants

The Pledgor covenants with the Agent that the Pledgor shall:

- (a) not (i) change its name, its chief executive office, its registered office or head office (as set out in either (A) the Pledgor's articles or other constating instrument under which the Pledgor was formed, incorporated, continued or amalgamated (as applicable) or (B) the Pledgor's bylaws or other constating documents, as the case may be) or its jurisdiction of incorporation or formation or (ii) continue or amalgamate into, or otherwise be organized under, another jurisdiction, in each case, without giving 15 days' prior written notice thereof to the Agent;
- (b) from time to time forthwith at the request of the Agent execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Agent to effectively carry out the full intent and meaning of this Agreement, including, without limitation, to enforce the Charge and remedies provided hereunder, or to better evidence and perfect the Charge, and, upon the occurrence of an Actionable Default that is continuing, the Pledgor hereby irrevocably constitutes and appoints the Agent, or any receiver or receiver and manager (each herein referred to as the "**Receiver**") appointed by the court or the Agent, the true and lawful attorney of the Pledgor, with full power of substitution, to do any of the foregoing in the name of the Pledgor whenever and wherever the Agent or any such Receiver may consider it to be necessary or expedient, and such appointment of the Agent as the Pledgor's attorney is coupled with an interest and is irrevocable;
- (c) pay to the Agent forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all reasonable legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Agent in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the Charge and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder;

- (d) not grant possession or "control" (within the meaning of such term under Section 1(1.1) of the PPSA) over any investment property (including, for certainty, any Collateral) to any person other than the Agent or its nominee or a securities intermediary acting on its behalf; and
- (e) provide to the Agent, promptly upon request, all information and evidence the Agent may reasonably request concerning the Collateral to enable the Agent to enforce the provisions hereof.

ARTICLE 4 - CONTINUED PERFECTION OF SECURITY INTEREST

4.01 Continued Perfection

The Pledgor agrees that it will not take any actions or fail to perform any of its duties or obligations under this Agreement so that after giving effect to such action or inaction the Agent will cease to have, or with the passage of time cease to have, a perfected security interest in any of the Collateral. The Pledgor hereby further authorizes the Agent to file one or more financing statements or financing change statements, and amendments thereto, relative to all or any part of the Collateral (without the signature of the Pledgor where required by applicable laws).

4.02 Further Assurances

The Pledgor agrees that from time to time, at the Pledgor's sole expense, the Pledgor will promptly do, execute and deliver or cause to be done, executed and delivered all such financing statements, further assignments, documents, instruments, agreements, acts, matters and things that may be necessary, or that the Agent may reasonably request, in order to perfect and protect the Charge, to enable the Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral or otherwise for the purposes of giving effect to this Agreement or for the purpose of establishing compliance with the representations, warranties and covenants herein contained.

ARTICLE 5 - DEALINGS WITH COLLATERAL

5.01 Rights and Duties of Agent

(1) The Agent may perform any of its rights and duties hereunder by or through agents and is entitled to retain counsel and to act in reliance upon the advice of such counsel concerning all matters pertaining to its rights and duties hereunder.

(2) In the holding of the Collateral, the Agent and any nominee on its behalf is only bound to exercise the same degree of care as it would exercise with respect to similar property of its own of similar value held in the same place. The Agent and any nominee on its behalf will be deemed to have exercised reasonable care with respect to the custody and preservation of the Collateral if it takes such action for that purpose as the Pledgor reasonably requests in writing, but failure of the Agent or its nominee to comply with any such request will not in and of itself be deemed a failure to exercise reasonable care.

(3) The powers conferred on the Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Collateral in its or its nominees' possession and the accounting for moneys actually received by it or its nominees hereunder, the Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral and no such duties shall be implied as arising hereunder.

(4) The powers conferred on the Agent hereunder are subject always to the terms and conditions of the Collateral Agent and Intercreditor Agreement.

5.02 Voting and Other Rights

(1) Unless an Actionable Default has occurred which is continuing, subject to the terms of the Collateral Agent and Intercreditor Agreement, the Pledgor is entitled to exercise, either directly or, if the Collateral is registered in the name of the Agent or its nominee, by power of attorney or proxy, all the rights and powers of a holder of such Collateral including the voting rights from time to time exercisable in respect of the Collateral and to give proxies, consents, ratifications and waivers in respect thereof. If the Collateral has been registered in the name of the Agent or its nominee, the Agent will execute and deliver (or cause to be executed and delivered) to the Pledgor such proxies, directions and other instruments as the Pledgor may request in writing at the Pledgor's expense for the purpose of giving effect to the foregoing. No such action may be taken by the Pledgor if it would be prejudicial to the interests of any of the Beneficiaries or would violate or be inconsistent with this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document or would have the effect of reducing the value of the Collateral as security for the Obligations or would have the effect of imposing any restriction on the transferability of any of the Collateral.

(2) Upon the occurrence of an Actionable Default which is continuing, subject to the terms of the Collateral Agent and Intercreditor Agreement, the Agent may give the Pledgor a notice prohibiting the Pledgor from exercising the rights and powers of a holder of the Collateral, including the voting rights in respect of the Collateral, at which time all such rights of the Pledgor will cease immediately and the Agent will have the right to exercise the rights and powers related to such Collateral, including the right to vote.

5.03 Distributions

(1) Unless an Actionable Default has occurred which is continuing:

- (a) the Pledgor is entitled to receive all dividends, distributions, interest payments or other payments in respect of the Collateral; and
- (b) if the Collateral has been registered in the name of the Agent or its nominee, the Agent will execute and deliver (or cause to be executed and delivered) to the Pledgor (at the Pledgor's expense) all directions and other instruments as the Pledgor may request for the purpose of enabling the Pledgor to receive the dividends, distributions, interest payments or other payments that the Pledgor is authorized to receive pursuant to Section 5.03(1)(a) above.

(2) Upon the occurrence of an Actionable Default which is continuing, all rights of the Pledgor pursuant to Section 5.03(1) will cease and the Agent will have the sole and exclusive right and authority to receive and retain all payments that the Pledgor would otherwise be authorized to retain pursuant to Section 5.03(1). All money and other property received by the Agent pursuant to the provisions of this Section 5.03(2) may be applied on account of the Obligations or may be retained by the Agent, until the Obligations have been irrevocably repaid in full, as additional Collateral hereunder and be applied in accordance with the provisions of this Agreement and the Collateral Agent and Intercreditor Agreement. All payments which are received by the Pledgor contrary to the provisions of this Section 5.03(2) will be held by the Pledgor in trust for the benefit of the Agent and the other Beneficiaries, will be segregated from other property or funds of the Pledgor and will be forthwith paid or Delivered, as applicable, to the Agent or its nominee to be applied on account of the Obligations or to hold as Collateral, as the Agent may see fit, subject to the relevant provisions of the Collateral Agent and Intercreditor Agreement.

ARTICLE 6 - REMEDIES AND REALIZATION

6.01 Remedies of Agent

(1) Subject to the terms of the Collateral Agent and Intercreditor Agreement, upon the occurrence and during the continuance of any Actionable Default, any or all security granted hereby shall become immediately enforceable and, in addition to any right or remedy provided by law or by any other agreement, the Agent will have the rights and remedies set out below, all of which rights and remedies will be enforceable successively,

concurrently, or both, and are in addition to and not in substitution for any other rights or remedies the Beneficiaries may have:

- (a) the Agent may transfer any part of the Collateral into the name of the Agent or its nominee if it has not already done so in accordance with Section 2.04;
- (b) the Agent may exercise any voting rights attaching to any of the Collateral (whether or not registered in the name of the Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof;
- (c) the Agent may exercise all rights of conversion, exchange or subscription, or any other rights, privileges or options pertaining to any of the Collateral, including the right to exchange at its discretion any of the Collateral upon the amalgamation, arrangement, merger, consolidation or other reorganization of the issuer of the Collateral, all without liability except to account for property actually received by the Agent;
- (d) the Agent may take such steps as it considers desirable to maintain, preserve or protect the Collateral;
- (e) the Agent may enforce any rights of the Pledgor in respect of the Collateral by any manner permitted by applicable laws;
- (f) the Agent may realize upon, collect, sell, transfer, assign, give options to purchase or otherwise dispose of and deliver any of the Collateral in such manner as may seem advisable to the Agent, including, without limitation, at public auction, by private tender, by private sale or otherwise either for cash or upon credit upon such terms and conditions as the Agent may determine and without notice to the Pledgor unless required by law and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer or duly authorized representative of the Agent being hereby constituted the irrevocable attorney of the Pledgor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Pledgor and all other persons claiming all or any part of the Collateral by, from, through or under the Pledgor. For such purposes, each requirement relating thereto and prescribed by applicable laws or otherwise is hereby waived by the Pledgor to the extent permitted by applicable laws and in any offer or sale of any of the Collateral by the Agent is authorized to comply with any limitation or restriction in connection with such offer or sale as the Agent may be advised by counsel is necessary in order to avoid any violation of applicable laws, or in order to obtain any required approval of the sale or of the purchase by any governmental authority. Such compliance will not result in such sale being considered or deemed not to have been made in a commercially reasonable manner nor will the Agent be liable or accountable to the Pledgor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction;
- (g) subject to requirements of applicable laws, the Agent may purchase any of the Collateral, whether in connection with a sale made under the power of sale herein contained or pursuant to judicial proceedings or otherwise;
- (h) subject to requirements of applicable laws, the Agent may accept the Collateral in satisfaction or partial satisfaction of the Obligations upon notice to the Pledgor of its intention to do so in the manner required by applicable laws;
- (i) the Agent may charge on its own behalf and pay to others all amounts for expenses incurred and for services rendered in connection with the exercise of the rights and remedies of the Beneficiaries hereunder, including, without limiting the generality of the foregoing, reasonable legal (on a solicitor-client, full indemnity basis), Receiver and accounting fees and expenses, and

in every such case the amounts so paid together with all costs, charges and expenses incurred in connection therewith, including interest thereon at a rate per annum equal to the greater of (A) 10% per annum and (B) the highest rate of interest per annum then payable on such costs, charges and expenses pursuant to the terms of the applicable Secured Debt Documents, shall be added to and form part of the Obligations hereby secured; and

(j) the Agent may discharge any claim, Lien, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with all costs (on a solicitor-client, full indemnity basis), charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured.

(2) The Agent and the Beneficiaries may:

- (a) grant extensions of time,
- (b) take and perfect or abstain from taking and perfecting security,
- (c) give up securities,
- (d) accept compositions or compromises,
- (e) grant releases and discharges, and
- (f) release any part of the Collateral or otherwise deal with the Pledgor, debtors and creditors of the Pledgor, sureties and others and with the Collateral and other security as the Agent sees fit,

without prejudice to the liability of the Pledgor to the Agent and the Beneficiaries or the Beneficiaries' rights hereunder.

(3) All of the available rights and remedies of the Agent, whether specified herein or otherwise provided by law, in equity or by any other agreement, shall be enforceable successively, concurrently or both.

(4) The Beneficiaries shall not be liable or responsible for any failure to seize, collect, realize, or obtain payment with respect to the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment with respect to the Collateral or for the purpose of preserving any rights of the Agent, the Pledgor or any other person, in respect of the Collateral.

(5) The Agent shall apply any proceeds of realization of the Collateral in accordance with Section 3.4 of the Collateral Agent and Intercreditor Agreement. If the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Pledgor will be liable to pay any deficiency to the Agent and the Beneficiaries forthwith on demand.

(6) Any Receiver shall be entitled to exercise all rights and powers of the Agent hereunder. To the extent permitted by law, any Receiver shall for all purposes be deemed to be the agent of the Pledgor and not of the Agent and the Pledgor shall be solely responsible for the Receiver's acts or defaults and remuneration.

6.02 Power of Attorney

The Pledgor hereby irrevocably appoints the Agent as attorney of the Pledgor, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise, from time to time in the Agent's discretion at any time after the occurrence and during the continuance of an Actionable Default, to take any and all actions authorized or permitted to be taken by the Agent under this Agreement or by applicable laws and to: (a) execute and deliver all instruments and other documents and do all such further acts and things as may be reasonably required by the Agent to enforce the Charge and remedies provided hereunder or to better evidence and perfect the Charge; and (b) take any action and execute any instrument which the Agent, acting reasonably, may

deem necessary or advisable to accomplish the purposes of this Agreement, including, to ask for, demand, collect, sue for, recover, compound, receive and give acquittances and receipts for moneys due and to become due under or in connection with the Collateral, to receive, endorse, and collect any drafts or other instruments, documents and chattel paper in connection therewith, and to file any claims or take any action or institute any proceedings which the Agent may deem to be necessary or desirable for the collection thereof. Such appointment of the Agent as the Pledgor's attorney is coupled with an interest and is irrevocable.

ARTICLE 7 - GENERAL

7.01 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Pledgor and shall benefit the successors and permitted assigns of the Agent and other Beneficiaries.

7.02 Conflict of Terms; Entire Agreement

This Agreement has been entered into as collateral security for the Obligations and is subject to all the terms and conditions of the Collateral Agent and Intercreditor Agreement and, if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Collateral Agent and Intercreditor Agreement, the rights and obligations of the Pledgor, the Agent and the other Beneficiaries shall be governed by the provisions of the Collateral Agent and Intercreditor Agreement. This Agreement, together with any other agreement Delivered to the Agent pursuant to the terms hereof, the Collateral Agent and Intercreditor Agreement and all other Secured Debt Documents constitute the entire agreement between the Pledgor and the Agent with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Beneficiaries and the Pledgor except as expressly set forth therein and herein.

7.03 No Waiver

No delay or failure by the Beneficiaries in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right.

7.04 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable laws the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

7.05 Notices

Any demand, notice or other communication to be given in connection with this Agreement shall be given in accordance with Section 9.8 of the Collateral Agent and Intercreditor Agreement.

7.06 Modification; Waivers; Assignment

This Agreement may not be amended or modified in any respect except by written instrument signed by the Pledgor and the Agent. No waiver of any provision of this Agreement by the Agent shall be effective unless the same is in writing and signed by the Agent, and then such waiver shall be effective only in the specific instance and for the specific purpose for which it is given. The rights of the Agent (including those of any Beneficiary) under this Agreement may only be assigned in accordance with the requirements of the Collateral Agent and Intercreditor Agreement. The Pledgor may not assign its obligations under this Agreement without the

prior written consent of the Agent (which consent may be withheld in its sole discretion). Any assignee of a Beneficiary shall be bound hereby, *mutatis mutandis*.

7.07 Additional Continuing Security

This Agreement and the Charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Agent or the other Beneficiaries and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Agent.

7.08 Discharge

The Pledgor and the Collateral shall not be discharged from the Charge or from this Agreement except by a release or discharge in writing signed by the Agent.

7.09 No Release

The loss, injury or destruction of any of the Collateral shall not operate in any manner to release or discharge the Pledgor from any of its liabilities to the Beneficiaries.

7.10 No Obligation to Act

Notwithstanding any provision of this Agreement, the Collateral Agent and Intercreditor Agreement or any other Secured Debt Document, or the operation, application or effect hereof, the Agent, the other Beneficiaries or any Receiver, or any representative or agent acting for or on behalf of the foregoing, shall not have any obligation whatsoever to exercise or refrain from exercising any right, power, privilege or interest hereunder or to receive or claim any benefit hereunder.

7.11 Admit to Benefit

Subject to Section 7.06, no person other than the Pledgor and the Beneficiaries shall have any rights or benefits under this Agreement, nor is it intended that any such person gain any benefit or advantage as a result of this Agreement nor shall this Agreement constitute a subordination of any security in favour of such person.

7.12 Time of the Essence

Time shall be of the essence with regard to this Agreement.

7.13 Waiver of Financing Statement, etc.

The Pledgor hereby waives the right to receive from the Agent or the other Beneficiaries a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Agreement or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Agreement.

7.14 Governing Law

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

7.15 Attornment

The Pledgor and each of the Beneficiaries each hereby attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action or proceeding arising under this Agreement. Notwithstanding the foregoing,

nothing herein shall be construed nor operate to limit the right of the Pledgor or any Beneficiary to commence any action or proceeding relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action, proceeding or matter relating hereto.

7.16 **Executed Copy**

The Pledgor hereby acknowledges receipt of a fully executed copy of this Agreement.

7.17 **Counterparts**

This Agreement may be executed electronically and in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

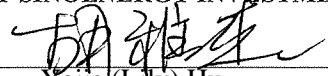
7.18 **Amendment and Restatement**

Effective as of the date hereof, the securities pledge agreement dated January 31, 2017 (the "**Original Securities Pledge Agreement**") granted by the Pledgor to the China Construction Bank Toronto Branch (in such capacity, the "**Original CCB Lender**") is: (a) hereby amended and restated as set forth herein without in any way affecting the rights or obligations of any party which may have accrued as of the date hereof pursuant to the provisions of the Original Securities Pledge Agreement prior to the amendment and restatement hereby; and (b) as so amended and restated, hereby ratified and confirmed. All references to the Original Securities Pledge Agreement or similar references contained in the documents delivered prior to the effectiveness of this Agreement in connection with or under the Original Securities Pledge Agreement shall be references to this Agreement without further amendment to those documents.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

CALGARY SINOENERGY INVESTMENT CORP.

Per: 
Name: Yajie (Lily) Hu
Title: Director

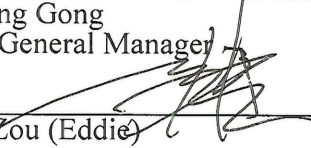
Per: _____
Name:
Title:

**CHINA CONSTRUCTION BANK TORONTO
BRANCH, as Agent and as Original CCB Lender**

Per: _____


Name: Chaoyong Gong
Title: Deputy General Manager

Per: _____


Name: Ziqing Zou (Eddie)
Title: Senior Vice President - Corporate Banking

SCHEDULE A
to AMENDED AND RESTATED SECURITIES PLEDGE AGREEMENT

List of shares

All of the issued and outstanding shares in the capital of Long Run Exploration Ltd. owned by the Pledgor, which as of the date hereof consists of 198139699 common shares, as evidenced by certificate number GC5490810.

This is **Exhibit "J"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO#85481T



RECEIVED MESSAGE
000000001--1

MsgNo: 20170126--

17-01-26 22:37

serial no: R17012600006-1

```

-----
* FIN/Session/OSN :F01 0169 005414
* Own Address :PCBCCATXXX CHINA CONSTRUCTION BANK TORONTO BRANCH
* TORONTO
* CANADA
* Input Message Type :700 Issue of a Documentary Credit
* Input Time :170126/0225
* MIR :170126PCBCCATTAXXX0169005414
* Sent by :PCBCCNBJQDX CHINA CONSTRUCTION BANK CORPORATION,
QINGDAO
* Output Date/Time :170126/1525
* Priority :Normal
* MUR :
-----

```

```

* 27 /Sequence of Total
* 1 /1
* 40A/Form of Documentary Credit
* IRREVOCABLE STANDBY
* 20 /Documentary Credit Number
* 87005520000492
* 31C/Date of Issue
* 170126
* 40E/Applicable Rules
* OTHR /UCP600
* 31D/Date and Place of Expiry
* 240109 AT OUR ADDRESS
* 50 /Applicant
QINGDAO SINOENERGY CORPORATION
* NO.298 CHONGQING SOUTH ROAD
QINGDAO,CHINA
* 59 /Beneficiary
CHINA CONSTRUCTION BANK CORPORATION
* TORONTO BRANCH
STREET M5J 2T3 TORONTO,
CANADA
* 32B/Currency Code, Amount
* CAD 454000000,
* CAD
* 454,000,000.
* 39B/Maximum Credit Amount
* NOT EXCEEDING
* 41D/Available With ... By ...
* ISSUING BANK
BY PAYMENT
* 46A/Documents Required
* WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT AT THE

```

RECEIVED MESSAGE
000000001--2

MsgNo: 20170126--

17-01-26 22:37

serial no: R17012600006

REQUEST OF QINGDAO SINOENERGY CORPORATION IN YOUR FAVOR FOR AN AMOUNT NOT EXCEEDING IN AGGREGATE CAD 454,000,000.00 ONLY (SAY CANADIAN DOLLARS FOUR HUNDRED AND FIFTY-FOUR MILLION ONLY) WHICH EXPIRES AT OUR ADDRESS STATED BELOW ON JAN 9,2024.

.
THIS CREDIT IS AVAILABLE BY PAYMENT WITH THE ISSUING BANK AGAINST YOUR DEMAND BY AUTHENTICATED SWIFT OR TESTED TELEX TO US STATING:

- * 1)THE NUMBER AND DATE OF THE L/C UNDER WHICH THE CLAIM IS MADE AND
- 2)THE AMOUNT YOU CLAIM AND
- 3)THE NUMBER OR DATE OF THE LOAN AGREEMENT IN RELATION TO WHICH THE CLAIM IS MADE AND
- 4)THE AMOUNT YOU CLAIM REPRESENTS THE UNPAID BALANCE OF THE INDEBTEDNESS DUE TO YOU BY THE BORROWER QINGDAO SINOENERGY CORPORATION UNDER THE LOAN AGREEMENT.

* 47A/Additional Conditions

ISSUING BANK: CHINA CONSTRUCTION BANK CORPORATION,QINGDAO BRANCH
ISSUING BANK ADDRESS: NO.222 SHENZHEN ROAD QINGDAO,CHINA

.
THIS STANDBY LETTER OF CREDIT WILL COME INTO EFFECT ON THE EFFECTIVE DATE OF THE LOAN AGREEMENT SIGNED BETWEEN YOU AND THE BORROWER AND SUBJECT TO A NOTICE THROUGH AUTHENTICATED SWIFT OR TESTED TELEX SENT BY YOU TO US CONFIRMING SUCH DATE AND REFERENCE NUMBER OF SUCH AGREEMENT.

- * ALL CHARGES UNDER THIS L/C OUTSIDE ISSUING BANK ARE FOR ACCOUNT OF THE BENEFICIARY.

.
MULTIPLE DRAWINGS ARE NOT ALLOWED.

.
THIS L/C IS NOT NEGOTIABLE OR TRANSFERABLE OR ASSIGNABLE.

.
UPON EXPIRY, PLEASE RETURN THE ORIGINAL L/C TO US. BUT THIS L/C WILL BECOME NULL AND VOID UPON EXPIRY WHETHER THE ORIGINAL L/C IS RETURNED TO US OR NOT.

.
THIS L/C IS SUBJECT TO UCP600

* 49 /Confirmation Instructions

- * WITHOUT

Original Date: 20170126 Original Sequence: 000000001

MT799

*****Message

Header*****

Sender: PCBCCNBJQDX
 CHINA CONSTRUCTION BANK CORPORATION, QINGDAO

Receiver: PCBCCATT
 CHINA CONSTRUCTION BANK TORONTO BRANCH
 TORONTO
 CANADA

Input Session Number: 0170
 Input Sequence Number: 005491
 Output Session Number: 9776
 Output Sequence Number: 212570
 Input Date: 2017-02-04
 Input Time: 15:40
 Output Date: 2017-02-04
 Output Time: 02:40

MUR:

*****Message

Content*****

20/Transaction Reference Number

87005520000492

21/Related Reference

NONREF

79/Narrative

TO: CHINA CONSTRUCTION BANK CORPORATION TORONTO BRANCH

THIS IS TO CONFIRM THAT THE AMENDMENT ON JAN 27, THE FOLLOWING IS THE ORIGINAL CONTENT:

QUOTE

RE: OUR MT700 DD170126 OUR REF NO.87005520000492 AT THE REQUEST OF QINGDAO SINOENERGY CORPORATION IN YOUR FAVOR FOR AN AMOUNT NOT EXCEEDING IN AGGREGATE CAD 454,000,000.00 ONLY (SAY CANADIAN DOLLARS FOUR HUNDRED AND FIFTY-FOUR MILLION ONLY) WHICH EXPIRES AT OUR ADDRESS STATED BELOW ON JAN 9,2024.

WE HEREBY MAKE THE FOLLOWING AMENDMENTS:

REPALCE THE WORDING '4)THE AMOUNT YOU CLAIM REPRESENTS THE UNPAID BALANCE OF THE INDEBTEDNESS DUE TO YOU BY THE BORROWER QINGDAO SINOENERGY CORPORATION UNDER THE LOAN AGREEMENT' WITH '4)THE AMOUNT YOU CLAIM REPRESENTS THE UNPAID BALANCE OF

THE INDEBTEDNESS DUE TO YOU BY THE BORROWER LONG
RUN EXPLORATION LTD. UNDER THE LOAN AGREEMENT'.

.
ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.
UNQUOTE

.
BEST REGARDS

ACK * FIN/Session/ISN :F01 0715 1732
ACK * Own Address :PCBCCATTXXX CHINA CONSTRUCTION BANK TORONTO BRANCH
ACK * TORONTO
ACK * CANADA
ACK * Output Message Type :799 Free Format Message
ACK * Sent to :PCBCCNBJQDX CHINA CONSTRUCTION BANK CORPORATION, QINGDAO
ACK * Input Time :20190715/1732
ACK * MIR :PCBCCATTXXX0715173314
ACK * Priority :Normal
ACK * -----

ACK * 20/Transaction Reference Number
ACK * LC87005520000492
ACK * 21/Related Reference
ACK * QD005LG000016000
ACK * 79/Narrative
TO:CHINA CONSTRUCTION BANK CORPORATION,QINGDAO
.
IN REFERENCE TO YOUR MT707 QD005LG000016000
PLEASE BE ADVISED THAT WE HAVE RECEIVED YOUR MT707
ON 190715 FOR THE LC DECREASE BY CAD14,897,580.39
ACK * AND WE CONFIRMED WE ACCEPT THE AMENDMENT TO YOUR
SBLC NUMBER 87005520000492 ISSUE ON 170126
AND ITS AMENDMENTS.
.
REGARDS,
CCB TORONTO

ACK * -----
Original Date: 20190715 Original Sequence: 79900035

This is **Exhibit "K"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



备用信用证通知书
NOTIFICATION OF STANDBY LETTER OF CREDIT

致TO:
87005DUMMY
CHINA CONSTRUCTION BANK CORPORATION QINGDAO
SIFANG SUB BRANCH

日期DATE:
25 JANUARY 2017
我行编号
OUR REF:87005120001702

备用信用证编号 (SBLC NO.) : GC5800417000023

备用信用证的开立银行 (Issuing Bank) : BANK OF CHINA (QINGDAO BRANCH)

备用信用证的开立日期 (Issuing Date) : 24 JANUARY 2017

备用信用证金额 (AMT) : CAD 152,000,000.00

申请人 (Applicant) : QINGDAO SINOENERGY CORPORATION

We have pleasure in advising you we have received
the above mentioned original Standby L/C, Please see attachment(s).

我行只做通知,不承担其他任何责任和义务。

Our advice of the above-mentioned Standby L/C conveys no
engagement or obligation on our part.

备注

REMARKS:
COUNTER SBLC

中国建设银行
CHINA CONSTRUCTION BANK

AUTHORIZED SIGNATURE (S)

签章

MT760

SENDER:

BKCHCNBJ50A

BANK OF CHINA (QINGDAO BRANCH)

RECEIVER:

PCBCCNBJQDX

CHINA CONSTRUCTION BANK

BJ TRADE SERVICE CENTER

ARRIVAL DATE: 24 JANUARY 2017

27: Sequence of Total

1/1

20: Transaction Reference No

GC5800417000023

23: Further Identification

REQUEST

30: Date

170124

40C:

OTHR/UCP600

77C: Details of Guarantee

PLEASE RELAY THE FOLLOWING MESSAGE TO YOUR QINGDAO SIFANG SUB
BRANCH

TO: CHINA CONSTRUCTION BANK QINGDAO SIFANG SUB BRANCH

WE ARE INFORMED BY OUR CUSTOMER QINGDAO SINOENERGY CORPORATION
THAT YOU WILL ISSUE YOUR STANDBY LETTER OF CREDIT FOR TOTAL
AMOUNT OF CAD475,000,000.00 (SAY CANADIAN DOLLARS FOUR HUNDRED
AND SEVENTY-FIVE MILLION ONLY) FAVORING CHINA CONSTRUCTION BANK,
TORONTO BRANCH, USING YOUR STANDARD FORMAT AS PER THE FOLLOWING
INFORMATION, AGAINST OUR COUNTER STANDBY LETTER OF CREDIT
NO. GC5800417000023 FOR CAD152,000,000.00 (SAY CANADIAN DOLLARS
ONE HUNDRED AND FIFTY-TWO MILLION ONLY) AND YOUR OWN CREDIT LINE
FOR CAD323,000,000.00 (SAY CANADIAN DOLLARS THREE HUNDRED AND
TWENTY-THREE MILLION ONLY) TOWARDS QINGDAO SINOENERGY
CORPORATION.

QUOTE

1. AMOUNT OF THE STANDBY LETTER OF CREDIT: CAD475,000,000.00
(SAY CANADIAN DOLLARS FOUR HUNDRED AND SEVENTY-FIVE MILLION ONLY)
2. THE BENEFICIARY: CHINA CONSTRUCTION BANK, TORONTO BRANCH
3. THE APPLICANT: QINGDAO SINOENERGY CORPORATION

ADDRESS: NO. 298 CHONGQING SOUTH ROAD, SHIBEI DISTRICT, QINGDAO,
CHINA

4. THE BORROWER: LONG RUN EXPLORATION LTD.,

ADDRESS: 4000, 421-7 AVENUE SW CALGARY ALBERTA CANADA

5. ACCORDING TO CREDIT AGREEMENT SIGNED BETWEEN THE BORROWER AND
THE BENEFICIARY IN JANUARY, 2017

6. SUBJECTS OF STANDBY LETTER OF CREDIT: UNCONDITIONAL AND
IRREVOCABLE GUARANTEE THE BORROWER FULFIL ITS OBLIGATIONS UNDER
THE CREDIT AGREEMENT SIGNED BETWEEN THE BENEFICIARY AND THE
BORROWER IN JANUARY, 2017

7. EXPIRY: EFFECTIVE FROM THE ISSUING DATE AND EXPIRE ON JANUARY
9, 2024 AT THE COUNTER OF CHINA CONSTRUCTION BANK QINGDAO SIFANG
SUB BRANCH.

8. RULES: THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY
CREDITS (2007 REVISION) INTERNATIONAL CHAMNER OF COMMERCE
PUBLICATION NO. 600.

UNQUOTE

IN CONSIDERATION OF YOUR ISSUING THE A/M STANDBY LETTER OF
CREDIT, WE, BANK OF CHINA LTD., QINGDAO BRANCH HAVING OUR
REGISTERED OFFICE AT GLOBAL TRADE SERVICES DEPARTMENT, 2ND
FLOOR, NO. 59 HONGKONG MIDDLE ROAD, QINGDAO, CHINA HEREBY ISSUE OUR
IRREVOCABLE AND UNCONDITIONAL COUNTER STANDBY LETTER OF CREDIT
IN YOUR FAVOR FOR CAD152, 000, 000. 00 (SAY CANADIAN DOLLARS ONE
HUNDRED AND FIFTY-TWO MILLION ONLY) REPRESENTING 32 PCT OF
AMOUNT OF YOUR SBLC AND WE UNDERTAKE TO PAY YOU THE AMOUNT OR
AMOUNTS CLAIMED BY YOU BUT NOT EXCEEDING THE AGGREGATE MAXIMUM
AMOUNT OF CAD152, 000, 000. 00 (SAY CANADIAN DOLLARS ONE HUNDRED AND
FIFTY-TWO MILLION ONLY) WITHIN FIVE (5) BANKING BUSINESS DAYS
UPON OUR RECEIPT OF YOUR FIRST WRITTEN DEMAND BY AUTHENTICATED
SWIFT STATING QUOTE WE HAVE BEEN CALLED UPON TO PAY FOR CAD////
IN CONFORMITY WITH OUR STANDBY LETTER OF CREDIT UNQUOTE.

YOUR DEMAND FOR ANY PAYMENT OR PAYMENTS UNDER OUR COUNTER
STANDBY LETTER OF CREDIT SHALL, AT EACH TIME, BE CALCULATED
ACCORDING TO THE FOLLOWING FORMULA:

AMOUNT TO BE PAID TO THE BENEFICIARY MULTIPLY BY THE AMOUNT OF
OUR COUNTER STANDBY LETTER OF CREDIT DIVIDED BY THE AMOUNT OF
STANDBY LETTER OF CREDIT ISSUED BY YOU.

PLEASE INFORM US THE REDUCTION OF YOUR STANDBY LETTER OF CREDIT
BY YOUR AUTHENTICATED WITHOUT DELAYS. THE AMOUNT OF OUR COUNTER

STANDBY LETTER OF CREDIT SHALL BE REDUECED PROPORTIONALLY UPON
OUR RECEIPT OF YOUR A/M AUTHENTICATED SWIFT.

OUR COUNTER-STANDBY LETTER OF CREDIT SHALL REMAIN VALID IN YOUR
FAVOUR UNTIL JANUARY 23, 2024. CLAIMS, IF ANY, MUST REACH OUR
COUNTER ON OR BEFORE JANUARY 23, 2024. AFTER THE DATE OF JANUARY
23, 2024, OUR COUNTER GUARANTEE WILL BECOME NULL AND VOID
AUTOMATICALLY.

ALL BANK CHARGES OUTSIDE CHINA ARE FOR ACCOUNT OF THE
BENEFICIARY.

PARTIAL DRAWINGS AND MULTIPLE DRAWINGS ARE ACCEPTABLE.

OUR COUNTER STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM
CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION)
INTERNATIONAL CHAMNER OF COMMERCE PUBLICATION NO. 600.

IN ORDER TO EXPEDITE PAYMENT OF YOUR CHARGES IN CONNECTION WITH
OUR COUNTER STANDBY LETTER OF CREDIT NO. GC5800417000023 THE
FOLLOWING INFORMATION IS REQUIRED IN YOUR BILLS FOR COLLECTING
COMMISSION AND CHARGES:

RATE AND AMOUNT OF YOUR COMMISSION:

THE EXACT PERIOD COVERED BY COMMISSION: I. E. FROM TO
DESCRIPTION ANY AMOUNT OF ALL OTHER CHARGES (IF ANY):

THIS IS AN OPERATIVE INSTRUMENT, AND NO MAIL CONFIRMATION
FOLLOWS.

BEST REGARDS,
GTEE DIV.

----- Page Break -----

备用信用证修改通知书
NOTIFICATION OF AMENDMENT
OF STANDBY LETTER OF CREDIT

致TO:
CHINA CONSTRUCTION BANK CORPORATION QINGDAO
SIFANG SUB BRANCH

日期DATE:
25 JANUARY 2017

我行编号

OUR REF:87005120001702

备用信用证编号 (L/G NO.) : GC5800417000023

备用信用证的开立银行 (Issuing Bank) : BANK OF CHINA (QINGDAO
BRANCH)

备用信用证的开立日期 (Issuing Date) : 24 JANUARY 2017

修改日期 (Amendment Date) : 25 JANUARY 2017

修改后的金额 (Amount After Amendment) CAD 154,000,000.00

修改后的效期 (Expiry date after amendment) : 23 JANUARY 2024

申请人 (Applicant) : QINGDAO SINOENERGY CORPORATION

本修改为该备用信用证第01次修改

兹通知贵公司，我行收到上述备用信用证修改一份，现随附通知，
We have pleasure in advising you we have received an amendment of the
above mentioned Standby L/C, Please see attachment.

我行只做通知，不承担其他任何责任和义务。
We advise above conveys no engagement or obligation on our part.

中国建设银行股份有限公司

司

China Construction Bank Corp.

Authorized Signature(s)
签章

MT767
SENDER:
BKCHCNBJ50A
BANK OF CHINA (QINGDAO BRANCH)
RECEIVER:
PCBCCNBJQDX
CHINA CONSTRUCTION BANK
BJ TRADE SERVICE CENTER
L/G ARRIVAL DATE: 24 JANUARY 2017

27: Sequence of Total

1/1

20: Transaction Reference No

GC5800417000023

21: Related Reference
NONE
23: Further Identification
REQUEST
30: Date
170125
26E: Number of Amendment
1
31C: Date of Issue or Request
170124
77C: Amendment Details
PLEASE RELAY THE FOLLOWING MESSAGE TO YOUR QINGDAO
SIFANG SUB
BRANCH

TO: CHINA CONSTRUCTION BANK QINGDAO SIFANG SUB BRANCH

RE: OUR MT760 DD170124 OUR REF NO. GC5800417000023
REQUESTING
YOUR BANK TO ISSUE YOUR STANDBY LETTER OF CREDIT
FAVORING CHINA
CONSTRUCTION BANK, TORONTO BRANCH

AT THE REQUEST OF OUR CLIENT, WE HEREBY MAKE THE
FOLLOWING
AMENDMENTS:

1. REPLACE THE WORDING 'CAD152,000,000.00 (SAY CANADIAN
DOLLARS
ONE HUNDRED AND FIFTY-TWO MILLION ONLY)' WHEREVER IT
APPEARS IN
OUR A/M MT760 WITH 'CAD154,000,000.00 (SAY CANADIAN
DOLLARS ONE
HUNDRED AND FIFTY-FOUR MILLION ONLY)'.

2. REPLACE THE WORDING 'CAD323,000,000.00 (SAY CANADIAN
DOLLARS
THREE HUNDRED AND TWENTY-THREE MILLION ONLY)' WHEREVER
IT
APPEARS IN OUR A/M MT760 WITH 'CAD327,000,000.00 (SAY
CANADIAN
DOLLARS THREE HUNDRED AND TWENTY-SEVEN MILLION ONLY)'.

3. REPLACE THE WORDING 'CAD475,000,000.00 (SAY CANADIAN
DOLLARS
FOUR HUNDRED AND SEVENTY-FIVE MILLION ONLY)' WHEREVER IT
APPEARS
IN OUR A/M MT760 WITH 'CAD481,000,000.00 (SAY CANADIAN
DOLLARS
FOUR HUNDRED AND EIGHTY ONE MILLION ONLY)'.

4. REPLACE THE WORDING '...REPRESENTING 32 PCT OF AMOUNT
OF YOUR
SBLC AND...' WITH '...REPRESENTING 32.02 PCT OF AMOUNT
OF YOUR
SBLC AND...' IN OUR COUNTER STANDBY LETTER OF CREDIT.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS IS THE OPERATIVE INSTRUMENT AND NO MAIL
CONFIRMATION WILL
FOLLOW.

BEST REGARDS
GTEE DIV.

XX/YY

OUR REF. 87005120001702

This is **Exhibit "L"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris LEO # 85481T



INDEMNITY AND REIMBURSEMENT AGREEMENT

THIS INDEMNITY AND REIMBURSEMENT AGREEMENT (this "**Agreement**") is made effective as of October 27, 2020, granted by **LONG RUN EXPLORATION LTD. ("LRE")** and **CALGARY SINOENERGY INVESTMENT CORP. ("Sinoenergy")** together with LRE, the "**Companies**" and each individually, a "**Company**"), as Obligors, for the benefit of **CHINA CONSTRUCTION BANK CORPORATION, QINGDAO BRANCH** in its capacity as CCBQ SBLC Provider (in such capacity, the "**Bank**");

WHEREAS among others, China Construction Bank Toronto Branch in its capacity as collateral agent, the Bank, as CCBQ SBLC Provider, the Beneficiary (as defined below), as CCBT Lender, and the Companies, as Obligors, have entered into a collateral agent and intercreditor agreement made as of October 27, 2020 (as the same may be amended, modified, supplemented or amended and restated from time to time, the "**Collateral Agent and Intercreditor Agreement**");

WHEREAS the Bank has issued certain letters of credit in favour of the beneficiary described therein (in such capacity, the "**Beneficiary**"), true and complete copies of which (together with all amendments thereto) are attached hereto in Schedule "A" (as amended, and as further amended, renewed, replaced or otherwise modified from time to time, each, a "**Credit**" and, collectively, the "**Credits**");

AND WHEREAS as a condition to providing the Credits, the Companies have agreed to (i) indemnify the Bank for any and all claims which may be made against the Bank pursuant to or in connection with the Credits, and (ii) reimburse the Bank for any and all amounts the Bank may have to pay to the Beneficiary pursuant to or in connection with the Credits;

AND WHEREAS capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Collateral Agent and Intercreditor Agreement;

NOW THEREFORE the Companies agree with and in favour of the Bank as follows:

1. Each Company confirms that: (i) the Credits are satisfactory in all respects, and (ii) this Agreement has been entered into by it for good and valuable consideration (including, without limitation, receipt by the Companies of the Credit Facilities), the receipt and adequacy of which is hereby acknowledged.
2. Each Company undertakes to indemnify the Bank and hold the Bank harmless from and against any and all losses, damages, costs and expenses (including, without limitation, legal fees, on a solicitor and his own client full indemnity basis) which may be suffered or incurred by the Bank, or its agents or correspondents, pursuant to or in connection with the Credits, except to the extent caused by the gross negligence or wilful misconduct of the Bank, and to reimburse the Bank immediately upon demand any and all amounts paid from time to time by the Bank, or its agents or correspondents, to the Beneficiary pursuant to or in connection with the Credits, including, without limitation, any and all customary charges or other costs and expenses incurred by the Bank in connection with such payments. Each Company further undertakes to pay to the Bank, immediately upon demand, any and all losses, damages, costs and expenses (including, without limitation, legal fees, on a solicitor and his own client full indemnity basis) incurred or suffered by the Bank in connection with the enforcement of this Agreement and the indemnity provided for herein.
3. Any and all indebtedness of the Companies toward the Bank hereunder shall bear interest until full and final payment thereof at a rate *per annum* equal to 8.45%.
4. This Agreement constitutes a continuing undertaking of each Company and shall apply to any and all present and future liabilities of the Bank to the Beneficiary under any and all Credits.

5. The liability of each Company to the Bank hereunder shall not be affected or in any way limited or lessened by an amalgamation, reorganization or other change of any nature whatsoever relating to a Company or any other person.
6. Each Company agrees that neither the Bank nor its agents or correspondents shall be in any way liable for, and the obligations of the Companies hereunder shall not be affected by, (i) the performance or non-performance by the Beneficiary of its obligations toward a Company, (ii) any dispute arising between a Company and the Beneficiary, (iii) any claims of a Company against the Beneficiary or (iv) the form, validity, sufficiency, correctness, genuineness, authority of person signing, falsification or legal effect of any documents related to the Credits if such documents on their face appear to be in order, except that each Company reserves its right to subsequently assert claims against the Bank which relate solely to the gross negligence or wilful misconduct of the Bank.
7. The Bank shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Credit, except for errors or omissions caused solely by the Bank's gross negligence or wilful misconduct.
8. Each Company agrees that any action taken or omitted by the Bank under or in connection with any Credit issued by it or the related drafts or documents, if done in good faith and in the absence of gross negligence or wilful misconduct and if done in accordance with the standards of care specified in the Uniform Customs and Practice for Documentary Credits, as published from time to time by the International Chamber of Commerce, shall be binding on the Companies and shall not result in any liability of the Bank. In furtherance and not in limitation of the foregoing: (i) the Bank shall be deemed to have acted with due diligence and reasonable care if it acts in accordance with standard letter of credit practice of commercial banks located in Toronto, Canada; (ii) the Companies agree that their aggregate remedies against the Bank for wrongfully honouring a presentation or wrongfully retaining honoured documents in connection with a Credit shall in no event exceed the aggregate amount paid by the Companies to the Bank with respect to the honoured presentation; (iii) the Bank may honour any presentation under any Credit which appears on its face to substantially or reasonably comply with the terms and conditions of the Credit, whether or not it appears on its face to strictly, exactly or literally comply; (iv) the Bank may replace an original Credit or provide a replacement to the Beneficiary thereof; (v) the Bank may make any payment under or in connection with any Credit by any means it chooses, including by wire transfer or by cheque; (vi) the Bank shall not be responsible for any other action or inaction taken or suffered by the Bank or its agents or correspondents under or in connection with any Credit or any presentation or collateral, if required under any applicable domestic or foreign law or industry-wide generally accepted letter of credit practice; and (vii) each Company will promptly notify the Bank of any objection such Company may have to the Bank's issuance or amendment of any Credit, the Bank's honour or dishonour of any presentation under any Credit, or any other action or inaction taken or proposed to be taken by the Bank under or in connection with this Agreement or any Credit, and if such notice of objection is not delivered to the Bank within five (5) Business Days after such Company receives notice of the action or inaction it objects to, then such objection shall automatically be waived and the Companies shall be precluded from raising the objection as a defence or claim against the Bank.
9. Any and all amounts payable hereunder by the Companies to the Bank are payable in Canadian Dollars and if any such amount has been or shall be paid by the Bank in a foreign currency then such amount so payable shall, at the Companies' option, be (i) paid in Canadian Dollars, in an amount sufficient to purchase the full amount of such foreign currency at the then current rate of exchange at the Bank's main branch in Toronto, Canada, or (ii) paid in such foreign currency.
10. The undertakings of each Company under the terms of this Agreement are in addition to and without prejudice to any and all other undertakings of each Company in favour of the Bank and any and all

security of any kind (including, without limitation, other indemnities and guarantees) now or hereafter held by or on behalf of the Bank.

11. Each Company hereby agrees to pay immediately upon demand any and all fees of the Bank pursuant to or in connection with the Credits.
12. Each Company hereby agrees that the Bank may at any time charge and off-set any and all amounts owed to it by a Company against any accounts held by the Companies or a Company with any branch or affiliate of the Bank.
13. The Companies acknowledge and agree that the Bank is not obligated to issue any Credit, it being the intention of the Companies that each Credit be issued or renewed at the sole and absolute discretion of the Bank and that this Agreement shall apply to each such Credit as and when issued.
14. This Agreement shall apply to any and all Credits issued, whether the applicant under the terms thereof is a Company or a third party.
15. Each Company's obligations hereunder are absolute, irrevocable and unconditional and shall in no way be affected by any irregularity, error or deficiency in any payments made by the Bank pursuant to any Credit, any demand therefor or any documents or actions relating thereto, and such obligations shall not be subject to any defence or be affected by any right of set-off, counter-claim or recoupment which a Company may now or hereafter have against the Beneficiary, the Bank or any other person for any reason whatsoever. The Bank shall not be bound or obligated to exhaust its recourse against any persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 2, as applicable) before the Bank shall be entitled to demand, enforce and collect payment from the Companies hereunder.
16. All payments by the Companies shall be made free and clear of, and without deduction for, any and all present and future taxes, levies and withholdings including stamp and documentary taxes, other than taxes imposed on the net income of the Bank (collectively, the "**Taxes**"). If a Company is required by law to deduct any Taxes from or in respect of any amount paid or payable hereunder, such amount shall be increased as necessary so that the Bank receives an amount equal to the sum it would have received had no such deductions been made and the Companies shall pay same to the relevant taxing authority and give to the Bank acceptable evidence of such payment. Each Company shall indemnify the Bank for any Taxes paid by the Bank in respect of any amount paid or payable by the Companies hereunder. The provisions of this Section 16 shall survive payment in full hereunder.
17. If any Credit contains any provision for automatic renewal, each Company acknowledges and agrees that the Bank is under no obligation to allow such renewal to occur and any such renewal shall remain within the sole and absolute discretion of the Bank. Each Company irrevocably consents to the automatic renewal of each such Credit in accordance with its terms if the Bank allows such renewal to occur.
18. No delay on the part of the Bank in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and signed and delivered by the Bank and each Company, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
19. Any communications, including notices and instructions, between the parties hereto or notices provided herein to be given shall be given to the following addresses:

to the following address of LRE:

LONG RUN EXPLORATION LTD.

Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5
Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

to the following address of Sinoenergy:

CALGARY SINOENERGY INVESTMENT CORP.

Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5
Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

to the following address of the Bank:

CHINA CONSTRUCTION BANK CORPORATION, QINGDAO BRANCH

No. 222 Shenzhen Road
Qingdao, China
266061
Attention: Cong Huang, Deputy Branch Manager (Sifang Sub Branch)
Facsimile No.: 86-0532-83950386

Each notice hereunder shall be in writing and may be personally served or sent by facsimile or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile. Each party hereto may change its address for notice hereunder by giving written notice thereof to the other parties hereto as set forth in this Section 19.

20. This Agreement shall inure to the benefit of the parties and their respective successors and assigns; provided, however, that no Companies may assign this Agreement or any of its respective rights or obligations hereunder without the prior written consent of the Bank. The Bank may assign this Agreement to an affiliate of the Bank with prior notice to each Company.
21. Each Company shall be jointly and severally liable for any and all obligations of each Company hereunder and in respect of the Credits issued pursuant hereto.
22. Each Company agrees that any and all judicial proceedings arising out of or relating to this Agreement may be instituted by the Bank against the Companies in any court of competent jurisdiction in the Province of Alberta, and, by execution and delivery of this Agreement, each Company, to the extent permitted by applicable law, (i) accepts generally and unconditionally, and submits to the nonexclusive jurisdiction of such courts and any related court of appeal and irrevocably agrees to be bound by any final judgment rendered thereby in connection with any claim or dispute related to this Agreement and (ii) irrevocably waives any objection it may now or hereafter have as to any such proceeding having been brought in such a court or that such a court is an inconvenient forum. Nothing herein shall limit the right of the Bank to bring proceedings against a Company in the courts of any other jurisdiction.
23. If there are any express conflicts or inconsistencies between the terms of the Collateral Agent and Intercreditor Agreement and this Agreement, then the terms of the Collateral Agent and

Intercreditor Agreement shall govern in all respects to the extent necessary to eliminate such express conflicts or inconsistencies.

24. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
25. This Agreement may be signed in any number of counterparts (including by facsimile or other electronic transmission), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.
26. Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "per annum" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.
27. Notwithstanding anything contained herein to the contrary, the Companies will not be obliged to make any payment of interest or other amounts payable to the Bank hereunder in excess of the amount or rate that would be permitted by applicable law or would result in the receipt by the Bank of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)). If the making of any payment by a Company would result in a payment being made that is in excess of such amount or rate, the Bank may determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

[The remainder of this page is intentionally left blank.]

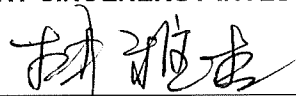
IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its officers thereunto duly authorized as of the date first hereinabove written.

LONG RUN EXPLORATION LTD.

By: 
Name: Jason Ge
Title: Chief Executive Officer

By: _____
Name:
Title:

CALGARY SINOENERGY INVESTMENT CORP.

By: 

Name: Yajie (Lily) Hu
Title: Director

By: _____

Name:
Title:

SCHEDULE "A"
LETTERS OF CREDIT
[see attached.]

RECEIVED MESSAGE
000000001--1

MsgNo: 20170126--

17-01-26 22:37

serial no: R17012600006-1

* FIN/Session/OSN :F01 0169 005414

* Own Address :PCBCCATXXX CHINA CONSTRUCTION BANK TORONTO BRANCH

* TORONTO

* CANADA

* Input Message Type :700 Issue of a Documentary Credit

* Input Time :170126/0225

* MIR :170126PCBCCATTAXXX0169005414

* Sent by :PCBCCNBJQDX CHINA CONSTRUCTION BANK CORPORATION,
QINGDAO

* Output Date/Time :170126/1525

* Priority :Normal

* MUR :

* 27 /Sequence of Total

* 1 /1

* 40A/Form of Documentary Credit

* IRREVOCABLE STANDBY

* 20 /Documentary Credit Number

* 87005520000492

* 31C/Date of Issue

* 170126

* 40E/Applicable Rules

* OTHR /UCP600

* 31D/Date and Place of Expiry

* 240109 AT OUR ADDRESS

* 50 /Applicant

QINGDAO SINOENERGY CORPORATION

* NO.298 CHONGQING SOUTH ROAD

QINGDAO,CHINA

* 59 /Beneficiary

CHINA CONSTRUCTION BANK CORPORATION

* TORONTO BRANCH

STREET M5J 2T3 TORONTO,

CANADA

* 32B/Currency Code, Amount

* CAD 454000000,

* CAD

*

454,000,000.

* 39B/Maximum Credit Amount

* NOT EXCEEDING

* 41D/Available With ... By ...

* ISSUING BANK

BY PAYMENT

* 46A/Documents Required

* WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT AT THE

RECEIVED MESSAGE
000000001--2

MsgNo: 20170126--

17-01-26 22:37

serial no: R17012600006

REQUEST OF QINGDAO SINOENERGY CORPORATION IN YOUR FAVOR FOR AN AMOUNT NOT EXCEEDING IN AGGREGATE CAD 454,000,000.00 ONLY (SAY CANADIAN DOLLARS FOUR HUNDRED AND FIFTY-FOUR MILLION ONLY) WHICH EXPIRES AT OUR ADDRESS STATED BELOW ON JAN 9,2024.

.
THIS CREDIT IS AVAILABLE BY PAYMENT WITH THE ISSUING BANK AGAINST YOUR DEMAND BY AUTHENTICATED SWIFT OR TESTED TELEX TO US STATING:

- * 1)THE NUMBER AND DATE OF THE L/C UNDER WHICH THE CLAIM IS MADE AND
- 2)THE AMOUNT YOU CLAIM AND
- 3)THE NUMBER OR DATE OF THE LOAN AGREEMENT IN RELATION TO WHICH THE CLAIM IS MADE AND
- 4)THE AMOUNT YOU CLAIM REPRESENTS THE UNPAID BALANCE OF THE INDEBTEDNESS DUE TO YOU BY THE BORROWER QINGDAO SINOENERGY CORPORATION UNDER THE LOAN AGREEMENT.

* 47A/Additional Conditions

ISSUING BANK: CHINA CONSTRUCTION BANK CORPORATION,QINGDAO BRANCH
ISSUING BANK ADDRESS: NO.222 SHENZHEN ROAD QINGDAO,CHINA

.
THIS STANDBY LETTER OF CREDIT WILL COME INTO EFFECT ON THE EFFECTIVE DATE OF THE LOAN AGREEMENT SIGNED BETWEEN YOU AND THE BORROWER AND SUBJECT TO A NOTICE THROUGH AUTHENTICATED SWIFT OR TESTED TELEX SENT BY YOU TO US CONFIRMING SUCH DATE AND REFERENCE NUMBER OF SUCH AGREEMENT.

- * ALL CHARGES UNDER THIS L/C OUTSIDE ISSUING BANK ARE FOR ACCOUNT OF THE BENEFICIARY.

.
MULTIPLE DRAWINGS ARE NOT ALLOWED.

.
THIS L/C IS NOT NEGOTIABLE OR TRANSFERABLE OR ASSIGNABLE.

.
UPON EXPIRY, PLEASE RETURN THE ORIGINAL L/C TO US. BUT THIS L/C WILL BECOME NULL AND VOID UPON EXPIRY WHETHER THE ORIGINAL L/C IS RETURNED TO US OR NOT.

.
THIS L/C IS SUBJECT TO UCP600

* 49 /Confirmation Instructions

- * WITHOUT

Original Date: 20170126 Original Sequence: 000000001

MT799

*****Message

Header*****

Sender: PCBCCNBJQDX
 CHINA CONSTRUCTION BANK CORPORATION, QINGDAO

Receiver: PCBCCATT
 CHINA CONSTRUCTION BANK TORONTO BRANCH
 TORONTO
 CANADA

Input Session Number: 0170
 Input Sequence Number: 005491
 Output Session Number: 9776
 Output Sequence Number: 212570
 Input Date: 2017-02-04
 Input Time: 15:40
 Output Date: 2017-02-04
 Output Time: 02:40

MUR:

*****Message

Content*****

20/Transaction Reference Number

87005520000492

21/Related Reference

NONREF

79/Narrative

TO: CHINA CONSTRUCTION BANK CORPORATION TORONTO BRANCH

THIS IS TO CONFIRM THAT THE AMENDMENT ON JAN 27, THE FOLLOWING IS THE ORIGINAL CONTENT:

QUOTE

RE: OUR MT700 DD170126 OUR REF NO.87005520000492 AT THE REQUEST OF QINGDAO SINOENERGY CORPORATION IN YOUR FAVOR FOR AN AMOUNT NOT EXCEEDING IN AGGREGATE CAD 454,000,000.00 ONLY (SAY CANADIAN DOLLARS FOUR HUNDRED AND FIFTY-FOUR MILLION ONLY) WHICH EXPIRES AT OUR ADDRESS STATED BELOW ON JAN 9,2024.

WE HEREBY MAKE THE FOLLOWING AMENDMENTS:

REPALCE THE WORDING '4)THE AMOUNT YOU CLAIM REPRESENTS THE UNPAID BALANCE OF THE INDEBTEDNESS DUE TO YOU BY THE BORROWER QINGDAO SINOENERGY CORPORATION UNDER THE LOAN AGREEMENT' WITH '4)THE AMOUNT YOU CLAIM REPRESENTS THE UNPAID BALANCE OF

THE INDEBTEDNESS DUE TO YOU BY THE BORROWER LONG
RUN EXPLORATION LTD. UNDER THE LOAN AGREEMENT'.

.
ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.
UNQUOTE

.
BEST REGARDS

ACK * FIN/Session/ISN :F01 0715 1732
ACK * Own Address :PCBCCATTXXX CHINA CONSTRUCTION BANK TORONTO BRANCH
ACK * TORONTO
ACK * CANADA
ACK * Output Message Type :799 Free Format Message
ACK * Sent to :PCBCCNBJQDX CHINA CONSTRUCTION BANK CORPORATION, QINGDAO
ACK * Input Time :20190715/1732
ACK * MIR :PCBCCATTXXX0715173314
ACK * Priority :Normal
ACK * -----

ACK * 20/Transaction Reference Number
ACK * LC87005520000492
ACK * 21/Related Reference
ACK * QD005LG000016000
ACK * 79/Narrative
TO:CHINA CONSTRUCTION BANK CORPORATION,QINGDAO
.
IN REFERENCE TO YOUR MT707 QD005LG000016000
PLEASE BE ADVISED THAT WE HAVE RECEIVED YOUR MT707
ON 190715 FOR THE LC DECREASE BY CAD14,897,580.39
ACK * AND WE CONFIRMED WE ACCEPT THE AMENDMENT TO YOUR
SBLC NUMBER 87005520000492 ISSUE ON 170126
AND ITS AMENDMENTS.
.
REGARDS,
CCB TORONTO

ACK * -----
Original Date: 20190715 Original Sequence: 79900035

This is **Exhibit "M"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris CSo # 854617



INDEMNITY AND REIMBURSEMENT AGREEMENT

THIS INDEMNITY AND REIMBURSEMENT AGREEMENT (this "**Agreement**") is made effective as of October 27, 2020, granted by **LONG RUN EXPLORATION LTD. ("LRE")** and **CALGARY SINOENERGY INVESTMENT CORP. ("Sinoenergy")** together with LRE, the "**Companies**" and each individually, a "**Company**"), as Obligors, for the benefit of **BANK OF CHINA (QINGDAO BRANCH)** in its capacity as BOCQ SBLC Provider (in such capacity, the "**Bank**");

WHEREAS among others, China Construction Bank Toronto Branch in its capacity as collateral agent, the Bank, as BOCQ SBLC Provider, the Beneficiary (as defined below), as CCBQ SBLC Provider, and the Companies, as Obligors, have entered into a collateral agent and intercreditor agreement made as of October 27, 2020 (as the same may be amended, modified, supplemented or amended and restated from time to time, the "**Collateral Agent and Intercreditor Agreement**");

WHEREAS the Bank has issued certain letters of credit in favour of the beneficiary described therein (in such capacity, the "**Beneficiary**"), true and complete copies of which (together with all amendments thereto) are attached hereto in Schedule "A" (as amended, and as further amended, renewed, replaced or otherwise modified from time to time, each, a "**Credit**" and, collectively, the "**Credits**");

AND WHEREAS as a condition to providing the Credits, the Companies have agreed to (i) indemnify the Bank for any and all claims which may be made against the Bank pursuant to or in connection with the Credits, and (ii) reimburse the Bank for any and all amounts the Bank may have to pay to the Beneficiary pursuant to or in connection with the Credits;

AND WHEREAS capitalized terms used herein without express definition shall have the same meanings ascribed thereto as are set forth in the Collateral Agent and Intercreditor Agreement;

NOW THEREFORE the Companies agree with and in favour of the Bank as follows:

1. Each Company confirms that: (i) the Credits are satisfactory in all respects, and (ii) this Agreement has been entered into by it for good and valuable consideration (including, without limitation, receipt by the Companies of the Credit Facilities), the receipt and adequacy of which is hereby acknowledged.
2. Each Company undertakes to indemnify the Bank and hold the Bank harmless from and against any and all losses, damages, costs and expenses (including, without limitation, legal fees, on a solicitor and his own client full indemnity basis) which may be suffered or incurred by the Bank, or its agents or correspondents, pursuant to or in connection with the Credits, except to the extent caused by the gross negligence or wilful misconduct of the Bank, and to reimburse the Bank immediately upon demand any and all amounts paid from time to time by the Bank, or its agents or correspondents, to the Beneficiary pursuant to or in connection with the Credits, including, without limitation, any and all customary charges or other costs and expenses incurred by the Bank in connection with such payments. Each Company further undertakes to pay to the Bank, immediately upon demand, any and all losses, damages, costs and expenses (including, without limitation, legal fees, on a solicitor and his own client full indemnity basis) incurred or suffered by the Bank in connection with the enforcement of this Agreement and the indemnity provided for herein.
3. Any and all indebtedness of the Companies toward the Bank hereunder shall bear interest until full and final payment thereof at a rate *per annum* equal to 8.45%.
4. This Agreement constitutes a continuing undertaking of each Company and shall apply to any and all present and future liabilities of the Bank to the Beneficiary under any and all Credits.

5. The liability of each Company to the Bank hereunder shall not be affected or in any way limited or lessened by an amalgamation, reorganization or other change of any nature whatsoever relating to a Company or any other person.
6. Each Company agrees that neither the Bank nor its agents or correspondents shall be in any way liable for, and the obligations of the Companies hereunder shall not be affected by, (i) the performance or non-performance by the Beneficiary of its obligations toward a Company, (ii) any dispute arising between a Company and the Beneficiary, (iii) any claims of a Company against the Beneficiary or (iv) the form, validity, sufficiency, correctness, genuineness, authority of person signing, falsification or legal effect of any documents related to the Credits if such documents on their face appear to be in order, except that each Company reserves its right to subsequently assert claims against the Bank which relate solely to the gross negligence or wilful misconduct of the Bank.
7. The Bank shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Credit, except for errors or omissions caused solely by the Bank's gross negligence or wilful misconduct.
8. Each Company agrees that any action taken or omitted by the Bank under or in connection with any Credit issued by it or the related drafts or documents, if done in good faith and in the absence of gross negligence or wilful misconduct and if done in accordance with the standards of care specified in the Uniform Customs and Practice for Documentary Credits, as published from time to time by the International Chamber of Commerce, shall be binding on the Companies and shall not result in any liability of the Bank. In furtherance and not in limitation of the foregoing: (i) the Bank shall be deemed to have acted with due diligence and reasonable care if it acts in accordance with standard letter of credit practice of commercial banks located in Toronto, Canada; (ii) the Companies agree that their aggregate remedies against the Bank for wrongfully honouring a presentation or wrongfully retaining honoured documents in connection with a Credit shall in no event exceed the aggregate amount paid by the Companies to the Bank with respect to the honoured presentation; (iii) the Bank may honour any presentation under any Credit which appears on its face to substantially or reasonably comply with the terms and conditions of the Credit, whether or not it appears on its face to strictly, exactly or literally comply; (iv) the Bank may replace an original Credit or provide a replacement to the Beneficiary thereof; (v) the Bank may make any payment under or in connection with any Credit by any means it chooses, including by wire transfer or by cheque; (vi) the Bank shall not be responsible for any other action or inaction taken or suffered by the Bank or its agents or correspondents under or in connection with any Credit or any presentation or collateral, if required under any applicable domestic or foreign law or industry-wide generally accepted letter of credit practice; and (vii) each Company will promptly notify the Bank of any objection such Company may have to the Bank's issuance or amendment of any Credit, the Bank's honour or dishonour of any presentation under any Credit, or any other action or inaction taken or proposed to be taken by the Bank under or in connection with this Agreement or any Credit, and if such notice of objection is not delivered to the Bank within five (5) Business Days after such Company receives notice of the action or inaction it objects to, then such objection shall automatically be waived and the Companies shall be precluded from raising the objection as a defence or claim against the Bank.
9. Any and all amounts payable hereunder by the Companies to the Bank are payable in Canadian Dollars and if any such amount has been or shall be paid by the Bank in a foreign currency then such amount so payable shall, at the Companies' option, be (i) paid in Canadian Dollars, in an amount sufficient to purchase the full amount of such foreign currency at the then current rate of exchange at the Bank's main branch in Toronto, Canada, or (ii) paid in such foreign currency.
10. The undertakings of each Company under the terms of this Agreement are in addition to and without prejudice to any and all other undertakings of each Company in favour of the Bank and any and all

security of any kind (including, without limitation, other indemnities and guarantees) now or hereafter held by or on behalf of the Bank.

11. Each Company hereby agrees to pay immediately upon demand any and all fees of the Bank pursuant to or in connection with the Credits.
12. Each Company hereby agrees that the Bank may at any time charge and off-set any and all amounts owed to it by a Company against any accounts held by the Companies or a Company with any branch or affiliate of the Bank.
13. The Companies acknowledge and agree that the Bank is not obligated to issue any Credit, it being the intention of the Companies that each Credit be issued or renewed at the sole and absolute discretion of the Bank and that this Agreement shall apply to each such Credit as and when issued.
14. This Agreement shall apply to any and all Credits issued, whether the applicant under the terms thereof is a Company or a third party.
15. Each Company's obligations hereunder are absolute, irrevocable and unconditional and shall in no way be affected by any irregularity, error or deficiency in any payments made by the Bank pursuant to any Credit, any demand therefor or any documents or actions relating thereto, and such obligations shall not be subject to any defence or be affected by any right of set-off, counter-claim or recoupment which a Company may now or hereafter have against the Beneficiary, the Bank or any other person for any reason whatsoever. The Bank shall not be bound or obligated to exhaust its recourse against any persons or any securities or collateral it may hold or take any other action (other than to make demand pursuant to Section 2, as applicable) before the Bank shall be entitled to demand, enforce and collect payment from the Companies hereunder.
16. All payments by the Companies shall be made free and clear of, and without deduction for, any and all present and future taxes, levies and withholdings including stamp and documentary taxes, other than taxes imposed on the net income of the Bank (collectively, the "**Taxes**"). If a Company is required by law to deduct any Taxes from or in respect of any amount paid or payable hereunder, such amount shall be increased as necessary so that the Bank receives an amount equal to the sum it would have received had no such deductions been made and the Companies shall pay same to the relevant taxing authority and give to the Bank acceptable evidence of such payment. Each Company shall indemnify the Bank for any Taxes paid by the Bank in respect of any amount paid or payable by the Companies hereunder. The provisions of this Section 16 shall survive payment in full hereunder.
17. If any Credit contains any provision for automatic renewal, each Company acknowledges and agrees that the Bank is under no obligation to allow such renewal to occur and any such renewal shall remain within the sole and absolute discretion of the Bank. Each Company irrevocably consents to the automatic renewal of each such Credit in accordance with its terms if the Bank allows such renewal to occur.
18. No delay on the part of the Bank in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy. No amendment, modification or waiver of, or consent with respect to, any provision of this Agreement shall be effective unless the same shall be in writing and signed and delivered by the Bank and each Company, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
19. Any communications, including notices and instructions, between the parties hereto or notices provided herein to be given shall be given to the following addresses:

to the following address of LRE:

LONG RUN EXPLORATION LTD.

Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5
Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

to the following address of Sinoenergy:

CALGARY SINOENERGY INVESTMENT CORP.

Eau Claire Tower
600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5
Attention: Chief Executive Officer
Facsimile No.: (403) 262-5561

to the following address of the Bank:

BANK OF CHINA (QINGDAO BRANCH)

59 Hong Kong Middle Road, Shinan District, Qingdao, China
Attention: Qun Yu
Facsimile No.: +86 532 - 81859700

Each notice hereunder shall be in writing and may be personally served or sent by facsimile or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile. Each party hereto may change its address for notice hereunder by giving written notice thereof to the other parties hereto as set forth in this Section 19.

20. This Agreement shall inure to the benefit of the parties and their respective successors and assigns; provided, however, that no Companies may assign this Agreement or any of its respective rights or obligations hereunder without the prior written consent of the Bank. The Bank may assign this Agreement to an affiliate of the Bank with prior notice to each Company.
21. Each Company shall be jointly and severally liable for any and all obligations of each Company hereunder and in respect of the Credits issued pursuant hereto.
22. Each Company agrees that any and all judicial proceedings arising out of or relating to this Agreement may be instituted by the Bank against the Companies in any court of competent jurisdiction in the Province of Alberta, and, by execution and delivery of this Agreement, each Company, to the extent permitted by applicable law, (i) accepts generally and unconditionally, and submits to the nonexclusive jurisdiction of such courts and any related court of appeal and irrevocably agrees to be bound by any final judgment rendered thereby in connection with any claim or dispute related to this Agreement and (ii) irrevocably waives any objection it may now or hereafter have as to any such proceeding having been brought in such a court or that such a court is an inconvenient forum. Nothing herein shall limit the right of the Bank to bring proceedings against a Company in the courts of any other jurisdiction.
23. If there are any express conflicts or inconsistencies between the terms of the Collateral Agent and Intercreditor Agreement and this Agreement, then the terms of the Collateral Agent and Intercreditor Agreement shall govern in all respects to the extent necessary to eliminate such express conflicts or inconsistencies.

24. This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
25. This Agreement may be signed in any number of counterparts (including by facsimile or other electronic transmission), each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.
26. Unless otherwise stated, wherever in this Agreement reference is made to a rate of interest "per annum" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation and not the effective rate method of calculation or on any other basis that gives effect to the principle of deemed reinvestment of interest. Interest will continue to accrue after maturity and default and/or judgment, if any, until payment thereof, and interest will accrue on overdue interest, if any.
27. Notwithstanding anything contained herein to the contrary, the Companies will not be obliged to make any payment of interest or other amounts payable to the Bank hereunder in excess of the amount or rate that would be permitted by applicable law or would result in the receipt by the Bank of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)). If the making of any payment by a Company would result in a payment being made that is in excess of such amount or rate, the Bank may determine the payment or payments that are to be reduced or refunded, as the case may be, so that such result does not occur.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has caused this Agreement to be executed by its officers thereunto duly authorized as of the date first hereinabove written.

LONG RUN EXPLORATION LTD.

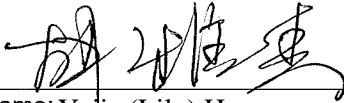
By: 

Name: Jason Ge
Title: Chief Executive Officer

By: _____

Name:
Title:

CALGARY SINOENERGY INVESTMENT CORP.

By: 
Name: Yajie (Lily) Hu
Title: Director

By: _____
Name:
Title:

SCHEDULE "A"
LETTERS OF CREDIT
[see attached.]

备用信用证通知书
NOTIFICATION OF STANDBY LETTER OF CREDIT

致TO:
87005DUMMY
CHINA CONSTRUCTION BANK CORPORATION QINGDAO
SIFANG SUB BRANCH

日期DATE:
25 JANUARY 2017
我行编号
OUR REF:87005120001702

备用信用证编号 (SBLC NO.) : GC5800417000023

备用信用证的开立银行 (Issuing Bank) : BANK OF CHINA (QINGDAO BRANCH)

备用信用证的开立日期 (Issuing Date) : 24 JANUARY 2017

备用信用证金额 (AMT) : CAD 152,000,000.00

申请人 (Applicant) : QINGDAO SINOENERGY CORPORATION

We have pleasure in advising you we have received
the above mentioned original Standby L/C, Please see attachment(s).

我行只做通知,不承担其他任何责任和义务。

Our advice of the above-mentioned Standby L/C conveys no
engagement or obligation on our part.

备注

REMARKS:
COUNTER SBLC

中国建设银行
CHINA CONSTRUCTION BANK

AUTHORIZED SIGNATURE (S)

签章

MT760

SENDER:

BKCHCNBJ50A

BANK OF CHINA (QINGDAO BRANCH)

RECEIVER:

PCBCCNBJQDX

CHINA CONSTRUCTION BANK

BJ TRADE SERVICE CENTER

ARRIVAL DATE: 24 JANUARY 2017

27: Sequence of Total

1/1

20: Transaction Reference No

GC5800417000023

23: Further Identification

REQUEST

30: Date

170124

40C:

OTHR/UCP600

77C: Details of Guarantee

PLEASE RELAY THE FOLLOWING MESSAGE TO YOUR QINGDAO SIFANG SUB
BRANCH

TO: CHINA CONSTRUCTION BANK QINGDAO SIFANG SUB BRANCH

WE ARE INFORMED BY OUR CUSTOMER QINGDAO SINOENERGY CORPORATION
THAT YOU WILL ISSUE YOUR STANDBY LETTER OF CREDIT FOR TOTAL
AMOUNT OF CAD475,000,000.00 (SAY CANADIAN DOLLARS FOUR HUNDRED
AND SEVENTY-FIVE MILLION ONLY) FAVORING CHINA CONSTRUCTION BANK,
TORONTO BRANCH, USING YOUR STANDARD FORMAT AS PER THE FOLLOWING
INFORMATION, AGAINST OUR COUNTER STANDBY LETTER OF CREDIT
NO. GC5800417000023 FOR CAD152,000,000.00 (SAY CANADIAN DOLLARS
ONE HUNDRED AND FIFTY-TWO MILLION ONLY) AND YOUR OWN CREDIT LINE
FOR CAD323,000,000.00 (SAY CANADIAN DOLLARS THREE HUNDRED AND
TWENTY-THREE MILLION ONLY) TOWARDS QINGDAO SINOENERGY
CORPORATION.

QUOTE

1. AMOUNT OF THE STANDBY LETTER OF CREDIT: CAD475,000,000.00
(SAY CANADIAN DOLLARS FOUR HUNDRED AND SEVENTY-FIVE MILLION ONLY)
2. THE BENEFICIARY: CHINA CONSTRUCTION BANK, TORONTO BRANCH
3. THE APPLICANT: QINGDAO SINOENERGY CORPORATION

ADDRESS: NO. 298 CHONGQING SOUTH ROAD, SHIBEI DISTRICT, QINGDAO,
CHINA

4. THE BORROWER: LONG RUN EXPLORATION LTD.,

ADDRESS: 4000, 421-7 AVENUE SW CALGARY ALBERTA CANADA

5. ACCORDING TO CREDIT AGREEMENT SIGNED BETWEEN THE BORROWER AND
THE BENEFICIARY IN JANUARY, 2017

6. SUBJECTS OF STANDBY LETTER OF CREDIT: UNCONDITIONAL AND
IRREVOCABLE GUARANTEE THE BORROWER FULFIL ITS OBLIGATIONS UNDER
THE CREDIT AGREEMENT SIGNED BETWEEN THE BENEFICIARY AND THE
BORROWER IN JANUARY, 2017

7. EXPIRY: EFFECTIVE FROM THE ISSUING DATE AND EXPIRE ON JANUARY
9, 2024 AT THE COUNTER OF CHINA CONSTRUCTION BANK QINGDAO SIFANG
SUB BRANCH.

8. RULES: THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY
CREDITS (2007 REVISION) INTERNATIONAL CHAMNER OF COMMERCE
PUBLICATION NO. 600.

UNQUOTE

IN CONSIDERATION OF YOUR ISSUING THE A/M STANDBY LETTER OF
CREDIT, WE, BANK OF CHINA LTD., QINGDAO BRANCH HAVING OUR
REGISTERED OFFICE AT GLOBAL TRADE SERVICES DEPARTMENT, 2ND
FLOOR, NO. 59 HONGKONG MIDDLE ROAD, QINGDAO, CHINA HEREBY ISSUE OUR
IRREVOCABLE AND UNCONDITIONAL COUNTER STANDBY LETTER OF CREDIT
IN YOUR FAVOR FOR CAD152, 000, 000. 00 (SAY CANADIAN DOLLARS ONE
HUNDRED AND FIFTY-TWO MILLION ONLY) REPRESENTING 32 PCT OF
AMOUNT OF YOUR SBLC AND WE UNDERTAKE TO PAY YOU THE AMOUNT OR
AMOUNTS CLAIMED BY YOU BUT NOT EXCEEDING THE AGGREGATE MAXIMUM
AMOUNT OF CAD152, 000, 000. 00 (SAY CANADIAN DOLLARS ONE HUNDRED AND
FIFTY-TWO MILLION ONLY) WITHIN FIVE (5) BANKING BUSINESS DAYS
UPON OUR RECEIPT OF YOUR FIRST WRITTEN DEMAND BY AUTHENTICATED
SWIFT STATING QUOTE WE HAVE BEEN CALLED UPON TO PAY FOR CAD////
IN CONFORMITY WITH OUR STANDBY LETTER OF CREDIT UNQUOTE.

YOUR DEMAND FOR ANY PAYMENT OR PAYMENTS UNDER OUR COUNTER
STANDBY LETTER OF CREDIT SHALL, AT EACH TIME, BE CALCULATED
ACCORDING TO THE FOLLOWING FORMULA:

AMOUNT TO BE PAID TO THE BENEFICIARY MULTIPLY BY THE AMOUNT OF
OUR COUNTER STANDBY LETTER OF CREDIT DIVIDED BY THE AMOUNT OF
STANDBY LETTER OF CREDIT ISSUED BY YOU.

PLEASE INFORM US THE REDUCTION OF YOUR STANDBY LETTER OF CREDIT
BY YOUR AUTHENTICATED WITHOUT DELAYS. THE AMOUNT OF OUR COUNTER

STANDBY LETTER OF CREDIT SHALL BE REDUECED PROPORTIONALLY UPON
OUR RECEIPT OF YOUR A/M AUTHENTICATED SWIFT.

OUR COUNTER-STANDBY LETTER OF CREDIT SHALL REMAIN VALID IN YOUR
FAVOUR UNTIL JANUARY 23, 2024. CLAIMS, IF ANY, MUST REACH OUR
COUNTER ON OR BEFORE JANUARY 23, 2024. AFTER THE DATE OF JANUARY
23, 2024, OUR COUNTER GUARANTEE WILL BECOME NULL AND VOID
AUTOMATICALLY.

ALL BANK CHARGES OUTSIDE CHINA ARE FOR ACCOUNT OF THE
BENEFICIARY.

PARTIAL DRAWINGS AND MULTIPLE DRAWINGS ARE ACCEPTABLE.

OUR COUNTER STANDBY LETTER OF CREDIT IS SUBJECT TO THE UNIFORM
CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (2007 REVISION)
INTERNATIONAL CHAMNER OF COMMERCE PUBLICATION NO. 600.

IN ORDER TO EXPEDITE PAYMENT OF YOUR CHARGES IN CONNECTION WITH
OUR COUNTER STANDBY LETTER OF CREDIT NO. GC5800417000023 THE
FOLLOWING INFORMATION IS REQUIRED IN YOUR BILLS FOR COLLECTING
COMMISSION AND CHARGES:

RATE AND AMOUNT OF YOUR COMMISSION:

THE EXACT PERIOD COVERED BY COMMISSION: I. E. FROM TO
DESCRIPTION ANY AMOUNT OF ALL OTHER CHARGES (IF ANY):

THIS IS AN OPERATIVE INSTRUMENT, AND NO MAIL CONFIRMATION
FOLLOWS.

BEST REGARDS,
GTEE DIV.

----- Page Break -----

备用信用证修改通知书
NOTIFICATION OF AMENDMENT
OF STANDBY LETTER OF CREDIT

致TO:
CHINA CONSTRUCTION BANK CORPORATION QINGDAO
SIFANG SUB BRANCH

日期DATE:
25 JANUARY 2017

我行编号

OUR REF:87005120001702

备用信用证编号 (L/G NO.) : GC5800417000023

备用信用证的开立银行 (Issuing Bank) : BANK OF CHINA (QINGDAO
BRANCH)

备用信用证的开立日期 (Issuing Date) : 24 JANUARY 2017

修改日期 (Amendment Date) : 25 JANUARY 2017

修改后的金额 (Amount After Amendment) CAD 154,000,000.00

修改后的效期 (Expiry date after amendment) : 23 JANUARY 2024

申请人 (Applicant) : QINGDAO SINOENERGY CORPORATION

本修改为该备用信用证第01次修改

兹通知贵公司，我行收到上述备用信用证修改一份，现随附通知，
We have pleasure in advising you we have received an amendment of the
above mentioned Standby L/C, Please see attachment.

我行只做通知，不承担其他任何责任和义务。
We advise above conveys no engagement or obligation on our part.

中国建设银行股份有限公司

司

China Construction Bank Corp.

Authorized Signature(s)
签章

MT767
SENDER:
BKCHCNBJ50A
BANK OF CHINA (QINGDAO BRANCH)
RECEIVER:
PCBCCNBJQDX
CHINA CONSTRUCTION BANK
BJ TRADE SERVICE CENTER
L/G ARRIVAL DATE: 24 JANUARY 2017

27: Sequence of Total
1/1

20: Transaction Reference No
GC5800417000023

21: Related Reference
NONE
23: Further Identification
REQUEST
30: Date
170125
26E: Number of Amendment
1
31C: Date of Issue or Request
170124
77C: Amendment Details
PLEASE RELAY THE FOLLOWING MESSAGE TO YOUR QINGDAO
SIFANG SUB
BRANCH

TO: CHINA CONSTRUCTION BANK QINGDAO SIFANG SUB BRANCH

RE: OUR MT760 DD170124 OUR REF NO. GC5800417000023
REQUESTING
YOUR BANK TO ISSUE YOUR STANDBY LETTER OF CREDIT
FAVORING CHINA
CONSTRUCTION BANK, TORONTO BRANCH

AT THE REQUEST OF OUR CLIENT, WE HEREBY MAKE THE
FOLLOWING
AMENDMENTS:

1. REPLACE THE WORDING 'CAD152,000,000.00 (SAY CANADIAN
DOLLARS
ONE HUNDRED AND FIFTY-TWO MILLION ONLY)' WHEREVER IT
APPEARS IN
OUR A/M MT760 WITH 'CAD154,000,000.00 (SAY CANADIAN
DOLLARS ONE
HUNDRED AND FIFTY-FOUR MILLION ONLY)'.

2. REPLACE THE WORDING 'CAD323,000,000.00 (SAY CANADIAN
DOLLARS
THREE HUNDRED AND TWENTY-THREE MILLION ONLY)' WHEREVER
IT
APPEARS IN OUR A/M MT760 WITH 'CAD327,000,000.00 (SAY
CANADIAN
DOLLARS THREE HUNDRED AND TWENTY-SEVEN MILLION ONLY)'.

3. REPLACE THE WORDING 'CAD475,000,000.00 (SAY CANADIAN
DOLLARS
FOUR HUNDRED AND SEVENTY-FIVE MILLION ONLY)' WHEREVER IT
APPEARS
IN OUR A/M MT760 WITH 'CAD481,000,000.00 (SAY CANADIAN
DOLLARS
FOUR HUNDRED AND EIGHTY ONE MILLION ONLY)'.

4. REPLACE THE WORDING '...REPRESENTING 32 PCT OF AMOUNT
OF YOUR
SBLC AND...' WITH '...REPRESENTING 32.02 PCT OF AMOUNT
OF YOUR
SBLC AND...' IN OUR COUNTER STANDBY LETTER OF CREDIT.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS IS THE OPERATIVE INSTRUMENT AND NO MAIL
CONFIRMATION WILL
FOLLOW.

BEST REGARDS
GTEE DIV.

XX/YY

OUR REF. 87005120001702

This is **Exhibit "N"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



Search ID #: Z17536222

Transmitting Party

BLAKE CASSELS & GRAYDON LLP
3500 -855-2ND STREET S.W.
CALGARY, AB T2P4J8

Party Code: 50038397
Phone #: 403 663 2233
Reference #: 14438/2 JMKN

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Both Exact and Inexact Result(s) Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 14121134772

Registration Type: SECURITY AGREEMENT

Registration Date: 2014-Dec-11

Registration Status: Current

Expiry Date: 2049-Dec-11 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

18012538603	Amendment	2018-Jan-25
18061530328	Amendment	2018-Jun-15
18061846224	Amendment	2018-Jun-18
21040836583	Amendment	2021-Apr-08
24062413798	Renewal	2024-Jun-24

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
400, 250 - 2ND STREET S.W.
CALGARY, AB T2P 0C1

Current

Secured Party / Parties

Block

Status

1 NATURAL GAS EXCHANGE INC.
10TH FLOOR, 300 - 5TH AVENUE SW
CALGARY, AB T2P 3C4

Deleted by
18012538603

Block

Status

2 NATURAL GAS EXCHANGE INC.
9TH FLOOR, 300 - 5TH AVENUE SW
CALGARY, AB T2P 3N3

Deleted by
18061846224

Phone #: 403 974 4332

Fax #: 403 265 7219

Search ID #: Z17536222

Block

3 ICE NGX CANADA INC.
300 5TH AVENUE SW, SUITE 910
CALGARY, AB T2P 3C4
Phone #: 403 974 4332 Fax #: 403 265 7219

Status

Deleted by
21040836583

Block

4 ICE NGX CANADA INC.
225 - 6TH AVENUE SW, SUITE 2610
CALGARY, AB T2P 1N2
Phone #: 403 974 4332 Fax #: 403 265 7219
Email: legal-icengx-ppr@ice.com

Status

Current by
21040836583

Collateral: General

Block

Description

Status

- | | | |
|---|---|---------------------------|
| 1 | ANY AND ALL OF THE DEBTOR'S CASH, MONIES, AND INTEREST BEARING INSTRUMENTS DELIVERED TO, DEPOSITED WITH, OR HELD BY OR ON BEHALF OF THE SECURED PARTY. ALL ACCOUNTS OWING TO THE DEBTOR PURSUANT TO THE NGX TRADING SYSTEM AGREEMENT AND THE TERMS AND CONDITIONS THEREUNDER. | Deleted By
18061530328 |
| 2 | PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES, ACCOUNTS AND INVESTMENT PROPERTY (ALL AS DEFINED IN THE PERSONAL PROPERTY SECURITY ACT) AND INSURANCE PROCEEDS. | Deleted By
18061530328 |
| 3 | The Debtor's right, title and interest in and to any and all cash, monies and interest bearing instruments delivered to, deposited with, or held by or on behalf of the Secured Party, including all cash, and any rights to payment or performance owing from Secured Party. Proceeds: goods, inventory, chattel paper, documents of title, instruments, money, intangibles, accounts and investment property (all as defined in the Personal Property Security Act) and insurance proceeds. | Current By
18061530328 |

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 15021907149

Registration Type: SECURITY AGREEMENT

Registration Date: 2015-Feb-19

Registration Status: Current

Expiry Date: 2025-Feb-19 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 LONG RUN EXPLORATION LTD.
2400, 525 - 8TH AVENUE S.W.
CALGARY, AB T2P 0G1

Secured Party / Parties

Block

Status

Current

1 BEARSPAW PETROLEUM LTD.
5309, 333 - 96TH SVENUE N.E.
CALGARY, AB T3K 0S3
Phone #: 403 258 3767

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>A. ALL OF THE DEBTOR'S PERSONAL PROPERTY INTERESTS GOVERNED BY A RETROSPECTIVE JOINT OPERATING AGREEMENT DATED MARCH 01, 1995 ORIGINALLY AMONG PEMBINA RESOURCES, COREXCANA LTD., PETROREP RESOURCES LTD., BENSON PETROLEUM LTD., LANGEVIN RESOURCES, MAXX PETROLEUM LTD., CANADIAN CONQUEST EXPLORATION INC., CHAUVCO RESOURCES LTD., QUANTEX RESOURCES LTD., RENAISSANCE ENERGY LTD., (INCORPORATING A CAPL 1981 OPERATING PROCEDURE) AS AMENDED (THE "OPERATING AGREEMENT") INCLUDING, BUT NOT LIMITED TO, THE "JOINT LANDS" DESCRIBED AS:</p> <p>THE EAST HALF OF SECTION 11 TOWNSHIP 036 RANGE 21 WEST OF THE 4TH MERIDIAN AS TO PETROLEUM AND NATURAL GAS FROM BELOW THE TOP OF THE MISSISSIPPIAN FORMATION TO THE BASE OF THE LEDUC FORMATION.</p> <p>B. ALL OF THE DEBTOR'S PERSONAL PROPERTY INTERESTS IN WELLS (INCLUDING BUT NOT LIMITED TO ABANDONED, SHUT?IN, SUSPENDED, CAPPED, PRODUCING, WATER INJECTION, WATER SOURCE, WASTE DISPOSAL, OIL OR GAS WELLS AND ANY OTHER WELLS AND OTHER WELLS) LOCATED ON THE JOINT LANDS, INCLUDING THE WELL BORES, WELLHEAD, AND ALL MATERIALS AND EQUIPMENT IN THE WELLBORE.</p>	Current
2	<p>C. ALL OF THE DEBTOR'S PRESENT AND AFTER?ACQUIRED INTERESTS IN EQUIPMENT AND PRODUCTION FACILITIES ON THE JOINT LANDS OR LOCATED ELSEWHERE BUT SERVING OR INTENDED TO SERVE ANY WELL OR WELLS LOCATED ON THE JOINT LANDS (INCLUDING WITHOUT LIMITATION ANY BATTERY, SEPARATOR, COMPRESSOR STATION, GAS PROCESSING PLANT, GATHERING SYSTEM, PIPELINE, PRODUCTION STORAGE FACILITY OR WAREHOUSE, SURFACE AND SUBSURFACE MACHINERY, APPARATUS, FACILITIES AND OTHER PROPERTY AND ASSETS OF WHATSOEVER NATURE AND KIND FOR THE PRODUCTION, TREATMENT, STORAGE OR TRANSPORTATION OF HYDROCARBONS, CASING, TUBING, RODS, PUMPS AND PUMPING EQUIPMENT, SEPARATORS, FLOW LINES, TANKS, TREATERS, HEATERS, COMPRESSORS PLANTS AND SYSTEMS TO TREAT, DISPOSE OF OR INJECT WATER OR OTHER SUBSTANCES, POWER PLANTS, POLES, LINES, TRANSFORMERS, STARTERS, CONTROLLERS, MACHINE SHOPS, TOOLS, SPARE PARTS AND SPARE EQUIPMENT, COMPUTERS, TELEGRAPH, TELEPHONE, RADIO AND OTHER COMMUNICATION EQUIPMENT, RACKS AND STORAGE FACILITIES).</p> <p>D. ALL OF THE DEBTOR'S PRESENT AND AFTER?ACQUIRED PERSONAL PROPERTY INTERESTS IN PETROLEUM SUBSTANCES PRODUCED OR RECOVERABLE FROM THE JOINT LANDS (INCLUDING WITHOUT LIMITATION, PETROLEUM, OOR SOLID) AND WHETHER HYDROCARBONS OR NOT PRODUCED IN ASSOCIATION THEREWITH INCLUDING ANY SUBSTANCES WITHIN PIPELINES AND FLOWLINES.</p>	Current

Search ID #: Z17536222

- 3 E. PROCEEDS: PROCEEDS IN ANY FORM RESULTING DIRECTLY OR INDIRECTLY FROM THE SALE OF OR OTHER DEALING WITH ANY OF THE COLLATERAL DESCRIBED HEREIN INCLUDING WITHOUT LIMITATION ALL: Current
- ACCOUNTS,
 - CHEQUES,
 - CONTRACT RIGHTS,
 - CHATTEL PAPER,
 - DOCUMENTS OF TITLE,
 - INSTRUMENTS,
 - INTANGIBLES,
 - MONEYS,
 - AMOUNTS PAID OR PAYABLE PURSUANT TO POLICIES OF INSURANCE COVERING THE COLLATERAL OR THAT INDEMNIFY OR COMPENSATE FOR LOSS OR DAMAGE TO THE COLLATERAL; AND ANY OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN SUCH COLLATERAL OR PROCEEDS THEREOF ARE SOLD, COLLECTED, DISPOSED, EXCHANGED OR OTHERWISE DEALT WITH AND ALL PROCEEDS OF PROCEEDS, WHETHER OF THE SAME OR OF A DIFFERENT TYPE, CLASS, ITEM OR KIND AS THE ORIGINAL COLLATERAL OR PROCEEDS.
- IL, NATURAL GAS, NATURAL GAS LIQUIDS, METHANE, ETHANE, BUTANE, PROPANE, PENTANES PLUS, CONDENSATE, AND ALL OTHER SUBSTANCES WHETHER LIQUID

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 15021925719

Registration Type: LAND CHARGE

Registration Date: 2015-Feb-19

Registration Status: Current

Registration Term: Infinity

Inexact Match on: Debtor No: 1

Debtor(s)

Block

Status

Current

1 LONG RUN EXPLORATION
2400, 525 - 8TH AVENUE S.W.
CALGARY, AB T2P 0G1

Secured Party / Parties

Block

Status

Current

1 BEARSPAW PETROLEUM LTD.
5309, 333 - 96TH AVENUE N.E.
CALGARY, AB T3K 0S3
Phone #: 403 258 3767

Search ID #: Z17536222

Particulars

<u>Block</u>	<u>Additional Information</u>	<u>Status</u>
1	<p>THIS LAND CHARGE REGISTRATION IS LIMITED TO THE INTERESTS OF THE DEBTOR IN ALBERTA CROWN PETROLEUM AND NATURAL GAS LEASE 32138 (THE "CROWN LEASE") WHICH IS GOVERNED BY A RETROSPECTIVE JOINT OPERATING AGREEMENT DATED MARCH 01, 1995 ORIGINALLY AMONG PEMBINA RESOURCES, COREXCANA LTD, PETROREP RESOURCES LTD, BENSON PETROLEUM LTD, LANGEVIN RESOURCES, MAXX PETROLEUM LTD, CANADIAN CONQUEST EXPLORATION INC, CHAUVCO RESOURCES LTD, QUANTEX RESOURCES LTD, RENAISSANCE ENERGY LTD, (INCORPORATING A CAPL1981 OPERATION PROCEDURE) AS AMENDED (THE "OPERATING AGREEMENT") INCLUDING, BUT NOT LIMITED TO, THE JOINT LANDS DESCRIBED AS:</p> <p>THE EAST HALF OF SECTION 11 TOWNSHIP 036 RANGE 21 WEST OF THE 4TH MERIDIAN AS TO PETROLEUM AND NATURAL GAS FROM BELOW THE TOP OF THE MISSISSIPPIAN FORMATION TO THE BASE OF LEDUC FORMATION.</p> <p>(THE "CROWN LANDS")</p> <p>PROCEEDS: PROCEEDS IN ANY FORM RESULTING DIRECTLY OR INDIRECTLY FROM THE SALE OF OR OTHER DEALING WITH ANY OF THE COLLATERAL DESCRIBED HEREIN INCLUDING WITHOUT LIMITATION ALL:</p> <ul style="list-style-type: none">- ACCOUNTS,- CHEQUES,- CONTRACT RIGHTS,- CHATTEL PAPER,- DOCUMENTS OF TITLE,- INSTRUMENTS,- INTANGIBLES,- MONEYS,- SECURITIES,- AMOUNTS PAID OR PAYABLE PURSUANT TO POLICIES OF INSURANCE COVERING THE COLLATERAL; AND ANY OTHER PROPERTY OR OBLIGATIONS RECEIVED WHEN SUCH COLLATERAL OR PROCEEDS THEREOF ARE SOLD, COLLECTED DISPOSED, EXCHANGED OR OTHERWISE DEALT WITH AND ALL PROCEEDS OF PROCEEDS, WEATHER OF THE SAME OR OF A DIFFERENT TYPE, CLASS, ITEM OR KIND AS THE ORIGINAL COLLATERAL OR PROCEEDS.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 16062938126

Registration Type: SECURITY AGREEMENT

Registration Date: 2016-Jun-29

Registration Status: Current

Expiry Date: 2026-Jun-29 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
400, 250 - 2 STREET SW
CALGARY, AB T2P 0C1

Current

Secured Party / Parties

Block

Status

1 CALGARY SINOENERGY INVESTMENT CORP.
1500, 444 - 5 AVENUE SW
CALGARY, AB T2P 2T8

Current

Collateral: General

Block

Description

Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 16062938173

Registration Type: LAND CHARGE

Registration Date: 2016-Jun-29

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
400, 250 - 2 STREET SW
CALGARY, AB T2P 0C1

Current

Secured Party / Parties

Block

Status

1 CALGARY SINOENERGY INVESTMENT CORP.
1500, 444 - 5 AVENUE SW
CALGARY, AB T2P 2T8

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 17012618773

Registration Type: SECURITY AGREEMENT

Registration Date: 2017-Jan-26

Registration Status: Current

Expiry Date: 2037-Jan-26 23:59:59

Exact Match on: Debtor No: 3

Amendments to Registration

19043007805	Amendment	2019-Apr-30
20073029611	Amendment	2020-Jul-30
24041230801	Amendment	2024-Apr-12

Debtor(s)

Block

1 LONG RUN EXPLORATION LTD.
SUITE 400, 250-2ND STREET SW
CALGARY, AB T2P 0C1

Status

Deleted by
24041230801

Block

2 LONG RUN EXPLORATION LTD.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Status

Deleted by
24041230801

Block

3 LONG RUN EXPLORATION LTD.
ELVEDEN CENTRE, 300, 707-7TH AVE SW
CALGARY, AB T2P 3H6

Status

Current by
24041230801

Secured Party / Parties

Block

1 CHINA CONSTRUCTION BANK, TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3

Status

Deleted by
20073029611

Search ID #: Z17536222

Block

2 CHINA CONSTRUCTION BANK TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3

Status

Deleted by
20073029611

Block

3 CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current by
20073029611

Block

4 CHINA CONSTRUCTION BANK TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current by
20073029611

Block

5 CHINA CONSTRUCTION BANK, TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current by
20073029611

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Status

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 17012618806

Registration Type: LAND CHARGE

Registration Date: 2017-Jan-26

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 3

Amendments to Registration

19043007898	Amendment	2019-Apr-30
20073029517	Amendment	2020-Jul-30
24041230833	Amendment	2024-Apr-12

Debtor(s)

Block

1 LONG RUN EXPLORATION LTD.
SUITE 400, 250-2ND STREET SW
CALGARY, AB T2P 0C1

Status

Deleted by
24041230833

Block

2 LONG RUN EXPLORATION LTD.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Status

Deleted by
24041230833

Block

3 LONG RUN EXPLORATION LTD.
ELVEDEN CENTRE, 300, 707-7TH AVE SW
CALGARY, AB T2P 3H6

Status

Current by
24041230833

Secured Party / Parties

Block

1 CHINA CONSTRUCTION BANK, TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3

Status

Deleted by
20073029517

Search ID #: Z17536222

Block

2 CHINA CONSTRUCTION BANK TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3

Status

Deleted by
20073029517

Block

3 CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current by
20073029517

Block

4 CHINA CONSTRUCTION BANK TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current by
20073029517

Block

5 CHINA CONSTRUCTION BANK, TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current by
20073029517

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 19062713259

Registration Date: 2019-Jun-27

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Jun-27 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LT
BOX 13035 CENTENNIAL
CALGARY, AB T2P0Y2

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
4620 BLACKFOOT TR SE
CALGARY, AB T2G4G2

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFX1E40KKD78088	2019	FORD F150	MV - Motor Vehicle	Current
2	1FTFX1E42KKD78089	2019	FORD F150	MV - Motor Vehicle	Current
3	1FTFX1E49KKD78090	2019	FORD F150	MV - Motor Vehicle	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 19080706769

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Aug-07

Registration Status: Current

Expiry Date: 2024-Aug-07 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
BOX 13035 CENTENNIAL
CALGARY, AB T2P0Y2

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
4620 BLACKFOOT TR SE
CALGARY, AB T2G4G2

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFX1E4XKKE19021	2019	FORD F150	MV - Motor Vehicle	Current
2	1FTFX1E41KKE19022	2019	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 19081308504

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Aug-13

Registration Status: Current

Expiry Date: 2024-Aug-13 23:59:59

Inexact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LT
BOX 13035 CENTENNIAL
CALGARY, AB T2P0Y2

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
4620 BLACKFOOT TR SE
CALGARY, AB T2G4G2

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFX1E43KKE19023	2019	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 19091108753

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Sep-11

Registration Status: Current

Expiry Date: 2024-Sep-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
4620 BLACKFOOT TR SE
CALGARY, AB T2G4G2

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3C6TR5EJ6KG605180	2019	DODGE RAM 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 19092709316

Registration Type: SECURITY AGREEMENT

Registration Date: 2019-Sep-27

Registration Status: Current

Expiry Date: 2024-Sep-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
4620 BLACKFOOT TR SE
CALGARY, AB T2G4G2

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3C6TR5EJXKG605182	2019	DODGE RAM 2500	MV - Motor Vehicle	Current
2	3C6TR5EJ8KG605181	2019	DODGE RAM 2500	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 20020336573

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Feb-03

Registration Status: Current

Expiry Date: 2025-Feb-03 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E43LFA30735	2020	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 20050806711

Registration Type: ATTACHMENT ORDER

Registration Date: 2020-May-08

Registration Status: Current

Registration Term: Infinity

Issued in Calgary Judicial Centre

Court File Number is 2001-03353

Court Order Date is 2020-Apr-23

The Attachment Amount is \$0.00

Exact Match on: Debtor No: 5

Solicitor / Agent

JENSEN SHAWA SOLOMON DUGUID HAWKES LLT C/O JSS BARRISTERS
800, 304-8 AVENUE SW
CALGARY, AB T2P 1C2

Phone #: 403 571 1520

Fax #: 403 571 1528

Reference #: 14828.001

Email: accounting@jssbarristers.ca

Defendant(s) / Respondent(s)

Block

Status

1 DENG, TIANZHOU
40 DISCOVERY RIDGE COURT SW
CALGARY, AB T3H 4P8

Gender:
Male

Birth Date:
1956-Aug-13

Current

Block

Status

2 DENG, XIAOBO
40 DISCOVERY RIDGE COURT SW
CALGARY, AB T3H 4P8

Gender:
Female

Current

Search ID #: Z17536222

Block

3 DENG, LAKE
40 DISCOVERY RIDGE COURT SW
CALGARY, AB T3H 4P8

Gender:
Female

Status

Current

Block

4 CALGARY SINOENERGY INVESTMENT CORP.
1900, 520-3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current

Block

5 LONG RUN EXPLORATION LTD.
1900, 520-3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current

Plaintiff(s) / Applicant(s)

Block

1 HENENGHAIXIN CORP.
700, 600-3 AVE SW
CALGARY, AB T2P 0G5
Email: accounting@jssbarristers.ca

Status

Current

Collateral: General

Block

Description

1 any bank, investment or other account at any bank, financial or other institution; any motor vehicle, trailer, or other vehicle registered to the Defendants; any real property in which the Defendants have any interest; any and all other personal property of any description whatsoever; and any and all share certificates, negotiable instruments and the like.

Status

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 20073028631

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Jul-30

Registration Status: Current

Expiry Date: 2030-Jul-30 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

24041230857

Amendment

2024-Apr-12

Debtor(s)

Block

1 LONG RUN EXPLORATION LTD.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Status

Deleted by
24041230857

Block

2 LONG RUN EXPLORATION LTD.
ELVEDEN CENTRE, 300, 707-7TH AVE SW
CALGARY, AB T2P 3H6

Status

Current by
24041230857

Secured Party / Parties

Block

1 CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current

Collateral: General

Block

Description

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Status

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 20073028698

Registration Type: LAND CHARGE

Registration Date: 2020-Jul-30

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 2

Amendments to Registration

24041230872

Amendment

2024-Apr-12

Debtor(s)

Block

1 LONG RUN EXPLORATION LTD.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Status

Deleted by
24041230872

Block

2 LONG RUN EXPLORATION LTD.
ELVEDEN CENTRE, 300, 707-7TH AVE SW
CALGARY, AB T2P 3H6

Status

Current by
24041230872

Secured Party / Parties

Block

1 CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Status

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 20081405676

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Aug-14

Registration Status: Current

Expiry Date: 2026-Aug-14 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTEW1E57LKD84091	2020	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21012825363

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Jan-28

Registration Status: Current

Expiry Date: 2026-Jan-28 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE SW
CALGARY, AB T2P 0G5

Secured Party / Parties

Block

Status

Current

1 CALTEX RESOURCES LTD.
1500, 717 - 7TH AVE SW
CALGARY, AB T2P 0Z3
Email: dgrandoni@caltexresources.com

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>All personal property interests governed by the Joint Operating Agreement (incorporating CAPL 1990 Operating Procedure) dated June 2, 2006 among Flow-Back Oil & Gas Ltd., Black Bore Resources Ltd. and Sutton Energy Ltd. (Collectively, the "Parties") as may be amended from time to time (the "Operating Agreement") including but not limited to personal property interests in:</p> <p>A. The joint lands under the Operating Agreement which include but are not limited to, Twp 76 Rge 1 W6M: Sec 20 PNG in the Stoddart and Belloy Formations (the "Joint Lands").</p> <p>B. All wells located on the Joint Lands, including the well bores, wellhead, and all materials and equipment in the wellbore.</p> <p>C. All equipment and production facilities on, or in the vicinity of the Joint Lands serving or intended to serve any well or wells located on the Joint Lands.</p> <p>D. All joint property under the Operating Agreement.</p> <p>E. All petroleum substances produced or recoverable from the Joint Lands, whether hydrocarbons or not or produced in association therewith including any substances within pipelines and flowlines.</p> <p>F. Proceeds: Proceeds in any form resulting directly or indirectly from the sale of or other dealing with any of the collateral referenced above.</p>	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21012825399

Registration Type: LAND CHARGE

Registration Date: 2021-Jan-28

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 CALTEX RESOURCES LTD.
1500, 717 - 7TH AVE SW
CALGARY, AB T2P 0Z3
Email: dgrandoni@caltexresources.com

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21030135265

Registration Type: LAND CHARGE

Registration Date: 2021-Mar-01

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 LONG RUN EXPLORATION LTD.
600, 600-3RD AVE S.W.
CALGARY, AB T2P 0G5

Secured Party / Parties

Block

Status

Current

1 PRAIRIE PROVIDENT RESOURCES CANADA LTD.
1100, 640 - 5TH STREET S.W.
CALGARY, AB T2P 3G4
Email: jdunne@ppr.ca

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21030915516

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Mar-09

Registration Status: Current

Expiry Date: 2026-Mar-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600-600-3 AVENUE SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 RCAP LEASING INC.
5575 NORTH SERVICE RD, STE 300
BURLINGTON, ON L7L 6M1
Email: cms_alberta_notifications@teranet.ca

Current

Collateral: General

Block

Description

Status

1 ALL COPIER EQUIPMENT FROM TIME TO TIME LEASED BY THE SECURED PARTY TO THE DEBTOR AS DESCRIBED ON LEASES, CONDITIONAL SALES AGREEMENTS AND ANY OTHER FINANCING AGREEMENTS ENTERED INTO BETWEEN THE SECURED PARTY AND THE DEBTOR FROM TIME TO TIME AND ANY PROCEEDS THEREOF, TOGETHER WITH ALL REPLACEMENT PARTS, ACCESSORIES AND ATTACHMENTS, (4) SHARP MX3071 MFP C/W ALL ATTACHMENTS AND ACCESSORIES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21032205376

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Mar-22

Registration Status: Current

Expiry Date: 2027-Mar-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties**Block****Status**

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E83MFA01112	2021	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21032229530

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Mar-22

Registration Status: Current

Expiry Date: 2027-Mar-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E82MFA00453	2021	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21040725691

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Apr-07

Registration Status: Current

Expiry Date: 2027-Apr-07 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FT7W2B69MED33333	2021	FORD F250	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21050705066

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-07

Registration Status: Current

Expiry Date: 2027-May-07 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
400, 250 - 2 STREET SW
CALGARY, AB T2P0C1

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FT7W2B60MED33334	2021	FORD F250	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051124996

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-11

Registration Status: Current

Expiry Date: 2027-May-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FT7W2B60MED33334	2021	FORD F250	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051730868

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-17

Registration Status: Current

Expiry Date: 2027-May-17 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E83MKD75078	2021	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051830171

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-18

Registration Status: Current

Expiry Date: 2026-May-18 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

21052012322

Amendment

2021-May-20

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE. SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 BRIKO ENERGY CORP.
1700, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Deleted by
21052012322

Block

Status

2 BRIKO ENERGY CORP.
1710, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Current by
21052012322

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>All personal property interests governed by the Agreement for the Construction, Ownership and Operation of the Kisku Gas Processing Facilities dated March 1, 2002 (incorporating the 1999 PJVA Operating Procedure) among Husky Oil Operations Limited and BG Exploration and Production Partnership. (collectively, the "Parties") as may be amended from time to time (the "Operating Agreement") including but not limited to personal property interests in:</p> <p>A. All present and future goods comprised of the Debtor's share of the substances recovered from the facility as is described in the Operating Agreement, which are available for delivery from such facility pursuant to the Operating Agreement.</p> <p>B. All present and future securities and intangibles comprised of the Debtor's right, title and interest in and to the percentage interest ownership of the Debtor in the facility as is described in the Operating Agreement.</p> <p>C. Proceeds: Proceeds in any form resulting directly or indirectly from the sale of or other dealing with any of the collateral referenced above.</p>	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051830283

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-18

Registration Status: Current

Expiry Date: 2026-May-18 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

21052012925

Amendment

2021-May-20

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE. SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 BRIKO ENERGY CORP.
1700, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Deleted by
21052012925

Block

Status

2 BRIKO ENERGY CORP.
1710, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Current by
21052012925

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>All personal property interests governed by the Joint Operating Agreement dated October 24, 2002 (incorporating the 1990 CAPL Operating Procedure) among Husky Oil Operations Limited and El Paso Velvet Exploration Partnership. as may be amended from time to time (the "Operating Agreement") including but not limited to personal property interests in:</p> <p>A. The joint lands under the Operating Agreement which include but are not limited to, TWP 57 RGE 2 W6M: 13. PNG to base Cardium (the "Joint Lands").</p> <p>B. All wells located on the Joint Lands, including the well bores, wellhead, and all materials and equipment in the wellbore.</p> <p>C. All equipment and production facilities on, or in the vicinity of the Joint Lands serving or intended to serve any well or wells located on the Joint Lands.</p> <p>D. All joint property under the Operating Agreement.</p> <p>E. All petroleum substances produced or recoverable from the Joint Lands, whether hydrocarbons or not or produced in association therewith including any substances within pipelines and flowlines.</p> <p>F. Proceeds: Proceeds in any form resulting directly or indirectly from the sale of or other dealing with any of the collateral referenced above.</p>	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051830344

Registration Type: LAND CHARGE

Registration Date: 2021-May-18

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Amendments to Registration

21052013201

Amendment

2021-May-20

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE. SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 BRIKO ENERGY CORP.
1700, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Deleted by
21052013201

Block

Status

2 BRIKO ENERGY CORP.
1710, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Current by
21052013201

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051830627

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-May-18

Registration Status: Current

Expiry Date: 2026-May-18 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

21052013487

Amendment

2021-May-20

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE. SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 BRIKO ENERGY CORP.
1700, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Deleted by
21052013487

Block

Status

2 BRIKO ENERGY CORP.
1710, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Current by
21052013487

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>All personal property interests governed by the Joint Operating Agreement dated July 23, 2003 (incorporating the 1990 CAPL Operating Procedure) among Husky Oil Operations Limited, Talisman Energy Canada and El Paso Velvet Exploration Partnership. as may be amended from time to time (the "Operating Agreement") including but not limited to personal property interests in:</p> <p>A. The joint lands under the Operating Agreement which include but are not limited to, TWP 57 Rge 2 W6M: 33, 34; and TWP 58 RGE 2 W6M: 1, 12. PNG to base Cardium (the "Joint Lands").</p> <p>B. All wells located on the Joint Lands, including the well bores, wellhead, and all materials and equipment in the wellbore.</p> <p>C. All equipment and production facilities on, or in the vicinity of the Joint Lands serving or intended to serve any well or wells located on the Joint Lands.</p> <p>D. All joint property under the Operating Agreement.</p> <p>E. All petroleum substances produced or recoverable from the Joint Lands, whether hydrocarbons or not or produced in association therewith including any substances within pipelines and flowlines.</p> <p>F. Proceeds: Proceeds in any form resulting directly or indirectly from the sale of or other dealing with any of the collateral referenced above.</p>	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21051830762

Registration Type: LAND CHARGE

Registration Date: 2021-May-18

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Amendments to Registration

21052013894

Amendment

2021-May-20

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD AVE. SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 BRIKO ENERGY CORP.
1700, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Deleted by
21052013894

Block

Status

2 BRIKO ENERGY CORP.
1710, 736 6TH AVE. SW
CALGARY, AB T2P 3T7
Email: KBenders@brikoenergy.com

Current by
21052013894

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21062930958

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Jun-29

Registration Status: Current

Expiry Date: 2025-May-30 23:59:59

Issued in Edmonton Judicial Centre

Court File Number is 2103 07699

Judgment Date is 2021-May-14

This Writ was issued on 2021-May-14

Type of Judgment is Crown

Original Judgment Amount: \$113.40

Costs Are: \$0.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$113.40

Exact Match on:

Debtor

No: 2

Amendments to Registration

23053023007

Renewal

2023-May-30

Solicitor / Agent

SERVICE ALBERTA, CROWN DEBT COLLECTIONS
8TH FLOOR, JOHN E. BROWNLEE BUILDING
EDMONTON, AB T5J 3W7

Phone #: 780 644 4050

Email: TBFPParalegalServices@gov.ab.ca

Debtor(s)

Block

Status

1 SCAVENGER ENERGY LTD.
700, 2103 - 11 AVENUE
REGINA, SK S4P 4G1

Current

Search ID #: Z17536222

Block

2 LONG RUN EXPLORATION LTD.
1900, 520 - 3 AVE SW
CALGARY, AB T2P 0R3

Status

Current

Creditor(s)

Block

1 HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA
C/O PO BOX 11416
EDMONTON, AB T5J 3K6
Email: TBFPParalegalServices@gov.ab.ca

Status

Current

Particulars

Block

Additional Information

1 Full name of Creditor: HER MAJESTY THE QUEEN IN RIGHT OF ALBERTA, as
represented by the MINISTER OF TREASURY BOARD AND FINANCE

Status

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21093018764

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Sep-30

Registration Status: Current

Expiry Date: 2027-Sep-30 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

24010322118

Amendment

2024-Jan-03

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: ABppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTEW1E50LFC69566	2020	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW1E54LKF29754	2020	FORD F-150	MV - Motor Vehicle	Deleted By 24010322118
3	1FTEW1E53LKF29756	2020	FORD F-150	MV - Motor Vehicle	Current

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21101912354

Registration Date: 2021-Oct-19

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2027-Oct-19 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties**Block****Status**

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: ABppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E84MFC52897	2021	FORD F150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21102227951

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Oct-22

Registration Status: Current

Expiry Date: 2027-Oct-22 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: ABppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E85MFC52908	2021	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21111103746

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Nov-11

Registration Status: Current

Expiry Date: 2027-Nov-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: ABppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FT7W2B6XNEC49927	2022	FORD F-250	MV - Motor Vehicle	Current
2	1FTFW1E87MFC52909	2021	FORD F-150	MV - Motor Vehicle	Current
3	1FTFW1E83MFC52910	2021	FORD F-150	MV - Motor Vehicle	Current
4	1FTFW1E85MFC52911	2021	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 21112515536

Registration Type: SECURITY AGREEMENT

Registration Date: 2021-Nov-25

Registration Status: Current

Expiry Date: 2027-Nov-25 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

24021508045

Amendment

2024-Feb-15

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: ABppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E85MKE60052	2021	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW1E82MFC52896	2021	FORD F-150	MV - Motor Vehicle	Current
3	1FTFW1E80MFC52895	2021	FORD F-150	MV - Motor Vehicle	Deleted By 24021508045

Search ID #: Z17536222

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22041226524

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Apr-12

Registration Status: Current

Expiry Date: 2028-Apr-12 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3C6TR5EJ4NG220513	2022	RAM 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22053135312

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-May-31

Registration Status: Current

Expiry Date: 2025-May-31 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
331021 RANGE ROAD 26-3
TORRINGTON, AB T0M 2B0

Current

Secured Party / Parties

Block

Status

1 702856 ALBERTA LTD
940A 11TH AVENUE SW
CALGARY, AB T2R 0E7
Phone #: 403 262 7224
Email: dm@gocip.com

Current

Collateral: General

Block

Description

Status

1 Sharp 36 PPM Color MFP Copier Serial Number 4305191X

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22062125598

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jun-21

Registration Status: Current

Expiry Date: 2025-Jun-21 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
331021 RANGE ROAD 26-3
TORRINGTON, AB T0M 2B0

Current

Secured Party / Parties

Block

Status

1 702856 ALBERTA LTD O/A CONTINENTAL IMAGING PRODUCTS
940A 11TH AVENUE SW
CALGARY, AB T2R 0E7
Email: pb@gocip.com

Current

Collateral: General

Block

Description

Status

1 Sharp 36PPM Colour MFP Copier Serial Number 4503191X

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22070903587

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-09

Registration Status: Current

Expiry Date: 2028-Jul-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E86NFB07166	2022	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22072705293

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Jul-27

Registration Status: Current

Expiry Date: 2028-Jul-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	4XARRE992N8012310	2022	POLARIS RANGER	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22080829771

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Aug-08

Registration Status: Current

Expiry Date: 2025-Aug-08 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
10071 - 120 AVENUE, #6
GRAND PRAIRIE, AB T8V 8H8

Current

Secured Party / Parties

Block

Status

1 702856 ALBERTA LTD. O/A CONTINENTAL IMAGING PRODUCTS
940A 11TH AVENUE SW
CALGARY, AB T2R 0E7
Email: pb@gocip.com

Current

Collateral: General

Block

Description

Status

1 Sharp 36 PPM Colour MFP Copier Serial Number 15094466

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22080829822

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Aug-08

Registration Status: Current

Expiry Date: 2025-Aug-08 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
4612 - 44 STREET BOX 456
REDWATER, AB T0A 2W0

Current

Secured Party / Parties

Block

Status

1 702856 ALBERTA LTD. O/A CONTINENTAL IMAGING PRODUCTS
940A 11TH AVENUE SW
CALGARY, AB T2R 0E7
Email: pb@gocip.com

Current

Collateral: General

Block

Description

Status

1 Sharp 36 PPM Colour MFP Copier Serial Number 25029311

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22090225292

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Sep-02

Registration Status: Current

Expiry Date: 2028-Sep-02 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E89NKE46687	2022	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW1E84NKE46743	2022	FORD F-150	MV - Motor Vehicle	Current
3	1FTFW1E87NKE46817	2022	FORD F-150	MV - Motor Vehicle	Current
4	1FTFW1E86NKE46954	2022	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22101317616

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Oct-13

Registration Status: Current

Expiry Date: 2028-Oct-13 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E89NKE46687	2022	FORD F150	MV - Motor Vehicle	Current
2	1FTFW1E87NKE46817	2022	FORD F150	MV - Motor Vehicle	Current
3	1FTFW1E86NKE46954	2022	FORD F150	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22111516193

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Nov-15

Registration Status: Current

Expiry Date: 2027-Nov-15 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23092213959

Amendment

2023-Sep-22

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
EAU CLAIR TOWER 600, 600 3RD AVE SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 MIDSTREAM EQUIPMENT CORP.
BOX 5799
HIGH RIVER, AB T1V 1P3
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Deleted by
23092213959

Block

Status

2 MIDSTREAM EQUIPMENT CORPORATION LTD..
27 DURUM DRIVE
WHEATLAND COUNTY, AB T1P 0R7
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Current by
23092213959

Collateral: General

Block

Description

Status

1 Unit 1180 Natural Gas Comperssor 99HP Cummins 8.3 Engine GE8302 Compressor

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22111516300

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Nov-15

Registration Status: Current

Expiry Date: 2027-Nov-15 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

23092126354

Amendment

2023-Sep-21

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
EAU CLAIRE TOWER 600,600 3RD AVE SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 MIDSTREAM EQUIPMENT CORP.
BOX 5799
HIGH RIVER, AB T1V 1P3
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Deleted by
23092126354

Block

Status

2 MIDSTREAM EQUIPMENT CORPORATION LTD.
27 DURUM DRIVE
WHEATLAND COUNTY, AB T1P 0R7
Phone #: 587 583 1642
Email: jenna.oreilly@midstreamequipment.com

Current by
23092126354

Collateral: General

Block

Description

Status

1 Unit 1030 Natural Gas Compressor Cat 3306TA Engine 203HP Ariel JGA2 Compressor

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22120204837

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Dec-02

Registration Status: Current

Expiry Date: 2028-Dec-02 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E89NFB60038	2022	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 22121520428

Registration Type: SECURITY AGREEMENT

Registration Date: 2022-Dec-15

Registration Status: Current

Expiry Date: 2028-Dec-15 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	2GC4YLE76P1710066	2023	CHEVROLET SILVER 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23010626436

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Jan-06

Registration Status: Current

Expiry Date: 2029-Jan-06 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E84PFA02791	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23010916582

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Jan-09

Registration Status: Current

Expiry Date: 2029-Jan-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E84PFA02791	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23030915989

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Mar-09

Registration Status: Current

Expiry Date: 2029-Mar-09 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GT49LE76PF239381	2023	GMC SIERRA 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23040603556

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Apr-06

Registration Status: Current

Expiry Date: 2029-Apr-06 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E88PFA59334	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23051106005

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-May-11

Registration Status: Current

Expiry Date: 2029-May-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GT49LE76PF237730	2023	GMC SIERRA 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23051116244

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-May-11

Registration Status: Current

Expiry Date: 2029-May-11 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	2GC4YNE72P1719987	2023	CHEVROLET SILVER 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23062307592

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Jun-23

Registration Status: Current

Expiry Date: 2029-Jun-23 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E87PKD79848	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23070521783

Registration Date: 2023-Jul-05

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2029-Jul-05 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)**Block****Status**

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties**Block****Status**

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	4XARRE991P8437665	2023	POLARIS RANGER	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23071926513

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Jul-19

Registration Status: Current

Expiry Date: 2029-Jul-19 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E84PKE41920	2023	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW1E82PKE40913	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23071927801

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Jul-19

Registration Status: Current

Expiry Date: 2029-Jul-19 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3C6UR5CJ6PG582496	2023	DODGE RAM 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23080226547

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Aug-02

Registration Status: Current

Expiry Date: 2029-Aug-02 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E85PKD79279	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23080417015

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Aug-04

Registration Status: Current

Expiry Date: 2029-Aug-04 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E85PKE41179	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23091811318

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Sep-18

Registration Status: Current

Expiry Date: 2029-Sep-18 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E83PFB74861	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23120706920

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Dec-07

Registration Status: Current

Expiry Date: 2029-Dec-07 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E81PFC78877	2023	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW1E88PFC80027	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 23120810821

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Dec-08

Registration Status: Current

Expiry Date: 2029-Dec-08 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW1E8XPFC78876	2023	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW1E89PFC79968	2023	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 24013129477

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Jan-31

Registration Status: Current

Expiry Date: 2028-Jan-31 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
600, 600 - 3RD STREET S.W.
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 PEMPINA PIPELINE CORPORATION
4000, 585 - 8TH AVENUE S.W.
CALGARY, AB T2P 2G1
Email: legalnotices@pembina.com

Current

Collateral: General

Block

Description

Status

1 All of the Debtor' s petroleum, including without limitation crude petroleum, ethane plus, propane plus, butane and condensate, in the custody of the Secured Party from time to time under, pursuant to or in accordance with any transportation services agreement between the Debtor and the Secured Party and all proceeds in any form arising in connection with the collateral described above.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 24022116178

Registration Type: LAND CHARGE

Registration Date: 2024-Feb-21

Registration Status: Current

Registration Term: Infinity

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD.
EAU CLAIRE TOWER 600, 600 3RD AVE SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 PERRON VENTURES LTD.
PO BOX 2182 70259 RR 230
VALLEYVIEW, AB T0H 3N0
Email: rod@perronventures.com

Current

Particulars

Block

Additional Information

Status

1 Gas Plant Located at 7 of 4 71-18-W5

Current

Block

Additional Information

Status

2 Gas Plant Located at 7 of 12 75-3-W6

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 24031821894

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-Mar-18

Registration Status: Current

Expiry Date: 2030-Mar-18 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	3C6UR5CJ0RG177866	2024	RAM 2500	MV - Motor Vehicle	Current
2	3C6UR5CJ2RG177867	2024	RAM 2500	MV - Motor Vehicle	Current
3	3C6UR5CJ4RG177868	2024	RAM 2500	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.	Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 24050123297

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-May-01

Registration Status: Current

Expiry Date: 2030-May-01 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW3L89RKD67038	2024	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW3L82RKD62599	2024	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Business Debtor Search For:

LONG RUN EXPLORATION LTD.

Search ID #: Z17536222

Date of Search: 2024-Jun-27

Time of Search: 07:33:31

Registration Number: 24051005579

Registration Type: SECURITY AGREEMENT

Registration Date: 2024-May-10

Registration Status: Current

Expiry Date: 2030-May-10 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 LONG RUN EXPLORATION LTD
600, 600 3 AVE SW
CALGARY, AB T2P0G5

Current

Secured Party / Parties

Block

Status

1 SUMMIT ACCEPTANCE CORP
1260 HIGHFIELD CRES SE
CALGARY, AB T2G5M3
Email: abppsa_notifications@kaizenauto.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1FTFW3L86RKD64940	2024	FORD F-150	MV - Motor Vehicle	Current
2	1FTFW3L87RKD62596	2024	FORD F-150	MV - Motor Vehicle	Current
3	1FTFW3L88RKD62056	2024	FORD F-150	MV - Motor Vehicle	Current

Collateral: General

Block

Description

Status

1 ALL ATTACHMENTS, ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS TO THE ABOVE MENTIONED COLLATERAL AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH SUCH COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR ANY PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO SUCH COLLATERAL OR PROCEEDS OF SUCH COLLATERAL. PROCEEDS: GOODS, SECURITIES, DOCUMENTS OF TITLE, CHATTEL PAPER, INSTRUMENTS, MONEY AND INTANGIBLES.

Current

Search ID #: Z17536222

Result Complete

This is **Exhibit "O"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



Search ID #: Z17547178

Transmitting Party

BLAKE CASSELS & GRAYDON LLP
3500 -855-2ND STREET S.W.
CALGARY, AB T2P4J8

Party Code: 50038397
Phone #: 403 663 2233
Reference #: 14438/2 JMKN

Search ID #: Z17547178

Date of Search: 2024-Jul-02

Time of Search: 08:05:35

Business Debtor Search For:

CALGARY SINOENERGY INVESTMENT CORP.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z17547178

Business Debtor Search For:

CALGARY SINOENERGY INVESTMENT CORP.

Search ID #: Z17547178

Date of Search: 2024-Jul-02

Time of Search: 08:05:35

Registration Number: 17012618843

Registration Type: SECURITY AGREEMENT

Registration Date: 2017-Jan-26

Registration Status: Current

Expiry Date: 2037-Jan-26 23:59:59

Exact Match on: Debtor No: 1

Exact Match on: Debtor No: 2

Amendments to Registration

19043008014

Amendment

2019-Apr-30

20073029223

Amendment

2020-Jul-30

Debtor(s)**Block****Status**

1 CALGARY SINOENERGY INVESTMENT CORP.
SUITE 1500, 444-5TH AVENUE SW
CALGARY, AB T2P 2T8

Current

Block**Status**

2 CALGARY SINOENERGY INVESTMENT CORP.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Current by
19043008014**Secured Party / Parties****Block****Status**

1 CHINA CONSTRUCTION BANK, TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3

Deleted by
20073029223**Block****Status**

2 CHINA CONSTRUCTION BANK TORONTO BRANCH
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3

Deleted by
20073029223

Search ID #: Z17547178

<u>Block</u>		<u>Status</u>
3	CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT 3650 - 181 BAY STREET TORONTO, ON M5J 2T3 Email: tfc@ca.ccb.com	Current by 20073029223
4	CHINA CONSTRUCTION BANK TORONTO BRANCH 3650 - 181 BAY STREET TORONTO, ON M5J 2T3 Email: tfc@ca.ccb.com	Current by 20073029223
5	CHINA CONSTRUCTION BANK, TORONTO BRANCH 3650 - 181 BAY STREET TORONTO, ON M5J 2T3 Email: tfc@ca.ccb.com	Current by 20073029223

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	All right, title and interest of the Debtor in and to, the following, whether now owned or existing or hereafter from time to time acquired, by way of amalgamation or otherwise: (a) All shares in the capital of Long Run Exploration Ltd. ("Pledged Shares") owned by the Debtor, all Security Certificates (as defined in the Personal Property Security Act (Alberta)), if any, and other instruments evidencing or representing such Pledged Shares, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Shares; (b) All additional or substitute shares or other equity interest of any class of Long Run Exploration Ltd. from time to time issued to or otherwise acquired by the Debtor in any manner in respect of the Pledged Shares, the Security Certificates, if any, and other instruments representing such additional or substitute shares, and all dividends, interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or an exchange for any or all of such additional or substitute shares; and (c) All Proceeds in respect of the foregoing and all rights and interest of the Debtor in respect thereof or evidenced thereby, including all money received or receivable from time to time by the Debtor in connection with the sale of any of the foregoing. Proceeds: Goods, chattel paper, investment property, documents of title, instruments, money and intangibles.	Current
2	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current By 20073029223

Search ID #: Z17547178

Business Debtor Search For:

CALGARY SINOENERGY INVESTMENT CORP.

Search ID #: Z17547178

Date of Search: 2024-Jul-02

Time of Search: 08:05:35

Registration Number: 20050806711

Registration Type: ATTACHMENT ORDER

Registration Date: 2020-May-08

Registration Status: Current

Registration Term: Infinity

Issued in Calgary Judicial Centre

Court File Number is 2001-03353

Court Order Date is 2020-Apr-23

The Attachment Amount is \$0.00

Exact Match on: Debtor No: 4

Solicitor / Agent

JENSEN SHAWA SOLOMON DUGUID HAWKES LLT C/O JSS BARRISTERS
800, 304-8 AVENUE SW
CALGARY, AB T2P 1C2

Phone #: 403 571 1520

Fax #: 403 571 1528

Reference #: 14828.001

Email: accounting@jssbarristers.ca

Defendant(s) / Respondent(s)

Block

Status

1 DENG, TIANZHOU
40 DISCOVERY RIDGE COURT SW
CALGARY, AB T3H 4P8

Gender:
Male

Birth Date:
1956-Aug-13

Current

Block

Status

2 DENG, XIAOBO
40 DISCOVERY RIDGE COURT SW
CALGARY, AB T3H 4P8

Gender:
Female

Current

Search ID #: Z17547178

Block

3 DENG, LAKE
40 DISCOVERY RIDGE COURT SW
CALGARY, AB T3H 4P8

Gender:
Female

Status

Current

Block

4 CALGARY SINOENERGY INVESTMENT CORP.
1900, 520-3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current

Block

5 LONG RUN EXPLORATION LTD.
1900, 520-3 AVENUE SW
CALGARY, AB T2P 0R3

Status

Current

Plaintiff(s) / Applicant(s)

Block

1 HENENGHAIXIN CORP.
700, 600-3 AVE SW
CALGARY, AB T2P 0G5
Email: accounting@jssbarristers.ca

Status

Current

Collateral: General

Block

Description

1 any bank, investment or other account at any bank, financial or other institution; any motor vehicle, trailer, or other vehicle registered to the Defendants; any real property in which the Defendants have any interest; any and all other personal property of any description whatsoever; and any and all share certificates, negotiable instruments and the like.

Status

Current

Search ID #: Z17547178

Business Debtor Search For:

CALGARY SINOENERGY INVESTMENT CORP.

Search ID #: Z17547178

Date of Search: 2024-Jul-02

Time of Search: 08:05:35

Registration Number: 20073028551

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Jul-30

Registration Status: Current

Expiry Date: 2030-Jul-30 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 CALGARY SINOENERGY INVESTMENT CORP.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Current

Secured Party / Parties

Block

Status

1 CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Current

Collateral: General

Block

Description

Status

1 ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.

Current

Search ID #: Z17547178

Business Debtor Search For:

CALGARY SINOENERGY INVESTMENT CORP.

Search ID #: Z17547178

Date of Search: 2024-Jul-02

Time of Search: 08:05:35

Registration Number: 20073028676

Registration Type: LAND CHARGE

Registration Date: 2020-Jul-30

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 CALGARY SINOENERGY INVESTMENT CORP.
600, 600 3RD AVENUE SW
CALGARY, AB T2P 0G5

Secured Party / Parties

Block

Status

Current

1 CHINA CONSTRUCTION BANK TORONTO BRANCH, AS COLLATERAL AGENT
3650 - 181 BAY STREET
TORONTO, ON M5J 2T3
Email: tfc@ca.ccb.com

Result Complete

This is **Exhibit "P"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

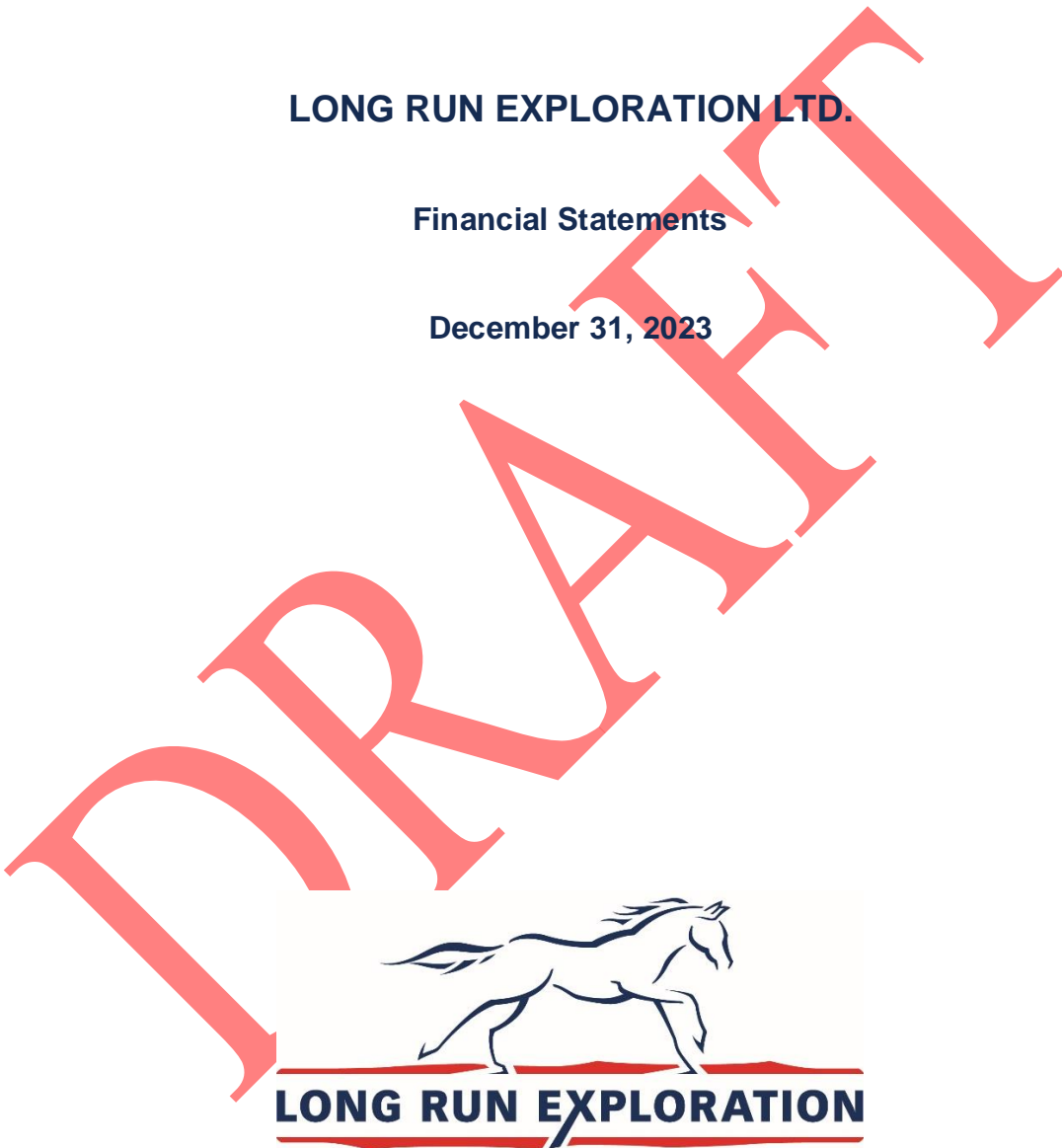
Jake Harris LSO # 85481T



LONG RUN EXPLORATION LTD.

Financial Statements

December 31, 2023



DRAFT

Statement of Financial Position

<i>(\$000s)</i>	December 31, 2023	December 31, 2022
ASSETS		
CURRENT		
Cash	2,360	29,796
Restricted cash (notes 6,18)	1,750	-
Accounts receivable (note 18)	17,150	22,517
Lease receivables (note 22)	3,025	1,550
Deposits and prepaid expenses	2,347	3,086
	26,632	56,949
Restricted cash (notes 6,18)	10,350	12,100
Lease receivables (note 22)	4,024	210
Right-of-use assets (note 7)	2,937	17,960
Property and equipment (note 8)	738,190	860,712
	782,133	947,931
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	52,422	63,961
Lease liability (notes 10, 22)	7,564	7,564
Bank loan (note 11)	350,097	351,330
Convertible debentures (note 13)	74,905	-
Due to Calgary Sinoenergy (note 12)	543,934	-
	1,028,922	422,855
Due to Calgary Sinoenergy (note 12)	-	512,470
Lease liabilities (notes 10, 22)	22,530	29,056
Convertible debentures (note 13)	-	73,834
Decommissioning liabilities (note 9)	308,352	307,737
	1,359,804	1,345,952
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 14)	1,013,629	1,013,629
Equity component of convertible debentures (note 13)	8,116	8,116
Contributed surplus	27,206	27,206
Deficit	(1,626,622)	(1,446,972)
	(577,671)	(398,021)
	782,133	947,931

Going concern (note 2)

Commitments and contingencies (note 20)

Subsequent events (note 6, 7, 10, 22)

See accompanying notes to the financial statements.

Approved on behalf of the Board of Directors:
(signed)

Director

Statement of Income (Loss) and Comprehensive Income (Loss)

(\$000s, except per share amounts)	Year ended December 31	
	2023	2022
REVENUE		
Petroleum and natural gas revenue (note 21)	135,030	195,981
Royalties	(16,127)	(28,568)
	118,903	167,413
Gain (loss) on foreign exchange - unrealized	61	(165)
	118,964	167,248
EXPENSES		
Operating	83,694	86,256
Transportation	7,114	6,606
General and administration (note 15)	4,688	4,507
Interest	47,425	34,797
Accretion (note 9, 10, 11, 13)	12,730	8,731
Depletion and depreciation (note 7, 8)	58,143	58,437
Loss on subleases (note 7)	5,720	151
Impairment expense (reversal) (note 8)	79,100	(103,100)
	298,614	96,385
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	(179,650)	70,863
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) PER SHARE (note 14)		
Basic	(0.91)	0.36
Diluted	(0.91)	0.36

See accompanying notes to the financial statements.

Statement of Changes in Shareholders' Equity

<i>(\$000s)</i>	Share Capital <i>(note 14)</i>	Equity Component of Convertible Debentures <i>(note 13)</i>	Contributed Surplus	Retained Earnings (Deficit)	Total
January 1, 2022	1,013,629	8,116	27,206	(1,517,835)	(468,884)
Comprehensive income	-	-	-	70,863	70,863
December 31, 2022	1,013,629	8,116	27,206	(1,446,972)	(398,021)
Comprehensive loss	-	-	-	(179,650)	(179,650)
December 31, 2023	1,013,629	8,116	27,206	(1,626,622)	(577,671)

See accompanying notes to the financial statements.

Statement of Cash Flows

(\$000s)	Year ended December 31	
	2023	2022
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income (loss)	(179,650)	70,863
Items not requiring cash:		
Unrealized (gain) loss on foreign exchange	(61)	165
Accretion (note 9, 10, 11, 13)	12,730	8,731
Depletion and depreciation (note 7, 8)	58,143	58,437
Loss on subleases (note 7)	5,720	151
Impairment / (impairment reversal) (note 8)	79,100	(103,100)
Abandonment costs (note 9)	(9,853)	(7,509)
Changes in non-cash working capital (note 19)	27,630	4,747
	(6,241)	32,485
INVESTING ACTIVITIES		
Capital expenditures (note 8)	(11,717)	(15,592)
Acquisitions (note 8)	(27)	(484)
Dispositions (note 8)	-	(2)
Changes in non-cash working capital (note 19)	(1,538)	1,999
	(13,282)	(14,079)
FINANCING ACTIVITIES		
Finance lease payments, net of subleases (note 10)	(5,941)	(4,340)
Bank loan repayment (note 11, 18)	(1,972)	(4,901)
	(7,913)	(9,241)
CHANGE IN CASH	(27,436)	9,165
EFFECT OF FOREIGN EXCHANGE ON CASH	-	-
CASH, BEGINNING OF YEAR	29,796	20,631
CASH, END OF YEAR	2,360	29,796
SUPPLEMENTAL INFORMATION		
Interest paid	18,048	12,778

See accompanying notes to the financial statements.

Notes to the Financial Statements For the year ended December 31, 2023

1. REPORTING ENTITY

Long Run Exploration Ltd. ("Long Run" or the "Company") is incorporated under the *Business Corporations Act* (Alberta).

The Company is in the business of development, acquisition, exploration and production of oil and natural gas in western Canada.

The principal address of the Company is located at 300, 707 7th Avenue SW, Calgary, Alberta, T2P 3H6.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), on a going concern basis and under the historical cost convention except where noted in the accounting policies. The financial statements are presented in Canadian dollars.

The Company's ability to continue as a going concern is dependent upon the generation of cash flow from operations, obtaining additional financing and maintaining the continuing financial support from its shareholders. Further, as at December 31, 2023, the first tranche of the Company's bank debt is overdue and repayment can be demanded at any time, and the Company has breached the consolidated senior debt to adjusted consolidated EBITDA covenant, and the adjusted consolidated EBITDA to consolidated interest expense covenant on the bank credit facilities. These circumstances result in a material uncertainty surrounding the Company's ability to continue as a going concern and create significant doubt as to the ability of the Company to meet its obligations as they come due.

The financial statements were authorized for issue by the Board of Directors on XXXX, 2024.

3. MANAGEMENT JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Changes to accounting estimates are recognized in the period in which the estimates are revised.

The amounts recorded for exploration and evaluation assets, property and equipment, depletion and depreciation and impairment testing are based on estimates of proven and probable reserves, production rates, oil and natural gas prices, future costs, future prices and other relevant assumptions. The cash generating unit ("CGU") to which an asset belongs is subject to the judgment of management.

Assumptions that are valid at the time of reserves estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves. Changes in the economic environment could result in significant changes to the discount rate used to calculate net present values.

The provision for decommissioning liabilities is based on estimates of costs and expected plans for remediation. Actual costs may differ from those estimated due to changes in laws and regulations, technology, market and other conditions.

Accruals for revenue, royalties and costs are prepared based on estimates when actual amounts are not yet known.

Notes to the Financial Statements For the year ended December 31, 2023

The fair value of financial derivatives is based on fair value estimates. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future years could be significant.

The provision for income and other tax liabilities, requiring the interpretation of tax laws and regulations which are subject to change, is subject to measurement uncertainty. The recognition of income tax assets requires a determination of the likelihood that they will be realized from future taxable earnings.

Judgement is applied in reviewing each of the contractual arrangements to determine whether the arrangement contains a lease. Leases that are recognized are subject to further judgement and estimation in various areas including lease term and discount rate. In determining the lease term to be recognized, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease liabilities are estimated using a discount rate similar to the Company's incremental borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment term and security.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

Financial instruments

The Company's financial instruments consist of cash, restricted cash, accounts receivable, deposits, lease receivable, accounts payable, bank loan, due to Calgary Sinoenergy and convertible debentures.

Financial derivatives that have not been designated as accounting hedges are classified and measured at fair value through profit or loss. Financial derivatives are recorded and carried on the statement of financial position at fair value, with changes in fair value recognized in the Statement of Income (Loss) and Comprehensive Income (Loss).

Accounts receivable, deposits, restricted cash, lease receivable, accounts payable, bank loan, due to Calgary Sinoenergy and the liability component of convertible debentures are classified and measured at amortized cost. Transaction costs related to financial liabilities measured at amortized cost are initially netted with the fair value of the financial instrument and amortized to net income (loss) over the life of the instrument.

Convertible debentures are separated into their liability and equity components. The liability component accretes to the principal balance at maturity using the effective interest method. The equity component will be reclassified to share capital upon conversion. Any balance in equity that remains after the settlement of the liability is transferred to contributed surplus. The equity portion is recognized net of deferred income taxes and issuance costs.

The Company estimates expected credit losses for accounts receivable at each reporting date using a lifetime expected loss provision. An impairment or reversal of impairment is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss) for the amount required to adjust the loss provision at each reporting date.

At each reporting date, the Company determines whether transfers have occurred between levels in the fair value hierarchy by reassessing the level of classification for each financial asset and financial liability measured or disclosed at fair value in the financial statements. Assessment of the significance

Notes to the Financial Statements For the year ended December 31, 2023

of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Joint operations

The Company's petroleum and natural gas activities may be conducted jointly with others. Joint operations, whereby the jointly controlling parties have rights to the assets and obligations for the liabilities of the arrangement, are accounted for using proportionate consolidation. The financial statements reflect only the Company's proportionate interest in such activities.

Exploration and evaluation assets

Expenditures incurred before the Company has obtained the legal right to explore are expensed in the Statement of Income (Loss) and Comprehensive Income (Loss) as an exploration expense.

Exploration and evaluation assets reflect expenditures for an area where technical feasibility and commercial viability has not yet been determined. Expenditures, including land acquisition, geological and geophysical, drilling and completion costs are capitalized and accumulated pending determination of technical feasibility and commercial viability. Evaluation and exploration assets are not depleted. When assets are determined to be technically feasible and commercially viable, the accumulated costs are assessed for impairment within the CGU and the recoverable amount is transferred to property and equipment.

Exploration and evaluation assets are also assessed for impairment if facts and circumstances suggest the carrying amount exceeds the recoverable amount.

Property and equipment

Property and equipment are stated at cost less accumulated depletion and depreciation and accumulated impairment.

Petroleum and natural gas properties

Property and equipment includes transfers of exploration and evaluation assets, property acquisitions, facilities, directly attributable overhead and share-based compensation expense, as well as land acquisition, geological and geophysical, drilling and completion costs incurred within an area considered to be technically feasible and commercially viable.

Property and equipment is depleted on the unit of production method using estimated gross proven and probable petroleum and natural gas reserves, determined annually by independent professional engineers. Petroleum and natural gas reserves are converted to a common unit of measure on an energy equivalent basis of six mcf of gas to one barrel of oil. Estimated future development costs necessary to bring the reserves into production are included in the depletion calculation. Assets may be excluded from depletion until capable of operation. Undeveloped land is amortized into the depletable base over the term of the leases.

Reserves are the remaining quantities of oil, natural gas and related substances from known accumulations estimated to be recoverable from a given date forward. The estimates of reserves are determined from drilling, geological, geophysical and engineering data based on established technology and specified economic conditions. The guidelines for the determination and classification of reserves are outlined in the Canadian Oil and Gas Evaluation Handbook.

The proven plus probable reserve estimate is defined as a "best estimate" of the remaining recoverable quantities of oil, natural gas and related substances. This estimate should best represent the expected outcome with no optimism or conservatism. In probabilistic terms, there should be at least a 50 percent

Notes to the Financial Statements For the year ended December 31, 2023

probability that the quantities actually recovered in the future will equal or exceed the proven plus probable reserve estimate.

Property and equipment is tested for impairment when indications of impairment or impairment reversal exist.

Disposals

Any gain or loss on the disposal of assets, including oil and natural gas properties, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss).

Impairments

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. If the recoverable amount is less than the carrying value, the asset is considered to be impaired. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from proven and probable reserves.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal. Available fair value indicators, such as recent market transaction information and appropriately discounted cash flow valuation models, are used in determining fair value less costs to sell.

An impairment is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). An impairment recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and subsequently to other assets in the CGU. An impairment recognized in prior periods for an asset other than goodwill is reversed if there has been a change in facts and circumstances used to determine the asset's recoverable amount since the last impairment was recognized, such that the impairment no longer exists or has decreased. An impairment is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment had been recognized.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date using the Company's incremental borrowing rate when the rate implicit in the lease is not readily available. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability adjusted for any sub-leases. Depreciation is recognized on the right-of-use asset over the lease term on a straight-line basis. Accretion expense is recognized on the lease liabilities using the effective interest method and payments made are applied to the lease liability.

Leases that have terms of less than 12 months or leases on which the underlying asset is of low value are recognized as an expense over the lease term.

Notes to the Financial Statements For the year ended December 31, 2023

Lease Receivables

A lease receivable arises when the Company enters into a sub-lease to convey the right to use or control a portion of its right-of-use assets to a third party. At commencement date the lease receivable is recognized and the corresponding right-of-use asset is derecognized and any difference is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). The lease receivable is measured at the present value of the future lease payments using the Company's incremental borrowing rate, if the interest rate implicit in the lease cannot be readily determined. The right of use asset is measured at the present value of the Company's future payments to the lessor for sub-leased assets using the Company's incremental borrowing rate. Accretion is recognized on the lease receivables using the effective interest method.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present, legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured using the best estimate of the amount required to settle the obligation.

Decommissioning liabilities

Decommissioning liabilities arise from the legal obligation to abandon and reclaim property, plant and equipment incurred upon acquisition, construction, development and normal use of the asset. The initial liability is measured at the discounted value of the estimated costs to reclaim and abandon using a risk free rate, subsequently adjusted for the accretion of discount and changes in expected costs. The decommissioning cost is capitalized as part of exploration and evaluation assets or property and equipment, as applicable. The costs capitalized to property and equipment are depleted into earnings based on units of production. Actual costs incurred upon settlement of the obligations are charged against the liability.

Onerous Contracts

An onerous contract is recognized when the unavoidable costs of meeting the contract's obligations exceed the expected economic benefits from the contract. Onerous contracts are recorded at the present value of the future cashflows associated with the contract, and accretion is recognized using the effective interest method.

Revenue recognition

Long Run recognizes crude oil, natural gas, natural gas liquids ("NGLs") and marketing revenue when title passes from Long Run to the purchaser. Production revenues are determined pursuant to the terms outlined in contractual agreements and are based on fixed or variable components. The transaction price for crude oil, natural gas and NGLs is based on the commodity price in the month of production, adjusted for various factors included product quality and location. Commodity prices are based on monthly or daily market indices. Payment for oil crude oil, natural gas, and NGLs typically occurs on the 25th day of the month following the month of the sale.

Foreign exchange

Monetary assets and liabilities denominated in a foreign currency are translated at the rate of exchange in effect at the balance sheet date. Revenues and expenses are translated at the average period rates of exchange. Translation gains and losses are included in the Statement of Income (Loss) and Comprehensive Income (Loss) in the period in which they arise.

Notes to the Financial Statements For the year ended December 31, 2023

Income taxes

Income tax expense is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss), except to the extent it relates to items recognized directly in equity, in which case the related income tax is also recognized in equity. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is recognized using the liability method. Under this method, deferred income tax assets and liabilities are recognized based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period in which the change is substantively enacted. Deferred income tax assets and liabilities are presented as non-current.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is neither a business combination nor an event resulting in income or expense. Deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. A deferred tax asset is recognized only to the extent it is probable that future taxable profits will be available against which the asset can be utilized.

Earnings per share

Basic earnings per share amounts are calculated by dividing net profit by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting earnings and the weighted average number of common shares outstanding using the treasury stock method for the effects of dilutive instruments such as outstanding stock options.

5. CHANGES IN ACCOUNTING POLICIES

New Accounting Policies

Beginning on January 1, 2023, Long Run adopted the IASB issued *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. An entity will be required to disclose its material accounting policy information instead of its significant accounting policies.

Beginning on January 1, 2023, Long Run adopted the IASB issued *Definition of Accounting Estimates (Amendments to IAS 8)* with amendments that are intended to help entities to distinguish between accounting policies and estimates.

Beginning on January 1, 2023, Long Run adopted the IASB issued *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)* with amendments to clarify that the initial recognition exemption does not apply to transactions in which both deductible and taxable temporary differences arise on initial recognition that result in the recognition of equal deferred tax assets and liabilities.

Future Accounting Pronouncements

The IASB has issued a number of amendments to accounting standards, and interpretations that are effective for annual period beginning on or after January 1, 2024. The Company plans to adopt the following pronouncements, however each is not expected to have a material impact. Long Run will continue to evaluate the impact of the pronouncements which will be adopted on their respective effective dates.

Notes to the Financial Statements

For the year ended December 31, 2023

In January 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*, to clarify its requirement for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective January 1, 2024.

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments are effective January 1, 2024, with early adoption permitted.

6. RESTRICTED CASH

Restricted cash consists of a non-interest bearing cash deposit that is collateral for letters of credit under the first tranche of the Company's non-revolving term credit facility (note 11). At December 31, 2023, the maturity date of this deposit was January 9, 2024. Subsequent to December 31, 2023 the cash deposit was split into three deposits of which two deposits with a value of \$1.75 million mature on November 15, 2024 and one deposit with a value of \$10.35 million which matures on January 29, 2025. As at December 31, 2023, \$12.1 million was held in the cash collateral deposit account (December 31, 2022 - \$12.1 million).

7. RIGHT-OF-USE ASSETS

The Company recognizes right-of-use assets and corresponding lease liabilities related to certain office space and office equipment.

(\$000s)	December 31, 2023	December 31, 2022
Right-of-use asset cost	23,203	35,700
Accumulated depreciation	(20,266)	(17,740)
Net book value	2,937	17,960

Right-of-Use Asset Cost

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	35,700	36,783
Additional subleases	(12,497)	(1,083)
Balance, end of year	23,203	35,700

Accumulated Depreciation

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	(17,740)	(14,274)
Depreciation expense	(2,526)	(3,466)
Balance, end of year	(20,266)	(17,740)

During 2023, the Company entered into six (2022 – one) additional sublease contracts for the use of office space. As the amount recovered from the sublease is less than the master lease agreement, the

Notes to the Financial Statements

For the year ended December 31, 2023

Company recorded a loss of \$5.7 million (December 31, 2022 - \$0.2 million) on the Statement of Income (Loss) and Comprehensive Income (Loss).

Subsequent to the year ended December 31, 2023, the Company's lease was terminated by the leaseholder, and a 12 month lease was signed with a new leaseholder for the Company's new principle address (see note 22).

8. PROPERTY AND EQUIPMENT

(\$000s)	December 31, 2023	December 31, 2022
Property and equipment cost	2,777,128	2,764,755
Accumulated depletion, depreciation and impairment	(2,038,938)	(1,904,043)
Net book value	738,190	860,712

Property and Equipment Cost

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	2,764,755	2,801,296
Additions	11,717	15,592
Acquisitions	27	484
Change in decommissioning liabilities estimate (note 9)	629	(52,619)
Disposals	-	2
Balance, end of year	2,777,128	2,764,755

Accumulated Depletion, Depreciation and Impairment

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	(1,904,043)	(1,946,604)
Depletion and depreciation expense	(55,795)	(60,539)
Impairment (expense) / reversal	(79,100)	103,100
Balance, end of year	(2,038,938)	(1,904,043)

At December 31, 2023, undeveloped land of \$3.6 million (2022 - \$4.5 million) was excluded from costs subject to depletion. Future development costs of \$1.03 billion were added into costs subject to depletion (December 31, 2022 - \$1.05 billion).

At December 31, 2023, due to commodity price decreases there was an indicator of impairment. The Company recorded an impairment of \$79.1 million, composed of impairment at Redwater (\$49.5 million), impairment at Deep Basin (\$34.4 million), and an impairment reversal at Peace (\$4.8 million). These adjustments at Redwater were attributable to both increased future operating costs and a decrease in future commodities prices, and at Deep Basin were attributable to a decrease in future commodity prices since December 31, 2022, the date of the previous impairment calculation. The adjustment at Peace was attributable to decreases in the Company's environmental liabilities resulting from abandonment expenditures.

At December 31, 2022, due to commodity price increases there was an indicator of an impairment reversal. The Company recorded an impairment reversal of \$103.1 million, composed of an impairment reversal at Peace (\$19.2 million), impairment reversal at Redwater (\$24.9 million) and an impairment

Notes to the Financial Statements

For the year ended December 31, 2023

reversal at Deep Basin (\$59.0 million). These adjustments were attributable to an increase in future commodity prices since December 31, 2021, the date of the previous impairment calculation.

The recoverable amounts of the Company's CGU's were estimated at fair value less costs to sell, based on the net present value of after-tax cash flows from oil and natural gas reserves, using reserve values estimated by independent reserve evaluators, and the estimated fair value of undeveloped land. Within the fair value hierarchy, these inputs would be considered Level 3.

At December 31, 2023, in calculating the net present values of cash flows from oil and natural gas reserves, the Company used an after-tax discount rate of 12.0%, an average CDN\$ to US\$ exchange rate of CDN\$1.33 to US\$1.00, and the following future commodity price estimates:

	WTI Oil (US\$/Bbl)	AECO Gas (CDN\$/Mcf)
2024	73.67	2.20
2025	74.98	3.37
2026	76.14	4.05
2027	77.66	4.13
2028	79.22	4.21
2029	80.80	4.30
2030	82.42	4.38
2031	84.06	4.47
2032	85.74	4.56
2033	87.46	4.65
2034	89.29	4.81
Remainder	+2%/yr	+2%/yr

At December 31, 2022, in calculating the net present values of cash flows from oil and natural gas reserves, the Company used an after-tax discount rate of 12.0%, an average CDN\$ to US\$ exchange rate of CDN\$1.30 to US\$1.00, and the following future commodity price estimates:

	WTI Oil (US\$/Bbl)	AECO Gas (CDN\$/Mcf)
2023	80.33	4.23
2024	78.50	4.40
2025	76.95	4.21
2026	77.61	4.27
2027	79.16	4.34
2028	80.74	4.43
2029	82.36	4.51
2030	84.00	4.60
2031	85.69	4.69
2032	87.40	4.79
2033	89.15	4.88
Remainder	+2%/yr	+2%/yr

At December 31, 2023, a one percent change in the after-tax discount rate is estimated to change the net impairment by approximately \$36.5 million (2022 - \$39 million); a \$1.00/Bbl change in the price of oil is estimated to change the net impairment by approximately \$xx million (2022 - \$11.8 million); and a \$0.10/Mcf change in the price of natural gas is estimated to change the net impairment by approximately \$xx million (2022 - \$21.0 million).

Notes to the Financial Statements

For the year ended December 31, 2023

9. DECOMMISSIONING LIABILITIES

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	307,737	367,471
Accretion	10,017	5,962
Settlement of liabilities – cash	(9,853)	(7,509)
Settlement of liabilities – SRP funding	(178)	(5,568)
Additions	134	-
Change in estimates	495	(52,619)
Balance, end of year	308,352	307,737

The Company's decommissioning liabilities result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems, pipelines and processing facilities. At December 31, 2023, the Company estimated the total inflated undiscounted amount of cash flows required to settle its decommissioning liabilities was approximately \$462.1 million, which will be incurred over the next 40 years. The Company estimates the average abandonment year for its wells at 9 years, facilities at 24 years, and pipelines at 31 years. (December 31, 2022 - \$463.4 million). At December 31, 2023, the Company used a risk free rate of 3.10% and an inflation rate of 2.0% to calculate the present value of the decommissioning liabilities (December 31, 2022 - risk free rate of 3.30% and inflation rate of 2.0%). The change in estimates during 2022 was primarily attributable to the change in the risk free rate and abandonment cost estimates.

On April 17, 2020, the federal government announced as part of its COVID-19 Economic Response Plan it would provide the oil and gas industry with \$1.7 billion to clean up orphan and inactive wells in Alberta and Saskatchewan under the Site Rehabilitation Program ("SRP"). For the year ended December 31, 2023, \$0.2 million (December 31, 2022 - \$5.6 million) of liabilities were settled using funds received through the SRP. This has been recorded as a reduction to Decommissioning Liabilities and a credit to Depletion and Depreciation expense.

10. LEASE LIABILITIES

The Company incurs lease payments related to certain office space and office equipment.

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	36,620	41,375
Accretion	1,039	1,062
Settlement of liabilities	(7,565)	(5,817)
Balance, end of year	30,094	36,620
Current portion	7,564	7,564
Non-current portion	22,530	29,056

For the year ended December 31, 2023, expenses for short-term leases relating to vehicles were \$1.2 million (2022 - \$0.9 million).

Notes to the Financial Statements

For the year ended December 31, 2023

The following table details the undiscounted cash flows of the Company's lease obligations as at December 31, 2023:

(\$000s)	2024	2025	2026	2027	2028	Thereafter	Total
Lease obligations	7,564	7,564	7,564	7,564	1,891	-	32,147

Subsequent to the year ended December 31, 2023, the Company's lease was terminated by the leaseholder, and a 12 month lease was signed with a new leaseholder for the Company's new principle address (see note 22).

11. BANK CREDIT FACILITIES

Prior to the expiration of the Long Run's credit facilities on December 9, 2023, the company's bank credit facilities with its primary lender totalled \$357.4 million and were split into two tranches: the first tranche of the debt, which is unpaid and callable at any time, is a \$243.0 million non-revolving term facility due to the head office bank branch, located in China, and the second tranche was a \$114.4 million non-revolving facility which was due to the local bank branch located in Canada.

On December 11, 2023, the second tranche of the debt was repaid by standby letters of credit issued in favour of the Company's primary lender by its guarantor, a bank located in China, and the Company recognized the extinguishment of the existing debt and a change in its lender. The Company is now indebted to the issuer of those letters of credit, a bank located in China, for that amount, with its primary lender acting as the collateral agent. At the time of the extinguishment of the debt, all fees associated with the debt had been fully amortized, and there are no fees or term recorded for the new debt. No costs have been recorded in Statement of Income (Loss) and Comprehensive Income (Loss) regarding the extinguishment.

At December 31, 2023, \$350.1 million was drawn against the bank credit facilities (December 31, 2022 - \$352.1 million) and bank fees of \$nil were offset against bank debt on the statement of financial position at December 31, 2023 (December 31, 2022 - \$0.7 million). Within the first tranche facility, \$12.1 million was advanced as cash collateral for letters of credit. At December 31, 2023, \$10.5 million letters of credit were outstanding with beneficiaries (December 31, 2022 - \$10.5 million).

Long Run's first tranche non-revolving term credit facility with \$238.0 million outstanding bears interest at the twelve month CDOR rate plus a margin of 2.45% per annum, plus a default margin of 2.0% per annum. Interest is payable annually on October 31st. For the period from November 1, 2022 - December 31, 2023, the prior CDOR 12 twelve month rate was retained, and the effective rate is 3.1% including the margin, exclusive of any default margin. The non-revolving term facility on the first tranche was due on December 9, 2023 and is unpaid. An extension for a period of up to 365 days is available upon request and at the discretion of the primary lender. There are no financial covenants on the first tranche credit facility. For the year ended December 31, 2023, the effective interest rate on the first tranche credit facility was 3.4% (December 31, 2022- 3.1%). The facility was also subject to a structuring and management fee of 0.08% per annum until the expiration of the loan facility.

Until the expiration of the credit facility, The Company's second tranche non-revolving term credit facility bore interest at the three month CDOR rate plus a margin of 2.45% plus a default margin of 2.0% per annum. The interest was payable quarterly on January 31, April 30, July 31 and October 31 of each year. The standby letters of credit bear interest at 8.45% per annum until full repayment, and all other conditions and covenants of the second tranche of the credit facility remain in force. The non-revolving term second tranche was due on December 9, 2023, or 30 days before the maturity of the cash collateral letters of credit on January 9, 2024, whichever is earlier. The bank covenants on the second tranche required a trailing 12-month senior debt to adjusted EBITDA ratio of less than 4.0 to 1.0

Notes to the Financial Statements

For the year ended December 31, 2023

commencing the 12-month period ended June 30, 2022 (and for each quarter thereafter), a trailing 12-month interest coverage ratio of at least 3.0 to 1.0 commencing the 12-month period ended June 30, 2022 (3.5 to 1.0 for the period commencing March 31, 2023 and thereafter). Adjusted EBITDA is defined in the credit facility as earnings before interest, income taxes, depletion and depreciation, accretion, impairments and other non-cash items plus any additional contributions elected by Long Run. The convertible debentures and the Calgary Sinoenergy loan facility are not considered debt for the debt to EBITDA ratio calculations. As at December 31, 2023 and 2022, the Company has breached the consolidated senior debt to adjusted consolidated EBITDA covenant and also breached the adjusted consolidated EBITDA to consolidated interest expense covenant. For the year ended December 31, 2023, the effective interest rate on the second tranche credit facility was 7.5% (December 31, 2022 – 4.8%). The facility was also subject to a structuring and management fee of 0.15% per annum.

Under the credit facility, Long Run is required to determine the trailing 12-month adjusted excess cash flow each quarter. Adjusted excess cash flow is defined in the credit agreement as EBITDA less interest expense, permanent debt repayments, capital expenditures not financed with debt and capital lease payments. EBITDA is defined as earnings before interest, income taxes, depletion and depreciation, accretion, impairments, and other non-cash items. Long Run is required to make a repayment under the credit facilities equal to 5% of the adjusted excess cash flow not later than 45 days after each fiscal quarter.

The aggregate amount for all financial commodity swap contracts, at the time each contract was entered into, shall not exceed 75% of the first year projected average daily production net of royalties and 50% of the second year projected daily production net of royalties.

Under the credit facility agreement, Long Run as the borrower and Calgary Sinoenergy Investment Corp (“Calgary Sinoenergy”) is the guarantor. Security for the credit facilities includes a demand debenture for \$1.2 billion secured by a fixed and specific mortgage and charge on all property and a floating charge over all of the assets not subject to fixed and specific charges, and a pledge by Calgary Sinoenergy in favour of the lender of all of the issued and outstanding shares of Long Run.

12. DUE TO CALGARY SINOENERGY INVESTMENT CORP.

(\$000s)	December 31, 2023	December 31, 2022
Balance, beginning of year	512,470	491,736
Loan facility advances	-	-
Loan facility interest	26,664	15,934
Convertible debenture interest	4,800	4,800
Balance, end of year	543,934	512,470

At December 31, 2023, the Company had a balance of \$503.5 million (December 31, 2022 - \$476.8 million) owing to Calgary Sinoenergy pursuant to a loan facility agreement dated June 29, 2016 and amended on August 29, 2016, and December 6, 2017 and October 27, 2020. Total borrowings under the facility are limited to \$600.0 million. At December 31, 2023, the Company also has \$40.4 million of convertible debenture interest owing to Calgary Sinoenergy (December 31, 2022 - \$35.6 million).

Borrowings under the loan facility bear interest at the one month banker's acceptance rate plus 1.5% per annum. For the year ended December 31, 2023, the effective interest rate was 6.5% (December 31, 2022 – 3.9%).

Notes to the Financial Statements

For the year ended December 31, 2023

The loan facility terminates on July 9, 2024, unless extended. Payment of any amounts owing under the loan facility, including interest, is not permitted until the Company's bank credit facilities have been repaid.

Security for the loan facility includes a demand debenture for \$800.0 million, which provides for a floating charge and security interest over all of the assets and property of the Company. Security under the loan facility is subordinate to that of the bank credit facilities.

On June 29, 2016, Calgary Sinoenergy acquired all of the Company's outstanding convertible debentures (see note 13). For the year ended December 31, 2023, accrued and unpaid interest on the Company's convertible debentures was \$4.8 million (December 31, 2022 - \$4.8 million).

13. CONVERTIBLE DEBENTURES

On January 28, 2014, the Company issued \$75.0 million face value of convertible unsecured subordinated debentures at par. The debentures bear an annual interest rate of 6.40%, payable semi-annually in arrears. On January 30, 2019, the maturity date of the convertible debentures was extended by five years, from January 31, 2019 to January 31, 2024, with the same terms and conditions. Prior to the maturity date on January 31, 2024, the debentures are convertible into Common Shares at a conversion price of \$7.40 per Common Share, subject to adjustment in certain events. The convertible debentures matured on January 31, 2024 and no extension has been granted.

In January 2014, the fair value of the debt portion of the debentures was calculated using a similar instrument without a conversion feature. The difference between the face value of the debentures and the fair value of the liability was classified as equity. As a result of the extension in January 2019, the company recognized an additional equity component of \$4.6 million relating to the modification of the convertible debt.

The carrying value of the liability is being accreted to the face value of \$75.0 million over the remaining term of the debentures, using the effective interest method.

Below is a summary of the debt and equity balances:

(\$000s)	Convertible Debentures Liability	Equity Component of Convertible Debentures	Total
Balance, January 1, 2022	72,844	8,116	80,960
Accretion expense	990	-	990
Balance, December 31, 2022	73,834	8,116	81,950
Accretion expense	1,071	-	1,071
Balance, December 31, 2023	74,905	8,116	83,021

On June 29, 2016, Calgary Sinoenergy acquired the outstanding convertible debentures for cash consideration of \$750 per \$1,000 principal amount of debentures plus accrued and unpaid interest of \$4.4 million (see note 12). Effective upon the Calgary Sinoenergy acquisition, payment of any amounts owing under the convertible debentures, including interest, is not permitted until the Company's bank credit facilities have been repaid.

Notes to the Financial Statements
For the year ended December 31, 2023

14. SHAREHOLDERS' EQUITY

The Company is authorized to issue an unlimited number of Common Shares, Common Non-Voting Shares, Non-Voting Convertible Shares and First Preferred Shares without nominal or par value.

Common Shares

<i>(000s)</i>	December 31, 2023		December 31, 2022	
	Number of shares	Amount \$	Number of shares	Amount \$
Balance, beginning and end of year	198,139	1,013,629	198,139	1,013,629

Earnings Per Share

	Year ended December 31	
	2023	2022
Net income (loss) <i>(\$000s)</i>	(179,650)	70,863
Weighted average shares outstanding – basic <i>(000s)</i>	198,139	198,139
Dilutive impact of convertible debentures <i>(000s) (note 13)</i>	-	-
Weighted average shares outstanding – diluted <i>(000s)</i>	198,139	198,139
Earnings (loss) per share, basic	(0.91)	0.36
Earnings (loss) per share, diluted	(0.91)	0.36

15. GENERAL AND ADMINISTRATION

<i>(\$000s)</i>	Year ended December 31	
	2023	2022
Salary and employee	6,889	8,655
Other	2,675	1,432
Gross expenses	9,564	10,087
Capitalized costs	(1,171)	(1,752)
Operating recoveries	(3,705)	(3,828)
General and administration	4,688	4,507

Notes to the Financial Statements

For the year ended December 31, 2023

16. INCOME TAXES

The provision for income tax differs from the amount that would have been expected if the reported earnings (loss) had been subject only to the statutory Canadian income tax rates:

(\$000s)	Year ended December 31	
	2023	2022
Income (Loss) before income tax	(179,650)	70,863
Corporate tax rate	23.0%	23.0%
Expected tax recovery	(41,320)	16,298
Increase (decrease) in taxes resulting from:		
Unrecognized deferred income tax asset	37,792	(22,885)
True-up to tax return	3,017	6,254
Other	511	333
Deferred income tax expense (recovery)	-	-

The components of the deferred income tax asset were as follows:

(\$000s)	December 31, 2023	December 31, 2022
Property and equipment	208,213	170,566
Decommissioning liabilities	25,369	25,372
Non-capital losses	141,127	140,175
Alberta royalty tax deduction	1,104	1,104
Convertible debentures (note 13)	(22)	(268)
Capital losses	2,070	4,140
Share issue costs	31	81
Finance lease	5,300	4,292
Unrecognized deferred income tax asset	(383,192)	(345,462)
Deferred income tax asset	-	-

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized. The amount and timing of reversals of temporary differences will be dependent upon a number of factors, including the Company's future operating results.

At December 31, 2023 the Company had estimated non-capital loss carry forward balances of \$636.8 million (December 31, 2022 – \$609.5 million). The non-capital losses expire as follows: 2028 – \$1.5 million, 2029 – \$4.7 million, 2030– \$12.7 million, 2031 - \$0.0 million and thereafter \$617.8 million.

During 2016, the Company received a notice of re-assessment ("NOR") from the Canada Revenue Agency ("CRA") regarding the income tax treatment of certain Scientific Research and Experimental Development ("SR&ED") deductions (\$76.0 million) and related investment tax credits ("ITC's") (\$18.0 million). Effective June 29, 2016, the unutilized ITC's subject to the NOR are no longer available to the Company due to the change of control of Long Run on June 29, 2016.

The Company disagrees with the CRA's position and filed a notice of objection to the NOR. The Company has sufficient alternative tax pools available to offset the SR&ED deductions subject to the NOR.

Notes to the Financial Statements For the year ended December 31, 2023

The components of the deferred income tax asset above include approximately \$21.0 million relating to the SR&ED deductions subject to the NOR. Of the \$21.0 million, approximately \$19.0 million relates to property and equipment and approximately \$2.0 million relates to non-capital losses.

17. RELATED PARTY TRANSACTIONS

At December 31, 2023, the Company had a balance owing to Calgary Sinoenergy of \$543.9 million (December 31, 2022 - \$512.5 million) (see note 12), a convertible debenture with a \$75 million face value (see note 13), and a \$2.4 million account payable related to finance lease payments made on the Company's behalf (December 31, 2022 - \$2.4 million).

The Company has an agreement to provide management, administrative and operating services ("Management Agreement") to a related party for an annual fee of \$1.5 million. In addition, the related party reimburses Long Run for contract operator payments made by Long Run on behalf of the related party. At December 31, 2023, Long Run had a balance owing from the related party of \$1.7 million related to services provided under the Management Agreement (December 31, 2022 - \$1.2 million).

In November 2020, the Company entered into a marketing agreement with the related party to market natural gas on their behalf. During 2023, the Company marketed 1,202 mmcf of natural gas with sales totalling \$2.7 million. At December 31, 2023, there were no balances outstanding relating to natural gas marketing with the related party (December 31, 2022 - \$nil). The net receivable due from the related party at December 31, 2023 is \$1.7 million (December 31, 2022 - \$1.2 million).

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair Value of Financial Assets and Liabilities

Fair value is defined as the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's financial instruments recognized in the statement of financial position consist of cash, restricted cash, accounts receivable, deposits, lease receivable, accounts payable and accrued liabilities, bank loan, due to Calgary Sinoenergy and convertible debentures. The carrying values of cash, accounts receivable, deposits and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. The carrying values of the bank loan, convertible debentures and the Calgary Sinoenergy loan facility approximate fair values due to the interest rates on the facilities being at prevailing market rates.

Financial Derivative Contracts

The Company may enter into financial derivative contracts for the purpose of protecting cash flows generated from operations from the volatility of commodity prices and changes in interest and electricity rates. The Company had no financial commodity contracts in place as at December 31, 2023 or 2022.

Fair Value Measurement of Financial Instruments

The Company recognizes the fair value of its financial instruments carried at fair value through profit and loss on the statement of financial position each reporting period, with the change in fair value recognized as an unrealized gain or loss on the Statement of Income (Loss) and Comprehensive Income (Loss).

Notes to the Financial Statements

For the year ended December 31, 2023

The Company determines fair value using a hierarchy that prioritizes inputs depending upon the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - inputs other than quoted prices used in Level 1 that are observable, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs which can be observed or corroborated in the market place from sources such as the New York Mercantile Exchange and the Natural Gas Exchange.
- Level 3 - inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

Physical Fixed Price Commodity Contracts

The Company also uses physical fixed price commodity contracts to reduce its exposure to fluctuations in commodity prices.

The Company had the following physical fixed price commodity sales contracts in place as at December 31, 2023:

	Volume	Pricing
Natural Gas		
January 1, 2024 – March 31, 2024	2,500 GJ/d	\$3.51/GJ
January 1, 2024 – March 31, 2024	1,000 GJ/d	\$3.10/GJ
January 1, 2024 – March 31, 2024	1,000 GJ/d	\$3.05/GJ
Oil		
January 1, 2024 – June 30, 2024	300 bbl/d	\$110/bbl ¹

¹ plus the weighted average of the ICE WCS 1a Index and Marex WCS Monthly Index and the Modern WCS Monthly Index for the month of delivery, plus the Enbridge Pipeline MSW WADF for the month prior to the delivery month, adjusted for quality and transportation

Market risk

Market risk includes uncertainty arising from possible movements in commodity prices and interest rates and the impact of such movements on the future performance of the business. Commodity price and interest rate movements could adversely affect the value of the Company's financial assets, liabilities and expected future cash flows.

To partially mitigate exposure to commodity price risk, the Company may enter into various financial derivative instruments and physical fixed price commodity contracts. The instruments and contracts currently outstanding are described above. To mitigate exposure to interest rate risk, the Company has debt at both floating and fixed interest rates. The Company may also manage interest rate risk through the use of interest rate swaps. The Company's bank debt facilities have a floating interest rate that fluctuates based on prevailing market conditions. The Calgary Sinoenergy loan facility bears interest at the one month banker's acceptance rate plus 1.5% per annum. The Company's convertible debentures bear interest at a fixed annual interest rate of 6.4%.

Notes to the Financial Statements

For the year ended December 31, 2023

Based on the bank debt and the Calgary Sinoenergy loan facility outstanding as at December 31, 2023, a one percent change in the interest rate would impact annual interest expense by approximately \$8.9 million.

Credit risk

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, causing a financial loss. The Company's accounts receivable are with customers and partners in the oil and natural gas industry and are subject to normal credit risks. A portion of the Company's production is currently sold through partners under normal industry sale and payment terms.

During the year ended December 31, 2023, two third party purchasers (December 31, 2022 – two third party purchasers) each marketed more than 10% of the Company's petroleum and natural gas revenue.

Accounts Receivable (\$000s)	December 31, 2023	December 31, 2022
Less than 90 days	14,097	20,227
Greater than 90 days	3,053	2,290
Total	17,150	22,517

When determining whether amounts that are past due are collectible, the Company assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Long Run generally considers amounts greater than 90 days to be past due. The Company's provision for expected credit losses at December 31, 2023 was \$43.3 million (December 31, 2022 – \$43.3 million).

Liquidity risk

Liquidity risk arises when excess financial obligations are due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient capital in order to meet its current and future liquidity requirements. The Company is also subject to externally imposed capital requirements on its credit facilities (note 11).

At December 31, 2023, Long Run had cash of \$2.4 million. Under the loan due to Calgary Sinoenergy (see note 12), the Company has \$36.1 million remaining credit available as \$543.9 million has been drawn against the total available credit of \$600.0 million.

Capital Management

The Company's primary capital management objective is to strengthen its financial position and improve financial flexibility in order to support capital programs, production maintenance, perform acquisitions and other operational strategies. To manage the capital structure, the Company may adjust capital spending, dispose of properties, issue new equity, restructure debt or repay existing debt.

In managing its capital structure, the Company monitors EBITDA as an indicator of overall financial strength, with EBITDA defined as earnings before interest, income taxes, depletion and depreciation, accretion, impairments, and other non-cash items. Long Run's objective is to target EBITDA at an amount that supports capital spending forecasts.

On October 27, 2020, the Company successfully completed its debt restructuring with its primary lending institution and reached commercial terms that were favourable to the Company. The Company is subject to externally imposed capital requirements on its credit facilities. These credit facilities expired on December 11, 2023. Refer to note 11.

Notes to the Financial Statements
For the year ended December 31, 2023

19. SUPPLEMENTAL CASH FLOW INFORMATION

Net Change in Non-Cash Working Capital

(\$000s)	Year ended December 31	
	2023	2022
Source (use) of cash:		
Accounts receivable	5,428	(5,761)
Deposits and prepaid expenses	739	(279)
Accounts payable and accrued liabilities	(11,539)	(7,948)
Due to Calgary Sinoenergy	31,464	20,734
	26,092	6,746
Related to:		
Operating activities	27,630	4,747
Investing activities	(1,538)	1,999
	26,092	6,746

20. COMMITMENTS AND CONTINGENCIES

Commitments

(\$000s)	2024	2025	2026	2027	2028	Thereafter	Total
Processing	6,139	6,125	2,066	56	14	-	14,400
Transportation	5,058	3,110	219	28	-	-	8,415
Consulting	252	252	-	-	-	-	504
Total	11,449	9,487	2,285	84	14	-	23,319

At December 31, 2023, the Company is committed for consulting fees, processing of natural gas and transportation of oil, natural gas and NGLs.

Litigation

The Company is involved in various claims and legal actions arising in the normal course of business. Long Run does not expect that the outcome of these proceedings will have a material adverse effect on the Company.

The Company, along with a number of co-defendants, has been named in a lawsuit claiming up to \$44.0 million of damages. The Company intends to vigorously defend against the claim as it believes the claim and amount are not valid. Estimating an amount or range of possible losses resulting from litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses resulting from the matter. No provision has been recognized as at December 31, 2023.

Notes to the Financial Statements
For the year ended December 31, 2023

21. PETROLEUM AND NATURAL GAS SALES

The Company derives revenue from contracts with customers from the following major commodity types:

(\$000s)	Year ended December 31	
	2023	2022
Crude oil revenue	78,535	99,325
Natural gas revenue	40,019	70,417
NGL revenue	16,476	26,239
Petroleum and natural gas revenue	135,030	195,981

22. SUBSEQUENT EVENT

On March 8, 2024, the Company's lease for its office space was terminated by the leaseholder. The impact of this on the Company's financial statements will be a reduction of the lease receivable, right of use assets, and lease liability on the Statement of Financial Position and any difference recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). The effect of the lease termination has not yet been assessed as of the date of these financial statements.

On March 22, 2024, the Company signed a new lease for office space for one year from April 1, 2024 – March 31, 2025.

This is **Exhibit "Q"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jack Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jack Harris LSO # 85481T



LONG RUN EXPLORATION LTD.

Financial Statements

December 31, 2022





Tel: 403 266 5608
Fax: 403 233 7833
www.bdo.ca

BDO Canada LLP
903 - 8th Avenue SW, Suite 620
Calgary AB T2P 0P7
Canada

Independent Auditor's Report

To the Shareholders of Long Run Exploration Ltd.

Opinion

We have audited the financial statements of Long Run Exploration Ltd. (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of income and comprehensive income, statement of changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements for the year ended December 31, 2021, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 28, 2022.

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial statements, which describes the matters and conditions that indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements



Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants
Calgary, Alberta
August 18, 2023

Statement of Financial Position

(\$000s)	December 31, 2022	December 31, 2021
ASSETS		
CURRENT		
Cash	29,796	20,631
Accounts receivable (note 18)	22,517	16,919
Lease receivables	1,550	1,631
Deposits and prepaid expenses	3,086	2,807
	56,949	41,988
Restricted cash (note 6,18)	12,100	12,100
Lease receivables	210	751
Right-of-use assets (note 7)	17,960	22,509
Property and equipment (note 8)	860,712	854,692
	947,931	932,040
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	63,961	71,907
Lease liability (note 10)	7,564	5,971
Bank loan (note 11)	351,330	-
	422,855	77,878
Due to Calgary Sinoenergy (note 12)	512,470	491,736
Bank loan (note 11)	-	355,591
Lease liabilities (note 10)	29,056	35,404
Convertible debentures (note 13)	73,834	72,844
Decommissioning liabilities (note 9)	307,737	367,471
	1,345,952	1,400,924
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Share capital (note 14)	1,013,629	1,013,629
Equity component of convertible debentures (note 13)	8,116	8,116
Contributed surplus	27,206	27,206
Deficit	(1,446,972)	(1,517,835)
	(398,021)	(468,884)
	947,931	932,040
Going concern (note 2)		
Commitments and contingencies (note 20)		
Subsequent events (note 18)		

See accompanying notes to the financial statements.

Approved on behalf of the Board of Directors:
 "Chris Hung"
 Chris Hung, Director

Statement of Income and Comprehensive Income

(\$000s, except per share amounts)	Year ended December 31	
	2022	2021
INCOME		
Petroleum and natural gas revenue (note 21)	195,981	130,829
Royalties	(28,568)	(12,769)
	167,413	118,060
Gain (loss) on foreign exchange		
- realized	-	-
- unrealized	(165)	10
	167,248	118,070
EXPENSES		
Operating (note 15)	86,256	67,181
Transportation	6,606	6,347
General and administration (note 15)	4,507	5,609
Interest	34,797	25,193
Accretion (note 9, 10, 11, 13)	8,731	7,748
Depletion and depreciation (note 7, 8)	58,437	56,005
Loss on subleases (note 7)	151	1,060
Gain on disposal of assets (note 8)	-	(206)
Impairment reversal (note 8)	(103,100)	(307,170)
	96,385	(138,233)
NET INCOME AND COMPREHENSIVE INCOME	70,863	256,303
NET INCOME AND COMPREHENSIVE INCOME PER SHARE (note 14)		
Basic	0.36	1.29
Diluted	0.36	1.22

See accompanying notes to the financial statements.

Statement of Changes in Shareholders' Equity

(\$000s)	Share Capital <i>(note 14)</i>	Equity Component of Convertible Debentures <i>(note 13)</i>	Contributed Surplus	Retained Earnings (Deficit)	Total
January 1, 2021	1,013,629	8,116	27,206	(1,774,138)	(725,187)
Comprehensive income	-	-	-	256,303	256,303
December 31, 2021	1,013,629	8,116	27,206	(1,517,835)	(468,884)
Comprehensive income	-	-	-	70,863	70,863
December 31, 2022	1,013,629	8,116	27,206	(1,446,972)	(398,021)

See accompanying notes to the financial statements.

Statement of Cash Flows

(\$000s)	Year ended December 31	
	2022	2021
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income	70,863	256,303
Items not requiring cash:		
Unrealized (gain) loss on foreign exchange	165	(10)
Accretion (note 9, 10, 11, 13)	8,731	7,748
Depletion and depreciation (note 7, 8)	58,437	56,005
Loss on subleases (note 7)	151	1,060
Gain on disposal of assets (note 8)	-	(206)
Impairment / (impairment reversal) (note 8)	(103,100)	(307,170)
Abandonment costs (note 9)	(7,509)	(352)
Changes in non-cash working capital (note 19)	4,747	12,154
	32,485	25,532
INVESTING ACTIVITIES		
Capital expenditures (note 8)	(15,592)	(8,369)
Acquisitions (note 8)	(484)	(28)
Dispositions (note 8)	(2)	487
Changes in non-cash working capital (note 19)	1,999	1,258
	(14,079)	(6,652)
FINANCING ACTIVITIES		
Finance lease payments, net of subleases (note 10)	(4,340)	(4,231)
Bank loan repayment (note 11, 18)	(4,901)	(626)
Due to Calgary Sinoenergy (note 12)	-	895
	(9,241)	(3,962)
CHANGE IN CASH	9,165	14,918
EFFECT OF FOREIGN EXCHANGE ON CASH	-	-
CASH, BEGINNING OF YEAR	20,631	5,713
CASH, END OF YEAR	29,796	20,631
SUPPLEMENTAL INFORMATION		
Interest paid	12,778	11,542

See accompanying notes to the financial statements.

Notes to the Financial Statements For the year ended December 31, 2022

1. REPORTING ENTITY

Long Run Exploration Ltd. ("Long Run" or the "Company") is incorporated under the *Business Corporations Act* (Alberta).

The Company is in the business of development, acquisition, exploration and production of oil and natural gas in western Canada.

The principal address of the Company is located at 600, 600 3rd Avenue SW, Calgary, Alberta, T2P 0G5.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), on a going concern basis and under the historical cost convention except where noted in the accounting policies. The financial statements are presented in Canadian dollars.

The Company's ability to continue as a going concern is dependent upon the generation of cash flow from operations, obtaining additional financing and maintaining the continuing financial support from its shareholders. Further, as at December 31, 2022, the Company has breached the consolidated senior debt to adjusted consolidated EBITDA covenant on the bank credit facilities. These circumstances result in a material uncertainty surrounding the Company's ability to continue as a going concern and create significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of the going concern basis of accounting, applicable to a going concern.

The financial statements were authorized for issue by the Board of Directors on August 18, 2023.

3. MANAGEMENT JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Changes to accounting estimates are recognized in the period in which the estimates are revised.

The amounts recorded for exploration and evaluation assets, property and equipment, depletion and depreciation and impairment testing are based on estimates of proven and probable reserves, production rates, oil and natural gas prices, future costs, future prices and other relevant assumptions. The cash generating unit ("CGU") to which an asset belongs is subject to the judgment of management.

Assumptions that are valid at the time of reserves estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves. Changes in the economic environment could result in significant changes to the discount rate used to calculate net present values.

The provision for decommissioning liabilities is based on estimates of costs and expected plans for remediation. Actual costs may differ from those estimated due to changes in laws and regulations, technology, market and other conditions.

Accruals for revenue, royalties and costs are prepared based on estimates when actual amounts are not yet known.

Notes to the Financial Statements For the year ended December 31, 2022

The fair value of financial derivatives is based on fair value estimates. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future years could be significant.

The provision for income and other tax liabilities, requiring the interpretation of tax laws and regulations which are subject to change, is subject to measurement uncertainty. The recognition of income tax assets requires a determination of the likelihood that they will be realized from future taxable earnings.

Judgement is applied in reviewing each of the contractual arrangements to determine whether the arrangement contains a lease. Leases that are recognized are subject to further judgement and estimation in various areas including lease term and discount rate. In determining the lease term to be recognized, the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease liabilities are estimated using a discount rate similar to the Company's incremental borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase an asset of a similar value, with similar payment term and security.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

Financial instruments

The Company's financial instruments consist of cash, restricted cash, accounts receivable, deposits, lease receivable, accounts payable, bank loan, due to Calgary Sinoenergy and convertible debentures.

Financial derivatives that have not been designated as accounting hedges are classified and measured at fair value through profit or loss. Financial derivatives are recorded and carried on the statement of financial position at fair value, with changes in fair value recognized in the Statement of Income (Loss) and Comprehensive Income (Loss).

Accounts receivable, deposits, restricted cash, lease receivable, accounts payable, bank loan, due to Calgary Sinoenergy and the liability component of convertible debentures are classified and measured at amortized cost. Transaction costs related to financial liabilities measured at amortized cost are initially netted with the fair value of the financial instrument and amortized to net income over the life of the instrument.

Convertible debentures are separated into their liability and equity components. The liability component accretes to the principal balance at maturity using the effective interest method. The equity component will be reclassified to share capital upon conversion. Any balance in equity that remains after the settlement of the liability is transferred to contributed surplus. The equity portion is recognized net of deferred income taxes and issuance costs.

The Company estimates expected credit losses for accounts receivable at each reporting date using a lifetime expected loss provision. An impairment or reversal of impairment is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss) for the amount required to adjust the loss provision at each reporting date.

At each reporting date, the Company determines whether transfers have occurred between levels in the fair value hierarchy by reassessing the level of classification for each financial asset and financial liability measured or disclosed at fair value in the financial statements. Assessment of the significance

Notes to the Financial Statements For the year ended December 31, 2022

of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Joint operations

The Company's petroleum and natural gas activities may be conducted jointly with others. Joint operations, whereby the jointly controlling parties have rights to the assets and obligations for the liabilities of the arrangement, are accounted for using proportionate consolidation. The financial statements reflect only the Company's proportionate interest in such activities.

Exploration and evaluation assets

Expenditures incurred before the Company has obtained the legal right to explore are expensed in the Statement of Income (Loss) and Comprehensive Income (Loss) as an exploration expense.

Exploration and evaluation assets reflect expenditures for an area where technical feasibility and commercial viability has not yet been determined. Expenditures, including land acquisition, geological and geophysical, drilling and completion costs are capitalized and accumulated pending determination of technical feasibility and commercial viability. Evaluation and exploration assets are not depleted. When assets are determined to be technically feasible and commercially viable, the accumulated costs are assessed for impairment within the CGU and the recoverable amount is transferred to property and equipment.

Exploration and evaluation assets are also assessed for impairment if facts and circumstances suggest the carrying amount exceeds the recoverable amount.

Property and equipment

Property and equipment are stated at cost less accumulated depletion and depreciation and accumulated impairment.

Petroleum and natural gas properties

Property and equipment includes transfers of exploration and evaluation assets, property acquisitions, facilities, directly attributable overhead and share-based compensation expense, as well as land acquisition, geological and geophysical, drilling and completion costs incurred within an area considered to be technically feasible and commercially viable.

Property and equipment is depleted on the unit of production method using estimated gross proven and probable petroleum and natural gas reserves, determined annually by independent professional engineers. Petroleum and natural gas reserves are converted to a common unit of measure on an energy equivalent basis of six mcf of gas to one barrel of oil. Estimated future development costs necessary to bring the reserves into production are included in the depletion calculation. Assets may be excluded from depletion until capable of operation. Undeveloped land is amortized into the depletable base over the term of the leases.

Reserves are the remaining quantities of oil, natural gas and related substances from known accumulations estimated to be recoverable from a given date forward. The estimates of reserves are determined from drilling, geological, geophysical and engineering data based on established technology and specified economic conditions. The guidelines for the determination and classification of reserves are outlined in the Canadian Oil and Gas Evaluation Handbook.

The proven plus probable reserve estimate is defined as a "best estimate" of the remaining recoverable quantities of oil, natural gas and related substances. This estimate should best represent the expected outcome with no optimism or conservatism. In probabilistic terms, there should be at least a 50 percent

Notes to the Financial Statements For the year ended December 31, 2022

probability that the quantities actually recovered in the future will equal or exceed the proven plus probable reserve estimate.

Property and equipment is tested for impairment when indications of impairment or impairment reversal exist.

Disposals

Any gain or loss on the disposal of assets, including oil and natural gas properties, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss).

Non-monetary transactions

Non-monetary transactions for the acquisition or disposal of property and equipment are measured at fair value, unless the transaction lacks commercial substance or fair value cannot be reliably measured.

Impairments

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. If the recoverable amount is less than the carrying value, the asset is considered to be impaired. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from proven and probable reserves.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less the costs of disposal. Available fair value indicators, such as recent market transaction information and appropriately discounted cash flow valuation models, are used in determining fair value less costs to sell.

An impairment is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss). An impairment recognized in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and subsequently to other assets in the CGU. An impairment recognized in prior periods for an asset other than goodwill is reversed if there has been a change in facts and circumstances used to determine the asset's recoverable amount since the last impairment was recognized, such that the impairment no longer exists or has decreased. An impairment is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation, if no impairment had been recognized.

Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease liability is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date using the Company's incremental borrowing rate when the rate implicit in the lease is not readily available. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability adjusted for any sub-leases. Depreciation is recognized on the right-of-use asset

Notes to the Financial Statements For the year ended December 31, 2022

over the lease term on a straight-line basis. Accretion expense is recognized on the lease liabilities using the effective interest method and payments made are applied to the lease liability.

Leases that have terms of less than 12 months or leases on which the underlying asset is of low value are recognized as an expense over the lease term.

Decommissioning liabilities

Decommissioning liabilities arise from the legal obligation to abandon and reclaim property, plant and equipment incurred upon acquisition, construction, development and normal use of the asset. The initial liability is measured at the discounted value of the estimated costs to reclaim and abandon using a risk free rate, subsequently adjusted for the accretion of discount and changes in expected costs. The decommissioning cost is capitalized as part of exploration and evaluation assets or property and equipment, as applicable. The costs capitalized to property and equipment are depleted into earnings based on units of production. Actual costs incurred upon settlement of the obligations are charged against the liability.

Revenue recognition

Long Run recognizes crude oil, natural gas, natural gas liquids (“NGLs”) and marketing revenue when title passes from Long Run to the purchaser. Production revenues are determined pursuant to the terms outlined in contractual agreements and are based on fixed or variable components. The transaction price for crude oil, natural gas and NGLs is based on the commodity price in the month of production, adjusted for various factors included product quality and location. Commodity prices are based on monthly or daily market indices.

Performance obligations in the contract are fulfilled on the last day of the month with payment typically on the 25th day of the following month.

Foreign exchange

Monetary assets and liabilities denominated in a foreign currency are translated at the rate of exchange in effect at the balance sheet date. Revenues and expenses are translated at the period rates of exchange. Translation gains and losses are included in earnings in the period in which they arise.

Income taxes

Income tax expense is recognized in the Statement of Income (Loss) and Comprehensive Income (Loss), except to the extent it relates to items recognized directly in equity, in which case the related income tax is also recognized in equity.

Deferred tax is recognized using the statement of financial position method. Under this method, deferred income tax assets and liabilities are recognized based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period in which the change is substantively enacted. Deferred income tax assets and liabilities are presented as non-current.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is neither a business combination nor an event resulting in income or expense. Deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. A deferred tax asset is recognized only to the extent it is probable that future taxable profits will be available against which the asset can be utilized.

Notes to the Financial Statements For the year ended December 31, 2022

Earnings per share

Basic earnings per share amounts are calculated by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting earnings and the weighted average number of common shares outstanding using the treasury stock method for the effects of dilutive instruments such as outstanding stock options.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present, legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured using the best estimate of the amount required to settle the obligation.

Government grants

Government grants are recognized when there is reasonable assurance that the Company will comply the conditions attached and that the grant will be received. Grants related to income are presented in the Statement of Income (Loss) and Comprehensive Income (Loss) and are deducted in reporting the related expense. Grants related to assets are presented in the Statement of Financial Position by deducting the grant in arriving at the carrying amount of the asset.

5. CHANGES IN ACCOUNTING POLICIES

New Accounting Policies

Beginning on January 1, 2021, Long Run adopted the IASB issued *Interest Rate Benchmark Reform – Phase 2* which amended requirements in IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, and IFRS 16 *Leases*, relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities, and lease liabilities.

Beginning on January 1, 2022, Long Run adopted the IASB issued *Property, Plant and Equipment – Proceeds before Intended Use*, which made amendments to IAS 16 *Property, Plant and Equipment*. The amendments prohibit a company from deducting the cost of the PP&E amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

Beginning on January 1, 2022, Long Run adopted the IASB issued *Onerous Contracts – Cost of Fulfilling a Contract*, which made amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

Future Accounting Pronouncements

The IASB has issued a number of amendments to accounting standards, and interpretations that are effective for annual period beginning on or after January 1, 2023. The Company plans to adopt the following pronouncements, however each is not expected to have a material impact. Long Run will continue to evaluate the impact of the pronouncements which will be adopted on their respective effective dates.

Amendments to IAS 1 Presentation of Financial Statements

Notes to the Financial Statements

For the year ended December 31, 2022

In February 2021, the IASB has issued *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. An entity will be required to disclose its material accounting policy information instead of its significant accounting policies. The amendments are effective for annual periods beginning on or after 1 January 2023, with early adoption permitted.

In January 2020, the IASB issued amendments to IAS 1 *Presentation of Financial Statements*, to clarify its requirement for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective January 1, 2024.

In October 2022, the IASB issued *Non-current Liabilities with Covenants (Amendments to IAS 1)*. The amendments improved the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments are effective January 1, 2024, with early adoption permitted.

6. RESTRICTED CASH

Restricted cash consists of a non-interest bearing cash deposit that is collateral for letters of credit under the first tranche of the Company's non-revolving term credit facility (note 11). The maturity date of this deposit is January 9, 2024. As at December 31, 2022, \$12.1 million was held in the cash collateral deposit account (December 31, 2021 - \$12.1 million).

7. RIGHT-OF-USE ASSETS

The Company recognizes right-of-use assets and corresponding lease liabilities related to certain office space and office equipment.

(\$000s)	December 31, 2022	December 31, 2021
Right-of-use asset cost	35,700	36,783
Accumulated depreciation	(17,740)	(14,274)
Net book value	17,960	22,509

Right-of-Use Asset Cost

(\$000s)	December 31, 2022	December 31, 2021
Balance, beginning of year	36,783	41,209
Revisions to estimates	-	(2,636)
Additional subleases	(1,083)	(1,790)
Balance, end of year	35,700	36,783

During the second quarter of 2022, the Company entered into an additional sublease contract for the use of office space. As the amount recovered from the sublease is less than the master lease agreement, the Company recorded a loss of \$0.2 million (December 31, 2021 - \$1.1 million) on the Statement of Income (Loss) and Comprehensive Income (Loss).

Notes to the Financial Statements

For the year ended December 31, 2022

During the third quarter of 2021, the Company entered into an additional sublease contract for the use of office space. As the amount recovered from the sublease is less than the master lease agreement, the Company recorded a loss of \$1.1 million (December 31, 2020 - \$1.9 million) on the Statement of Income and Comprehensive Income. The Company also renegotiated its office master lease agreement and received a \$2.6 million reduction in its rental payments in 2021 and 2022.

Accumulated Depreciation

(\$000s)	December 31, 2022	December 31, 2021
Balance, beginning of year	(14,274)	(10,211)
Depreciation expense	(3,466)	(4,063)
Balance, end of year	(17,740)	(14,274)

8. PROPERTY AND EQUIPMENT

(\$000s)	December 31, 2022	December 31, 2021
Property and equipment cost	2,764,755	2,801,296
Accumulated depletion, depreciation and impairment	(1,904,043)	(1,946,604)
Net book value	860,712	854,692

Property and Equipment Cost

(\$000s)	December 31, 2022	December 31, 2021
Balance, beginning of year	2,801,296	2,818,832
Additions	15,592	8,369
Acquisitions	484	28
Change in decommissioning liabilities estimate (note 9)	(52,619)	(25,652)
Disposals	2	(281)
Balance, end of year	2,764,755	2,801,296

Accumulated Depletion, Depreciation and Impairment

(\$000s)	December 31, 2022	December 31, 2021
Balance, beginning of year	(1,946,604)	(2,197,131)
Depletion and depreciation expense	(60,539)	(56,643)
Impairment / (reversal)	103,100	307,170
Balance, end of year	(1,904,043)	(1,946,604)

At December 31, 2022, undeveloped land of \$4.5 million was excluded from costs subject to depletion (December 31, 2021 - \$5.2 million). Future development costs of \$1.05 billion were added into costs subject to depletion (December 31, 2021 - \$1.01 billion).

At December 31, 2022, due to commodity price increases there was an indicator of an impairment reversal. The Company recorded an impairment reversal of \$103.1 million, composed of an impairment reversal at Peace (\$19.2 million), impairment reversal at Redwater (\$24.9 million) and an impairment

Notes to the Financial Statements

For the year ended December 31, 2022

reversal at Deep Basin (\$59.0 million). These adjustments were attributable to an increase in future commodity prices since December 31, 2021, the date of the previous impairment calculation.

At December 31, 2021, due to commodity price increases there was an indicator of an impairment reversal. The Company recorded an impairment reversal of \$307.2 million, composed of an impairment reversal at Peace (\$55.5 million), impairment reversal at Redwater (\$106.7 million) and an impairment reversal at Deep Basin (\$145.0 million). These adjustments were attributable to an increase in future commodity prices since December 31, 2020, the date of the previous impairment calculation.

The recoverable amounts of the Company's CGU's were estimated at fair value less costs to sell, based on the net present value of after-tax cash flows from oil and natural gas reserves, using reserve values estimated by independent reserve evaluators, and the estimated fair value of undeveloped land. Within the fair value hierarchy, these inputs would be considered Level 3.

At December 31, 2022, in calculating the net present values of cash flows from oil and natural gas reserves, the Company used an after-tax discount rate of 12.0%, an average CDN\$ to US\$ exchange rate of CDN\$1.30 to US\$1.00, and the following future commodity price estimates:

	WTI Oil (US\$/Bbl)	AECO Gas (CDN\$/Mcf)
2023	80.33	4.23
2024	78.50	4.40
2025	76.95	4.21
2026	77.61	4.27
2027	79.16	4.34
2028	80.74	4.43
2029	82.36	4.51
2030	84.00	4.60
2031	85.69	4.69
2032	87.40	4.79
2033	89.15	4.88
Remainder	+2%/yr	+2%/yr

At December 31, 2021, in calculating the net present values of cash flows from oil and natural gas reserves, the Company used an after-tax discount rate of 10.5%, an average CDN\$ to US\$ exchange rate of CDN\$1.26 to US\$1.00, and the following future commodity price estimates:

	WTI Oil (US\$/Bbl)	AECO Gas (CDN\$/Mcf)
2022	72.83	3.56
2023	68.78	3.21
2024	66.76	3.05
2025	68.09	3.11
2026	69.45	3.17
2027	70.84	3.23
2028	72.26	3.30
2029	73.70	3.36
2030	75.18	3.43
2031	76.68	3.50
2032	77.93	3.51
Remainder	+2%/yr	+2%/yr

Notes to the Financial Statements

For the year ended December 31, 2022

At December 31, 2022, a one percent change in the after-tax discount rate is estimated to change the net impairment by approximately \$39 million; a \$1.00/Bbl change in the price of oil is estimated to change the net impairment by approximately \$11.8 million; and a \$0.10/Mcf change in the price of natural gas is estimated to change the net impairment by approximately \$21.0 million.

At December 31, 2021, a one percent change in the after-tax discount rate is estimated to change the net impairment by approximately \$45.2 million; a \$1.00/Bbl change in the price of oil is estimated to change the net impairment by approximately \$13.7 million; and a \$0.10/Mcf change in the price of natural gas is estimated to change the net impairment by approximately \$23.0 million.

9. DECOMMISSIONING LIABILITIES

<i>(\$000s)</i>	December 31, 2022	December 31, 2021
Balance, beginning of year	367,471	393,221
Accretion	5,962	4,955
Settlement of liabilities – cash	(7,509)	(352)
Settlement of liabilities – SRP funding	(5,568)	(4,701)
Change in estimates	(52,619)	(25,652)
Balance, end of year	307,737	367,471

The Company's decommissioning liabilities result from net ownership interests in petroleum and natural gas assets including well sites, gathering systems, pipelines and processing facilities. At December 31, 2022, the Company estimated the total inflated undiscounted amount of cash flows required to settle its decommissioning liabilities was approximately \$463.4 million, which will be incurred over the next 40 years. The Company estimates the average abandonment year for its wells at 8 years, facilities at 25 years, and pipelines at 33 years. (December 31, 2021 - \$468.1 million). At December 31, 2022, the Company used a risk free rate of 3.30% and an inflation rate of 2.0% to calculate the present value of the decommissioning liabilities (December 31, 2021 - risk free rate of 1.65% and inflation rate of 2.0%). The change in estimates during 2022 was primarily attributable to the change in the risk free rate and abandonment cost estimates.

On April 17, 2020, the federal government announced as part of its COVID-19 Economic Response Plan it would provide the oil and gas industry with \$1.7 billion to clean up orphan and inactive wells in Alberta and Saskatchewan under the Site Rehabilitation Program ("SRP"). For the year ended December 31, 2022, \$5.6 million (December 31, 2021 - \$4.7 million) of liabilities were settled using funds received through the SRP. This has been recorded as a reduction to Decommissioning Liabilities and a credit to Depletion and Depreciation expense.

10. LEASE LIABILITIES

The Company incurs lease payments related to certain office space and office equipment.

<i>(\$000s)</i>	December 31, 2022	December 31, 2021
Balance, beginning of year	41,375	48,698
Accretion	1,062	1,401
Revisions to estimates	-	(2,636)
Settlement of liabilities	(5,817)	(6,088)
Balance, end of year	36,620	41,375

Notes to the Financial Statements

For the year ended December 31, 2022

Current portion	7,564	5,971
Non-current portion	29,056	35,404

For the year ended December 31, 2022, expenses for short-term leases relating to vehicles were \$0.9 million (2021 - \$0.7 million).

The following table details the undiscounted cash flows of the Company's lease obligations as at December 31, 2022:

(\$000s)	2023	2024	2025	2026	2027	Thereafter	Total
Lease obligations	7,564	7,564	7,564	7,564	7,564	1,891	39,711

11. BANK CREDIT FACILITIES

Long Run's bank credit facilities with its primary lender total \$357.4 million and are split into two tranches: the first tranche is a \$243.0 million non-revolving term facility due to the head office bank branch, located in China, and the second tranche is a \$114.4 million non-revolving facility which is due to the local bank branch located in Canada.

At December 31, 2022, \$352.1 million was drawn against the bank credit facilities (December 31, 2021 - \$356.8 million) and bank fees of \$0.7 million were offset against bank debt on the statement of financial position at December 31, 2022 (December 31, 2021 - \$1.2 million). Within the first tranche facility, \$12.1 million was advanced as cash collateral for letters of credit. At December 31, 2022, \$10.5 million letters of credit were outstanding with beneficiaries (December 31, 2021 - \$10.6 million).

Long Run's first tranche non-revolving term credit facility with \$239.4 million outstanding bears interest at the twelve month CDOR rate plus a margin of 2.45% per annum. Interest is payable annually on October 31st. For the period from November 1, 2022 – October 31, 2023, the prior CDOR 12 twelve month rate was retained, and the effective rate is 3.1% including the margin. The non-revolving term facility on the first tranche is due on December 9, 2023. An extension for a period of up to 365 days is available upon request. There are no financial covenants on the first tranche credit facility. For the year ended December 31, 2022, the effective interest rate on the first tranche credit facility was 3.1% (December 31, 2021 – 3.2%). The facility is also subject to a structuring and management fee of 0.08% per annum.

The Company's second tranche non-revolving term credit facility with \$112.7 million outstanding bears interest at the three month CDOR rate plus a margin of 2.45% per annum. The interest is payable quarterly on January 31, April 30, July 31 and October 31 of each year. The non-revolving term second tranche is due on December 9, 2023, or 30 days before the maturity of the cash collateral letters of credit on January 9, 2024, whichever is earlier. The bank covenants on the second tranche require a trailing 12-month senior debt to adjusted EBITDA ratio of less than 4.0 to 1.0 commencing the 12-month period ended June 30, 2022 (and for each quarter thereafter), a trailing 12-month interest coverage ratio of at least 3.0 to 1.0 commencing the 12-month period ended June 30, 2022 (3.5 to 1.0 for the period commencing March 31, 2023 and thereafter). Adjusted EBITDA is defined in the credit facility as earnings before interest, income taxes, depletion and depreciation, accretion, impairments and other non-cash items plus any additional contributions elected by Long Run. The convertible debentures and the Calgary Sinoenergy loan facility are not considered debt for the debt to EBITDA ratio calculations. As at December 31, 2022, the Company has breached the consolidated senior debt to adjusted consolidated EBITDA covenant and was compliant with the adjusted consolidated EBITDA to consolidated interest expense covenant. For the year ended December 31, 2022, the effective interest rate on the second tranche credit facility was 4.8% (December 31, 2021 – 2.9%). The facility is also subject to a structuring and management fee of 0.15% per annum.

Notes to the Financial Statements

For the year ended December 31, 2022

Under both tranches of the credit facility, Long Run is required to determine the trailing 12-month adjusted excess cash flow each quarter. Adjusted excess cash flow is defined in the credit agreement as EBITDA less interest expense, permanent debt repayments, capital expenditures not financed with debt and capital lease payments. EBITDA is defined as earnings before interest, income taxes, depletion and depreciation, accretion, impairments, and other non-cash items. Long Run is required to make a repayment under the credit facilities equal to 5% of the adjusted excess cash flow not later than 45 days after each fiscal quarter.

The aggregate amount for all financial commodity swap contracts, at the time each contract was entered into, shall not exceed 75% of the first year projected average daily production net of royalties and 50% of the second year projected daily production net of royalties.

Under the credit facility agreement, Long Run as the borrower and Calgary Sinoenergy Investment Corp ("Calgary Sinoenergy") is the guarantor. Security for the credit facilities includes a demand debenture for \$1.2 billion secured by a fixed and specific mortgage and charge on all property and a floating charge over all of the assets not subject to fixed and specific charges, and a pledge by Calgary Sinoenergy in favour of the lender of all of the issued and outstanding shares of Long Run.

12. DUE TO CALGARY SINOENERGY INVESTMENT CORP.

(\$000s)	December 31, 2022	December 31, 2021
Balance, beginning of year	491,736	479,030
Loan facility advances	-	895
Loan facility interest	15,934	7,011
Convertible debenture interest	4,800	4,800
Balance, end of year	512,470	491,736

At December 31, 2022, the Company had a balance of \$476.8 million owing to Calgary Sinoenergy pursuant to a loan facility agreement dated June 29, 2016 and amended on August 29, 2016, and December 6, 2017 and October 27, 2020. Total borrowings under the facility are limited to \$600.0 million.

Borrowings under the loan facility bear interest at the one month banker's acceptance rate plus 1.5% per annum. For the year ended December 31, 2022, the effective interest rate was 3.9% (December 31, 2021 – 1.7%).

The loan facility terminates on July 9, 2024, unless extended. Payment of any amounts owing under the loan facility, including interest, is not permitted until the Company's bank credit facilities have been repaid.

Security for the loan facility includes a demand debenture for \$800.0 million, which provides for a floating charge and security interest over all of the assets and property of the Company. Security under the loan facility is subordinate to that of the bank credit facilities. Calgary Sinoenergy has waived its right to demand payment for the next twelve months from December 31, 2022.

On June 29, 2016, Calgary Sinoenergy acquired all of the Company's outstanding convertible debentures (see note 13). For the year ended December 31, 2022, accrued and unpaid interest on the Company's convertible debentures was \$4.8 million (December 31, 2021 - \$4.8 million).

Notes to the Financial Statements

For the year ended December 31, 2022

13. CONVERTIBLE DEBENTURES

On January 28, 2014, the Company issued \$75.0 million face value of convertible unsecured subordinated debentures at par. The debentures bear an annual interest rate of 6.40%, payable semi-annually in arrears. On January 30, 2019, the maturity date of the convertible debentures was extended by five years, from January 31, 2019 to January 31, 2024, with the same terms and conditions. Prior to the maturity date on January 31, 2024, the debentures are convertible into Common Shares at a conversion price of \$7.40 per Common Share, subject to adjustment in certain events.

In January 2014, the fair value of the debt portion of the debentures was calculated using a similar instrument without a conversion feature. The difference between the face value of the debentures and the fair value of the liability was classified as equity. As a result of the extension in January 2019, the company recognized an additional equity component of \$4.6 million relating to the modification of the convertible debt.

The carrying value of the liability is being accreted to the face value of \$75.0 million over the remaining term of the debentures, using the effective interest method.

Below is a summary of the debt and equity balances:

<i>(\$000s)</i>	Convertible Debentures Liability	Equity Component of Convertible Debentures	Total
Balance, January 1, 2021	71,929	8,116	80,045
Accretion expense	915	-	915
Balance, December 31, 2021	72,844	8,116	80,960
Accretion expense	990	-	990
Balance, December 31, 2022	73,834	8,116	81,950

On June 29, 2016, Calgary Sinoenergy acquired the outstanding convertible debentures for cash consideration of \$750 per \$1,000 principal amount of debentures plus accrued and unpaid interest of \$4.4 million (see note 12). Effective upon the Calgary Sinoenergy acquisition, payment of any amounts owing under the convertible debentures, including interest, is not permitted until the Company's bank credit facilities have been repaid.

14. SHAREHOLDERS' EQUITY

The Company is authorized to issue an unlimited number of Common Shares, Common Non-Voting Shares, Non-Voting Convertible Shares and First Preferred Shares without nominal or par value.

Common Shares

<i>(000s)</i>	December 31, 2022		December 31, 2021	
	Number of shares	Amount \$	Number of shares	Amount \$
Balance, beginning and end of year	198,139	1,013,629	198,139	1,013,629

Notes to the Financial Statements

For the year ended December 31, 2022

Earnings Per Share

	Year ended December 31	
	2022	2021
Net income (loss) (\$000s)	70,863	256,303
Weighted average shares outstanding – basic (000s)	198,139	198,139
Dilutive impact of convertible debentures (000s) (note 13)	-	14,304
Weighted average shares outstanding – diluted (000s)	198,139	212,443
Earnings (loss) per share, basic	0.36	1.29
Earnings (loss) per share, diluted	0.36	1.22

15. GENERAL AND ADMINISTRATION

(\$000s)	Year ended December 31	
	2022	2021
Salary and employee	8,655	8,236
Other	1,432	2,454
Gross expenses	10,087	10,690
Capitalized costs	(1,752)	(2,070)
Operating recoveries	(3,828)	(3,011)
General and administration	4,507	5,609

During 2021, the Company received the Canada Emergency Wage Subsidy (“CEWS”) and the Canada Emergency Rent Subsidy (“CERS”) as part of its COVID-19 Economic Response Plan. CEWS allows eligible companies to receive a subsidy of 75 percent of employee wages, subject to a maximum. The CERS program allows eligible companies to receive a subsidy on certain rent expenses, subject to a maximum. During the year ended December 31, 2021, the Company received a total subsidy of \$0.8 million which reduced general and administrative salaries by \$0.5 million and operating expenses by \$0.3 million. The Company did not receive any subsidies under these programs in 2022.

16. INCOME TAXES

The provision for income tax differs from the amount that would have been expected if the reported earnings (loss) had been subject only to the statutory Canadian income tax rates:

(\$000s)	Year ended December 31	
	2022	2021
Income (Loss) before income tax	70,863	256,303
Corporate tax rate	23.0%	23.0%
Expected tax recovery	16,298	58,950
Increase (decrease) in taxes resulting from:		
Unrecognized deferred income tax asset	(22,885)	(55,380)
Change in tax rates	-	-
True-up to tax return	6,254	(3,985)
Impairment reversal	-	-
Other	333	415

Notes to the Financial Statements

For the year ended December 31, 2022

Deferred income tax expense (recovery)	-	-
--	---	---

The components of the deferred income tax asset were as follows:

(\$000s)	December 31, 2022	December 31, 2021
Property and equipment	170,566	193,157
Decommissioning liabilities	25,372	27,009
Non-capital losses	140,175	142,970
Alberta royalty tax deduction	1,104	1,104
Convertible debentures (note 13)	(268)	(496)
Capital losses	4,140	-
Share issue costs	81	263
Finance lease	4,292	4,339
Unrecognized deferred income tax asset	(345,462)	(368,346)
Deferred income tax asset	-	-

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax losses can be utilized. The amount and timing of reversals of temporary differences will be dependent upon a number of factors, including the Company's future operating results.

At December 31, 2021 the Company had estimated non-capital loss carry forward balances of \$609.5 million (December 31, 2021 – \$621.5 million). The non-capital losses expire as follows: 2024 – \$1.5 million, 2025 – \$4.7 million, 2026 – \$12.7 million, 2028 - \$0.1 million and thereafter \$590.4 million.

During 2016, the Company received a notice of re-assessment ("NOR") from the Canada Revenue Agency ("CRA") regarding the income tax treatment of certain Scientific Research and Experimental Development ("SR&ED") deductions (\$76.0 million) and related investment tax credits ("ITC's") (\$18.0 million). Effective June 29, 2016, the unutilized ITC's subject to the NOR are no longer available to the Company due to the change of control of Long Run on June 29, 2016.

The Company disagrees with the CRA's position and filed a notice of objection to the NOR. The Company has sufficient alternative tax pools available to offset the SR&ED deductions subject to the NOR.

The components of the deferred income tax asset above include approximately \$21.0 million relating to the SR&ED deductions subject to the NOR. Of the \$21.0 million, approximately \$19.0 million relates to property and equipment and approximately \$2.0 million relates to non-capital losses.

17. RELATED PARTY TRANSACTIONS

At December 31, 2022, the Company had a balance owing to Calgary Sinoenergy of \$512.5 million (December 31, 2021 - \$491.7 million) (see note 12) and a convertible debenture with a \$75 million face value (see note 13).

The Company has an agreement to provide management, administrative and operating services ("Management Agreement") to a related party for an annual fee of \$1.5 million. In addition, the related party reimburses Long Run for contract operator payments made by Long Run on behalf of the related party. At December 31, 2022, Long Run had a balance owing from the related party of \$1.2 million related to services provided under the Management Agreement (December 31, 2021 - \$1.0 million).

Notes to the Financial Statements For the year ended December 31, 2022

In November 2020, the Company entered into a marketing agreement with the related party to market natural gas on their behalf. During 2022, the Company marketed 1,088 mmcf of natural gas with sales totalling \$5.6 million. At December 31, 2022, there were no balances outstanding relating to natural gas marketing with the related party (December 31, 2021 - \$nil). The net receivable due from the related party at December 31, 2022 is \$1.2 million (December 31, 2021 - \$1.0 million).

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair Value of Financial Assets and Liabilities

Fair value is defined as the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company's financial instruments recognized in the statement of financial position consist of cash, restricted cash, accounts receivable, deposits, lease receivable, accounts payable and accrued liabilities, bank loan, due to Calgary Sinoenergy and convertible debentures. The carrying values of cash, accounts receivable, deposits and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. The carrying values of the bank loan, convertible debentures and the Calgary Sinoenergy loan facility approximate fair values due to the interest rates on the facilities being at prevailing market rates.

Financial Derivative Contracts

The Company may enter into financial derivative contracts for the purpose of protecting cash flows generated from operations from the volatility of commodity prices and changes in interest and electricity rates. The Company had no financial commodity contracts in place as at December 31, 2022 or 2021.

Fair Value Measurement of Financial Instruments

The Company recognizes the fair value of its financial instruments carried at fair value through profit and loss on the statement of financial position each reporting period, with the change in fair value recognized as an unrealized gain or loss on the Statement of Income (Loss) and Comprehensive Income (Loss).

The Company determines fair value using a hierarchy that prioritizes inputs depending upon the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1 - inputs represent quoted prices in active markets for identical assets or liabilities. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2 - inputs other than quoted prices used in Level 1 that are observable, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs which can be observed or corroborated in the market place from sources such as the New York Mercantile Exchange and the Natural Gas Exchange.
- Level 3 - inputs that are less observable, unavailable or where the observable data does not support the majority of the instrument's fair value.

Notes to the Financial Statements

For the year ended December 31, 2022

Physical Fixed Price Commodity Contracts

The Company also uses physical fixed price commodity contracts to reduce its exposure to fluctuations in commodity prices.

The Company had the following physical fixed price commodity sales contracts in place as at December 31, 2022:

	Volume	Pricing
Natural Gas		
January 1, 2023 – March 31, 2023	2,500 GJ/d	\$6.16/GJ
January 1, 2023 – March 31, 2023	1,500 GJ/d	\$6.55/GJ
January 1, 2023 – March 31, 2023	1,500 GJ/d	\$6.88/GJ
January 1, 2023 – March 31, 2023	1,500 GJ/d	\$7.17/GJ
January 1, 2023 – February 28, 2023	5,051 GJ/d	\$6.21/GJ ¹

¹ Represents the weighted average of several one month contracts

The Company entered into the following physical fixed price commodity contracts subsequent to December 31, 2022:

	Volume	Pricing
Natural Gas		
April 1, 2023 – October 31, 2023	2,500 GJ/d	\$2.65/GJ
April 1, 2023 – October 31, 2023	1,500 GJ/d	\$2.75/GJ
April 1, 2023 – October 31, 2023	1,000 GJ/d	\$2.85/GJ
April 1, 2023 – October 31, 2023	1,000 GJ/d	\$2.60/GJ
April 1, 2023 – October 31, 2023	1,000 GJ/d	\$2.58/GJ
April 1, 2023 – October 31, 2023	700 GJ/d	\$2.45/GJ
April 1, 2023 – October 31, 2023	500 GJ/d	\$2.44/GJ
March 1, 2023 – April 30, 2023	5,016 GJ/d	\$2.64/GJ ¹
Oil		
January 1, 2023 – December 31, 2023	500 BOE/d	\$100.00/BOE ²
March 1, 2023 – December 31, 2023	100 BOE/d	\$99.75/BOE ²

¹ Represents the weighted average of several one month contracts

² The price will be adjusted for transportation and quality as per industry standards

Market risk

Market risk includes uncertainty arising from possible movements in commodity prices and interest rates and the impact of such movements on the future performance of the business. Commodity price and interest rate movements could adversely affect the value of the Company's financial assets, liabilities and expected future cash flows.

To partially mitigate exposure to commodity price risk, the Company may enter into various financial derivative instruments and physical fixed price commodity contracts. The instruments and contracts currently outstanding are described above. To mitigate exposure to interest rate risk, the Company has debt at both floating and fixed interest rates. The Company may also manage interest rate risk through

Notes to the Financial Statements

For the year ended December 31, 2022

the use of interest rate swaps. The Company's bank debt facilities have a floating interest rate that fluctuates based on prevailing market conditions. The Calgary Sinoenergy loan facility bears interest at the one month banker's acceptance rate plus 1.5% per annum. The Company's convertible debentures bear interest at a fixed annual interest rate of 6.4%.

Based on the bank debt and the Calgary Sinoenergy loan facility outstanding as at December 31, 2022, a one percent change in the interest rate would impact annual interest expense by approximately \$8.6 million.

Credit risk

Credit risk is the risk that a customer or counterparty will fail to perform an obligation or fail to pay amounts due, causing a financial loss. The Company's accounts receivable are with customers and partners in the oil and natural gas industry and are subject to normal credit risks. A portion of the Company's production is currently sold through partners under normal industry sale and payment terms.

During the year ended December 31, 2022, two third party purchasers (December 31, 2021 – three third party purchasers) each marketed more than 10% of the Company's petroleum and natural gas revenue.

Accounts Receivable (\$000s)	December 31, 2022	December 31, 2021
Less than 90 days	20,227	14,178
Greater than 90 days	2,290	2,741
Total	22,517	16,919

When determining whether amounts that are past due are collectible, the Company assesses the creditworthiness and past payment history of the counterparty, as well as the nature of the past due amount. Long Run generally considers amounts greater than 90 days to be past due. The Company's provision for expected credit losses at December 31, 2022 was \$43.3 million (December 31, 2021 – \$42.7 million).

Liquidity risk

Liquidity risk arises when excess financial obligations are due over available financial assets at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient capital in order to meet its current and future liquidity requirements. The Company is also subject to externally imposed capital requirements on its credit facilities (note 11).

At December 31, 2022, Long Run had cash of \$29.8 million. Under the loan due to Calgary Sinoenergy (see note 12), the Company has \$87.5 million remaining credit available as \$512.5 million has been drawn against the total available credit of \$600.0 million.

Capital Management

The Company's primary capital management objective is to strengthen its financial position and improve financial flexibility in order to support capital programs, production maintenance, perform acquisitions and other operational strategies. To manage the capital structure, the Company may adjust capital spending, dispose of properties, issue new equity, restructure debt or repay existing debt.

In managing its capital structure, the Company monitors EBITDA as an indicator of overall financial strength, with EBITDA defined as earnings before interest, income taxes, depletion and depreciation,

Notes to the Financial Statements

For the year ended December 31, 2022

accretion, impairments, and other non-cash items. Long Run's objective is to target EBITDA at an amount that supports capital spending forecasts.

On October 27, 2020, the Company successfully completed its debt restructuring with its primary lending institution and reached commercial terms that were favourable to the Company. The Company is subject to externally imposed capital requirements on its credit facilities. Refer to note 11.

19. SUPPLEMENTAL CASH FLOW INFORMATION

Net Change in Non-Cash Working Capital

(\$000s)	Year ended December 31	
	2022	2021
Source (use) of cash:		
Accounts receivable	(5,761)	(4,219)
Deposits and prepaid expenses	(279)	(990)
Accounts payable and accrued liabilities	(7,948)	6,807
Due to Calgary Sinoenergy	20,734	11,814
	6,746	13,412
Related to:		
Operating activities	4,747	12,154
Investing activities	1,999	1,258
	6,746	13,412

20. COMMITMENTS AND CONTINGENCIES

Commitments

(\$000s)	2023	2024	2025	2026	2027	Thereafter	Total
Processing	6,080	6,080	6,080	2,088	-	-	20,328
Transportation	4,687	2,982	625	269	44	22	8,629
Consulting	252	252	252	-	-	-	756
Total	11,019	9,314	6,957	2,357	44	22	29,713

At December 31, 2022, the Company is committed for consulting fees, processing of natural gas and transportation of oil, natural gas and NGLs.

Litigation

The Company is involved in various claims and legal actions arising in the normal course of business. Long Run does not expect that the outcome of these proceedings will have a material adverse effect on the Company.

The Company, along with a number of co-defendants, has been named in a lawsuit claiming up to \$44.0 million of damages. The Company intends to vigorously defend against the claim as it believes the claim and amount are not valid. Estimating an amount or range of possible losses resulting from

Notes to the Financial Statements

For the year ended December 31, 2022

litigation proceedings is inherently difficult, particularly where the matters involve indeterminate claims for monetary damages and are in the stages of the proceedings where key factual and legal issues have not been resolved. For these reasons, the Company is currently unable to predict the ultimate timing or outcome of or reasonably estimate the possible losses resulting from the matter. No provision has been recognized as at December 31, 2022.

21. PETROLEUM AND NATURAL GAS SALES

The Company derives revenue from contracts with customers from the following major commodity types:

(\$000s)	Year ended December 31	
	2022	2021
Crude oil revenue	99,325	63,447
Natural gas revenue	70,417	48,057
NGL revenue	26,239	19,325
Petroleum and natural gas revenue	195,981	130,829

This is **Exhibit "R"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



Income Statement 利润及利润分配表

会企02表 Report Form

CALGARY SINOENERGY INVESTMENT CORPORATION

2023/12/31

单位:加元 1 dollar

项目	Items	Line Item # 行次	QTD Dec 31, 2023 本季度数	YTD Dec 31, 2023 本年累计数
一、营业收入	Revenue	1	-	-
其中：主营业务收入	Operating Revenue	2	-	
其中：其他业务收入	Other Operating Revenue	3	-	
减：营业成本	Less: Cost of Sales	4	-	-
其中：主营业务成本	Operating Expenses	5	-	
其中：其他业务支出	Other Operating Expenses	6	-	
营业税金及附加	Sales Tax	7	-	-
营业费用	Selling & Distribution Expenses	8	-	
管理费用	General and Administrative Expenses	9	28.50	1,683.80
折旧费用				
财务费用	Finance Expenses	10	(4,155,675.61)	-15,460,360.24
资产减值损失	Impairment (Gain) Loss	11	-	
加：公允价值变动净收益	Plus: Net income from changes in fair value	12	-	
投资收益	Investment income	13	-	
其中：对联营企业和合营企业的投资收益	Income from investment in associates and joint ventu	14	-	
二、营业利润	Profit from Operation	15	4,155,647.11	15,458,676.44
加：营业外收入	Plus: Non-Operating Income	16	-	-
其中：非流动资产处置收益	Gain from asset disposition	17	-	-
减：营业外支出	Less: Non-Operating Expenses	18	-	
其中：非流动资产处置损失	Loss from asset disposition	19	-	
四、利润总额	Profit before Tax	20	4,155,647.11	15,458,676.44
减：所得税费用	Less: Income Tax	21	-	-
少数股东当期损益	Minority Interest	22		
五、净利润	Net Profit	23	4,155,647.11	15,458,676.44
加：年初未分配利润	Plus: Retained profit	24	-	
其他转入数	Other transfer-in	25	-	
六、可分配利润	Profit available for distribution	26	4,155,647.11	15,458,676.44
减：提取法定盈余公积		27	-	-
提取法定公益金		28	-	-
提取职工奖励及福利基金		29	-	-
提取储备基金		30	-	-
提取企业发展基金		31	-	-
利润归还投资		32	-	-
七、可供股东分配利润		33	4,155,647.11	15,458,676.44
减：应付优先股股利		34	-	-
提取任意盈余公积		35	-	-
应付普通股股利		36	-	-
转作股本的普通股股利		37	-	-
八、未分配利润		38	4,155,647.11	15,458,676.44

Balance Sheet
资产负债表

会企01表 Report #1
单位:加元

CALGARY SINOENERGY INVESTMENT CORPORATION

2023/12/31

资产	Assets	Line # 行次	Ending Balance 期末余额	Beginning Balance 期初余额	负债和所有者权益	Liabilities and Owner's Equity	Line # 行次	Ending Balance 期末余额	Beginning Balance 年初余额
流动资产:	Current Assets	1			流动负债:	Current Liabilities	42		
货币资金	Cash	2	225,802.46	228,015.46	短期借款	Short-term loans	43		
交易性金融资产	Financial Assets	3			交易性金融负债	Financial Liabilities	44		
应收票据	Notes Receivable	4			应付票据	Notes payable	45		
应收账款余额	Accounts Receivable	5			应付账款	Accounts payable	46		
减: 坏账准备	Less: Bad Debts Provision	6	-	-	预收款项	Advance from customers	47		
应收账款净额	Net Account Receivable	7	-	-	应付职工薪酬	Payroll payable	48		
预付款项	Prepaid	8	-	-	应交税费	Taxes payable	49		
应收利息	Interest Receivable	9			应付利息	Interest payable	50		
应收股利	Dividends Receivable	10			应付股利	Dividend payable	51		
其他应收款余额	Other Receivable	11	577,803,562.34	546,339,252.10	其他应付款	Other payable	52	410,382,079.44	394,378,579.44
减: 坏账准备	Less: Bad Debts Provision	12	-	-	一年内到期的非流动负债	Non-current liability due within one year	53		
其他应收款净额	Net Other Receivable	13	577,803,562.34	546,339,252.10	其他流动负债	Other current liability	54		
消费税-进项税	Input Tax Credit	14	228.28	149.08	消费税-销项税	GST Payable	55		
存货	Inventories	15							
一年内到期的非流动资产	Non-Current Assets due within one year	16							
其他流动资产	Other Current Assets	17							
流动资产合计	Total Current Assets	18	578,029,593.08	546,567,416.64	流动负债合计	Total current liability	56	410,382,079.44	394,378,579.44
非流动资产:	Non-Current Assets:	19			非流动负债:	Non-current liabilities:	57		
可供出售金融资产	Available-for-sale financial assets	20			长期借款	Long-term loans	58	320,070,000.00	320,070,000.00
持有至到期投资	Held-to-maturity investments	21			应付债券	Bonds payable	59		
长期应收款	Long-term receivable	22	56,250,000.00	56,250,000.00	长期应付款	Long-term payable	60		
长期股权投资	Long-term equity Investment	23	103,032,643.48	103,032,643.48	专项应付款	Grants & Subsidies received	61		
投资性房地产	Investment - Real Estate	24			预计负债	Provisions	62		
固定资产原值	Fixed Assets Cost	25	-	-	递延所得税负债	Deferred Tax liabilities	63		
减: 累计折旧	Less: Accumulated Depreciation	26			其他非流动负债	Other non-current liabilities	64		
减: 固定资产减值准备	Less: Impairment of fixed assets	27							
固定资产净额	Net of Fixed Assets	28	-	-	非流动负债合计	Total non-current liabilities	65	320,070,000.00	320,070,000.00
在建工程	Construction in Progress	29			负债合计	Total Liabilities	66	730,452,079.44	714,448,579.44
工程物资	Construction Materials	30							
固定资产清理	Fixed Assets pending for disposal	31			所有者权益(或股东权益):	Owner's Equity:	67		
生产性生物资产	Bearer biological assets	32			实收资本	Paid in capital	68	10,005,000.00	10,005,000.00
油气资产	Oil and Gas Assets	33			资本公积	Capital Reserves	69		
无形资产	Intangible assets	34			减: 库存股	Less: treasury stock	70		
开发支出	Development Costs	35			盈余公积	Surplus Reserves	71		
商誉	Goodwill	36			未分配利润	Retained profits before appropriation	72	-3,144,842.88	-18,603,519.33
长期待摊费用	Long-term deferred expense	37			外币报表折算差额	Translation reserve	73		
递延所得税资产	Deferred tax assets	38			归属于母公司所有者权益合计	Total equity attributable to parent company	74	6,860,157.12	-8,598,519.33
其他非流动资产	Other non-current assets	39			少数股东权益	Minority interests	75		
非流动资产合计	Total non-current assets	40	159,282,643.48	159,282,643.48	所有者权益(或股东权益)合计	Total Equity	76	6,860,157.12	-8,598,519.33
资产总计	Total Assets	41	737,312,236.56	705,850,060.12	负债和所有者权益(或股东权益)总计	Total Liability & Equity	77	737,312,236.56	705,850,060.12

Statement of Cash Flow

现金流量表

企 03-1表 report #3-1

Accounting period: Jan -Dec 2023 Unit: Canadi

CALGARY SINOENERGY INVESTMENT CORPORATION

会计期间: 2023年度1-12月 单位: 加元

项目	Items	Line item # 行次	Balance for the period: Jan -Dec 2023 年初至报告期末金额
一、经营活动产生的现金流量:	Cash flows from operating activities:		
销售商品、提供劳务收到的现金	Cash from selling commodities or offering labor	1	
收到的税费返还	Refund of tax	2	
收到其他与经营活动有关的现金	Other cash received related to operating activities	3	
经营活动现金流入小计	Subtotal	4	-
购买商品、接受劳务支付的现金	Cash paid for commodities or labor	5	1,683.80
支付给职工以及为职工支付的现金	Cash paid to and for employees	6	
支付的各项税费	Taxes and fees paid	7	529.20
支付其他与经营活动有关的现金	Other cash paid related to operating activities	8	
经营活动现金流出小计	Subtotal	9	2,213.00
经营活动产生的现金流量净额	Net cash form operating activities	10	-2,213.00
二、投资活动产生的现金流量:	Cash flows from Investing activities:		
收回投资收到的现金	Cash from return of investments	11	
其中: 出售子公司收到的现金	Cash from sale of subsidiaries	12	
取得投资收益收到的现金	Cash from investment income	13	
处置固定资产、无形资产和其他长期资产收回的现金净额	Net cash from disposing fixed assets, intangible assets and other long-term assets	14	-
处置子公司及其他营业单位收到的现金净额	Net cash from disposing subsidiaries and other unit	15	
收到其他与投资活动有关的现金	Cash from other investing activities	16	
投资活动现金流入小计	Subtotal	17	-
购建固定资产、无形资产和其他长期资产支付的现金	Cash paid for buying fixed assets, intangible assets and other long-term investment	18	
投资支付的现金	Cash paid for investment	19	
取得子公司及其他营业单位支付的现金净额	Net Cash paid for purchase subsidiaries and other unit	20	
支付其他与投资活动有关的现金	Other cash paid related to investing activities	21	
投资活动现金流出小计	Subtotal	22	-
投资活动产生的现金流量净额	Net cash form Investing activities	23	-
三、筹资活动产生的现金流量:	Cash flows from financing activities		
吸收投资收到的现金	Cash from accepting investment	24	
其中: 子公司吸收少数股东权益性投资收到的现金	Cash received from equity investment of minority shareholders by subsidiaries	25	
取得借款收到的现金	Borrowings	26	-
收到其他与筹资活动有关的现金	Other cash received from relating financing activities	27	
筹资活动现金流入小计	Subtotal	28	-
偿还债务支付的现金	Cash paid for debt	29	
分配股利、利润或偿付利息支付的现金	Cash paid for dividend or interest	30	
其中: 支付少数股东的股利	Minority dividend	31	
支付其他与筹资活动有关的现金	Other cash paid related to financing activities	32	-
其中: 子公司依法减资支付给少数股东的现金	Cash paid by subsidiaries to minority shareholders in accordance with the law	33	
筹资活动现金流出小计	Subtotal	34	-
筹资活动产生的现金流量净额	Net cash from financing activities	35	-
四、汇率变动对现金的影响	foreign currency translation	36	

五、现金及现金等价物净增加额	Net Increase Of Cash and Cash Equivalents	37	-2,213.00
加：期初现金及现金等价物余额	Cash, Beginning of Period	38	228,015.46
六、期末现金及现金等价物余额	Cash, End of Period	39	225,802.46

企 03-2表 report #3-2

Supplementary Schedule 现金流量表补充资料

Accounting period: Jan -Dec 2023 Unit: Cana

CALGARY SINOENERGY INVESTMENT CORPORATION

会计期间：2023年度1-12月 单位：加元

补充资料	Supplementary Schedule	Line item # 行次	Balance for the period: Jan -Dec 2023 年初至报告期末金额
1、将净利润调节为经营活动现金流量：	1、Convert net profit to cash flow from operating activities		
净利润	Net profit	40	15,458,676.44
加：资产减值准备	plus: Provision for asset impairment losses	41	
固定资产折旧、油气资产折耗、生产性生物资产折旧	Depreciation and Depletion	42	-
无形资产摊销	Amortization of intangible assets	43	
长期待摊费用摊销	Amortization of long-term deferred expenses	44	
处置固定资产、无形资产和其他长期资产的损失（收益以“-”号填列）	loss of disposing fixed assets, intangible assets and other long-term assets (gain “-”)	45	-
固定资产报废损失（收益以“-”号填列）	Scrap loss of fixed assets (gain “-”)	46	
公允价值变动损失（收益以“-”号填列）	Loss form fair value change (gain “-”)	47	-
财务费用（收益以“-”号填列）	Financial expense(gain “-”)	48	
投资损失（收益以“-”号填列）	Loss form investment (gain “-”)	49	
递延所得税资产减少（增加以“-”号填列）	Deferred tax assets decrease (increase “-”)	50	
递延所得税负债增加（减少以“-”号填列）	Deferred tax liabilities increase (decrease “-”)	51	
存货的减少（增加以“-”号填列）	Inventory decrease (increase “-”)	52	
经营性应收项目的减少（增加以“-”号填列）	Operational Receivables decrease (increase “-”)	53	-31,464,389.44
经营性应付项目的增加（减少以“-”号填列）	Operational Payables increase (decrease “-”)	54	16,003,500.00
其他	Others	55	
经营活动产生的现金流量净额	Net cash from operating activities	56	-2,213.00
2、不涉及现金收支的重大投资和筹资活动：	2、Investing and financing activities not involved in cash		
债务转为资本	Debt converted to capital	57	
一年内到期的可转换公司债券	Convertible bond maturity within one year	58	
融资租入固定资产	Leasehold improvements	59	
3、现金及现金等价物净变动情况：	3、Net increase of cash and cash equivalents		
现金的期末余额	cash, end of balance	60	225,802.46
减：现金的期初余额	Less: cash, beginning of period	61	228,015.46
加：现金等价物的期末余额	Plus: cash equivalents, end of period	62	
减：现金等价物的期初余额	Less: cash equivalents, beginning of period	63	
现金及现金等价物净增加额	Net increase of cash and cash equivalents	64	-2,213.00

This is **Exhibit "S"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris CCO # 85481T





January 30, 2024

Long Run Exploration Ltd.
600, 600 – 3rd Street SW
Calgary, Alberta
T2P 0G5

Delivered via E-mail

Attn: Wendy Barber, President and CEO

Re: Pembina Gas Services Limited Partnership (“PGI”) Notice of Exercise of Default Remedies

By demand letter dated January 17, 2024, PGI requested that Long Run Exploration Ltd. (“**Long Run**”) pay to PGI the overdue amount of \$594,506.14 (the “**Total Indebtedness**”) pursuant to the Gas Handling Agreement dated September 22, 2011 between PGI and Long Run, as amended from time to time (the “**GHA**”).

Long Run has failed to date to pay the Total Indebtedness. As a result, PGI hereby provides notice that PGI will be exercising the remedy set out under Section 606(e) of the GHA with respect to Long Run’s Producer Outlet Substances.

Please send the details of any existing contracts for the sale of Residual Gas previously executed by Long Run, including contact information for any purchasers, to Julie Ng at JNg@PGIMidstream.com before **5:00 P.M. on January 31, 2024**. If this information is not received by such time, PGI intends to immediately exercise the remedy set out under Section 606(f) of the GHA and sell Long Run’s Residual Gas on the open market.

In the event it becomes necessary for PGI to commence legal proceedings in connection with this matter, PGI will seek legal costs on a solicitor/client basis, pre- and post-judgment interest and all other amounts available to it in addition to the Total Indebtedness.

Respectfully,

PEMBINA GAS SERVICES LIMITED PARTNERSHIP

A handwritten signature in blue ink, appearing to read 'CRousch', is written over a white rectangular background.

Chris Rousch
President & CEO

cc: Cathryn Daintree
Julie Ng

This is **Exhibit "T"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 854811



LEASE TERMINATION NOTICE

Dated this 8th day of March, 2024.

DELIVERED TO PREMISES

with a courtesy copy sent via email: wbarber@longrunexploration.com

FROM: OPG INVESTMENT HOLDINGS GP INC., as general partner of EAU CLAIRE LIMITED PARTNERSHIP AND 9486801 CANADA INC. ("Landlord")

Centennial Place – East Tower
520 – 3rd Avenue SW, Suite 1600
Calgary, AB T2P 0R3

TO: LONG RUN EXPLORATION LTD. ("Tenant")

600 – 3rd Avenue SW, Suite 500
Calgary, AB T2P 0G5

Re: Lease dated December 3, 2013, between Landlord and Tenant, as amended, supplemented, modified or restated from time to time (collectively the "Lease") in respect of certain premises containing an area of approximately one hundred ten thousand one hundred seventy-six (110,176) square feet (the "Premises"), and storage license agreement dated October 13, 2023 between Landlord and Tenant (the "Storage License") for Tenant's license of the storage unit located at #P2-16 (the "Licensed Area"), each in Eau Claire Tower municipally located at 600 – 3rd Avenue SW, Calgary, AB (the "Building")

TAKE NOTICE THAT:

Notwithstanding the Lease Default Notices dated December 7, 2023 and February 12, 2024, and the Notice to Tenant and Control Letter dated March 1, 2024, each delivered to you in accordance with the Lease, you, the Tenant, have failed to cure the defaults set out therein.

Accordingly, take notice that the Landlord terminates the Lease and the Storage License effective immediately, pursuant to its rights at law and under Article 19.03 of the Lease. You are required to deliver up immediate vacant possession of the Premises and Licensed Area to the Landlord, and the Landlord hereby confirms that it is re-entering and re-possessing the Premises and Licensed Area for such purpose.

Notwithstanding the termination of the Lease and Storage License, this is your notice that the Landlord hereby reserves its right, without limitation, to:

- (a) pursue, without any further notice to you, any and all remedies available to it, both at law and at equity, including those set out in the Lease, and recover from you all arrears of Rent and Rental Taxes (as defined in the Lease) up to the date of termination, plus accelerated Rent, unamortized balances owing, interest, costs and damages associated with such termination, all in accordance with the Lease, and arrears of the License Fee under the Storage License;
- (b) recover from you all damages and losses it sustains as a result of the premature termination of the Lease, including but not limited to, the costs of reclaiming, repairing and re-leasing the Premises, legal fees and disbursements on a solicitor and client basis, and all damages flowing as a result of the

Landlord losing the benefit of the Lease over its unexpired term, including but not limited to, the value of the entirety of unpaid future Rent;

- (c) all rights to be indemnified by the Tenant for all acts, events, and omissions that have occurred up to this date for which the Landlord is entitled to be indemnified, whether under the Lease, at law, or otherwise;
- (d) all rights of the Landlord to require the Tenant to remove various items from the Premises ("**Removal Rights**") and to make good any damage caused by such removal, and all other rights of the Landlord in connection with the Removal Rights, and all rights to perform the Removal Rights, including expelling all persons and removing all property from the Premises and selling or disposing such property as the Landlord deems advisable without the Landlord being considered guilty of trespass or conversion or becoming liable for any loss or damage which be occasioned thereby pursuant to Article 19.03 of the Lease; and
- (e) all other damages sustained by the Landlord, including all interest and costs.

The Tenant is to immediately deliver up to the Landlord all keys and other security cards for the Premises and the Licensed Area that are in its possession or control. Further, unless otherwise agreed to in writing or directed in writing by Landlord, you must remove all of your personal property from the Premises and the Licensed Area within ten days of receiving this Lease Termination Notice, pursuant to Article 19.03 of the Lease. Any property of the Tenant which remains on the Premises after that time will be deemed to have been abandoned, and the Landlord will be entitled to retain or dispose of it for the Landlord's benefit, without further notice to you. Please contact Kent Keenan via e-mail at KKeenan@oxfordproperties.com to make such arrangements.

For certainty, notwithstanding the termination of the Lease and the Storage License, Landlord reserves all rights under the Lease and the Storage License, and at law or in equity.

LANDLORD:

OPG INVESTMENT HOLDINGS GP INC., as general partner of EAU CLAIRE LIMITED PARTNERSHIP AND 9486801 CANADA INC., by their manager, without personal liability, OPGI Management GP Inc. as general partner of the OPGI Management Limited Partnership

DocuSigned by:
David Routledge
Per: _____
Name: David G. Routledge
Title: Vice President and Head of Western Canada Office

DocuSigned by:
Morgan Quinn
Per: _____
Name: Morgan Quinn
Title: Assistant Secretary

Having authority to bind the corporation.

This is **Exhibit "U"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

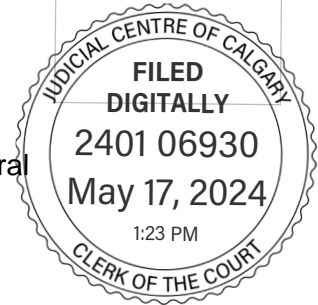
A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85451T



COURT FILE NUMBER 2401-06930
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF 9486801 CANADA INC. and OPG INVESTMENT HOLDINGS GP INC. as general partner of EAU CLAIRE LIMITED PARTNERSHIP
DEFENDANT LONG RUN EXPLORATION ~~INC.~~ LTD.
DOCUMENT **AMENDED STATEMENT OF CLAIM**

Clerk's stamp



AMENDED *E. Wheaton*
on May 17, 2024
before the close of pleadings

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Norton Rose Fulbright Canada LLP
400 3rd Avenue SW, Suite 3700
Calgary, Alberta T2P 4H2 Canada

Bryan Walker / Jenine Urquhart
bryan.walker@nortonrosefulbright.com /
jenine.urquhart@nortonrosefulbright.com
Tel: +1 403.267.8222
Fax: +1 403.264.5973

Lawyers for the Plaintiffs, OPG Investment Holdings GP Inc. as general partner of Eau Claire Limited Partnership and 9486801 Canada Inc.
File no.: 1001290916

NOTICE TO DEFENDANT

You are being sued. You are a defendant.

Go to the end of this document to see what you can do and when you must do it.

Note: State below only facts and not evidence (Rule 13.6)

Statement of facts relied on:

The Parties

1. The Plaintiff, OPG Investment Holdings GP Inc. (**OPG**) is an extra-provincially registered corporation, duly incorporated pursuant to the laws of the Province of Ontario. OPG is the general partner of the Plaintiff, Eau Claire Limited Partnership (**ECLP**), a limited partnership duly registered pursuant to the laws of the Province of Alberta.

2. The Plaintiff, 9486801 Canada Inc. (**948** and collectively with OPG and ECLP, the **Landlord**) is a federal corporation duly incorporated pursuant to the laws of Canada.

3. OPG and 948 are the registered owners of Eau Claire Tower, located at 600 – 3rd Avenue SW, Calgary, Alberta (the **Building**) and together with ECLP, carry on business as landlord of the Building.

4. The Defendant, Long Run Exploration ~~Inc.~~ Ltd. (**Long Run** or the **Tenant**), is a corporation incorporated pursuant to the laws of Alberta, carrying on business as a intermediate oil and natural gas company with its head office in Calgary, Alberta.

The Lease

5. On or around December 3, 2013, the Tenant entered into a commercial lease agreement with Oxford Properties Office GP Inc. (**Oxford Properties**), in its capacity as the (then) general partner of ECLP, as amended by a lease amending agreement dated August 8, 2016 and a further lease amending agreement dated January 4, 2017 (collectively, the **Lease**). The Lease was with respect to premises located at Suites 500, 600, 700 and 800 of the Building and having a rentable area of approximately 110,176 square feet (the **Premises**).

6. The Lease included the following terms, among others:

- (a) the Tenant agreed to lease the Premises from the Landlord from April 1, 2018 to March 31, 2028 (the **Lease Term**);
- (b) the Tenant agreed to pay basic rent to the Landlord during the Lease Term in the amount of \$4,572,304.00 per annum (\$381,025.33 per month), which was based on the rate of \$41.50 per square foot per year (**Basic Rent**);
- (c) in addition to Basic Rent, the Tenant agreed to pay additional rent to the Landlord for, among other things, the Tenant's share of operating costs and utilities (**Additional Rent**);
- (d) the Tenant agreed to pay the Landlord all rental taxes including GST;
- (e) the amounts owing for Basic Rent and Additional Rent (collectively referred to as **Rent**) were to be paid by the Tenant to the Landlord on a monthly basis, on the first day of each month, together with any rental taxes;

- (f) upon the occurrence or satisfaction of certain conditions set out in the Lease, the Landlord was to provide the Tenant with a leasehold improvement allowance of \$72.00 plus GST per square foot (the **Leasehold Improvement Allowance**) to allow certain improvements to be constructed on the Premises on the terms and conditions set out in the Lease (the **Tenant's Work**);
- (g) save and except for real estate commissions or fees payable to the Tenant's broker, CMN Calgary Inc. (**Colliers**), the Tenant shall indemnify and hold harmless the Landlord from payment of any real estate commission or fees in respect of the Lease;
- (h) an event of default arises where, among other things, Rent is in arrears and not paid in full within five (5) days after delivery of written notice by the Landlord;
- (i) upon default of the Lease, among other things:
 - (i) the Landlord is entitled to terminate the Lease and, upon termination, to re-enter and take possession of the Premises;
 - (ii) the Landlord is entitled to recover the full amount of the current month's Rent and rental taxes, as well as the next three months' instalments of Rent, which immediately become due and payable as accelerated rent (**Accelerated Rent**), together with any arrears;
 - (iii) the Tenant is liable to pay interest to the Landlord on all Rent at the lesser of prime lending rate plus five percent (5%) per annum and the maximum interest rate permitted by applicable law (the **Contractual Rate**);
 - (iv) during the Lease Term and any extension thereof, the Tenant shall license from the Landlord or Landlord's contractor one (1) parking space in the underground parking facility of the Building for every 1,800 square feet in the Premises (the **Parking License**);
 - (v) the Tenant is liable to indemnify the Landlord against all costs and charges incurred in enforcing payment and obtaining possession of the

Premises after default or termination, among other things, including legal fees and disbursements on a full indemnity basis;

- (vi) the Landlord is entitled to recover from the Tenant all damages, including lost Rent due to the premature termination of the Lease, the costs of reclaiming, repairing and re-leasing the Premises, and all legal fees and disbursements on a full indemnity basis;
- (vii) the Tenant is liable to pay the Landlord an administration fee; and
- (viii) upon demand of the Landlord, the Tenant is required to repay the unamortized portion of the Leasehold Improvement Allowance paid or credited to the Tenant during the Lease Term, plus interest at 10% each year up to the last day of the Lease Term (**Leasehold Improvement Allowance Cost**).

7. On or around November 1, 2016, the Tenant took possession of the Premises.

8. On July 4, 2018, the Landlord paid or credited \$7,932,672 plus GST to the Tenant for the Leasehold Improvement Allowance that was used to construct Tenant's Work on the Premises.

9. On March 28, 2018, the Landlord paid \$413,160.00 in brokerage fees to Colliers in respect of the Lease (the **Brokerage Fees**).

The Additional Agreements

10. On or around October 13, 2023, the Landlord entered into a storage license agreement (the **Storage Agreement**) as licensor with the Tenant as licensee for the Tenant's right to use 692 square feet of space within the Building for the sole purpose of general storage.

11. The Storage Agreement included, *inter alia*, the following terms:

- (a) the Landlord would license the Tenant 692 square feet of the Building for a term commencing on October 13, 2023 and continuing until cancellation of the Storage Agreement by either party;

- (b) the Tenant was to pay the Landlord a monthly license fee of \$1,268.67, which was based on a rate of \$22.00 per square foot per year (the **Storage Fee**); and
- (c) upon failure by the Tenant to perform any obligation under the Storage Agreement, the Landlord was entitled to terminate the Storage Agreement upon providing one (1) day written notice to the Tenant.

12. At various times throughout the Lease Term, the Landlord provided the Tenant with written consent to sublet the Premises to certain third parties (the **Subtenants**). The subleases entered into between the Tenant and the Subtenants include the following:

- (a) Sublease between the Tenant and West Lake Energy Corp. (**West Lake**) dated July 27, 2017, as amended from time to time;
- (b) Sublease between the Tenant and Artis Exploration Ltd. (**Artis**) dated August 22, 2018;
- (c) Sublease between the Tenant and Loyal Energy (Canada) Operating Ltd. (**Loyal Energy**) dated December 4, 2020;
- (d) Sublease between the Tenant and Highwood Asset Management Ltd. (**Highwood**) dated August 10, 2023; and
- (e) Sublease between the Tenant and Peyto Exploration & Development Corp. (**Peyto**) dated October 10, 2023.

(collectively, the **Subleases**)

Default and Termination of Lease

13. The Tenant failed to pay Rent and Storage Fees for December 2023 when due, or at all. Accordingly, on December 6, 2023, the Landlord:

- (a) issued a notice of default under the Lease to the Tenant (the **December Notice**); and
- (b) issued notices to all of the Subtenants, directing them to cease paying rent to Tenant and instead pay all rent owing under their respective Subleases directly to the Landlord (the **Subtenant Notices**).

14. The Tenant failed or refused to cure its default following receipt of the December Notice, or at all. The Subtenants have complied with the Subtenant Notices and paid rent owing under the Subleases for the months of January 2024, February 2024 and March 2024 directly to the Landlord.

15. The Tenant again failed to pay Rent and Storage Fees (less the amounts paid by the Subtenants) for February 2024 when due, or at all. The Landlord issued the Tenant a second notice of default on February 12, 2024, demanding payment of all unpaid arrears, including unpaid Storage Fees and Rent for December 2023 and February 2024 (the **February Notice**). The Tenant failed or refused to cure its default following receipt of the February Notice, or at all.

16. On March 1, 2024, the Landlord sent a notice and control letter to the Tenant (the **Control Letter**) under which it notified the Tenant that:

- (a) Accelerated Rent was now due and owing pursuant to the terms of the Lease;
- (b) the Landlord was exercising its option pursuant to the Lease to demand the unpaid and unamortized portion of the Leasehold Improvement Allowance; and
- (c) the Landlord was willing to suspend its right to terminate the Lease and obtain vacant possession of the Premises for 90 days upon certain conditions (the **Offer**).

17. Following receipt of the Control Letter, the Tenant did not accept the Offer, and otherwise continued in its failure and/or refusal to pay the outstanding Rent, Storage Fees, Accelerated Rent, and unamortized portion of the Leasehold Improvement Allowance.

18. On March 8, 2024, notice was issued to the Tenant that the Landlord had elected to terminate the Lease and re-enter the Premises (the **Lease Termination**).

19. Upon termination of the Lease, the Landlord re-entered the Premises. In accordance with the terms of the Lease, the Tenant was provided ten days to remove any and all property remaining on the Premises. The Tenant failed or refused to remove its property within the 10 day period, with the exception of certain servers, files and file shelving, which were removed at a later date pursuant to a licence agreement dated March 18, 2024.

The Landlord's Losses

20. As a result of the Tenant's defaults under the Lease, the Landlord has suffered and expects to suffer significant losses, including:

- (a) losses equivalent to the amount of unpaid Rent, including the Storage Fees, for December 2023, February 2024 and March 2024, totalling \$1,184,061.61 (the **Rent Arrears**);
- (b) Accelerated Rent in the amount of \$1,838,231.52, calculated on the basis of Rent for April 2024 through to and including June 2024 which immediately become due and payable upon default in accordance with the Lease;
- (c) the loss of Rent from July 1, 2024 through to the end of the Lease Term, in the amount of \$19,231,606.56 calculated on the basis of the Landlord's entitlement to damages incurred as a result of premature termination of the Lease (the **Loss of Rent**);
- (d) the fees associated with the remaining 56 months under the Parking License that are due and payable in accordance with the Lease, in the amount of \$1,838,970 (the **Parking Fees**);
- (e) the cost of the unamortized portion of the Leasehold Improvement Allowance paid to the Tenant, in the amount of \$3,639,443.62;
- (f) the estimated cost of enforcing the termination of the Lease, including security fees and the cost of changing locks, in the amount of \$7,000 (the **Termination Fees**);
- (g) the unamortized Brokerage Fee in the amount of \$189,554.37 which is to be fully indemnified by the Tenant in accordance with the terms of the Lease (the **Owing Brokerage Fee**); and
- (h) legal fees and disbursements.

The Landlord's Mitigation Efforts

21. Following termination of the Lease, the Landlord has attempted to mitigate its losses by entering into license agreements with the Subtenants, allowing them to remain on the Premises until April 2024 provided that continue to pay rent and other applicable fees in accordance with the terms of their respective Subleases.

Procedural Matters

22. The Landlord proposes that the trial of this action be held at the Courts Centre, in the City of Calgary.

23. The trial of this action will take less than 25 days.

Remedy sought:

24. The Landlord seeks an Order directing the Tenant to pay the Landlord:

- (a) Rent Arrears in the amount of \$1,172,828.07;
- (b) Accelerated Rent in the amount of \$1,838,231.52;
- (c) Loss of Rent in the amount of \$19,231,606.56 or alternatively a declaration that the Tenant is liable to the Landlord for ongoing Loss of Rent to the end of the Lease Term or until the Landlord is able to re-lease the Premises;
- (d) Parking Fees in the amount of \$1,838,970;
- (e) the Lease Improvement Allowance Cost in the amount of \$3,639,443.62;
- (f) the Termination Fees in the amount of \$7,000;
- (g) the Owing Brokerage Fee in the amount of \$189,554.37;
- (h) the administration fee in the amount of \$200.00;
- (i) interest at the Contractual Rate, or alternatively, pursuant to the *Judgment Interest Act*, RSA 2000, c J-1, as amended from time to time;
- (j) legal costs on a full indemnity basis pursuant to the Lease or, alternatively, on such a basis as this Honourable Court deems just and appropriate; and

(k) such further relief as this Honourable Court may permit.

NOTICE TO THE DEFENDANT(S)

You only have a short time to do something to defend yourself against this claim:

20 days if you are served in Alberta

1 month if you are served outside Alberta but in Canada

2 months if you are served outside Canada.

You can respond by filing a statement of defence or a demand for notice in the office of the clerk of the Court of Queen's Bench at Calgary, Alberta, AND serving your statement of defence or a demand for notice on the plaintiff's(s') address for service.

WARNING

If you do not file and serve a statement of defence or a demand for notice within your time period, you risk losing the law suit automatically. If you do not file, or do not serve, or are late in doing either of these things, a court may give a judgment to the plaintiff(s) against you.

This is **Exhibit "V"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T



CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

SEARCH : LAST/COMPANY NAME: LONG RUN

COMPANY: Y

CRITERIA : FIRST NAME:

INITIAL:

NAME TYPE: D JURISDICTION Q VS:

REPORT COMMENT :

SELECT ALL FILES : Y

SELECT BY FILE # : N STARTING: 79 ENDING: 24

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q2001 10111 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLIRATION LTD *	VS. PRECISION LTD PARTNERSHI	
ACTION NO: Q2012 00416 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLOATION LTD. 09MAR2021	VS. FLAGSTAFF COUNTY STATEMENT OF DEFENCE	
ACTION NO: Q2401 06930 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION INC	VS. 9486801 CANADA INC.	OPG INVESTMENT HOLDINGS *
ACTION NO: Q1401 06811 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD * 26MAY2015	VS. APEX DISTRIBUTION INC. DISCONTINUANCE OF CLAIM	
ACTION NO: Q1401 13845 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 29JUL2015	VS. SEMCAMS ULC DISCONTINUANCE OF CLAIM	
ACTION NO: Q1501 11691 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 21OCT2015	VS. LONG RUN EXPLORATION LTD DEMAND FOR NOTICE DEFNDNT	
ACTION NO: Q1501 13699 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 04AUG2016	VS. LONG RUN EXPLORATION LTD ORDER FOR JUDGMENT	
ACTION NO: Q1601 10303	LONG RUN EXPLORATION LTD 22JUL2016	VS. CREW ENERGY INC. ORDER TRANSF FILE IN PERM	901
ACTION NO: Q1601 12145 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 28OCT2016	VS. CREW ENERGY INC STATEMENT OF DEFENCE	CREW ENERGY PARTNERSHIP

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q1601 17102 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 24OCT2017	VS. LONG RUN EXPLORATION LTD DISCONTINUANCE C/CLAIM	
ACTION NO: Q1703 15421 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 21OCT2022	* VS. COOK, KEITH NORRIS DISCONTINUANCE OF CLAIM	
ACTION NO: Q1803 13327 ORDER - BOARD	LONG RUN EXPLORATION LTD 11OCT2019	* VS. HER MAJESTY THE QUEEN, A MINISTER OF TREASURY BOA SATISFACTION PIECE	
ACTION NO: Q1803 13331 ORDER - BOARD	LONG RUN EXPLORATION LTD 11OCT2019	* VS. HER MAJESTY THE QUEEN, A MINISTER OF TREASURY BOA SATISFACTION PIECE	
ACTION NO: Q1801 12479 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 22OCT2018	VS. CANADIAN NATURAL RESOURC STATEMENT OF DEFENCE	CANADIAN NATURAL RESOURC
ACTION NO: Q1801 18123 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 08JAN2019	VS. SEVEN GENERATIONS ENERGY STATEMENT OF DEFENCE	
ACTION NO: Q1601 08439 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 20DEC2023	* VS. HUSKY OIL OPERATIONS LTD DISCONTINUANCE OF CLAIM	
ACTION NO: Q1901 16299 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD 16DEC2019	* VS. REMEDX REMEDIATION SERVI DISCONTINUANCE OF CLAIM	
ACTION NO: Q1901 17783 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD 25JAN2022	VS. BONANZA DRILLING INC. SATISFACTION PIECE	
ACTION NO: Q1903 25712 ORDER - BOARD	LONG RUN EXPLORATION LTD	* VS. HER MAJESTY THE QUEEN, A MINISTER, TREASURY BOARD	
ACTION NO: Q2001 03353 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 15APR2024	* VS. HENENGHAIXIN CORP ORAL JUDGMENT	
ACTION NO: Q2001 09304 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 14DEC2020	VS. TORQUE MECHANICAL SERVIC SATISFACTION PIECE	
ACTION NO: Q2003 12793 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD 22JUL2021	VS. APEX WELL SERVICING (201 SATISFACTION PIECE	

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q2012 00298 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 03DEC2020	VS. CAMROSE COUNTY STATEMENT OF DEFENCE	
ACTION NO: Q2001 11165 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 05MAY2022	VS. STRIKE GROUP LIMITED PAR DISCONTINUANCE OF CLAIM	
ACTION NO: Q2003 14578 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 21OCT2021	VS. PARKLAND GEOTECHNICAL LT DISCONTINUANCE OF CLAIM	
ACTION NO: Q2001 11848 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 05MAY2022	VS. ENERGETIC SERVICES INC DISCONTINUANCE OF CLAIM	
ACTION NO: Q2001 12145 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD 05MAY2022	VS. TRYTON TOOL SERVICES LTD DISCONTINUANCE OF CLAIM	
ACTION NO: Q2001 12137 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 17MAR2021	VS. EMCO CORP. DISCONTINUANCE OF CLAIM	
ACTION NO: Q2004 00604 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD	VS. CDN CONTROLS LTD.	
ACTION NO: Q2001 12912 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 28APR2022	VS. 1788966 ALBERTA LTD.;OP. BIG GUNS WIRELINE SERVIC DISCONTINUANCE OF CLAIM	
ACTION NO: Q2001 13795 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 04MAR2021	VS. HARVEST OPERATIONS CORP. HK MS PARTNERSHIP; BY MA DISCONTINUANCE C/CLAIM	
ACTION NO: Q2010 01086 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 02MAR2021	VS. QUANTUM COMPRESSION INC. STATEMENT OF DEFENCE	
ACTION NO: Q2004 00685 STATE CLAIM MISCELLANEOUS	LONG RUN EXPLORATION LTD 20DEC2021	VS. PERFORMANCE VAC AND TANK DISCONTINUANCE OF CLAIM	
ACTION NO: Q2001 16217 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 16AUG2023	VS. ENERGY TRANSFER CANADA U ORDER FOR JUDGMENT	
ACTION NO: Q2101 00499 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 02MAR2021	VS. FIELD SAFE SOLUTIONS INC STATEMENT OF DEFENCE	

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q2003 23096 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 06MAY2021	VS. MULTI-LINE WIRELINE SERV DISCONTINUANCE OF CLAIM	
ACTION NO: Q2101 02589 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 16JUL2021	VS. BORETS CANADA LTD. DISCONTINUANCE OF CLAIM	
ACTION NO: Q2110 00283 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD	VS. PROFLO PRODUCTION TESTIN	
ACTION NO: Q2110 00397 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD	VS. CHARGER PUMPING SOLUTION	
ACTION NO: Q2001 03353 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 15APR2024	* VS. HENENGHAIXIN CORP ORAL JUDGMENT	
ACTION NO: Q2101 06638 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 17MAR2022	VS. MILLER, TYSON VICTOR DISCONTINUANCE OF CLAIM	
ACTION NO: Q2101 06749 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 21JUN2023	VS. ENERGY TRANSFER CANADA U CONSENT JUDGMENT	
ACTION NO: Q2110 00602 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD	VS. 24/7 COMPRESSION LTD.	
ACTION NO: Q2101 06910 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 06OCT2021	VS. DYNAMIC ENERGY GROUP INC DEFAULT JUDGMENT	
ACTION NO: Q2103 07699 ORDER - BOARD	LONG RUN EXPLORATION LTD	* VS. HER MAJESTY THE QUEEN, A MINISTER, TREASURY BOARD	
ACTION NO: Q2101 07930 CERTIFICATE JUDGMENT PCC	LONG RUN EXPLORATION LTD	VS. CORRPRO CANADA INC	901
ACTION NO: Q2001 03353 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 15APR2024	* VS. HENENGHAIXIN CORP ORAL JUDGMENT	
ACTION NO: Q2204 00354 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD	VS. NEUFELD, ABE; REP. PLAIN	

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q2201 11179 CERTIFICATE JUDGMENT PCC	LONG RUN EXPLORATION LTD	VS. GAS PROCESS SOLUTIONS IN	
ACTION NO: Q2301 04654 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 02JUN2023	VS. HAMMOUD, ZOULFIKHAR STATEMENT OF DEFENCE	
ACTION NO: Q2301 11837 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 06DEC2023	VS. ZHAO, CHUNHUI; AKA STATEMENT OF DEFENCE	ZHAO, JOHN *
ACTION NO: Q2301 11837 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 06DEC2023	VS. ZHAO, CHUNHUI; AKA STATEMENT OF DEFENCE	ZHAO, JOHN *
ACTION NO: Q2403 06577 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD	VS. NORTH SHORE ENVIROMENTAL	
ACTION NO: Q2403 06968 CERTIFICATE JUDGMENT PCC	LONG RUN EXPLORATION LTD 23APR2024	VS. HIGHFIRE ENERGY SERVICES SATISFACTION PIECE	
ACTION NO: Q2403 07132 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD	VS. NORTH SHORE ENVIRONMENTA	
ACTION NO: Q2401 06930 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD	VS. 9486801 CANADA INC.	OPG INVESTMENT HOLDINGS *
ACTION NO: Q2401 07153 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD *	VS. AZOTO ENERGY SERVICES LT	
ACTION NO: Q2401 07155 ST CLAIM BLDR LIEN & JUDG	LONG RUN EXPLORATION LTD	VS. AZOTO ENERGY SERVICES LT	

*****END OF REPORT*****

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

SEARCH : LAST/COMPANY NAME: LONG RUN

COMPANY: Y

CRITERIA : FIRST NAME:

INITIAL:

NAME TYPE: P JURISDICTION Q VS:

REPORT COMMENT :

SELECT ALL FILES : Y

SELECT BY FILE # : N STARTING: 79 ENDING: 24

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q1301 00737 STATEMENT CLAIM JUDGMENT	LONG RUN EXPLORATION LTD 05FEB2013	VS. VERITY ENERGY LTD. STATEMENT OF DEFENCE	
ACTION NO: Q1201 12656 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD * 07MAY2015	VS. GALPERTI CANADA 1999 INC OFFICINE NICOLA GALPERTI * DISCONTINUANCE OF CLAIM	
ACTION NO: Q1401 07035 ORIG APP BUSINESS CORP AC	LONG RUN EXPLORATION LTD * 07MAY2015	VS. BUSINESS CORP. ACT.	
ACTION NO: Q1501 11691 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 21OCT2015	VS. BENJAKA EXPLORATION INC. DEMAND FOR NOTICE DEFNDNT	
ACTION NO: Q1501 13699 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 04AUG2016	VS. NORTHPIKE ENERGY LTD. ORDER FOR JUDGMENT	
ACTION NO: Q1501 14735 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 19FEB2016	VS. HIGHBRIDGE ENERGY INC. DISCONTINUANCE OF CLAIM	
ACTION NO: Q1601 00011 ORIG APP BUSINESS CORP AC	LONG RUN EXPLORATION LTD 07MAY2015	VS. BUSINESS CORP. ACT	
ACTION NO: Q1601 17102 STATE CLAIM JUDG & DAMAGE	LONG RUN EXPLORATION LTD 24OCT2017	VS. ARROW POINT OIL & GAS LT DISCONTINUANCE C/CLAIM	
ACTION NO: Q1801 12479 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD * 22OCT2018	VS. LONG RUN EXPLORATION LTD STATEMENT OF DEFENCE	

CLERK OF THE COURT - COUNTER

INDEX SEARCH BY NAME - PROVINCE WIDE

STARTING DOCUMENT	LAST STATUS DATE	LAST STATUS DESCRIPTION	PREVIOUS COURT
ACTION NO: Q2001 13795 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD * 04MAR2021	VS. LONG RUN EXPLORATION LTD DISCONTINUANCE C/CLAIM	
ACTION NO: Q2001 03353 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD 15APR2024	VS. DENG, TIANZHOU ORAL JUDGMENT	DENG, XIAOBO; AKA *
ACTION NO: Q2101 10490 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD * 25OCT2021	VS. LAM, SHING TAK AKA; STATEMENT OF DEFENCE	LAM, MICHAEL *
ACTION NO: Q2201 07158 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD	VS. OUTLIER RESOURCES LTD.	
ACTION NO: Q2301 11837 STATEMENT CLAIM - DAMAGES	LONG RUN EXPLORATION LTD * 06DEC2023	VS. LONG RUN EXPLORATION LTD STATEMENT OF DEFENCE	
ACTION NO: Q1610 00259 CERTIFICATE JUDGMENT PCC	LONG RUN RENOVATIONS AND *	VS. NEWMAN, CURTIS L	

*****END OF REPORT*****

This is **Exhibit "W"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris ESO # 85481T





Refer to: C. J. Auch
Direct Line: 403-260-1474
E-mail: cauch@brownleelaw.com
Our File No.: 71218-0061

May 13, 2024

VIA REGISTERED MAIL AND EMAIL: wbarber@longrunexploration.com

Long Run Exploration Ltd.
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3

Long Run Exploration Ltd.
600, 600 – 3rd Avenue SW
Calgary, AB T2P 0G5

Attention: Wendy Barber

Dear Madam:

Re: Outstanding Taxes Owing to the Municipal District of Smoky River No. 130

We are legal counsel for the Municipal District of Smoky River No. 130 (the “Municipality”).

We understand from the Municipality that Long Run Exploration Ltd. (“Long Run”) has fallen into arrears with respect to its 2023 property taxes, as reflected in the enclosed tax roll trial balance, which shows a total tax debt of **\$1,070,427.04**, inclusive of accrued penalties (the “Tax Debt”). We also understand that it has been approximately six months since Long Run last made a payment toward the Tax Debt, despite Long Run having repeatedly made assurances that payment would be forthcoming.

It appears that the last correspondence the Municipality received from Long Run was an email dated March 27, 2024, in which you indicated that Long Run would be “prioritizing payments towards critical people and services” at this time. This statement seems to reflect a misunderstanding on your part – namely, that the payment of property taxes may be deferred in favour of other debts of a taxpayer. Municipal property taxes are not a “fee for service”, and neither is the Municipality a mere “service provider”. Rather, taxes are what the Municipality relies on to provide critical services to all taxpayers, and are a legislated responsibility that comes with the privilege of operating oil and gas properties in Alberta.

If Long Run fails to immediately address the Tax Debt, the Municipality intends to pursue enforcement of the Tax Debt in accordance with the powers afforded by the *Municipal Government Act*.

The Municipality will allow Long Run until **May 27, 2024** to make full payment of the Tax Debt. If Long Run fails to do so, we anticipate that the Municipality will instruct our office to proceed with formal enforcement measures. As well, further penalties will accrue until the Tax Debt is paid in full.

Kindly govern yourselves accordingly.

Yours truly,

BROWNLEE LLP

PER:

A handwritten signature in black ink, appearing to read 'CJA', is positioned above the printed name of the signatory.

CURTIS J. AUCH

CJA/WLM

This is **Exhibit "X"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris C 80 # 85461T





BROWNLEE LLP
Barristers & Solicitors EST. 1935

Watermark Tower
#1500, 530 - 8 Ave. SW
Calgary, AB Canada | T2P 3S8

tel. 403.232.8300
fax 403.232.8408

Refer to: C. J. Auch
Direct Line: 403-260-1474
E-mail: cauch@brownleelaw.com
Our File No.: 71218-0061

VIA REGISTERED MAIL AND EMAIL: wbarber@longrunexploration.com

June 28, 2024

Long Run Exploration Ltd.
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3

Long Run Exploration Ltd.
600, 600 – 3rd Avenue SW
Calgary, AB T2P 0G5

Attention: Wendy Barber

Dear Madam:

Re: Taxes Owing to the Municipal District of Smoky River No. 130 (the “Municipality”)

We write further to our letter of May 13, 2024. In that letter, we advised that the Municipality would allow Long Run Exploration Ltd. (“Long Run”) until May 27, 2024 to address its tax debt of \$1,070,427.04 (the “Tax Debt”).

As Long Run has not done so, the Municipality has instructed us to proceed with formal enforcement measures, beginning with the registration of the Municipality’s special lien for unpaid taxes in the Alberta Personal Property Registry (“PPR”). This has been completed as of today’s date.

We have enclosed a PPR verification statement showing this registration, which sets out the total amount of the Tax Debt current to today’s date, and explains that the Municipality’s special lien for unpaid taxes attaches to all of Long Run’s assessable property within the Municipality. Going forward, this information will be visible to any party who searches for Long Run in the PPR.

We anticipate that we will be instructed to take additional enforcement action very shortly unless Long Run immediately addresses the Tax Debt.

Kindly govern yourselves accordingly.

Yours truly,

BROWNLEE LLP
PER:

CURTIS J. AUCH
CJA
Enclosure

This is **Exhibit "Y"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris CSD # 854817



Transmitting Party

ELDOR-WAL REGISTRATIONS (1987) LTD.

1200, 10123 99 st NW
EDMONTON, AB T5J 3H1

Party Code: 50073881
Phone #: 780 429 5969
Reference #:

Statutory Charge

Control #: F08284472

Registration Date: 2024-Jun-28

Registration #: 24062815849



Statutory Charge

Control #: F08284472

Registration Date: 2024-Jun-28

Registration #: 24062815849

The Registration Term is Infinity

The Statutory Charge Amount is \$1,070,427.04

Debtor(s)

Block

1 LONG RUN EXPLORATION LTD.
600, 600 - 3rd Avenue SW
Calgary, AB T2P 0G5

Secured Party / Parties

Block

1 MUNICIPAL DISTRICT OF SMOKY RIVER NO. 130
c/o 1500, 530 - 8 Avenue SW
Calgary, AB T2P 3S8
Email: PPRNOTICES@BROWNLEELAW.COM

Collateral: General

Block

Description

1 Special Lien for unpaid taxes, pursuant to s. 348.1 of the Municipal Government Act, RSA 2000, c M-26, which applies to: ...all the debtor's assessable property located within the municipality, including any assessable improvements to that property

Particulars

Block

Additional Information

1 Special Lien for unpaid taxes, pursuant to s. 348.1 of the Municipal Government Act, RSA 2000, c M-26, which applies to: ...all the debtor's assessable property located within the municipality, including any assessa ...

End of Verification Statement

This is **Exhibit "Z"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris LSO # 85481T





Calgary Head Office
Suite 1000, 250 – 5 Street SW
Calgary, Alberta T2P 0R4
Canada

May 23, 2024

Chief Financial Officer
Long Run Exploration Ltd. (A517)
300 707 7th Ave. SW..
Calgary, AB T2P 0Z3

Notice of Noncompliance
2024 Orphan Fund Levy
Invoice Number: 0336

To whom it may concern:

In accordance with Part 11 of the *Oil and Gas Conservation Act* (OGCA), the Alberta Energy Regulator (AER) in a letter dated April 10, 2024, required Long Run Exploration Ltd. to provide its share of the 2024 Orphan Fund Levy by May 10, 2024.

As the AER did not receive the required payment, in full, by the specified date the AER is issuing Long Run Exploration Ltd. this Notice of Noncompliance. In addition, in accordance with Section 74(2) of the OGCA, a penalty in the amount of 20 per cent of the original invoiced amount has been applied to your 2024 Orphan Fund Levy assessment. Please be advised that orphan levy funds owed constitute a debt to the Regulator under Section 72 of the OGCA.

The full 2024 Orphan Fund Levy payment of **\$2,366,679.31 must be received by the AER no later than June 6, 2024.** This amount is comprised of the outstanding levied amount of \$1,972,232.76 and the 20 per cent penalty of \$394,446.55.

TAKE NOTICE that failure to pay the outstanding balance by the deadline will result in the AER imposing Global Refer status and may result in an AER Order, in accordance with section 22 of the Oil and Gas Conservation Act, against Long Run Exploration Ltd. (the "Company"). The Global Refer status indicates the Company's inability or unwillingness to comply and will be considered when deciding any pending or future applications to the AER. In addition, the AER will utilize available enforcement tools to collect the outstanding amount including enforcing the AER's lien in respect of the Company's debt on the Company's interest in any wells, facilities and pipelines, land or interests in land, including mines and minerals, equipment and petroleum substances pursuant to section 103 of the Oil and Gas Conservation Act. The Global Refer status will remain until the noncompliance issue has been addressed.

This payment cannot be combined with any other payment that may be required by the AER. To assist with processing, please indicate the invoice number being paid on your payment to the Alberta Energy Regulator.

Questions regarding the Orphan Fund Levy notice should be directed to OrphanLevy@aer.ca.

This is **Exhibit "AA"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris COO # 85481T



From: Adriana Hanoski <Adriana.Hanoski@aer.ca>

Sent: Tuesday, June 18, 2024 4:33 PM

To: Michael Scott <mScott@longrunexploration.com>; Wendy Barber <wbarber@longrunexploration.com>

Cc: Rob Borth <Rob.Borth@aer.ca>

Subject: [EXTERNAL]RE: [EXTERNAL]Long Run Exploration Ltd Meeting Request

Caution: This is an external email and has a suspicious subject or content. Please take care when clicking links or opening attachments. When in doubt, contact your IT Department

Hello Michael,

Thank you for the quick response.

The AER wants to proceed with the meeting sooner
Do you have a designate to attend the meeting on your behalf?

Regards,

Adriana Hanoski Compliance Assurance Specialist
Alberta Energy Regulator

e Adriana.Hanoski@aer.ca tel 587-943-4245

Suite 1000, 250 – 5 Street SW,

Calgary, Alberta T2P 0R4

inquiries 1-855-297-8311 **24-hour emergency** 1-800-222-6514 www.aer.ca

Security Classification: Protected A

From: Michael Scott <miscott@longrunexploration.com>

Sent: Tuesday, June 18, 2024 4:20 PM

To: Adriana Hanoski <Adriana.Hanoski@aer.ca>; Wendy Barber <wbarber@longrunexploration.com>

Cc: Rob Borth <Rob.Borth@aer.ca>

Subject: RE: [EXTERNAL]Long Run Exploration Ltd Meeting Request

CAUTION: External email alert.

DO NOT click links, open attachments, reply, or enter AER credentials unless you recognize the sender and know the content is safe. Report phishing via Outlook 'Report Message' button.

Hello Adriana,

I am out of the office on holidays from June 20 – July 2, would it be possible to schedule after that date?

Thanks,

Michael Scott, Director Production & Operations

LONG RUN EXPLORATION | Elveden Center | Suite 300, 707 7th Ave SW | Calgary, Alberta T2P 3H6

Direct: 403.261.9409 | Cell: 403.874.2373 | Fax: 403.262.5561

Email: miscott@longrunexploration.com | www.longrunexploration.com

Security Classification: Protected A

From: Adriana Hanoski <Adriana.Hanoski@aer.ca>

Sent: Tuesday, June 18, 2024 4:17 PM

To: Wendy Barber <wbarber@longrunexploration.com>; Michael Scott <mScott@longrunexploration.com>

Cc: Rob Borth <Rob.Borth@aer.ca>

Subject: [EXTERNAL]Long Run Exploration Ltd Meeting Request

Caution: This is an external email and has a suspicious subject or content. Please take care when clicking links or opening attachments. When in doubt, contact your IT Department

Hello,

Alberta's liability framework allows the Alberta Energy Regulator (AER) to assess licensees' ability to meet regulatory obligations and proactively intervene with licensees likely at risk of failing to meet their regulatory requirements throughout the energy lifecycle.

The AER assessed Long Run Exploration Ltd.'s (Long Run) capabilities and performance across the energy development lifecycle, and the assessment outlines concerns regarding Long Run's ability to meet its liability obligations throughout the lifecycle.

The AER requests to meet with the licensee.

The scope of this meeting is to discuss the AER concerns and share our rationale, including the supporting evidence and the reasons for the liability risks identified within the assessment.

This meeting also allows Long Run to provide information or ask questions about the AER concerns.

The AER prefers to meet via Microsoft Teams; the audience from the AER is only two people, and the SDM is located in Edmonton.

The following timeslots are available for the meeting:

- June 25, 2024, through 10:00 to 12:00 pm
- June 26, 2024, through 1:00 pm to 4:00 pm

The meeting should take about an hour. Please advise your availability by June 19, 2024.

If you have any questions, please don't hesitate to contact the undersigned.

Regards,

Adriana Hanoski Compliance Assurance Specialist

Alberta Energy Regulator

e Adriana.Hanoski@aer.ca tel 587-943-4245

Suite 1000, 250 – 5 Street SW,

Calgary, Alberta T2P 0R4

inquiries 1-855-297-8311 **24-hour emergency** 1-800-222-6514 www.aer.ca

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager. This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

Security Classification: Protected A

This email and any files transmitted with it are confidential and intended solely for the use of the individual or entity to whom they are addressed. If you have received this email in error please notify the system manager.

This message contains confidential information and is intended only for the individual named. If you are not the named addressee you should not disseminate, distribute or copy this e-mail.

Confidentiality Notice:

This email and any attachments may be confidential and protected by legal privilege. If you are not the intended recipient, be aware that any disclosure, copying, distribution or use of the e-mail or any attachment is prohibited. If you have received this email in error, please notify us immediately by replying to the sender and then delete this copy and the reply from your system. Thank you for your cooperation.

This is **Exhibit "BB"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T





Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Kelly J. Bourassa
Dir: 403-260-9697
Kelly.bourassa@blakes.com

Reference: 14438/2

December 12, 2023

VIA EMAIL/FACSIMILE

LONG RUN EXPLORATION LTD.

600, 3rd Avenue SW, Suite 600
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention: Wendy Barber, Interim Chief Executive Officer;
Michael Scott, Director, Production and Operations;
Jean Xue, Controller;
Eileen Xu, Manager, Corporate Planning; and
Yang Bai, Vice President, Corporate Strategy.

Dear Sirs/Madams:

Re: Demand for Payment

As counsel to China Construction Bank Toronto Branch ("**CCBT**" or the "**Agent**"), we hereby advise Long Run Exploration Ltd. (the "**Borrower**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Intercreditor Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower, Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as guarantor, CCBT, as lender, and the Agent, as collateral agent;
 - (b) a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao

1388-5578-2153.3

Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and the Agent, as administrative agent and collateral agent;

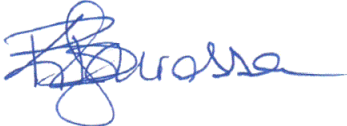
- (c) a collateral agent and intercreditor agreement made as of October 27, 2020 (the "**Intercreditor Agreement**") among, the Borrower, as borrower, the Guarantor, as guarantor, CCBT, as CCBT lender, Administrative Agent and Collateral Agent, CCBQ, as CCBQ Lender, CCBQ, as CCBQ SBLC provider, Bank of China (Qingdao Branch), as BOCQ SBLC provider and CCB Qingdao Sifang Sub-branch, as parent creditor agent;
- (d) an amended and restated fixed and floating charge demand debenture dated October 27, 2020 granted by the Borrower in favour of the Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other Secured Parties;
- (e) a general security agreement made as of October 27, 2020 between the Borrower, as debtor, and the Agent, as agent;
- (f) a confirmation, acknowledgement and agreement made effective as of October 27, 2020 in respect of a blocked account agreement dated as of January 25, 2019 between the Borrower and the Agent; and
- (g) an amended and restated assignment of insurance dated October 27, 2020 granted by the Borrower in favour of the Agent, for itself and on behalf of the other Secured Parties; and

The documents referred to in paragraphs 2 (a) through (g) above are collectively referred to as the "**Loan Documents**".

3. Pursuant to the each of the Credit Agreements, each Credit Facility (collectively, the "**Credit Facilities**") matured on December 9, 2023. Accordingly, the Agent hereby demands from the Borrower payment of the Credit Facilities in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Agent under the Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with each of the Credit Agreements (collectively, the "**Outstanding Indebtedness**").

4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 22, 2023, the Agent will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's rights and remedies against the Borrower under the Loan Documents.
5. We enclose a Notice of Intention to Enforce Security delivered pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate the Borrower's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,



Kelly J. Bourassa
KJB/jm
Enclosure

c: Client
Warren Nishimura (*Firm*)
Xiaodi Jin, *Borden Ladner Gervais LLP*

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244 of the Bankruptcy and Insolvency Act)

TO: LONG RUN EXPLORATION LTD. an insolvent person (the "**Debtor**")

Take notice that:

1. China Construction Bank, Toronto Branch (the "**Collateral Agent**"), pursuant to:
 - (a) the amended and restated credit agreement made as of October 27, 2020 between, *inter alios*, the Borrower, as borrower, Calgary Sinoenergy Investment Corp., as guarantor, the Collateral Agent, as lender, and the Collateral Agent, as collateral agent;
 - (b) the credit agreement made as of October 27, 2020 between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch and the other lenders from time to time party thereto, as lenders, and Collateral Agent, as administrative agent and collateral agent; and

(collectively, the "**Credit Agreements**"), intends to enforce its security on all of the Debtor's present and after-acquired assets, property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of the following:
 - (a) an amended and restated fixed and floating charge demand debenture dated October 27, 2020 granted by the Debtor in favour of the Collateral Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other secured parties;
 - (b) a general security agreement made as of October 27, 2020 between the Debtor, as debtor, and the Collateral Agent, as agent; and
 - (c) an amended and restated assignment of insurance dated October 27, 2020 granted by the Debtor in favour of the Collateral Agent.

The documents referred to in paragraphs 2 (a) through (c) above are collectively referred to as the "**Security**".

3. The total amount of indebtedness secured by the Security is in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Collateral Agent, and any other amounts whatsoever, which may be claimed by the Collateral Agent under the Credit Agreements, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Collateral Agent's rights under the Commitment Letter and the Security.

4. The Collateral Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 12th day of December, 2023.

**BLAKE, CASSELS & GRAYDON LLP, Agents and
Solicitors for the Collateral Agent**



per: _____

Name: Kelly J. Bourassa

Title: Barrister and Solicitor

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

WAIVER

Long Run Exploration Ltd. hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by the Collateral Agent of the Security described above.

DATED at Calgary, Alberta this ____ day of December, 2023.

LONG RUN EXPLORATION LTD.

By: _____
Name:
Title:

This is **Exhibit "CC"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris LSO # 85481T





Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Kelly J. Bourassa
Dir: 403-260-9697
Kelly.bourassa@blakes.com

December 12, 2023

Reference: 14438/2

VIA EMAIL/FACSIMILE

CALGARY SINOENERGY INVESTMENT CORP.

Eau Claire Tower
600, 3rd Avenue SW
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention: Chief Executive Officer

Dear Sirs/Madams:

Re: Demand for Payment

As counsel to China Construction Bank Toronto Branch ("**CCBT**" or the "**Agent**"), we hereby advise Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Intercreditor Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower (the "**Borrower**"), the Guarantor, as guarantor, the Agent, as lender, and the Agent, as collateral agent;
 - (b) a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and the Agent, as administrative agent and collateral agent; and
 - (c) an amended and restated securities pledge agreement made as of October 27, 2020 between the Guarantor and the Agent, in its capacity as agent;

1394-1775-3353.1



The documents referred to in paragraphs 2 (a) through (c) above are collectively referred to as the "**Loan Documents**".

3. Pursuant to the each of the Credit Agreements, each Credit Facility (collectively, the "**Credit Facilities**") matured on December 9, 2023. Pursuant to Section 13.09 of each the Credit Agreements, the Guarantor covenanted to make payment to the Agent (for and on behalf of the Secured Parties) of the full amount of the Obligations (as defined in each of the Credit Agreements) after demand is made upon it. Accordingly, the Agent hereby demands from the Guarantor payment of the Credit Facilities in the amounts set out in Schedule "A" hereto, plus costs and expenses incurred by the Agent prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Agent under the Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with each of the Credit Agreements (collectively, the "**Outstanding Indebtedness**").
4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 22, 2023, the Agent will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's rights and remedies against the Borrower under the Loan Documents.

Yours truly,

Kelly J. Bourassa
KJB/jm
Enclosure

c: Client
Warren Nishimura (*Firm*)
Xiaodi Jin, *Borden Ladner Gervais LLP*

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

This is **Exhibit "DD"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and
Notary Public in and for the Province of
Ontario

Jake Harris CBO #85481T





December 12, 2023

VIA E-MAIL / FACSIMILE

LONG RUN EXPLORATION LTD.

600, 3rd Avenue SW, Suite 600
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention:

Wendy Barber, Interim Chief Executive Officer;
Michael Scott, Director, Production and
Operations;
Jean Xue, Controller;
Eileen Xu, Manager, Corporate Planning; and
Yang Bai, Vice President, Corporate Strategy.

VIA E-MAIL / FACSIMILE

CALGARY SINOENERGY INVESTMENT CORP.

600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention:

Chief Executive Officer

Re: Reservation of Rights re Maturity Under Credit Agreements and Demands Thereunder

Reference is made to:

1. an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower (the "**Borrower**"), Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as guarantor, China Construction Bank Toronto Branch ("**CCBT**"), as lender, and CCBT, as collateral agent;
2. a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and CCBT, as administrative agent and collateral agent;
3. a collateral agent and intercreditor agreement made as of October 27, 2020 (the "**Intercreditor Agreement**") among the Borrower, as borrower, the Guarantor, as guarantor, CCBT, as CCBT lender, CCBQ and the other lenders from time to time party thereto, as CCBQ Lenders, CCBQ, as CCBQ Lender, CCBQ, as CCBQ SBLC provider, Bank of China (Qingdao Branch) ("**BOCQ**"), as BOCQ SBLC provider, CCBT, as administrative agent, CCBT, as collateral agent (in such capacity, the "**Agent**"), and CCB Qingdao Sifang Sub-branch, as parent creditor agent;
4. a standby letter of credit issued on January 26, 2017 by CCBQ in favour of CCBT (as amended to the date hereof, the "**CCBQ SBLC**");
5. a standby letter of credit issued on January 25, 2017 by BOCQ in favour of CCBQ (as amended to the date hereof, the "**BOCQ SBLC**");



6. an indemnity and reimbursement made effective as of October 27, 2020 (the "**CCBQ Indemnity**") granted by the Borrower and the Guarantor, as obligors, for the benefit of CCBQ, in its capacity as CCBQ SBLC provider; and
7. an indemnity and reimbursement made effective as of October 27, 2020 (the "**BOCQ Indemnity**") granted by the Borrower and the Guarantor, as obligors, for the benefit of BOCQ, in its capacity as CCBQ BOCQ provider.

All capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Intercreditor Agreement.

We understand that the parent company of the Borrower, Qingdao Sinoenergy Co. Ltd. (the "**Parent**") is insolvent and currently undergoing restructuring proceedings in China whereby Hiking Group will acquire the Parent (the "**Restructuring Proceedings**") which requires (a) the approval of the majority its creditors (the "**Creditor Approval**") and (b) court approval (the "**Court Approval**")

Maturity

Pursuant to the Credit Agreements, the Final Maturity Date (as defined in each Credit Agreement) occurred on December 9, 2023. Pursuant to Article 13 of each Credit Agreement, the Guarantor has guaranteed the payment of the Obligations (as defined in each Credit Agreement).

As of the date hereof, the aggregate amount of the Secured Obligations owing is Cdn.\$358,788,704.27, plus all costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to the date hereof (the "**Outstanding Obligations**").

As of the date hereof, the Agent has issued (a) a demand for payment to the Borrower demanding repayment of the Outstanding Obligations, together with a notice of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada), a copy of which is appended hereto as Schedule "**A**", and (b) a demand for payment to the Guarantor, demanding repayment of the Outstanding Obligations, a copy of which is appended hereto as Schedule "**B**". To date, the Borrower and the Guarantor have failed to pay the Outstanding Obligations.

Please be advised that the Agent has called upon the CCBQ SBLC in order to satisfy certain obligations owing to CCBT owing under the CCBT Credit Agreement (the "**CCBQ SBLC Amount**"), and upon CCBT's receipt of the CCBQ SBLC Amount pursuant to the CCBQ SBLC, some or all of the CCBQ SBLC Amount will become indebtedness owing by the Borrower and the Guarantor to CCBQ pursuant to the CCBQ Indemnity.

Further, the Agent understands that CCBQ intends to call upon the BOCQ SBLC in order to satisfy certain obligations owing to CCBQ resulting from payment under the CCBQ SBLC (the "**BOCQ SBLC Amount**"), and upon CCBQ's receipt of the BOCQ SBLC Amount pursuant to the BOCQ SBLC, some or all of the CCBQ SBLC Amount will become indebtedness owing by the Borrower and the Guarantor to BOCQ pursuant to the BOCQ Indemnity.



Process

CCBT, in its capacity as CCBT Lender, and in its capacity as collateral agent under the CCBT Credit Agreement agrees that it shall not commence any enforcement under the Loan Documents as against the Borrower or the Guarantor until the earlier of: (a) January 31, 2024; and (b) the failure of the Restructuring Proceedings, including as a result of the inability to receive Creditor Approval or Court Approval (the "**Reservation of Rights Period**"), provided that the Borrower and the Guarantor countersign this letter, thereby acknowledging the Outstanding Obligations and the maturity under the Credit Agreements, and the indebtedness owing pursuant to the CCBQ Indemnity and BOCQ Indemnity (the "**Condition Precedent**"). For certainty, the Reservation of Rights Period shall not commence until the satisfaction of the Condition Precedent.

Further, we confirm that CCBQ does not currently intend to collect payment of (A) the missed interest payment that was required to be paid on December 11, 2023, (the most recent Interest Payment Date, as defined in the CCBQ Credit Agreement); and (B) the missed interest payment that was required to be paid on October 31, 2023 (collectively, the "**Unpaid Interest**"), until the earlier of (a) January 31, 2024; and (b) the failure of the Restructuring Proceedings, including as a result of the inability to receive Creditor Approval or Court Approval. Please note that interest will continue to accrue on the Unpaid Interest until paid at the same rate as principal amounts under the CCBQ Credit Agreement commencing (in each case) at the original due date therefor.

Please be advised that, notwithstanding the forgoing, the Credit Agreements continue to be in full force and effect (and interest continues to accrue thereunder, including, for certainty, interest on the entire principal amount owing under each Credit Agreement (notwithstanding any draws on the CCBQ SBLC and BOCQ SBLC)), and the Agent, the CCBT Lender nor the CCBQ Lenders have not, and shall not be deemed to have, waived or extended the Final Maturity Date pursuant to either Credit Agreement and has not waived any other Default or Event of Default as defined therein (including, without limitation, any prior Events of Default) that has now or may in the future occur under either Credit Agreement or any other Loan Documents.



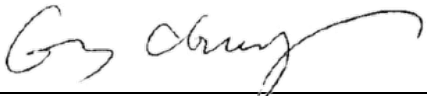
中国建设银行
China Construction Bank
多伦多分行
Toronto Branch

The Agent and the CCBT Lender hereby reserve all of the rights, remedies, powers and privileges afforded to by law or under the Credit Agreements (as applicable) and the other Loan Documents with respect to any other Defaults or Events of Default which may have occurred on or prior to the date hereof including, without limitation, enforcing their rights and remedies against the Borrower and the Guarantors.


If you have any questions regarding the foregoing, please contact the undersigned.

Sincerely,

CHINA CONSTRUCTION BANK TORONTO BRANCH,
as CCBT Lender and collateral agent

By: 

Chaoyong Gong
Deputy General Manager

By: 

Ziqing Zou (Eddie)
Deputy Head, Corporate Banking Department



ACKNOWLEDGED AND AGREED TO, EXCEPT FOR CONFIRMING THE DETAILS OF THE REFERENCES TO THE RESTRUCTURING PROCEEDINGS, CREDITOR APPROVAL AND COURT APPROVAL AS THE UNDERSIGNED ARE NOT FAMILIAR WITH THOSE PROCEEDINGS.

BY:

LONG RUN EXPLORATION LTD.

CALGARY SINOENERGY INVESTMENT CORP.

By: _____

By: _____

Name:

Name:

Title:

Title:



中国建设银行

China Construction Bank

多伦多分行

Toronto Branch

Schedule "A"

(see attached)



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Kelly J. Bourassa
Dir: 403-260-9697
Kelly.bourassa@blakes.com

Reference: 14438/2

December 12, 2023

VIA EMAIL/FACSIMILE

LONG RUN EXPLORATION LTD.

600, 3rd Avenue SW, Suite 600
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention: Wendy Barber, Interim Chief Executive Officer;
Michael Scott, Director, Production and Operations;
Jean Xue, Controller;
Eileen Xu, Manager, Corporate Planning; and
Yang Bai, Vice President, Corporate Strategy.

Dear Sirs/Madams:

Re: Demand for Payment

As counsel to China Construction Bank Toronto Branch ("**CCBT**" or the "**Agent**"), we hereby advise Long Run Exploration Ltd. (the "**Borrower**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Intercreditor Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower, Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as guarantor, CCBT, as lender, and the Agent, as collateral agent;
 - (b) a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao

1388-5578-2153.3

Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and the Agent, as administrative agent and collateral agent;

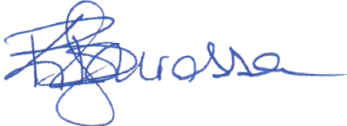
- (c) a collateral agent and intercreditor agreement made as of October 27, 2020 (the "**Intercreditor Agreement**") among, the Borrower, as borrower, the Guarantor, as guarantor, CCBT, as CCBT lender, Administrative Agent and Collateral Agent, CCBQ, as CCBQ Lender, CCBQ, as CCBQ SBLC provider, Bank of China (Qingdao Branch), as BOCQ SBLC provider and CCB Qingdao Sifang Sub-branch, as parent creditor agent;
- (d) an amended and restated fixed and floating charge demand debenture dated October 27, 2020 granted by the Borrower in favour of the Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other Secured Parties;
- (e) a general security agreement made as of October 27, 2020 between the Borrower, as debtor, and the Agent, as agent;
- (f) a confirmation, acknowledgement and agreement made effective as of October 27, 2020 in respect of a blocked account agreement dated as of January 25, 2019 between the Borrower and the Agent; and
- (g) an amended and restated assignment of insurance dated October 27, 2020 granted by the Borrower in favour of the Agent, for itself and on behalf of the other Secured Parties; and

The documents referred to in paragraphs 2 (a) through (g) above are collectively referred to as the "**Loan Documents**".

3. Pursuant to the each of the Credit Agreements, each Credit Facility (collectively, the "**Credit Facilities**") matured on December 9, 2023. Accordingly, the Agent hereby demands from the Borrower payment of the Credit Facilities in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Agent under the Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with each of the Credit Agreements (collectively, the "**Outstanding Indebtedness**").

4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 22, 2023, the Agent will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's rights and remedies against the Borrower under the Loan Documents.
5. We enclose a Notice of Intention to Enforce Security delivered pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate the Borrower's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,



Kelly J. Bourassa
KJB/jm
Enclosure

c: Client
Warren Nishimura (*Firm*)
Xiaodi Jin, *Borden Ladner Gervais LLP*

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY

(Section 244 of the Bankruptcy and Insolvency Act)

TO: LONG RUN EXPLORATION LTD. an insolvent person (the "**Debtor**")

Take notice that:

1. China Construction Bank, Toronto Branch (the "**Collateral Agent**"), pursuant to:
 - (a) the amended and restated credit agreement made as of October 27, 2020 between, *inter alios*, the Borrower, as borrower, Calgary Sinoenergy Investment Corp., as guarantor, the Collateral Agent, as lender, and the Collateral Agent, as collateral agent;
 - (b) the credit agreement made as of October 27, 2020 between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch and the other lenders from time to time party thereto, as lenders, and Collateral Agent, as administrative agent and collateral agent; and(collectively, the "**Credit Agreements**"), intends to enforce its security on all of the Debtor's present and after-acquired assets, property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of the following:
 - (a) an amended and restated fixed and floating charge demand debenture dated October 27, 2020 granted by the Debtor in favour of the Collateral Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other secured parties;
 - (b) a general security agreement made as of October 27, 2020 between the Debtor, as debtor, and the Collateral Agent, as agent; and
 - (c) an amended and restated assignment of insurance dated October 27, 2020 granted by the Debtor in favour of the Collateral Agent.

The documents referred to in paragraphs 2 (a) through (c) above are collectively referred to as the "**Security**".

3. The total amount of indebtedness secured by the Security is in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Collateral Agent, and any other amounts whatsoever, which may be claimed by the Collateral Agent under the Credit Agreements, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Collateral Agent's rights under the Commitment Letter and the Security.

4. The Collateral Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 12th day of December, 2023.

**BLAKE, CASSELS & GRAYDON LLP, Agents and
Solicitors for the Collateral Agent**



per: _____

Name: Kelly J. Bourassa

Title: Barrister and Solicitor

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

WAIVER

Long Run Exploration Ltd. hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by the Collateral Agent of the Security described above.

DATED at Calgary, Alberta this ____ day of December, 2023.

LONG RUN EXPLORATION LTD.

By: _____
Name:
Title:



中国建设银行

China Construction Bank

多伦多分行

Toronto Branch

Schedule "B"
(see attached)



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Kelly J. Bourassa
Dir: 403-260-9697
Kelly.bourassa@blakes.com

December 12, 2023

Reference: 14438/2

VIA EMAIL/FACSIMILE

CALGARY SINOENERGY INVESTMENT CORP.

Eau Claire Tower
600, 3rd Avenue SW
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention: Chief Executive Officer

Dear Sirs/Madams:

Re: Demand for Payment

As counsel to China Construction Bank Toronto Branch ("**CCBT**" or the "**Agent**"), we hereby advise Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Intercreditor Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower (the "**Borrower**"), the Guarantor, as guarantor, the Agent, as lender, and the Agent, as collateral agent;
 - (b) a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and the Agent, as administrative agent and collateral agent; and
 - (c) an amended and restated securities pledge agreement made as of October 27, 2020 between the Guarantor and the Agent, in its capacity as agent;

1394-1775-3353.1



The documents referred to in paragraphs 2 (a) through (c) above are collectively referred to as the "**Loan Documents**".

3. Pursuant to the each of the Credit Agreements, each Credit Facility (collectively, the "**Credit Facilities**") matured on December 9, 2023. Pursuant to Section 13.09 of each the Credit Agreements, the Guarantor covenanted to make payment to the Agent (for and on behalf of the Secured Parties) of the full amount of the Obligations (as defined in each of the Credit Agreements) after demand is made upon it. Accordingly, the Agent hereby demands from the Guarantor payment of the Credit Facilities in the amounts set out in Schedule "**A**" hereto, plus costs and expenses incurred by the Agent prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Agent under the Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with each of the Credit Agreements (collectively, the "**Outstanding Indebtedness**").
4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 22, 2023, the Agent will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's rights and remedies against the Borrower under the Loan Documents.

Yours truly,

Kelly J. Bourassa
KJB/jm
Enclosure

c: Client
Warren Nishimura (*Firm*)
Xiaodi Jin, *Borden Ladner Gervais LLP*

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

This is **Exhibit "EE"** referred to in the Affidavit of Ziqing (Eddie) Zou affirmed before me this 2nd day of July, 2024.

Jake Harris

A Commissioner for Taking Affidavits and Notary Public in and for the Province of Ontario

Jake Harris LSO #85481T





April 26, 2024

VIA E-MAIL

LONG RUN EXPLORATION LTD.

600, 3rd Avenue SW, Suite 600
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention:

Wendy Barber, Interim Chief Executive Officer;
Michael Scott, Director, Production and
Operations;
Jean Xue, Controller;
Eileen Xu, Manager, Corporate Planning; and
Yang Bai, Vice President, Corporate Strategy.

VIA E-MAIL

CALGARY SINOENERGY INVESTMENT CORP.

600, 600 3rd Avenue SW
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention:

Chief Executive Officer

Re: Reservation of Rights re Maturity Under Credit Agreements and Demands Thereunder

Reference is made to:

1. an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower (the "**Borrower**"), Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as guarantor, China Construction Bank Toronto Branch ("**CCBT**"), as lender, and CCBT, as collateral agent;
2. a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and CCBT, as administrative agent and collateral agent;
3. a collateral agent and intercreditor agreement made as of October 27, 2020 (the "**Intercreditor Agreement**") among the Borrower, as borrower, the Guarantor, as guarantor, CCBT, as CCBT lender, CCBQ and the other lenders from time to time party thereto, as CCBQ Lenders, CCBQ, as CCBQ Lender, CCBQ, as CCBQ SBLC provider, Bank of China (Qingdao Branch) ("**BOCQ**"), as BOCQ SBLC provider, CCBT, as administrative agent, CCBT, as collateral agent (in such capacity, the "**Agent**"), and CCB Qingdao Sifang Sub-branch, as parent creditor agent;
4. a standby letter of credit issued on January 26, 2017 by CCBQ in favour of CCBT (as amended to the date hereof, the "**CCBQ SBLC**");
5. a standby letter of credit issued on January 25, 2017 by BOCQ in favour of CCBQ (as amended to the date hereof, the "**BOCQ SBLC**");



6. an indemnity and reimbursement made effective as of October 27, 2020 (the "**CCBQ Indemnity**") granted by the Borrower and the Guarantor, as obligors, for the benefit of CCBQ, in its capacity as CCBQ SBLC provider;
7. an indemnity and reimbursement made effective as of October 27, 2020 (the "**BOCQ Indemnity**") granted by the Borrower and the Guarantor, as obligors, for the benefit of BOCQ, in its capacity as CCBQ BOCQ provider;
8. a demand for payment to the Borrower dated December 12, 2023 issued to the Borrower and the Guarantor (the "**Demand**"), together with a notice of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**244 Notices**"); and
9. a reservation of rights letter dated December 12, 2023 (the "**December 2023 Reservation of Rights**").

All capitalized terms used herein and not otherwise defined shall have the meaning given to them in the Intercreditor Agreement.

Maturity

As you are aware, pursuant to the Credit Agreements, the Final Maturity Date (as defined in each Credit Agreement) occurred on December 9, 2023. Pursuant to Article 13 of each Credit Agreement, the Guarantor has guaranteed the payment of the Obligations (as defined in each Credit Agreement).

On December 12, 2023, the Agent issued (a) a demand for payment to the Borrower demanding repayment of the Outstanding Obligations, together with a notice of intention to enforce security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada), a copy of which is appended hereto as Schedule "**A**", and (b) a demand for payment to the Guarantor, demanding repayment of the Outstanding Obligations, a copy of which is appended hereto as Schedule "**B**". To date, the Borrower and the Guarantor have failed to pay the Outstanding Obligations.

As of the date hereof, the aggregate amount of the Secured Obligations owing is Cdn.\$241,534,713.82 plus all costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to the date hereof (the "**Outstanding Obligations**"). To date, the Borrower and the Guarantor have failed to pay the Outstanding Obligations.

As set out in the December 2023 Reservation of Rights, the Agent called upon the CCBQ SBLC in order to satisfy certain obligations owing to CCBT owing under the CCBT Credit Agreement (the "**CCBQ SBLC Amount**"), and consequently, some or all of the CCBQ SBLC Amount has become indebtedness owing by the Borrower and the Guarantor to CCBQ pursuant to the CCBQ Indemnity.

Further, the Agent understands that CCBQ has called upon the BOCQ SBLC in order to satisfy certain obligations owing to CCBQ resulting from payment under the CCBQ SBLC (the "**BOCQ SBLC Amount**"), and upon CCBQ's receipt of the BOCQ SBLC Amount pursuant to the BOCQ SBLC, some or all of the CCBQ SBLC Amount will become indebtedness owing by the Borrower and the Guarantor to BOCQ pursuant to the BOCQ Indemnity.



Process

CCBT, in its capacity as CCBT Lender, and in its capacity as collateral agent under the CCBT Credit Agreement agrees that it shall not commence any enforcement under the Loan Documents as against the Borrower or the Guarantor until May 6, 2024 (the "**Reservation of Rights Period**"), provided that the Borrower signs the FTI Consulting Canada Inc. ("FTI") engagement letter dated April 1, 2024, acknowledging and approving FTI's engagement as financial advisor to the Agent (the "**Condition Precedent**"). For certainty, the Reservation of Rights Period shall not commence until the satisfaction of the Condition Precedent.

Please be advised that, notwithstanding the forgoing, (a) the Credit Agreements continue to be in full force and effect (and interest continues to accrue thereunder, including, for certainty, interest on the entire principal amount owing under each Credit Agreement (notwithstanding any draws on the CCBQ SBLC and BOCQ SBLC)), (b) neither the Agent, the CCBT Lender nor the CCBQ Lenders have, nor shall they be deemed to have, waived or extended the Final Maturity Date pursuant to either Credit Agreement or to have waived any other Default or Event of Default as defined therein (including, without limitation, any prior Events of Default) that has now or may in the future occur under either Credit Agreement or any other Loan Documents, (c) the 10-day period under the 244 Notices has expired and the Agent, the CCBT Lender and the CCBQ Lender are at liberty to exercise all its rights and remedies available to them under the Loan Documents, or at law, and (d) CCBT Lender retains all rights to apply any cash collateral in its possession against any demands made on any outstanding letters of credit and to exercise any of its rights as issuer of the outstanding letters of credit, including to provide notification of non-renewal of any outstanding letters of credit issued by it.

The Agent and the CCBT Lender hereby reserve all of the rights, remedies, powers and privileges afforded to by law or under the Credit Agreements (as applicable) and the other Loan Documents with respect to any other Defaults or Events of Default which may have occurred on or prior to the date hereof including, without limitation, enforcing their rights and remedies against the Borrower and the Guarantors.

If you have any questions regarding the foregoing, please contact the undersigned.

Sincerely,

CHINA CONSTRUCTION BANK TORONTO BRANCH,
as CCBT Lender and collateral agent

By: _____



Chaoyong Gong
Deputy General Manager



ACKNOWLEDGED AND AGREED TO BY:

LONG RUN EXPLORATION LTD.

CALGARY SINOENERGY INVESTMENT CORP.

By: **Wendy Barber**  Digitally signed by Wendy Barber
DN: cn=Wendy Barber, o=Long Run
Exploration Ltd, ou=Interim CEO,
email=wbarber@longrunexploration.co
m, c=CA
Date: 2024.04.30 12:16:30 -06'00'

By: _____

Name: Wendy Barber

Name:

Title: Interim CEO

Title:



中国建设银行
China Construction Bank
多伦多分行
Toronto Branch

ACKNOWLEDGED AND AGREED TO BY:

LONG RUN EXPLORATION LTD.

CALGARY SINOENERGY INVESTMENT CORP.

By: _____

Name: Wendy Barber

Title: Interim CEO

By: _____

Name: HUNG KIT YING

Title: DIRECTOR



中国建设银行

China Construction Bank

多伦多分行

Toronto Branch

Schedule "A"

(see attached)



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Kelly J. Bourassa
Dir: 403-260-9697
Kelly.bourassa@blakes.com

Reference: 14438/2

December 12, 2023

VIA EMAIL/FACSIMILE

LONG RUN EXPLORATION LTD.

600, 3rd Avenue SW, Suite 600
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention: Wendy Barber, Interim Chief Executive Officer;
Michael Scott, Director, Production and Operations;
Jean Xue, Controller;
Eileen Xu, Manager, Corporate Planning; and
Yang Bai, Vice President, Corporate Strategy.

Dear Sirs/Madams:

Re: Demand for Payment

As counsel to China Construction Bank Toronto Branch ("**CCBT**" or the "**Agent**"), we hereby advise Long Run Exploration Ltd. (the "**Borrower**"), as follows:

1. Capitalized terms used herein have the meanings given to them in the Intercreditor Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower, Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as guarantor, CCBT, as lender, and the Agent, as collateral agent;
 - (b) a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao

1388-5578-2153.3

Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and the Agent, as administrative agent and collateral agent;

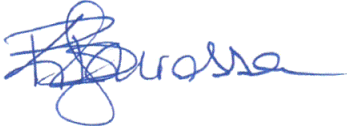
- (c) a collateral agent and intercreditor agreement made as of October 27, 2020 (the "**Intercreditor Agreement**") among, the Borrower, as borrower, the Guarantor, as guarantor, CCBT, as CCBT lender, Administrative Agent and Collateral Agent, CCBQ, as CCBQ Lender, CCBQ, as CCBQ SBLC provider, Bank of China (Qingdao Branch), as BOCQ SBLC provider and CCB Qingdao Sifang Sub-branch, as parent creditor agent;
- (d) an amended and restated fixed and floating charge demand debenture dated October 27, 2020 granted by the Borrower in favour of the Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other Secured Parties;
- (e) a general security agreement made as of October 27, 2020 between the Borrower, as debtor, and the Agent, as agent;
- (f) a confirmation, acknowledgement and agreement made effective as of October 27, 2020 in respect of a blocked account agreement dated as of January 25, 2019 between the Borrower and the Agent; and
- (g) an amended and restated assignment of insurance dated October 27, 2020 granted by the Borrower in favour of the Agent, for itself and on behalf of the other Secured Parties; and

The documents referred to in paragraphs 2 (a) through (g) above are collectively referred to as the "**Loan Documents**".

3. Pursuant to the each of the Credit Agreements, each Credit Facility (collectively, the "**Credit Facilities**") matured on December 9, 2023. Accordingly, the Agent hereby demands from the Borrower payment of the Credit Facilities in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Agent prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Agent under the Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with each of the Credit Agreements (collectively, the "**Outstanding Indebtedness**").

4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 22, 2023, the Agent will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's rights and remedies against the Borrower under the Loan Documents.
5. We enclose a Notice of Intention to Enforce Security delivered pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate the Borrower's waiver of the notice period referred to therein if it chooses to permit the same.

Yours truly,



Kelly J. Bourassa
KJB/jm
Enclosure

c: Client
Warren Nishimura (*Firm*)
Xiaodi Jin, *Borden Ladner Gervais LLP*

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the Bankruptcy and Insolvency Act)

TO: LONG RUN EXPLORATION LTD. an insolvent person (the "**Debtor**")

Take notice that:

1. China Construction Bank, Toronto Branch (the "**Collateral Agent**"), pursuant to:
 - (a) the amended and restated credit agreement made as of October 27, 2020 between, *inter alios*, the Borrower, as borrower, Calgary Sinoenergy Investment Corp., as guarantor, the Collateral Agent, as lender, and the Collateral Agent, as collateral agent;
 - (b) the credit agreement made as of October 27, 2020 between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch and the other lenders from time to time party thereto, as lenders, and Collateral Agent, as administrative agent and collateral agent; and(collectively, the "**Credit Agreements**"), intends to enforce its security on all of the Debtor's present and after-acquired assets, property (both real and personal) and undertakings, as more particularly described in the Security (as defined below).
2. The security that is to be enforced is in the form of the following:
 - (a) an amended and restated fixed and floating charge demand debenture dated October 27, 2020 granted by the Debtor in favour of the Collateral Agent, in its capacity as collateral agent for its own benefit and for the benefit of certain other secured parties;
 - (b) a general security agreement made as of October 27, 2020 between the Debtor, as debtor, and the Collateral Agent, as agent; and
 - (c) an amended and restated assignment of insurance dated October 27, 2020 granted by the Debtor in favour of the Collateral Agent.

The documents referred to in paragraphs 2 (a) through (c) above are collectively referred to as the "**Security**".

3. The total amount of indebtedness secured by the Security is in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements and expenses incurred by the Collateral Agent, and any other amounts whatsoever, which may be claimed by the Collateral Agent under the Credit Agreements, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Collateral Agent's rights under the Commitment Letter and the Security.

4. The Collateral Agent will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 12th day of December, 2023.

**BLAKE, CASSELS & GRAYDON LLP, Agents and
Solicitors for the Collateral Agent**



per: _____

Name: Kelly J. Bourassa

Title: Barrister and Solicitor

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.

WAIVER

Long Run Exploration Ltd. hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and consents to the immediate enforcement by the Collateral Agent of the Security described above.

DATED at Calgary, Alberta this ____ day of December, 2023.

LONG RUN EXPLORATION LTD.

By: _____
Name:
Title:



中国建设银行

China Construction Bank

多伦多分行

Toronto Branch

Schedule "B"

(see attached)



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary AB T2P 4J8 Canada
Tel: 403-260-9600 Fax: 403-260-9700

Kelly J. Bourassa
Dir: 403-260-9697
Kelly.bourassa@blakes.com

December 12, 2023

Reference: 14438/2

VIA EMAIL/FACSIMILE

CALGARY SINOENERGY INVESTMENT CORP.

Eau Claire Tower
600, 3rd Avenue SW
Calgary, Alberta T2P 0G5
Facsimile: (403) 262 - 5561

Attention: Chief Executive Officer

Dear Sirs/Madams:

Re: Demand for Payment

As counsel to China Construction Bank Toronto Branch ("**CCBT**" or the "**Agent**"), we hereby advise Calgary Sinoenergy Investment Corp. (the "**Guarantor**"), as follows:

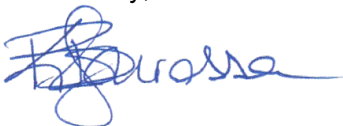
1. Capitalized terms used herein have the meanings given to them in the Intercreditor Agreement (defined below) unless otherwise noted.
2. Reference is made to the following:
 - (a) an amended and restated credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBT Credit Agreement**") between, *inter alios*, Long Run Exploration Ltd., as borrower (the "**Borrower**"), the Guarantor, as guarantor, the Agent, as lender, and the Agent, as collateral agent;
 - (b) a credit agreement made as of October 27, 2020 (as amended, supplemented or otherwise modified to the date hereof, the "**CCBQ Credit Agreement**" and, together with the CCBT Credit Agreement, collectively, the "**Credit Agreements**") between, *inter alios*, the Borrower, as borrower, the Guarantor, as guarantor, China Construction Bank Corporation, Qingdao Branch ("**CCBQ**") and the other lenders from time to time party thereto, as lenders, and the Agent, as administrative agent and collateral agent; and
 - (c) an amended and restated securities pledge agreement made as of October 27, 2020 between the Guarantor and the Agent, in its capacity as agent;

1394-1775-3353.1

The documents referred to in paragraphs 2 (a) through (c) above are collectively referred to as the "**Loan Documents**".

3. Pursuant to the each of the Credit Agreements, each Credit Facility (collectively, the "**Credit Facilities**") matured on December 9, 2023. Pursuant to Section 13.09 of each the Credit Agreements, the Guarantor covenanted to make payment to the Agent (for and on behalf of the Secured Parties) of the full amount of the Obligations (as defined in each of the Credit Agreements) after demand is made upon it. Accordingly, the Agent hereby demands from the Guarantor payment of the Credit Facilities in the amounts set out in Schedule "**A**" hereto, plus costs and expenses incurred by the Agent prior to the date of this demand and hereafter, and any other amounts whatsoever, which may be claimed by the Agent under the Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Agent's rights under the Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with each of the Credit Agreements (collectively, the "**Outstanding Indebtedness**").
4. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 22, 2023, the Agent will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Agent's rights and remedies against the Borrower under the Loan Documents.

Yours truly,



Kelly J. Bourassa
KJB/jm
Enclosure

c: Client
Warren Nishimura (*Firm*)
Xiaodi Jin, *Borden Ladner Gervais LLP*

Schedule "A"

Outstanding Indebtedness (Cdn.\$)	
CCBT Credit Agreement	
Principal Outstanding	\$112,100,958.65
Interest	\$0
Total under CCBT Credit Agreement	\$112,100,958.65
CCBQ Credit Agreement	
Principal Outstanding	\$237,995,726.64
Interest	\$8,692,018.98
Total under CCBQ Credit Agreement	\$246,687,745.62
TOTAL OUTSTANDING INDEBTEDNESS	<u>\$358,788,704.27</u>

Plus all interest, costs and expenses (including fees, charges and disbursements of legal counsel on a solicitor and his own client, full indemnity basis) incurred by the Agent, the CCBQ Lender and the CCBT Lender prior to or after the date hereof.