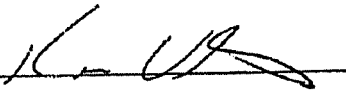


Sincerely,

Anchorage Capital Master Offshore, Ltd.  
(on behalf of itself and its affiliates)

By: Anchorage Advisors, L.L.C., its Investment Manager



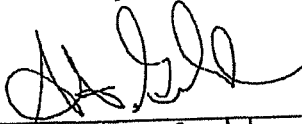
By:

Name: Kevin Ulrich

Title: Chief Executive Officer

Sincerely,

Whippoorwill Associates, Inc., as agent for its  
discretionary accounts



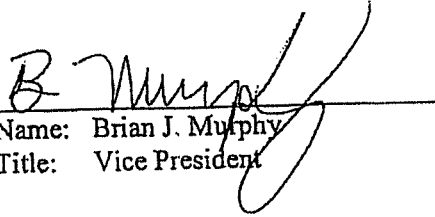
Name: Steven Gendal  
Title: Principal

Sincerely,

**Notwithstanding anything herein to the contrary, in no event shall the aggregate total obligation of McDonnell Loan Opportunity Ltd. hereunder and as part of the Senior Credit Rights offering exceed \$12 million.**

McDonnell Loan Opportunity Ltd.  
(on behalf of itself and its affiliates)

By: McDonnell Investment Management, LLC,  
as Investment Manager



Name: Brian J. Murphy  
Title: Vice President

Sincerely,

Restoration Holdings Ltd.

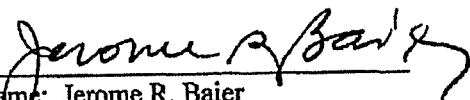
Restoration Special Opportunities Master Ltd.

*Pamela M. Lawrence*

Name: Pamela M. Lawrence  
Title: Director

Sincerely,

The Northwestern Mutual Life Insurance Company  
(on behalf of itself and its affiliates)



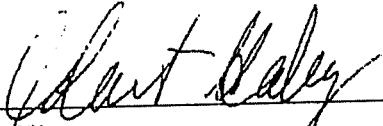
Name: Jerome R. Baier

Title: Its Authorized Representative

Sincerely,

Crédit Suisse Securities USA, LLC  
(on behalf of itself and its affiliates)

PKD



Name:

Title:

Robert Healey

Authorized Signatory

Sincerely,

Jennison Associates LLC  
(as investment manager on behalf of  
certain managed funds)

*David C. Kiefer*

Name: David A. Kiefer

Title: Managing Director

Agreed to and accepted:

TRIDENT RESOURCES CORP.

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By:

Name:

Title:

Agreed to and accepted:

TRIDENT EXPLORATION CORP.

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By:

Name:

Title:



EXECUTION VERSION

TRIDENT RESOURCES CORP.

RESTRUCTURING TERM SHEET

THIS TERM SHEET (THIS "TERM SHEET") DESCRIBES A PROPOSED RESTRUCTURING (THE "RESTRUCTURING") FOR TRIDENT RESOURCES CORP. (AS A DEBTOR-IN-POSSESSION AND A REORGANIZED DEBTOR, AS APPLICABLE, "TRC") AND CERTAIN OF ITS SUBSIDIARIES (COLLECTIVELY, THE "COMPANY"), PURSUANT TO A JOINT PLAN OF REORGANIZATION (THE "CHAPTER 11 PLAN"), WHICH WOULD BE PREPARED AND FILED BY TRC AND CERTAIN OF ITS DOMESTIC SUBSIDIARIES (COLLECTIVELY, THE "U.S. DEBTORS") IN CONNECTION WITH THE U.S. DEBTORS' FILING (THE "CHAPTER 11 CASES") IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE "BANKRUPTCY COURT") UNDER CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE (THE "BANKRUPTCY CODE"), AND A RELATED PLAN OF ARRANGEMENT OR COMPROMISE UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT (THE "CCAA") TO BE FILED BY TRIDENT EXPLORATION CORP. ("TEC") AND CERTAIN OF ITS U.S. AND CANADIAN AFFILIATES (THE "CCAA DEBTORS" AND TOGETHER WITH THE U.S. DEBTORS, THE "DEBTORS") IN THE ALBERTA COURT OF QUEEN'S BENCH, IN CALGARY, ALBERTA, CANADA (THE "CANADIAN COURT").

THIS TERM SHEET IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OF TRC OR ITS SUBSIDIARIES. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

OVERVIEW<sup>1</sup>

Rights Offering

Pursuant to the terms and conditions of the equity commitment letter dated as of January \_\_, 2010 (the "Commitment Letter"),<sup>2</sup> TRC (as a debtor-in-possession and a reorganized debtor, as applicable) shall propose to offer and sell, for an aggregate

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<sup>1</sup> This Term Sheet does not include a description of all of the terms, conditions and other provisions that are to be contained in the Chapter 11 Plan and the related definitive documentation governing the Restructuring.

<sup>2</sup> Each capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Commitment Letter.

purchase price of \$200 million<sup>3</sup> (the "Rights Offering Amount"), 60%<sup>4</sup> of its new common stock (the "New Common Stock"), par value \$0.01 per share, to be issued pursuant to the Chapter 11 Plan. Such New Common Stock will be offered pursuant to a rights offering (the "Rights Offering") whereby (x) each holder of 2006 TRC Obligations<sup>5</sup> who is an accredited investor (an "Accredited Investor"), as defined in Rule 501 of Regulation D of the U.S. Securities Act of 1933, as amended (each, an "Eligible 2006 Holder") as of the record date in the Plan (the "Record Date"), shall be offered the right (each, a "Senior Creditor Right") to purchase up to its pro rata share of \$150 million of such New Common Stock, at a purchase price of \$[ ] per share (the "Purchase Price") and (y) each holder, as of the Record Date, of 2007 TRC Obligations<sup>6</sup> who is an Accredited Investor (each, an "Eligible 2007 Holder") shall be offered the right (each, a "Junior Creditor Right" and collectively with the Senior Creditor Rights, the "Rights") to purchase up to its pro rata share of \$50 million of such New Common Stock at the Purchase Price.<sup>7</sup>

"New Money Investors" means all Eligible 2006 Holders and Eligible 2007 Holders who exercise their Rights to purchase New Common Stock.

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[Footnote continued from previous page]

- <sup>3</sup> Unless otherwise indicated all dollar amounts are in US dollars.
- <sup>4</sup> Calculated prior to giving effect to dilution resulting from the Management Equity Issuance and after giving effect to Chapter 11 Plan.
- <sup>5</sup> "2006 TRC Obligations" means outstanding obligations under that certain Secured Credit Facility dated as of November 24, 2006, as amended (the "2006 Credit Agreement") among TRC, certain of its subsidiaries, Credit Suisse, Toronto Branch, as administrative agent and collateral agent (in such capacity, the "2006 Agent"), and the lenders party thereto.
- <sup>6</sup> "2007 TRC Obligations" means outstanding obligations under that certain Subordinated Loan Agreement dated as of August 20, 2007, as amended (the "2007 Credit Agreement") among TRC, certain of its subsidiaries, Wells Fargo Bank, N.A., as administrative agent (in such capacity, the "2007 Agent"), and the lenders party thereto.
- <sup>7</sup> For the avoidance of doubt, any modification to the aggregate size of the Equity Put Commitment, the size and allocation of any Equity Put Fee or Break Up Fee, or any other economic provision of the Commitment Letter or this Term Sheet shall require the consent of each of the Backstop Parties.

Use of Investment Proceeds

The proceeds of the Investment shall be used for general corporate purposes and/or to be loaned or contributed to TEC and used by TEC to pay a portion of the obligations (the "Second Lien Credit Agreement Obligations") under the Amended and Restated Credit Agreement dated as of April 25, 2006 (as further amended and supplemented, the "Second Lien Credit Agreement") between Trident Exploration Corp. ("TEC"), certain of its subsidiaries, Credit Suisse, Toronto Branch as collateral agent and administrative agent, and the lenders party thereto. The remaining Second Lien Credit Agreement Obligations shall be paid in full from the proceeds of the exit financing being arranged by TEC (the "Exit Financing").

Securities to be Issued  
Under the Plan of  
Reorganization

New Common Stock. TRC shall issue the New Common Stock on the Effective Date, which New Common Stock shall be deemed fully paid and non-assessable.

Management Equity Issuance. Up to 7.5% of the New Common Stock on a fully diluted basis shall be reserved for issuance under a management equity plan (the "Management Equity Issuance"), the form, exercise price, vesting and allocation of which shall be governed by the board of directors of reorganized TRC, in its sole discretion. For the avoidance of doubt, the Management Equity Issuance will dilute *pro rata* the New Common Stock issued under the Chapter 11 Plan to the Eligible 2006 Holders, the Eligible 2007 Holders and the holders of allowed 2006 TRC Obligations.

CLASSIFICATION AND TREATMENT OF CLAIMS IN THE CHAPTER 11 PLAN

Unclassified Claims

Administrative Claims

Each holder of an allowed administrative claim shall receive payment in full in cash of the unpaid portion of its allowed administrative claim on the Effective Date, or as soon thereafter as reasonably practicable (or, if payment is not then due, shall be paid in accordance with its terms) or pursuant to such other terms as may be agreed to by the holder of such claim and the U.S. Debtors, provided such other terms are consented to by the Backstop Parties which pursuant to the Commitment Letter commit to provide, in aggregate, 80% of the Equity Put Commitment (the "Required Backstop Parties"), which consent shall not be unreasonably withheld.

Not classified – non-voting.

Priority Tax Claims

Priority tax claims against any of the U.S. Debtors shall be treated in accordance with section 1129(a)(9)(C) of the Bankruptcy Code.

Not classified – non-voting.

Intercompany Claims

There shall be no distributions on account of Intercompany Claims without approval of the Required Backstop Parties. Notwithstanding the foregoing, TRC, in a manner reasonably acceptable to the Required Backstop Parties, may (or may cause each applicable subsidiary to) reinstate, compromise or otherwise satisfy, as the case may be, Intercompany Claims between and among the Company and its subsidiaries.

Either unimpaired – not entitled to vote – deemed to accept or impaired – not entitled to vote – presumed to reject.

Classified Claims and Interests

Class 1—Other Priority Claims

All claims against the U.S. Debtors accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than Priority Tax Claims, shall be paid in full in cash on the later of the Effective Date or the allowance of the claim.

Unimpaired – not entitled to vote – deemed to accept.

Class 2—Other Secured Claims

Each holder of an Other Secured Claim against the U.S. Debtors shall receive the following treatment, at the option of the Debtors, with the consent of the Required Backstop Parties, which consent shall not be unreasonably withheld: (i) payment in full in cash on the Effective Date or as soon thereafter as practicable to the extent secured, (ii) delivery of collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code or (iii) other treatment rendering such claim unimpaired.

Unimpaired – not entitled to vote – deemed to accept.

Class 3—General  
Unsecured Claims<sup>8</sup>

"General Unsecured Claims" against the U.S. Debtors shall consist of all general unsecured claims against the U.S. Debtors (collectively, the "General Unsecured Claims"). Deficiency claims under the 2006 Credit Agreement and/or the 2007 Credit Agreement are excluded from this class for distribution purposes only.

The treatment of General Unsecured Claims is to be determined via agreement between the Required Backstop Parties and the U.S. Debtors.

Impaired – entitled to vote.

Class 4A—2006 Credit  
Agreement Claims

In full and final satisfaction, release, discharge and in exchange for such holder's allowed 2006 Credit Agreement Claim, each holder of such 2006 Credit Agreement Claim shall receive its pro rata share of (a) 40% of the New Common Stock, prior to giving effect to dilution resulting from the Management Equity Issuance and the Contingent Value Rights and after giving effect to the Chapter 11 Plan and (b) the Senior Creditor Rights.

To the extent not paid pursuant to the Commitment Letter, any and all outstanding fees and expenses of the 2006 Agent, including any and all outstanding fees and expenses of counsel and financial advisors to the 2006 Agent, shall be paid in full in Cash on the Effective Date.

Impaired – entitled to vote.

Class 4B—2007 Credit  
Agreement Claims

In full and final satisfaction, release, discharge and in exchange for such holder's allowed 2007 Credit Agreement Claim, each holder of such 2007 Credit Agreement Claim shall receive its pro rata share of the Junior Creditor Rights.

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<sup>8</sup> The Backstop Parties intend to support payment in full, in cash, of all admitted trade claims in the CCAA insolvency proceedings against TEC or its Canadian affiliates resulting from accounts payable on such entities' respective books and records due to the claimant's supply of goods and/or services to TEC or its Canadian affiliates ("Trade Claims"), provided that such claims do not exceed \$20.4 million. Other unsecured claims (including but not limited to contract rejection claims and litigation claims) at TEC or its Canadian affiliates (other than the guarantee claims in respect of the 2006 TRC Obligations and 2007 TRC Obligations) shall be treated in a manner reasonably acceptable to the Backstop Parties and the Debtors and in accordance with the applicable provisions of the CCAA; provided that, to the extent any such claims are paid in cash under the CCAA Plan, the amount of cash paid on account of such claims plus the amount of cash paid on account of Trade Claims shall in no event exceed \$20.4 million.

To the extent not paid pursuant to the Commitment Letter, any and all outstanding fees and expenses of the 2007 Agent, including any and all outstanding fees and expenses of counsel and financial advisors to the 2007 Agent, shall be paid in full in Cash on the Effective Date.

Impaired – entitled to vote.

Class 5 — Preferred Stock in TRC

The Class 5 Interests include the Series A and Series B preferred stock of TRC, and options, warrants or other agreements to acquire any of the same (whether or not arising under or in connection with any employment agreement).

No recovery.

All Class 5 Interests shall be cancelled and extinguished on the Effective Date.

Impaired – not entitled to vote. Presumed to reject.

Class 6 — Common Stock in TRC

Class 6 Interests include the common stock of TRC, and options, warrants or other agreements to acquire any of the same (whether or not arising under or in connection with any employment agreement).

No recovery.

All Class 6 Interests shall be cancelled and extinguished on the Effective Date.

Impaired – not entitled to vote. Presumed to reject.

Class 7 — TRC Subsidiary Equity Interests

All equity interests of TRC's subsidiaries shall continue to be held by TRC and the subsidiaries of TRC holding such interests prior to the Effective Date.

Unimpaired – not entitled to vote – deemed to accept.

Cancellation of Instruments, Certificates and Other Documents

On the Effective Date, except to the extent otherwise provided above, all instruments, certificates and other documents evidencing debt or equity interests in TRC or the other Debtors shall be cancelled, and the obligations of the Debtors thereunder, or in any way related thereto, shall be discharged.

Executory Contracts and

Executory contracts and unexpired leases shall be treated in

Unexpired Leases

accordance with the Bankruptcy Code or the CCAA, depending on the applicable or governing law of the jurisdiction in which the Debtor-counterparty files an insolvency proceeding, and in a manner to be determined as agreed to by the Debtors and the Required Backstop Parties.

Retention of Jurisdiction

The Bankruptcy Court and/or the Canadian Court, as applicable, shall retain jurisdiction for customary matters.

CORPORATE GOVERNANCE/CHARTER PROVISIONS/CAPITAL STOCK/REPORTING COMPANY/1145 EXEMPTION

Shareholders' Agreement

Upon the Effective Date and as a condition to receiving their shares of New Common Stock, all holders of New Common Stock shall enter into a Shareholders' Agreement acceptable to the Required Backstop Parties providing for (except to the extent provided for in the organizational documents) composition of the board of directors and its committees, transfer restrictions, pre-emptive rights for accredited investors, information rights, customary registration rights, customary tag-along and drag-along rights with respect to significant equity sales by shareholders, rights with respect to asset sales, financing transactions and similar transactions, and similar provisions to be agreed, the material terms of which shall be agreed to by the execution of the Definitive Agreements (as defined below). Prior to any subsequent initial public offering of the New Common Stock, future shareholders of TRC, including holders of shares to be issued pursuant to the Management Equity Issuance and / or Contingent Value Rights (on or after the Effective Date), shall be required to execute a joinder to the Shareholders' Agreement. A copy of the Shareholders Agreement shall be filed as part of a supplement to the Plan (the "Plan Supplement").

Management and the Board

On or before the Effective Date, TRC or one of its subsidiaries shall remain bound by or assume the existing employment agreements with the Company's Chief Executive Officer and Chief Financial Officer, respectively. The Company, with the consent of the Required Backstop Parties, will designate as part of the Plan Supplement those employment agreements with other members of existing senior management and/or other

employees that shall be assumed<sup>9</sup> as of the Effective Date; provided, however, that all of the Company's indemnity obligations with respect to directors and officers of the Company, whether or not set forth in such employment agreements, shall be assumed by TRC or one of its subsidiaries.

Subject to the Backstop Parties' receipt of information to enable them to determine if aggregate costs related to the tail liability policies described below are reasonable and determination that such aggregate costs are reasonable, the Debtors shall obtain reasonable and customary tail liability policies for the directors and officers of the Company immediately prior to the consummation of the Plans (as defined below), consisting of a six year extended reporting period endorsement with respect to the Company's current directors and officers liability policies and maintenance of such endorsement in full force and effect for its full term. Such insurance policies shall be placed through such broker(s) and with such insurance carriers as may be specified by the Company. Notwithstanding the foregoing, in no event shall the Company have to expend for any such policies contemplated by this section an annual premium (measured for purposes of any "tail" by reference to 1/6th the aggregate premium paid therefor) amount in excess of 350% of the annual premiums currently paid by the Company for such insurance without its prior written consent.

The initial Board shall consist of 9 members. One of the directors shall be the Chief Executive Officer of TRC. On the Effective Date, Jennison Associates LLC shall appoint two (2) directors. The remaining six (6) directors shall be appointed by agreement of the 2006 Backstop Parties' providing at least 80% of the Equity Put Commitment in respect of the Senior Creditor Rights. The initial Board members and officers shall be designated in the Plan Supplement.

The compensation committee of TRC's Board of Directors shall approve a new long-term incentive plan. Obligations of the CCAA Debtors and the U.S. Debtors under the long-term

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<sup>9</sup> Except as otherwise provided herein, employment contracts at the TEC level will ride through the CCAA unless repudiated by the Company at the direction of the Required Backstop Parties, acting in their sole discretion.



incentive plan ("LTIP") in effect prior to the commencement of the Chapter 11 Cases shall be paid in full, in cash, in installments over a three-year period as currently set forth in the LTIP as if the LTIP had been assumed, and all directors shall waive any claims arising out of or relating to any "change of control", termination, or any other provision that could or would otherwise entitle such director to be paid a greater amount or on a different time frame.

Charter; Bylaws

The charter and bylaws of each of the Debtors shall have been restated in a manner acceptable to the Required Backstop Parties and shall be filed as part of the Plan Supplement. The charter and bylaws of each of the U.S. Debtors shall be consistent with section 1123(a)(6) of the Bankruptcy Code. Copies of the organizational documents shall be contained in the Plan Supplement.

Exemption from SEC  
Registration

To the extent available, the issuance of any securities under the Plan shall be exempt from SEC registration under section 1145 of the Bankruptcy Code. To the extent section 1145 is unavailable, such securities shall be exempt from SEC registration as a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended, and/or the safe harbor of Regulation D promulgated thereunder, or such other exemption as may be available from any applicable registration requirements.

Releases

The Chapter 11 Plan shall provide customary full and complete release provisions that provide releases from, among others, the U.S. Debtors, the 2006 Agent, the 2007 Agent, the Backstop Parties, the New Money Investors and each creditor receiving distributions under the Plan (each, a "Released Party" and collectively, the "Releasing Parties") for the benefit of (i) each Releasing Party and (ii) current and former officers, directors, members, employees, advisors, attorneys, professionals, accountants, investment bankers, consultants, agents, successors in interest or other representatives for each of the foregoing; provided, however, that the Released Parties shall not be released for acts or omissions related to willful misconduct, fraud or criminal acts.

Indemnification/  
Exculpation

The Chapter 11 Plan shall provide customary indemnification and exculpation provisions, which shall include a full exculpation from liability to the U.S. Debtors and third parties in favor of (i) the U.S. Debtors, the Backstop Parties, the 2006 Agent, the 2007 Agent, and the New Money Investors and (ii) current and former officers, directors, members, employees,

advisors, attorneys, professionals, accountants, investment bankers, consultants, agents, successors in interest or other representatives for each of the foregoing, from any and all claims and causes of action relating to any act taken or omitted to be taken in connection with, or related to formulating, negotiating, preparing, disseminating, implementing, administering, soliciting, confirming or consummating the Chapter 11 Plan, the disclosure statement or any contract, instrument, release or other agreement or document created or entered into in connection with the Chapter 11 Plan or any other act taken or omitted to be taken in connection with or in connection with or in contemplation of the restructuring of the U.S. Debtors, with the sole exception of willful misconduct, fraud, or criminal acts.

Discharge

Customary discharge provisions.

Injunction

Customary injunction provisions.

Tax Issues

The Debtors and the Backstop Parties shall use commercially reasonable efforts to structure the terms of the Chapter 11 Plan and the Restructuring so as to preserve favorable tax attributes of the Debtors. The Debtors shall consult with the advisors to the Backstop Parties on tax issues and matters of tax structure relating to the Chapter 11 Plan and the Restructuring, and all such tax matters and issues shall be resolved in a manner reasonably acceptable to the Debtors and the Required Backstop Parties.

Contingent Value Rights

Each Backstop Party or its designee that is a holder of 2007 TRC Obligations shall be entitled to receive the percentage of Contingent Value Rights specified on its signature page to the Commitment Letter in consideration for its Equity Put Commitment.

The Contingent Value Rights may entitle holders of such rights to receive shares in an aggregate amount equal to 6% of the New Common Stock issued or issuable upon Effective Date (on a fully diluted basis subject solely to pro rata dilution for any shares issuable under any Management Equity Issuance) upon the earlier of (i) the occurrence of certain triggering events (to be agreed between the Backstop Parties that are not holders of 2007 TRC Obligations, the Backstop Parties that are holders of the 2007 TRC Obligations, and the Company) or (ii) the fifth year anniversary of the Effective Date, subject to the condition that the Debtors' total enterprise value at the time of such triggering event or such fifth year anniversary is at least \$966 million.

The number of shares of New Common Stock to be issued under the Contingent Value Rights shall be subject to adjustment to reflect any stock splits, stock dividends, recapitalizations or similar events between Effective Date and the date of the relevant triggering event or fifth year anniversary of the Effective Date (as applicable), and all such shares shall be fully paid and non-assessable when issued.

#### PLAN IMPLEMENTATION AND MANDATORY REORGANIZATION SCHEDULE

##### Timeline

- (i) The Debtors shall obtain entry of the Approval Order and such order shall become final, on or before 56 days from the date of the Commitment Letter's execution;
- (ii) The U.S. Debtors shall obtain entry by the Bankruptcy Court of an order approving the disclosure statement, in form and substance acceptable to the Required Backstop Parties (the "Disclosure Statement Order"), on or before May 14, 2010;
- (iii) The U.S. Debtors shall obtain entry by the Bankruptcy Court of an order confirming the Chapter 11 Plan, in form and substance acceptable to the Required Backstop Parties (the "Confirmation Order"), on or before June 18, 2010; and
- (iv) The Effective Date shall occur on or before July 2, 2010.

##### Conditions Precedent to Plan Consummation

Customary closing conditions for a transaction of this type, including, but not limited to the following conditions: (i) a plan of arrangement or compromise (the "CCAA Plan" and together with the Chapter 11 Plan, the "Plans") under the Companies' Creditors Arrangement Act (if a CCAA Plan is required to implement the Restructuring, as may be reasonably determined by TEC and the Required Backstop Parties) be approved with respect to the CCAA Debtors at a meeting of creditors held on or before June 16, 2010 and be sanctioned by order of the CCAA Court on or before June 18, 2010 and such order shall be (a) in form and on terms acceptable to the Required Backstop Parties and (b) not subject to any stay; (ii) the Disclosure Statement Order shall be entered on or before May 14, 2010; (iii) the Confirmation Order shall be entered, without any material modification that would require re-solicitation, on or before June 18, 2010 and such Confirmation Order shall not be subject to any stay; (iv) if a CCAA Plan is required, an Order convening a meeting of creditors to consider and approve the CCAA Plan

shall be obtained on or before June 5, 2010; (v) the CCAA Court's not granting relief from any stay to permit enforcement of any security on the material assets of the Canadian Debtors or the termination of any material agreement to which any of the Canadian Debtors are a party; (vi) in accordance with the CCAA Plan, (a) the Second Lien Credit Agreement Obligations shall be repaid in full, (b) TRC's percent ownership of its direct and indirect subsidiaries shall remain unchanged and (c) all claims (including the guarantee claims) against the Debtors in respect of the 2006 TRC Obligations and the 2007 TRC Obligations (as the same may be asserted against TEC) shall be discharged in a manner consistent with (without duplication) the treatment thereof in the Chapter 11 Plan; (vii) the proceeds of the Rights Offering, along with all cash on hand on the consummation of the Restructuring and the proceeds of any exit facility, shall be sufficient to fund the Restructuring; (viii) no force majeure event (which shall include, amongst other things, a significant disruption to the financial markets) shall have occurred; (ix) execution and delivery of Exit Financing loan documentation, the shareholders' agreement, corporate organizational documents, and other customary definitive documentation necessary to implement the Restructuring (collectively, the "Definitive Agreements") that are satisfactory to the Required Backstop Parties and that incorporate the terms and conditions set forth in this Term Sheet; (x) absence of a Material Adverse Change;<sup>10</sup> (xi) absence of material litigation seeking to restrain or materially alter the Restructuring, other than litigation in the Courts regarding the Chapter 11 Plan and CCAA Plan; (xii) absence of any material change after the date hereof in the applicable royalty, environmental or tax regimes to which the Debtors are subject; (xiii) delivery by the Debtors to the Backstop Parties of audited and unaudited financial statements, updated reserve reports, clean environmental reports, title opinions, clean title reports and a clean environmental opinion, and other information reasonably requested by the Required Backstop Parties; (xiv) payment in full by the Debtors of all

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<sup>10</sup> For purposes of this Commitment Letter, "Material Adverse Change" shall mean any material adverse change, occurring after the date hereof, or any development that would reasonably be expected to result in a material adverse change, individually or when taken together with any other such changes or developments, in (i) the financial condition, business, results of operations, assets or liabilities of the Company and its subsidiaries, taken as a whole, as such business is proposed to be conducted as contemplated in the Term Sheet or this Commitment Letter, and whether or not arising from transactions in the ordinary course and (ii) the ability of the Company to perform its obligations under this Commitment Letter, the Term Sheet and/or any Definitive Agreement

reasonable and documented fees and expenses accrued by the Backstop Parties, the 2006 Agent, and the 2007 Agent in connection with the Restructuring; (xv) receipt of all material documentation and other material information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act; (xvi) the accuracy of all representations and warranties and compliance with all covenants in the Commitment Letter; (xvii) delivery of such other customary legal opinions, corporate documents and other instruments or certificates as the Backstop Parties may reasonably request for a transaction of this type; (xviii) the Debtors' compliance with the Plan Implementation and Mandatory Reorganization Schedule herein; (xix) the Backstop Parties, TRC and all other holders of New Common Stock shall have entered into a Shareholders' Agreement satisfactory to the Required Backstop Parties; (xx) all tax matters shall be reasonably satisfactory to the Required Backstop Parties; and (xxi) the (a) Priority Tax Claims, (b) Other Secured Claims, (c) General Unsecured Claims, (d) Administrative Claims (other than allowed professional fees and expenses of legal, financial, and other advisors to the U.S. Debtors) and (e) Intercompany Claims against the U.S. Debtors in the Chapter 11 Cases shall not exceed amounts to be reasonably agreed to by the Required Backstop Parties.

**Exhibit C**  
**SISP Procedures**

**Trident**  
**Procedures for the Sale and Investor Solicitation Process**

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

On February [ ], 2010 the Canadian Debtors filed a motion with the CCAA Court seeking an order for approval of (i) the execution and delivery of the Commitment Letter by the Canadian Debtors, (ii) the payment of the Equity Put Fee and Expense Reimbursement in the circumstances provided for in the Commitment Letter, and (iii) the sale and investor solicitation process (“**SISP**”) and the procedures set forth herein (the “**SISP Procedures**”);

On January 29, 2010 the U.S. Debtors filed a motion with the U.S. Bankruptcy Court for orders (i) authorizing the U.S. Debtors entry into the Commitment Letter, and (ii) authorizing and approving the SISP Procedures.

On February [18], 2010 following a joint hearing of the CCAA Court and the U.S. Bankruptcy Court, the Courts each entered an order (together, the “**Bid Procedures Order**”) approving the SISP and the SISP Procedures. The Bid Procedures Order, SISP and the SISP Procedures are to be followed with respect to a sale and investor solicitation process to be undertaken to seek a proposal superior to the Commitment Letter with respect to Trident.

All dollar amounts expressed herein, unless otherwise noted, are in United States currency.

**Defined Terms**

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

“**2006 TRC Credit Agreement**” means that certain Secured Credit Facility dated as of November 24, 2006, as amended among TRC, certain of its subsidiaries, Credit Suisse, Toronto Branch, as administrative agent and collateral agent, and the lenders party thereto;

“**Alternate Bid**” has the meaning ascribed thereto in section 37;

“**Alternate Bidder**” has the meaning ascribed thereto in section 37;

- “**Alternate Bid Expiration Date**” has the meaning ascribed thereto in section 39;
- “**Applicants**” has the meaning ascribed thereto in the recitals above;
- “**Approval Motion**” has the meaning ascribed thereto in section 40;
- “**Auction**” has the meaning ascribed thereto in section 31;
- “**Auction Bidders**” has the meaning ascribed thereto in section 33(a);
- “**Backstop Parties**” has the meaning ascribed thereto in the Commitment Letter;
- “**Bid Procedures Order**” has the meaning ascribed thereto in the recitals above;
- “**Canadian Debtors**” has the meaning ascribed thereto in the recitals above;
- “**Canadian Debtors’ Property**” means all or substantially all of the assets and the undertakings of the Canadian Debtors.
- “**Canadian Secured Term Lenders**” means the lenders party from time to time under the Canadian Secured Term Loan Agreement.
- “**Canadian Secured Term Loan Agreement**” means amended and restated credit agreement dated April 25, 2006, among *inter alia*, TEC as borrower, the lenders thereunder and Credit Suisse as agent (or its successors and assigns);
- “**CCAA**” has the meaning ascribed thereto in the recitals above;
- “**CCAA Court**” has the meaning ascribed thereto in the recitals above;
- “**CCAA Plan**” has the meaning ascribed thereto in section 4;
- “**Chapter 11 Plan**” has the meaning ascribed thereto in section 4;
- “**Claims and Interests**” has the meaning ascribed thereto in section 6;
- “**Commitment Letter**” means that certain commitment letter and attached term sheet dated January 25, 2010 between the Backstop Parties (as defined therein) and Trident, attached as Exhibit B to the Approval Motion;
- “**Confidentiality Agreement**” means an executed confidentiality agreement in favour of Trident, similar in form and substance to the confidentiality agreement executed by the Backstop Parties, and otherwise satisfactory to the Monitor, the Financial Advisor and Trident, which shall inure to the benefit of any purchaser of the Trident Property or any investor in the Trident Business;
- “**Credit Bid**” means an offer submitted by the Credit Bid Party to acquire (i) the Canadian Debtors’ Property, or a portion thereof in exchange for and in full and final satisfaction of all or a portion (as determined by the Credit Bid Party) of the claims and obligations under the Canadian



Secured Term Loan Agreement and (ii) the U.S. Debtors' Property, or a portion thereof, in exchange for and in full and final satisfaction of all or a portion (as determined by the Credit Bid Party) of the claims and obligations under the 2006 Credit Agreement;

**"Credit Bid Party"** means a party with rights under applicable law to make a Credit Bid;

**"Data Room"** means a confidential electronic data room which contains any and all documents furnished by the Debtors;

**"Deposit"** has the meaning ascribed thereto in section 22(l);

**"Elimination"** has the meaning ascribed thereto in section 20;

**"Equity Put Fee"** has the meaning ascribed thereto in the Commitment Letter;

**"Financial Advisor"** means Rothschild Inc.;

**"Form of Purchase Agreement"** has the meaning ascribed thereto in section 24;

**"Initial Order"** has the meaning ascribed thereto in the recitals above;

**"Investment Proposal"** has the meaning ascribed thereto in section 15(a);

**"Leading Bid"** has the meaning ascribed thereto in section 33(h);

**"Letters of Intent"** has the meaning ascribed thereto in section 13;

**"Marked Agreement"** has the meaning ascribed thereto in section 25(b);

**"Marked Ancillary Agreement"** has the meaning ascribed thereto in section 25(b);

**"Monitor"** means FTI Consulting Canada ULC, in its capacity Monitor pursuant to that Initial Order and not in its personal or corporate capacity;

**"Parcels"** means any one or more of the (i) the assets of Trident related to the Mannville development; (ii) the assets of Trident related to the Montney Shale development; (iii) the assets of Trident related to the Horseshoe Canyon development; or (iv) the assets of Trident related to the exploration lands in the northwest United States;

**"Participation Materials"** has the meaning ascribed thereto in section 8;

**"Phase 1"** has the meaning ascribed thereto in section 13;

**"Phase 1 Bid Deadline"** has the meaning ascribed thereto in section 14;

**"Phase 1 Qualified Bidder"** has the meaning ascribed thereto in section 9;

**"Phase 2"** has the meaning ascribed thereto in section 16;

“**Phase 2 Bid Deadline**” has the meaning ascribed thereto in section 21;

“**Potential Bidder**” has the meaning ascribed thereto in section 8;

“**Purchase Price**” has the meaning ascribed thereto in section 25(b);

“**Qualified Bids**” has the meaning ascribed thereto in section 26;

“**Qualified Bidders**” has the meaning ascribed thereto in section 20;

“**Qualified Consideration**” means consideration to Trident superior to that provided for in the Commitment Letter plus payment of the amount of the Equity Put Fee (as defined in the Commitment Letter) plus an additional \$10 million in cash or cash equivalents;

“**Qualified Investment Bid**” has the meaning ascribed thereto in section 22;

“**Qualified Letter of Intent**” has the meaning ascribed thereto in section 15;

“**Qualified Purchase Bid**” has the meaning ascribed thereto in section 25;

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

“**Sale Proposal**” has the meaning ascribed thereto in section 15(a);

“**Selected Superior Offer**” has the meaning ascribed thereto in section 37;

“**SISP**” has the meaning ascribed thereto in the recitals above;

“**SISP Procedures**” has the meaning ascribed thereto the recitals above;

“**Solicitation Process**” has the meaning ascribed thereto in section 1;

“**Starting Bid**” has the meaning ascribed thereto in section 33(e);

“**Subsequent Bid**” has the meaning ascribed thereto in section 33(h);

“**Successful Bid**” has the meaning ascribed thereto in section 38;

“**Successful Bidder**” has the meaning ascribed thereto in section 38;

“**Superior Offer**” means a Superior Parcels Offer or a credible, reasonably certain and financially viable Qualified Bid for (i) the purchase of all or substantially all of the Canadian Debtors’ Property, the U.S. Debtors’ Property, or the Trident Property, (ii) a reorganization of the Trident entities or (iii) a recapitalization of the Trident Business, which, in each case, is superior to the transaction contemplated by the Commitment Letter in that it provides for consideration equal to or in excess of the Qualified Consideration. In addition, whether or not a Qualified Bid is a Superior Offer will be evaluated by considering the following factors: (a) the purported amount of the Qualified Bid, including any benefit to the U.S. Debtors’ bankruptcy

estates from any assumption or other satisfaction of liabilities of the U.S. Debtors; (b) the ability to close the transaction without delay and within the time frames contemplated in the Commitment Letter; (c) the ability to obtain all necessary antitrust or other regulatory approvals for the proposed transaction; and (d) any other factors Trident deems relevant, in consultation with the Monitor and the Financial Advisor;

“**Superior Parcels Offer**” means credible, reasonably certain and financial viable Qualified Bids for the purchase of one or more Parcels, such that the combination of Qualified Bids is received for the Parcels, or any combination of them, provides for consideration equal to the Qualified Consideration;

“**TEC**” has the meaning ascribed thereto in the recitals above;

“**Term Sheet**” means the term sheet attached to the Commitment Letter;

“**Trident**” has the meaning ascribed thereto in the recitals above;

“**Trident Business**” means the business carried on by Trident;

“**Trident Property**” means the assets and the undertaking of Trident or any part thereof, including the Parcels;

“**U.S. Bankruptcy Court**” has the meaning ascribed thereto the recitals above;

“**U.S. Debtors**” has the meaning ascribed thereto the recitals above; and

“**U.S. Debtors’ Property**” means all or substantially all of the assets and undertakings of the U.S. Debtors.

### **Solicitation Process**

(1) The SISP Procedures set forth herein describe, among other things, the Trident Property available for sale, the opportunity for an investment in Trident, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning Trident, the Trident Property, and the Trident Business, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the approval thereof by the U.S. Bankruptcy Court and the CCAA Court (collectively, the “**Solicitation Process**”).

(2) Trident, in consultation with its Financial Advisor and under supervision by the Monitor shall conduct the SISP Procedures and the Solicitation Process as outlined herein. If the Required Lenders either as a group or such lenders individually, do not become a Qualified Bidder in accordance with the procedures described herein, Trident, the Financial Advisor and the Monitor shall consult with the Required Lenders, as appropriate, during the Solicitation Process. Moreover, Trident, the Financial Advisor and the Monitor shall consult with the Backstop Parties, as appropriate, during the Solicitation Process. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, such disagreement shall be addressed to both Courts at a joint hearing.

(3) A Confidential Information Memorandum describing the opportunity to invest in Trident or acquire all or substantially all of the Trident Property and the Trident Business will be made available by the Financial Advisor to (a) prospective purchasers or prospective strategic or financial investors that have executed the Confidentiality Agreement; and (b) the Backstop Parties.

#### **Investment and Sale Opportunity**

(4) An investment in Trident may include one or more or any combination of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of some or all of the Trident entities as a going concern; a purchase of Trident Property, including one or more of the Parcels to a newly formed acquisition entity; or a plan of compromise or arrangement pursuant to the CCAA (the "CCAA Plan") and/or a joint plan of reorganization under Chapter 11 of the U.S. Bankruptcy Code (the "Chapter 11 Plan").

#### **"As Is, Where Is"**

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

#### **Free Of Any And All Claims And Interests**

(6) In the event of a sale, all of the rights, title and interests of Trident in and to the Trident Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests thereon and there against (collectively, the "Claims and Interests") pursuant to the relevant approval and vesting order made by the Courts and/or free and clear of all claims and interests pursuant to section 1141 of the U.S. Bankruptcy Code, as appropriate. Contemporaneously with such approval and vesting order being made, all such Claims and Interests shall attach to the net proceeds of the sale of such property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

#### **Publication Notice**

(7) Within five days of entry of the Bid Procedures Order, Trident shall cause a notice of the sale and investor solicitation process, which notice be in accordance with, and in substantially similar form as approved in, the Bid Procedure Order. Trident shall issue a press release to Canada Newswire and a United States equivalent newswire regarding the SISP for dissemination in Canada, the United States, Europe and Asia-Pacific.

#### **Participation Requirements**

(8) In order to participate in the Solicitation Process, each person (a "Potential Bidder") must deliver to the Financial Advisor at the address specified in Schedule "1" hereto (by email),

prior to the distribution of any confidential information by the Financial Advisor to a Potential Bidder (including the Confidential Information Memorandum) the following documents (the "**Participation Materials**"):

- (a) an executed Confidentiality Agreement;
- (b) written evidence of the sufficient funds, a commitment for financing or ability to otherwise consummate the proposed transaction (such as a current audited financial statement and copies of the Potential Bidders' bank account statements showing available cash), or such other form of financial disclosure and credit support or enhancement that will allow the Monitor, the Financial Advisor, and Trident and each of their respective legal and financial advisors, to make, in their business or professional judgment, a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate the transaction;
- (c) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of any pre-petition or post-petition affiliates that the Potential Bidder has or may have with (i) Trident; (ii) any of the Trident's affiliates; (iii) any creditor of Trident; (iv) any holder of equity securities of Trident; (v) any of the Trident's current or former officers, directors or other insiders, and/or (vi) the Monitor; and
- (d) an executed letter acknowledging receipt of a copy of the Bid Procedures Order and the SISP and agreeing to accept and be bound by the provisions contained herein.

(9) If it is determined by Trident, after consultation with the Financial Advisor and the Monitor that a Potential Bidder has a bona fide interest in consummating a transaction and has provided the Participation Materials to Trident by no later than March 31, 2010, such Potential Bidder will be a "**Phase 1 Qualified Bidder**". Trident will promptly notify the Potential Bidder of such determination, and will provide the Phase 1 Qualified Bidder with access to the due diligence information set forth below.

(10) The determination as to whether a Potential Bidder is a Phase 1 Qualified Bidder will be made as promptly as practicable, but no later than five (5) Business Days after a Phase 1 Potential Bidder delivers all of the Participation Materials.

#### **Due Diligence**

(11) Each Phase 1 Qualified Bidder (including, for greater certainty, their approved lenders or financiers and their financial and legal advisors, provided however that such persons have also signed a Confidentiality Agreement (or a joinder to the Confidential Agreement signed by the relevant Phase 1 Qualified Bidder) shall have such due diligence access to materials and information relating to the Trident Property and the Trident Business as Trident, in its reasonable business judgment, in consultation with the Financial Advisor and the Monitor, deems appropriate; provided that no diligence materials or information may be provided to a Phase 1 Qualified Bidder that has not been or is not concurrently provided to the Backstop Parties. If Trident determines that additional due diligence material requested by a Phase 1 Qualified

Bidder is reasonable and appropriate under the circumstances, but such material has not previously been provided to the Backstop Parties, Trident shall immediately post such material in the Data Room.

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

### Phase 1

#### Seeking Letters of Intent by the Phase 1 Qualified Bidders

(13) For a period of following the date of the Bid Procedures Order until March 31, 2010 (“Phase 1”), Trident through the Financial Advisor (under the supervision of the Monitor and in accordance with the terms of the Bid Procedures Order) will solicit letters of intent from prospective strategic or financial parties to acquire the Trident Property or Trident Business or to invest in Trident (each, a “Letter of Intent”).

(14) A Phase 1 Qualified Bidder that desires to participate in Phase 1 shall, along with the Participation Materials deliver written copies of a Letter of Intent; to the Financial Advisor and the Monitor, at the addresses specified in Schedule “1” hereto (by email), so as to be received by it not later than March 31, 2010 at 5:00 PM (Calgary time) (the “Phase 1 Bid Deadline”).

#### Qualified Non-Binding Letters of Intent

(15) A Letter of Intent submitted will be considered a Qualified Letter of Intent only if submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder and contains the following information (a “Qualified Letter of Intent”):

- (a) A statement of whether the Phase 1 Qualified Bidder is offering to (i) acquire all or substantially all of the Trident Property or one or more Parcels and the Trident Business (a “Sale Proposal”); or (ii) make an investment in Trident and the Trident Business (an “Investment Proposal”);
- (b) In the case of an Investment Proposal, it shall identify: (i) the aggregate amount of the equity and debt investment (including, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and any related contingencies, as applicable) including the sources and uses of capital to be made in the Trident Business; (ii) the underlying assumptions regarding the pro forma capital structure (including, the anticipated debt levels, fees, interest and amortization); (iii) consideration, to be allocated to the stakeholders including claims of any secured or unsecured creditors of the Trident entities and the proposed treatment of employees and the proposed terms and conditions of employment to the extent employment will be offered to employees, including any incentive plans; (iv) the structure and financing

of the transaction including all requisite financial assurance; (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction, the anticipated time frame and any anticipated impediments for obtaining such approvals; (vi) additional due diligence required or desired to be conducted during Phase 2 if any and timeline to closing with critical milestones; (vii) any conditions to closing that the Phase 1 Qualified Bidder may wish to impose; (viii) a statement providing that the transaction does not entitle the Potential Bidder to any break up fee or termination fee; and (ix) any other terms or conditions of the Investment Proposal which the Phase 1 Qualified Bidder believes are material to the transaction;

- (c) In the case of a Sale Proposal: it shall identify (i) the purchase price range (including liabilities to be assumed by the Phase 1 Qualified Bidder); (ii) what Trident Property is included; (iii) the structure and financing of the transaction (including, but not limited to, the sources of financing for the purchase price, evidence of the availability of such financing and the steps necessary and associated timing to obtain the financing and any related contingencies, as applicable); (iv) an indication of the allocation of purchase price between the Canadian Debtors and the U.S. Debtors (v) the proposed treatment of employees and the proposed terms and conditions of employment to the extent employment will be offered to employees, including any incentive plans; (vi) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals; (vii) additional due diligence required or desired to be conducted during Phase 2 if any and timeline to closing with critical milestones; (viii) any conditions to closing that the Phase 1 Qualified Bidder may wish to impose; (ix) a statement providing that the transaction does not entitle the Potential Bidder to any break up fee or termination fee or similar type of payment; and (x) any other terms or conditions of the Sale Proposal which the Phase 1 Qualified Bidder believes are material to the transaction; and
- (d) It provides for aggregate consideration to Trident equal to or greater than the Qualified Consideration; and
- (e) It contains such other information reasonably requested by the Financial Advisor, in consultation with the Monitor and Trident.

#### **Assessment of Qualified Letters of Intent**

##### *I - Advance to Phase 2*

(16) Prior to the Phase 1 Bid Deadline, Trident with input from the Financial Advisor and the Monitor will assess the materials received during Phase 1, if any, and will determine whether there is a reasonable prospect of obtaining a Superior Parcels Offer. If Trident, (a) has received a

Qualified Letter of Intent prior to the Phase 1 Bid Deadline; and (b) in consultation with the Financial Advisor and the Monitor, determines that there is a reasonable prospect of obtaining a Superior Parcels Offer, the SISP will continue until the Phase 2 Bid Deadline in accordance with these SISP Procedures (“**Phase 2**”). Within one business day after Trident determines that a Qualified Letter of Intent has been received it shall notify counsel to the Backstop Parties and provide a copy of the applicable materials to the professionals of the Backstop Parties. If, however, Trident, in consultation with the Financial Advisor and the Monitor, determines that there is no reasonable prospect of a Qualified Letter of Intent resulting in a Superior Parcels Offer, or if no Qualified Letter of Intent is timely received, only Investment Proposals or Sales Proposals for all or substantially all of the assets of Trident will be permitted during Phase 2 (and no further offers for one or more Parcels will be permitted) and Trident shall advise the Backstop Parties and the Required Lenders of such determination. If Trident, in consultation with the Financial Advisor and the Monitor, determines that there is no reasonable prospect of a Qualified Letter of Intent resulting in a Superior Offer, or if no Qualified Letter of Intent is timely received, Trident will forthwith advise the Backstop Parties and the Required Lenders of such determination. If the Monitor or any other interested party does not agree with any of the determinations by Trident as set forth above, such party may seek advice and directions from the Courts with respect to the SISP.

## *II. Terminate SISP*

(17) Trident shall terminate the SISP at the end of Phase 1 if:

- (a) no Qualified Letter of Intent is received by the Financial Advisor; or
- (b) Trident in consultation with the Financial Advisor and the Monitor determines that there is no reasonable prospect that any Qualified Letter of Intent received will result in a Superior Offer.

(18) If the SISP is terminated by Trident or pursuant to an Order of the CCAA Court or the U.S. Bankruptcy Court, the Backstop Parties shall be considered the Successful Bidder and Trident shall promptly (and if it does not, the Backstop Parties may): (i) file a CCAA Plan and/or a Chapter 11 Plan based on the Commitment Letter in accordance with the Bid Procedures Order; and (ii) take steps to complete the transaction as set out in the Commitment Letter, subject to satisfaction of the conditions precedent under and compliance with the terms and conditions thereof.

(19) The Financial Advisor shall notify each Phase 1 Qualified Bidder that submitted a Qualified Letter of Intent that the SISP has been terminated.

## **Elimination**

(20) Trident may, in its reasonable business judgment, in consultation with the Financial Advisor and the Monitor eliminate any Phase 1 Qualified Bidders from the SISP (the “**Elimination**”) at any time during Phase 1 or Phase 2 (as described below). Only those Phase 1 Qualified Bidders that submit a Qualified Letter of Intent prior to the Phase 1 Deadline shall be deemed a “**Qualified Bidder**”.



**Phase 2**

**Seeking Qualified Bids by Qualified Bidders**

(21) A Qualified Bidder will deliver written copies of a Qualified Investment Bid or a Qualified Purchase Bid to the Financial Advisor at the address specified in Schedule "1" hereto (including by email or fax transmission) with a copy to the Monitor at the address specified in Schedule ("1" hereto (by email )) so as to be received by them not later than 5:00 pm (Calgary time) on May 28, 2010 (the "**Phase 2 Bid Deadline**").

**Qualified Investment Bids**

(22) An Investment Proposal submitted by a Qualified Bidder will be considered a Qualified Investment Bid only if the bid complies with all of the following (a "**Qualified Investment Bid**"):

- (a) it includes duly authorized and executed definitive documentation containing the terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of Trident following completion of the proposed transaction (the "**Definitive Documentation**");
- (b) it is based on the form of the Commitment Letter and Term Sheet (as defined in the Commitment Letter) and accompanied by a mark up of the Commitment Letter and Term Sheet showing the amendments and modifications made thereto;
- (c) it provides consideration equal to the Qualified Consideration and on no less favorable terms and conditions than as set forth in such Qualified Bidder's Qualified Letter of Intent;
- (d) it includes a letter stating that the bidder's offer is irrevocable until (x) the selection of the Successful Bidder provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the investment by the Successful Bidder and (ii) the outside date stipulated in the Successful Bid; and (y) if such bidder is selected as an Alternate Bidder (as defined below), the Alternate Bid Expiration Date (as defined below);
- (e) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing to consummate the proposed transaction including the sources and uses of capital, or other evidence that will allow Trident, in consultation with the Financial Advisor and the Monitor, to make a reasonable determination as to the bidder's financial and other capabilities to consummate the transaction contemplated by the bid;
- (f) it is not conditioned on (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing capital;

- (g) it outlines any anticipated regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (h) it provides a timeline to closing with critical milestones;
- (i) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
- (j) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of Trident or the completeness of any information provided in connection therewith except as expressly stated in the applicable term sheet;
- (k) it includes evidence, in form and substance reasonably satisfactory to Trident, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (l) it is accompanied by a deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Trident and the Monitor, payable to the order of the Monitor, in trust, in an amount equal to the greater of U.S. \$20 million or 5% of the investment amount to be held and dealt with in accordance with these SISF Procedures;
- (m) it contains full details of the proposed number of employees of Trident who will become employees of the bidder and the proposed terms and conditions of employment to be offered to those employees including the assumption of applicable incentive plans;
- (n) it contains any other information required in the Participation Materials;
- (o) it identifies with particularity which contracts and leases the bidder wishes to assume and reject, contains full details of the bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (p) it contains other information reasonably requested by Trident through the Financial Advisor and/or by the Monitor;

- (q) it does not entitle the bidder to any break up fee or termination fee or similar payment; and
  - (r) it is received by the Phase 2 Bid Deadline.
- (23) The Commitment Letter shall be deemed to be a Qualified Investment Bid.

**Qualified Purchase Bids**

(24) A Qualified Bidder that intends to submit a Sale Proposal in accordance with Phase 2 of the SISF shall submit its proposal on the form of purchase and sale agreement developed by Trident in consultation with the Financial Advisor and the Monitor (the "**Form of Purchase Agreement**"). Trident shall use its reasonable commercial efforts to have completed preparation of the Form of Purchase Agreement by March 31, 2010 and make it available to Qualified Bidders, including, but not limited to, the Backstop Parties, no later than three days after the Qualified Bidder requests the same from the Financial Advisor.

(25) A Sale Proposal submitted by a Qualified Bidder will be considered a Qualified Purchase Bid only if the bid complies with all of the following (a "**Qualified Purchase Bid**"):

- (s) it includes a letter stating that the bidder's offer is irrevocable until (x) the selection of the Successful Bidder, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the earlier of (i) the closing of the sale to the Successful Bidder and (ii) the outside date stipulated in the Successful Bid; and (y) if such bidder is selected as an Alternate Bidder, the Alternate Bid Expiration Date;
- (t) it includes a duly authorized and executed purchase and sale agreement substantially in the form of the Form of Purchase Agreement, including the purchase price, expressed in U.S. dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements) as well as copies of such materials marked to show those amendments and modifications to the Form of Purchase Agreement ("**Marked Agreement**") and such ancillary agreements (the "**Marked Ancillary Agreement**") and the proposed orders to approve the sale by the Courts;
- (u) it provides consideration equal to the Qualified Consideration and on no less favorable terms and conditions than as set forth in such Qualified Bidder's Qualified Letter of Intent;
- (v) it includes written evidence of a firm, irrevocable commitment for all required funding and/or financing to consummate the proposed transaction including the sources and uses of capital, or other evidence that will allow Trident, in consultation with the Financial Advisor and the Monitor, to

make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by the bid;

- (w) it is not conditioned on (i) the outcome of unperformed due diligence by the bidder and/or (ii) obtaining any financing or capital;
- (x) it outlines any anticipated regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (y) it provides a timeline to closing with critical milestones;
- (z) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;
- (aa) it includes an acknowledgement and representation that the bidder will assume the obligations of Trident under the executory contracts and unexpired leases proposed to be assigned (or identifies with particularity which of such contracts and leases the bidder wishes not to assume, or alternatively which additional executory contracts or unexpired leases the bidder wishes to assume), contains full details of the bidder's proposal for the treatment of related cure costs; and it identifies with particularity any executory contract or unexpired leases the assumption and assignment of which is a condition to closing;
- (bb) it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;
- (cc) it includes evidence, in form and substance reasonably satisfactory to Trident, of authorization and approval from the bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;
- (dd) it is accompanied by a Deposit in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to Trident and the Monitor, payable to the order of the Monitor, in trust, amount equal to the greater of U.S. \$20 million or 5% of the purchase price to be held and dealt with in accordance with these SISP Procedures;
- (ee) it contains full details of the proposed number of employees of Trident who will become employees of the bidder and the proposed terms and

conditions of employment to be offered to those employees including the assumption of applicable incentive plans;

- (ff) it contains any other information required in the Participation Materials;
- (gg) it identifies with particularity which contracts and leases the bidder wishes to assume and reject, contains full details of the bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;
- (hh) it contains other information reasonably requested by Trident through the Financial Advisor and/or by the Monitor;
- (ii) it does not entitle the bidder to any break up fee or termination fee or similar payment; and
- (jj) it is received by the Phase 2 Bid Deadline.

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

(27) Trident may not waive substantial compliance with any one or more of the requirements specified herein without the consent of the Monitor and the Backstop Parties. Within one business day of making a determination that it has received a Qualified Bid, Trident shall provide copies of such Qualified Bid to each Qualified Bidder.

(28) Notwithstanding anything to the contrary set forth in these Solicitation Procedures, (a) a Superior Parcels Bid or any bid on a portion of the assets (including the Canadian Assets) shall not be considered a Qualified Bid unless such bid complies with all of the requirements of a Qualified Bid set forth herein (except that such bid shall be deemed to satisfy clause 25(c) above if such bid, when combined with other Qualified Bids for the remaining portions of the purchased assets, would constitute a bid that satisfies the conditions set forth in clause 25(c) above) and (b) no bid on the Canadian Debtors' Property that serves as collateral under the Canadian Secured Term Loan Agreement shall be a Qualified Bid unless it is sufficient to pay in full, in cash, the amounts owing to the Canadian Secured Term Lenders under the Canadian Secured Term Loan Agreement in the event the applicable Credit Bid Party has submitted a Credit Bid; and (c) no bid on the U.S. Debtors' property that serves as collateral under the 2006 TRC Credit Agreement shall be deemed a Qualified Offer unless it is sufficient to pay in full, in cash, the amounts owing to the lenders under the 2006 TRC Credit Agreement, in the event the applicable Credit Bid Party has submitted a Credit Bid.

#### **No Qualified Bids or Superior Offers**

(29) If at any point during the SISF, Trident determines, in consultation with the Financial Advisor and the Monitor, that a Superior Offer will not be obtained by the Phase 2 Bid Deadline, (a) it will advise the Backstop Parties and the Required Lenders of that fact; and (b) following

that advice, Trident shall promptly, and if it does not, the Backstop Parties may: (i) apply for court sanction of a plan based on the Commitment Letter in accordance with the Bid Procedures Order and (ii) take steps to complete the transaction as set out in the Commitment Letter, subject to satisfaction of the conditions precedent under and compliance with the terms and conditions thereof. If the SISP is terminated pursuant to this section, the Credit Bid Party (if such party has submitted a Credit Bid on or before the Phase 2 Bid Deadline), may be considered the Alternate Bidder and the Credit Bid shall be considered the shall be considered the Alternate Bid. Trident, when seeking court approval of the CCAA Plan and/or a Chapter 11 Plan based on the Commitment Letter, may, at its election, may seek approval of the Alternate Bid and, if the Successful Bidder fails to consummate the transaction for any reason, then the Alternate Bid will be deemed to be the Successful Bid and Trident will be authorized, but not directed, effectuate a transaction with the Alternate Bidder subject to the terms of the Alterative Bid without further order of the Courts.

(30) The Financial Advisor shall also notify each Qualified Bidder that the SISP has been terminated.

#### **Superior Offer is Received**

(31) If Trident determines in its reasonable business judgment following consultation with the Financial Advisor and the Monitor, that one or more of the Qualified Bids is a Superior Offer, Trident shall proceed to conduct an auction (the “**Auction**”) in accordance with the following provisions.

(32) If the Monitor or any other interested party, including, without limitation, the Backstop Parties, does not agree with the determination by Trident that one or more Qualified Bids is a Superior Offer, such party may seek advice and directions from the Courts with respect to the SISP.

#### **Auction**

(33) If Trident receives one or more Superior Offers, Trident will conduct an Auction, at 9:30 a.m. on June 7, 2010 at the offices of ◊ located at ◊ or such other location as shall be timely communicated to all entities entitled to attend at the Auction, which Auction may be cancelled or adjourned by Trident (after consultation with the Financial Advisor and the Monitor). The Auction shall run in accordance with the following procedures:

- (a) Only Trident, the Financial Advisor, the Monitor, the Backstop Parties, the Required Lenders (and the advisors to each of the foregoing) and any Qualified Bidder who has submitted a Superior Offer (together the “**Auction Bidders**”) and the advisors to the Auction Bidders are entitled to attend the Auction in person.
- (b) Each Auction Bidder shall be required to confirm that it has not engaged in any collusion with any other Auction Bidder with respect to the bidding or any sale or investment.
- (c) At least three business days prior to the Auction, each Auction Bidder must inform the Financial Advisor whether it intends to attend the Auction.

- (d) Only the Auction Bidders will be entitled to make any subsequent bids at the Auction; provided that in the event an Auction Bidder elects not to attend the Auction, such Auction Bidder's Superior Offer shall nevertheless remain fully enforceable against such Auction Bidder until (i) the date of the selection of the Successful Bidder at the conclusion of the Auction; and (ii) if such bidder is selected as an Alternate Bidder, the Alternate Bid Expiration Date;
- (e) At least two business days prior the Auction, the Financial Advisor will provide copies of the Superior Offer which Trident (after consultation with the Financial Advisor and the Monitor) believes is the highest or otherwise best offer (the "**Starting Bid**") to all Auction Bidders;
- (f) All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other bidders throughout the entire Auction provided that all Auction Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Auction Bidder attending the Auction in person;
- (g) Trident, after consultation with the Financial Advisor and the Monitor, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make Subsequent Bids) for conducting the Auction, provided that such rules are (i) not inconsistent with these SISP Procedures, the U.S. Bankruptcy Code, general practice in the CCAA Proceedings, or any order of the Courts and (ii) disclosed to each Auction Bidder at the Auction;
- (h) Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder that (i) improves upon such Auction Bidders immediately prior bid (which shall be a Qualified Bid) (a "**Subsequent Bid**"); and (ii) Trident determines, after consultation with the Financial Advisor and the Monitor that such Subsequent Bid is (A) for the first round, a higher or otherwise better offer than the Starting Bid, and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid. Each incremental bid at the Auction shall provide net value to Trident's estate of at least U.S. \$10 million over the Starting Bid or the Leading Bid, as the case may be, provided that Trident, after consultation with the Financial Advisor and the Monitor, shall retain the right to modify the increment requirements at the Auction, and provided, further that Trident, in determining the net value of any incremental bid to the Trident estate shall not be limited to evaluating the incremental dollar value of such bid and may consider other factors as identified in the "Selection of Successful Bid" section of these SISP Procedures. After the first round of bidding and between each subsequent round of bidding, Trident shall announce the bid, the value of such bid and the material terms of the bid, that it believes to be the highest or otherwise best offer after consultation with the Financial Advisor and the Monitor (the

“**Leading Bid**”). A round of bidding will conclude after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid. Except as specifically set forth herein, for the purpose of evaluating the value of the consideration provided by the Subsequent Bids (including any Subsequent Bid by the Backstop Parties), Trident will, at each round of bidding, give effect to the Equity Put Fee that may be payable to the Backstop Parties under the Commitment Letter (and the Backstop Parties shall be entitled to credit bid the Equity Put Fee); and

- (i) No bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.

#### **Selection of Successful Bid**

(34) Trident, in consultation with the Financial Advisor and the Monitor will review each Qualified Bid as set forth herein.

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

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

(37) Prior to the conclusion of the Auction, Trident, after consultation with the Financial Advisor and the Monitor will identify the highest or otherwise best Investment Proposal or Sale Proposal received (as well as the Alternate Bid, if applicable). Trident will notify the Qualified Bidders of the identity of the Qualified Bidders in respect of both the highest or otherwise best Investment Proposal or Sale Proposal received (the “**Selected Superior Offer**” and, such bidder, the **Selected Superior Offer Bidder**”) as well as the next highest or best Qualified Bid (the “**Alternate Bid**” and, such bidder, the “**Alternate Bidder**”), if applicable. Trident shall then proceed to negotiate a definitive agreement in respect of the Selected Superior Offer, conditional upon approval of the Courts, a vote of affected creditors (to the extent implemented through a CCAA Plan and/or a Chapter 11 Plan) and on the Selected Superior Offer closing before July 2, 2010.



(38) Once a definitive agreement has been negotiated and settled in respect of the Selected Superior Offer approved by Order of the Courts in accordance with the provisions hereof, the Selected Superior Offer shall be the “**Successful Bid**” hereunder and the person(s) who made the Selected Superior Offer shall be the “**Successful Bidder**” hereunder.

(39) Trident, after consultation with the Financial Advisor and the Monitor may also, when seeking approval of the Successful Bid, and, at Trident’s election, seek approval of the Alternate Bid. Following approval of the transaction with the Successful Bidder, if the Successful Bidder fails to consummate the transaction for any reason, then the Alternate Bid will be deemed to be the Successful Bid and Trident will be authorized, but not directed, to effectuate a transaction with the Alternate Bidder subject to the terms of the Alternate Bid of such Alternate Bidder without further order of the Courts. The Alternate Bid shall remain open until 60 days following the selection of the Selected Superior Offer, 2010 (the “**Alternate Bid Expiration Date**”). All Qualified Bids (other than the Successful Bid and the Alternate Bid) shall be deemed rejected by Trident on and as of the date of approval of the Successful Bid and the Alternate Bid by the Courts. Nothing herein or in the Auction Procedures shall be deemed to impair the rights of the Backstop Parties to terminate the Commitment Letter in accordance with its terms or effect the rights of the Backstop Parties to receive the Equity Put Fee upon consummation of an Alternate Transaction (as such term is defined in the Commitment Letter). Notwithstanding anything set forth herein, the Backstop Parties shall not be required to be an Alternate Purchaser.

#### Approval Motion

(40) The joint hearing to authorize Trident’s entering into of agreements with respect to the Successful Bid (and at Trident’s election, the Alternate Bid) and completing the transaction contemplated thereby (the “**Approval Motion**”) will be held on a date to be scheduled by the Courts upon application by Trident on or before June 9, 2010. The Approval Motion may be adjourned or rescheduled by Trident with the consent of the Monitor and the Backstop Parties (if the Backstop Parties are selected as having the Successful Bid)), without further notice by an announcement of the adjourned date at the Approval Motion. All Qualified Bids (other than the Successful Bid and the Alternate Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Courts.

#### Deposits

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

(42) If an entity selected as the Successful Bidder or Alternate Bidder breaches its obligations to close subsequent to the Auction, it shall forfeit the Deposit, provided however, that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Debtor has against such breaching entity.

**Approvals**

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

**No Amendment**

(44) There shall be no amendments to this SISP, without the consent of the Monitor and the Backstop Parties (both of whose consent shall not be unreasonably withheld) or further order of the CCAA Court and the U.S. Bankruptcy Court.

**Further Orders**

(45) At any time during the SISP Process, Trident or the Monitor may, following consultation with the Financial Advisor apply to the Courts or either of them for advice and directions with respect to the discharge of their respective powers and duties hereunder following a joint hearing. For greater certainty, nothing herein provides any Qualified Bidder with any rights other than as expressly set forth herein and nothing herein shall modify the rights of the Backstop Parties under the Commitment Letter.

**Schedule "1"**

**Address for Notices and Deliveries**

To the Financial Advisor:

**Rothschild Inc.**  
1251 Avenue of the Americas  
51st Floor  
New York, NY 10020

Attention: Neil Augustine  
Email: neil.augustine@rothschild.com  
william.shaw@rothschild.com

To the Monitor at:

**FTI Consulting Canada ULC**  
TD Waterhouse Tower  
79 Wellington Street  
Suite 2010  
Toronto Ontario, M5K 1G8

Attention: Nigel Meakin  
Email: Nigel.Meakin@fticonsulting.com

**McCarthy Tetrault**  
Suite 3300, 421-7th Avenue SW  
Calgary, Alberta  
T2P 4K9

Attention: Sean F. Collins  
Email: scollins@MCCARTHY.CA

To the Backstop Parties at:

**Gibson Dunn & Crutcher LLP**  
200 Park Avenue  
New York, NY 10166-0193

Attention: David Feldman and Matt Williams  
Email: dfeldman@gibsondunn.com  
mjwilliams@gibsondunn.com

**Exhibit D**

**Notice Procedures**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
In re: : Chapter 11  
: :  
TRIDENT RESOURCES CORP., et al.,<sup>1</sup> : Case No. 09-13150 (MFW)  
: :  
: (Jointly Administered)  
: :  
Debtors. :  
-----X

**NOTICE OF AUCTION**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. Pursuant to the *Order Pursuant to Sections 105(a) and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure Authorizing and Approving (i) the Debtors' Entry into the Commitment Letter, (ii) the Equity Put Fee, Expense Reimbursement, and Indemnification Obligations, (iii) the Procedures for the Sale and Investor Solicitation Process, and (iv) the Form and Manner of Notice Thereof* (the "U.S. Order") entered by the U.S. Bankruptcy Court<sup>2</sup> on February [18], 2010 and the [CANADIAN ORDER NAME] (the "Canadian Order" and together with the U.S. Order, the "Approval Orders") entered by the CCAA Court on February [18], 2010, Trident is seeking qualified offers to purchase the Trident Property or investments for the sponsorship of its plan of reorganization pursuant to chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and/or its plan of compromise or arrangement pursuant to the CCAA.
2. All interested parties are invited to make competing purchase or investment proposals in accordance with Procedures for the Sale and Investor Solicitation Process (the "SISP Procedures"), which terms and conditions have been approved by the Courts as part of the Approval Order. A copy of the SISP Procedures can be obtained by contacting the Financial Advisor, at: [Rothschild, Inc., Attn: Neil Augustine or William Shaw, 1251 Avenue of the Americas, New York, NY 10020, (212) 403-3581, neil.augustine@rothschild.com or william.shaw@rothschild.com.]

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp. (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451)

<sup>2</sup> All capitalized terms used but not otherwise defined herein shall have the meaning set forth in the SISP Procedures (defined below).

3. Pursuant to the SISP Procedures, Trident will conduct an auction (the "Auction") beginning on June 7, 2010 at the offices of [ ] at 9:30 a.m. Eastern Time. Participation at the Auction is subject to the SISP Procedures and the Approval Orders. The SISP Procedures include the following:

***INVESTMENT AND SALE OPPORTUNITY*** An investment in Trident may include one or more or any combination of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of some or all of the Trident entities as a going concern; a sale of Trident Property, including one or more of the Parcels to a newly formed acquisition entity; or a CCAA Plan and/or a Chapter 11 Plan.

***MARKETING EFFORTS*** The Financial Advisor has undertaken and, after entry of the Approval Order, will continue to undertake marketing efforts with respect to soliciting investment proposals for a restructuring of Trident. The Financial Advisor's efforts shall include preparing a confidential informational memorandum with respect to Trident, providing the confidential informational memorandum to all persons that have expressed an interest in a transaction and executed confidentiality agreements with Trident and contacting other logical strategic and financial investors that have in the past or may now have an interest in a transaction with Trident.

***PHASE 1*** For a period of following the date of the Approval Orders until March 31, 2010 ("Phase 1"), Trident through the Financial Advisor (under the supervision of the Monitor and in accordance with the terms of the Approval Orders) will solicit letters of intent from prospective strategic or financial parties to acquire the Trident Property or Trident Business or to invest in Trident (each, a "Letter of Intent"). In order for a Letter of Intent to be considered a Qualified Letter of Intent, the Letter of Intent must contain certain information, as set forth in more detail in the SISP Procedures.

Trident shall terminate the SISP at the end of Phase 1 if: (a) no Qualified Letter of Intent is received by the Financial Advisor; or (b) Trident in consultation with the Financial Advisor and the Monitor determines that there is no reasonable prospect that any Qualified Letter of Intent received will result in a Superior Offer.

***PHASE 2*** A Qualified Bidder will deliver written copies of a Qualified Investment Bid or a Qualified Purchase Bid, as detailed in the SISP Procedures, to the Financial Advisor with a copy to the Monitor so as to be received by them not later than 5:00 pm (Calgary time) on May 28, 2010 (the "Phase 2 Bid Deadline").

***AUCTION*** If Trident determines in its reasonable business judgment, following consultation with the Financial Advisor and the Monitor, that one or more of the Qualified Bids is a Superior Offer, Trident, shall proceed to conduct the Auction at 9:30 a.m. on June 7, 2010 in accordance with the procedures set forth in the SISP Procedures. If the Monitor or any other interested party does not agree with the determination by Trident that one or more Qualified Bids is a Superior Offer, such party may seek advice and directions from the Courts with respect to the SISP. Each incremental bid at the Auction shall provide net

value to Trident's estate of at least U.S. \$10 million over the Starting Bid or the Leading Bid, as the case may be.

***SELECTION OF  
SUCCESSFUL BID***

Prior to the conclusion of the Auction, Trident, after consultation with the Financial Advisor and the Monitor will identify the highest or otherwise best Investment Proposal or Sale Proposal received (as well as the Alternate Bid, if applicable). Trident will notify the Qualified Bidders of the identity of the Qualified Bidders in respect of both the highest or otherwise best Investment Proposal or Sale Proposal received as well as the next highest or best Qualified Bid, if applicable.

***APPROVAL  
HEARING***

A joint hearing to authorize Trident's entering into of agreements with respect to the Successful Bid and completing the transaction contemplated thereby will be held on a date to be scheduled by the Courts upon application by Trident on or before June 9, 2010.

4. This Notice is qualified in its entirety by the SISP Procedures.

Dated: February \_\_, 2010

BY ORDER OF THE COURT

**EXHIBIT B**  
**(Proposed Order)**



**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
:
  
In re: : Chapter 11
  
:
  
TRIDENT RESOURCES CORP., et al.,<sup>1</sup> : Case No. 09-13150 (MFW)
  
: (Jointly Administered)
  
:
  
Debtors. : Re: Docket No. \_\_\_\_
  
-----X

**ORDER GRANTING MOTION OF THE DEBTORS TO  
SHORTEN NOTICE PERIOD FOR THE DEBTORS' MOTION  
PURSUANT TO SECTIONS 105(a) AND 363 OF THE BANKRUPTCY CODE  
AND RULES 2002 AND 6004 OF THE FEDERAL RULES OF BANKRUPTCY  
PROCEDURE FOR ORDER AUTHORIZING AND APPROVING (I) THE  
DEBTORS' ENTRY INTO THE COMMITMENT LETTER, (II) THE EQUITY  
PUT FEE, EXPENSE REIMBURSEMENT, AND INDEMNIFICATION  
OBLIGATIONS, (III) THE SALE AND INVESTOR SOLICITATION  
PROCEDURES, AND (IV) THE FORM AND MANNER OF NOTICE THEREOF**

This matter coming before the Court on the *Motion of the Debtors to Shorten Notice Period for the Debtors' Motion Pursuant to Sections 105(a) and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure for Order Authorizing and Approving (I) The Debtors' Entry into the Commitment Letter, (II) the Equity Put Fee, Expense Reimbursement, and Indemnification Obligations, (III) the Sale and Investor Solicitation Procedures, and (IV) the Form and Manner of Notice Thereof* (the "Motion"),<sup>2</sup> filed by the above-captioned debtors and debtors in possession (collectively, the "Debtors"); the Court having reviewed the Motion; and the Court having found that (a) the Court has jurisdiction over

---

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp. (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451). The corporate address for each of the Debtors is Suite 1000, 444-7th Avenue SW Calgary, Alberta T2P 0X8, Canada.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

this matter pursuant to 28 U.S.C. §§ 157 and 1334 and (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); and the Court having determined that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The hearing to consider the Approval Motion shall be held on February 18, 2010, at 12:00 p.m. (Eastern Standard Time).
3. The deadline to file objections to the Approval Motion shall be February 10, 2010, at 4:00 p.m. (Eastern Standard Time).
4. This Court shall retain jurisdiction with respect to any matters related to or arising from the implementation of this Order.

Dated: \_\_\_\_\_, 2010  
Wilmington, Delaware

\_\_\_\_\_  
THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

THIS IS EXHIBIT " B " referred to in the Affidavit of Kristal Bolton

IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE

Sworn before me this 17 day of February, 2010



A COMMISSIONER FOR OATHS IN AND FOR THE PROVINCE OF ALBERTA

-----X  
In re: :  
: TRIDENT RESOURCES CORP., et al.,<sup>1</sup> :  
: :  
: Debtors. :  
-----X

Chapter 11  
Case No. 09-13150 (MFW) (Jointly Administered)  
Requested Hearing Date: 2/18/10 at 12:00 p.m. (EST)  
Requested Obj. Deadline: 2/10/10 at 4:00 p.m. (EST)  
Derek Pontin  
Barrister and Solicitor

NOTICE OF MOTIONS AND HEARING

PLEASE TAKE NOTICE that, on January 29, 2010, the above-captioned debtors and debtors in possession (collectively, the "Debtors"), filed the **Debtors' Motion Pursuant to Sections 105(a) and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure for Order Authorizing and Approving (I) The Debtors' Entry into the Commitment Letter, (II) the Equity Put Fee, Expense Reimbursement, and Indemnification Obligations, (III) the Sale and Investor Solicitation Procedures, and (IV) the Form and Manner of Notice Thereof (the "Motion")** with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

PLEASE TAKE FURTHER NOTICE that, on January 29, 2010, the Debtors also filed the **Motion of the Debtors to Shorten Notice Period Debtors' Motion Pursuant to Sections 105(a) and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure for Order Authorizing and Approving (I) The Debtors' Entry into the Commitment Letter, (II) the Equity Put Fee, Expense Reimbursement, and**

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc. (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451) The corporate address for each of the Debtors is Suite 1000, 444-7th Avenue SW Calgary, Alberta T2P 0X8, Canada

**Indemnification Obligations, (III) the Sale and Investor Solicitation Procedures, and (IV) the Form and Manner of Notice Thereof** (the "Motion to Shorten"), pursuant to which the Debtors have requested approval of a shortened notice period and objection deadline relating to the Motion.

PLEASE TAKE FURTHER NOTICE that if the Bankruptcy Court grants the relief requested in the Motion to Shorten (i) a hearing to consider the Motion will be held before The Honorable Mary F. Walrath at the Bankruptcy Court, 824 North Market Street, 5<sup>th</sup> Floor, Courtroom 4, Wilmington, Delaware 19801 on **February 18, 2010 at 12:00 p.m. (Eastern Standard Time)** and (ii) objections to the relief requested in the Motion, if any, be in writing and filed on or before **February 10, 2010 at 4:00 p.m. (Eastern Standard Time)**.

PLEASE TAKE FURTHER NOTICE that if the Bankruptcy Court denies the relief requested in the Motion to Shorten, parties in interest will receive separate notice of the court-approved objection deadline and hearing date for the Motion.

PLEASE TAKE FURTHER NOTICE THAT, TO THE EXTENT THE BANKRUPTCY COURT GRANTS THE MOTION TO SHORTEN, IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: January 29, 2010  
Wilmington, Delaware

Respectfully submitted,



Mark D. Collins (No. 2981)  
Paul Heath (No. 3704)  
Chun I. Jang (No. 4790)  
Travis A. McRoberts (No. 5274)  
RICHARDS, LAYTON & FINGER, P.A.  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
(302) 651-7700 (Telephone)  
(302) 651-7701 (Facsimile)

and

AKIN GUMP STRAUSS HAUER & FELD LLP  
Ira S. Dizengoff, admitted *pro hac vice*  
One Bryant Park  
New York, NY 10036  
(212) 872-1000 (Telephone)  
(212) 872-1002 (Facsimile)

and

AKIN GUMP STRAUSS HAUER & FELD LLP  
Scott L. Alberino, admitted *pro hac vice*  
1333 New Hampshire Avenue, N.W.  
Washington DC 20036  
(202) 887-4000 (Telephone)  
(202) 887-4288 (Facsimile)

ATTORNEYS FOR THE DEBTORS  
AND DEBTORS IN POSSESSION

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

-----X  
In re: : Chapter 11  
: :  
TRIDENT RESOURCES CORP., et al.,<sup>1</sup> : Case No. 09-13150 (MFW)  
: :  
: (Jointly Administered)  
: :  
Debtors. : Hearing Date: 2/18/2010 at 12:00 p.m. (EST)  
-----X Obj. Deadline: 2/10/2010 at 4:00 p.m. (EST)

**DEBTORS' MOTION PURSUANT TO SECTIONS 105(a) AND 363 OF THE  
BANKRUPTCY CODE AND RULES 2002 AND 6004 OF THE FEDERAL  
RULES OF BANKRUPTCY PROCEDURE FOR ORDER AUTHORIZING AND  
APPROVING (I) THE DEBTORS' ENTRY INTO THE COMMITMENT LETTER, (II)  
THE EQUITY PUT FEE, EXPENSE REIMBURSEMENT, AND INDEMNIFICATION  
OBLIGATIONS, (III) THE SALE AND INVESTOR SOLICITATION PROCEDURES,  
AND (IV) THE FORM AND MANNER OF NOTICE THEREOF**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") hereby move the Court (the "Motion") for entry of an order (the "Order"), in substantially the form attached hereto as Exhibit A, pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code") and rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") authorizing and approving: (i) the Debtors' entry into the Commitment Letter,<sup>2</sup> (ii) the Equity Put Fee, the Expense Reimbursement, and the Indemnification Obligations, (iii) the sale and investor solicitation procedures set forth herein and annexed hereto as Exhibit C (the "SISP Procedures"), and (iv) the form and manner of notice

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp. (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc. (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451).

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Commitment Letter and Term Sheet attached hereto as Exhibit B.

thereof (the "Notice Procedures"). In support of this Motion, the Debtors respectfully represent as follows:

**PRELIMINARY STATEMENT**

1. By this Motion, the Debtors seek (i) authorization from the Court to enter into the Commitment Letter and be bound by the obligations thereunder, (ii) approval of the Debtors' payment or incurrence of the Equity Put Fee, Expense Reimbursement, and Indemnification Obligations pursuant to the Commitment Letter, and (iii) approval of an investor solicitation and sale process. The Debtors seek similar relief from the Canadian Court presiding over the CCAA proceedings with the aim of promoting coordination between the Courts with respect to the sale and marketing process contemplated herein and the reorganization of the Debtors and their Canadian affiliates (collectively, "Trident" or the "Company").

2. Following months of extensive diligence and negotiations, Trident has secured a commitment from a group consisting of Trident's largest stakeholders memorialized by the Commitment Letter. Pursuant to the letter, the Backstop Parties will backstop a \$200 million equity rights offering for 60 percent of the new common stock of reorganized Trident Resources Corp. ("TRC") pursuant to a Chapter 11 Plan consistent with the agreed upon Plan Term Sheet. If confirmed, the Chapter 11 Plan, together with a CCAA plan of arrangement or compromise, will reduce Trident's consolidated funded indebtedness from approximately \$1.2 billion to approximately \$400 million at emergence (in part through the complete satisfaction of amounts outstanding under the 2006 Credit Agreement and the 2007 Credit Agreement). Parties to the Commitment Letter and the accompanying Plan Term Sheet, include holders of approximately 90% in principal amount of the 2006 Credit Agreement Claims and 95% in principal amount of 2007 Credit Agreement Claims. Accordingly, the Commitment Letter constitutes the most feasible and credible path to deleverage the Debtors' balance sheet.

3. Trident submits that sound business justifications exist for entry into the Commitment Letter. First, prior to the commencement of the Chapter 11 Cases, the Debtors explored various out of court options to deleverage the Company's balance sheet, including a failed initial public offering. During this process, it became clear that a restructuring of the Company's capital structure was impossible absent a substantial equity investment. The Debtors began to solicit an equity investment proposal during the late summer and have continued such efforts since the Petition Date, working with the Backstop Parties and their advisors, as well as other interested parties and Company stakeholders. The Company has facilitated all efforts to complete due diligence and formulate investor proposals. The proposal now before the Court represents the culmination of extensive, lengthy, and arm's-length negotiations among and between the 2006 Lenders, 2007 Lenders, and the Company, and represents the Company's only feasible investment proposal.

4. Second, the Debtors submit that an equity investment from existing stakeholders is the optimal way to maximize value for all stakeholders. While the total enterprise value implied by the Plan Term Sheet is approximately \$735 million, the transaction provides for, among other things, pay-down and refinancing of the Debtors' structurally senior debt at TEC, conversion of the 2006 Credit Agreement Claims into a portion of the New Common Stock (as defined below), and discharge of the 2007 Credit Agreement Claims in exchange for the right to participate in the Rights Offering. If confirmed, the transaction value will clear more than \$1.2 billion in debt obligations of the Debtors. In addition, the Debtors submit that the risks associated with a sale and marketing process will be mitigated by having the Commitment Letter act as a stalking horse agreement to establish a base transaction. The use of a stalking horse agreement will provide stability to Trident's business and operations.



5. Finally, the Debtors believe that the Equity Put Fee, Expense Reimbursement and Indemnification Obligations are justified and consistent with similar protections offered to “stalking horse” parties in connection with equity investments and 363 sales in the U.S., Canada, and within the oil and gas industry. The provisions were negotiated extensively, in good faith by the Debtors and Backstop Parties, and at arm’s-length.

### **JURISDICTION AND VENUE**

6. The Court has jurisdiction over this matter under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue is proper in this district under 28 U.S.C. §§ 1408 and 1409.

### **BACKGROUND**

#### **I. General Background**

7. On September 8, 2009 (the “Petition Date”), the Debtors commenced reorganization proceedings (the “Chapter 11 Cases”) under chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the District of Delaware (the “Court”). All of the Debtors are also applicants in the Canadian Proceedings (as defined below). As of the date hereof, the Debtors are continuing in possession of their respective properties and are operating and managing their businesses, as debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code. To date, no creditors’ committee has been appointed in these cases.

8. On the Petition Date, the Debtors, along with Trident Exploration Corp. (“TEC”) and certain of TEC’s Canadian subsidiaries (collectively, the “Canadian Debtors”<sup>3</sup>) filed an application with the Court of Queen’s Bench of Alberta, Judicial District of Calgary (the

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<sup>3</sup> The Canadian Debtors are as follows: Trident Exploration Corp., Fort Energy Corp., Fenenergy Corp., 981384 Alberta Ltd., 981405 Alberta Ltd., 981422 Alberta Ltd., Trident Resources Corp., Trident CBM Corp., Aurora Energy LLC, NexGen Energy Canada, Inc., and Trident USA Corp.

“Canadian Court” and together with the Court, the “Courts”) under the Companies’ Creditors Arrangement Act (Canada) (the “CCAA”), seeking relief from their creditors (collectively, the “Canadian Proceedings” and together with the Chapter 11 Cases, the “Joint Proceedings”).<sup>4</sup>

9. On January 15, 2009, at a hearing before the Canadian Court, the Canadian Debtors informed the Canadian Court that they were in the midst of finalizing a commitment with the Backstop Parties and requested an extension of the “stay period” in the Canadian Proceedings and that the Canadian Court schedule a hearing for on or about February 17, 2010, at which time Trident would propose a timeline to the Canadian Court to proceed with its restructuring. The Canadian Court adjourned the January 15, 2009 hearing, and granted Trident an extension of the stay period, until January 26, 2010 to give Trident an opportunity to finalize its negotiations with the Backstop Parties.

10. At the January 26, 2010 hearing, Trident announced to the Canadian Court that it had reached an agreement with the Backstop Parties, which it intended to present to this Court and the Canadian Court at a joint hearing in mid-February 2010 (the “Joint Hearing”) and again requested an extension of the stay period. The Court announced that she would issue a ruling on this matter on January 28, 2010.

11. On January 28, 2010, the Canadian Court extended the stay period through February 23, 2010.

## **II. The Negotiations with the Backstop Parties**

12. In order to advance its restructuring efforts, Trident sent out a notice on November 25, 2009 to representatives of all of Trident’s major stakeholder groups, which

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<sup>4</sup> FTI Consulting Canada ULC (“FTI”) has been appointed in the Canadian Proceedings as the court-appointed monitor (the “Monitor”).

requested formal restructuring proposals by December 15, 2009 (the “RFP”). The RFP process yielded two restructuring proposals – one proposal from the Backstop Parties and another from certain holders of the Debtors’ preferred stock. Specifically, on December 19, 2009, Trident received an executed commitment letter and term sheet (the “2006-2007 Proposal”) from a group of lenders holding approximately 90% of the obligations under the 2006 Credit Agreement and 95% of the obligations under the 2007 Credit Agreement (collectively, the “Backstop Parties”).

13. Trident determined, after consultation with its advisors, that out of the two proposals, the 2006-2007 Proposal presented the most viable option for Trident to successfully emerge from the bankruptcy proceedings. Accordingly, Trident engaged in intensive, arm’s-length negotiations with the Backstop Parties before reaching the final terms and conditions set forth in the Commitment Letter and Plan Term Sheet (together the “Commitment Agreement Documents”), which are attached hereto as Exhibit B.

### **RELIEF REQUESTED**

14. By this Motion, the Debtors seek entry of an order authorizing and approving (i) the Debtors’ entry into the Commitment Letter; (ii) the Debtors’ payment or incurrence of the Equity Put Fee, the Expense Reimbursement, and the Indemnification Obligations, (iii) the SISP Procedures, and (iv) the Notice Procedures.

#### **I. Sponsorship of a Proposed Plan of Reorganization**

##### ***A. The Commitment Letter***

15. The Commitment Letter contemplates that, pursuant to a chapter 11 plan of reorganization (the “Chapter 11 Plan”), TRC will propose to offer and sell, for an aggregate

purchase price of \$200 million<sup>5</sup> (the "Rights Offering Amount"), 60.0%<sup>6</sup> of its new common stock (the "New Common Stock"), par value \$0.01 per share, to be issued pursuant to the Chapter 11 Plan. The New Common Stock will be offered pursuant to a rights offering (the "Rights Offering") on the terms and to the parties set forth in the Plan Term Sheet. The material terms of the of the Commitment Letter are as follows:<sup>7</sup>

|                                    |   |
|------------------------------------|---|
| <b>GENERAL TERMS</b>               | The Backstop Parties will provide the Equity Put Commitment (as described below).   |
| <b>AGGREGATE INVESTMENT AMOUNT</b> | The Backstop Parties will invest up to \$200,000,000 in the aggregate in cash.  |
| <b>USE OF PROCEEDS</b>             | Proceeds from the transaction shall be used for general corporate purposes and/or to discharge a portion of the obligations under the Second Lien Credit Agreement  |
| <b>RIGHTS OFFERING</b>             | The 60% of New Common Stock will be offered pursuant to the Rights Offering whereby: <ul style="list-style-type: none"><li>• each Eligible 2006 Holder as of the Record Date who is an Accredited Investor shall be offered the right to purchase up to its pro rata share of \$150 million of such New Common Stock; and</li><li>• each Eligible 2007 Holder, as of the Record Date, who is an Accredited Investor shall be offered the right to purchase up to its pro rata share of \$50 million of New Common Stock.</li></ul>  |
| <b>EQUITY PUT COMMITMENT</b>       | In order to facilitate the Rights Offering: <ul style="list-style-type: none"><li>• each 2006 Backstop Party commits, severally and not jointly, to purchase, on the Effective Date, its pro rata share (up to \$150 million in the aggregate) of the additional shares of New Common Stock not sold to Eligible 2006 Holders as a result of the failure by any such Eligible 2006 Holders to timely exercise their rights; and</li><li>• the 2007 Backstop Party commits to purchase, on the Effective Date, up to \$50 million worth of shares of New Common Stock as a result of the failure by any such Eligible 2007 Holders to timely exercise their rights</li></ul> |

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<sup>5</sup> Unless otherwise indicated, all dollar amounts are in US dollars.

<sup>6</sup> Calculated prior to giving effect to dilution resulting from the Management Equity Issuance and after giving effect to Chapter 11 Plan.

<sup>7</sup> This summary of the terms and conditions of the Commitment Agreement Documents set forth herein are provided for the Court's convenience and are qualified in their entirety by the Commitment Agreement Documents, which are attached hereto as Exhibit B. In the event of any inconsistency between this summary and the Commitment Agreement Documents, the Commitment Agreement Documents shall control

**EQUITY PUT FEE** See Section I B below

**EXPENSE REIMBURSEMENT** See Section I B below

**INDEMNIFICATION** The Company agrees to indemnify and hold harmless each Indemnified Party for and against any and all losses, claims, damages, liabilities or other expenses arising out of or related to the Commitment Letter, the Plans or the Definitive Agreements, and the Company agrees to reimburse each Indemnified Party for any reasonable and documented legal or other reasonable and documented expenses; provided, however, that the foregoing indemnity will not, as to any Indemnified Party, apply to losses, claims, damages, liabilities or related expenses to the extent they have resulted from willful misconduct, fraud, or gross negligence of such Indemnified Party.

**ALTERNATIVE TRANSACTION** After entry of the Approval Order, the Company shall initiate a sale and marketing process during which the Company may enter into an agreement with respect to sponsoring a plan of reorganization or sale of all or substantially all of the Company's assets under section 363 of the Bankruptcy Code or other applicable law.

**CONDITIONS TO CLOSING** The closing conditions include customary conditions precedent for a transaction of this type, as well as the following conditions, among others:

- Plan of Arrangement must be approved by June 16, 2010 and sanctioned by CCAA Court order by June 18, 2010;
- Disclosure Statement Order entered by May 14, 2010;
- Confirmation Order entered by June 18, 2010;
- Order convening a meeting of creditors to approve the CCAA Plan by June 5, 2010;
- In accordance with the CCAA Plan, the Second Lien Credit Agreement Obligations shall be repaid in full and in cash;
- The absence of a Material Adverse Change;
- The proceeds of the Rights Offering, all cash available on the consummation of the Restructuring and the proceeds of any exit facility, shall be sufficient to fund the Restructuring; and
- Payment of all reasonable and documented fees and expenses accrued by the Backstop Parties, the 2006 Agent, and the 2007 Agent in connection with the Restructuring.

**B. Bidding Protections**

16. The Backstop Parties have expended, and likely will continue to expend, considerable time, money and energy pursuing the transaction contemplated by the Commitment Letter. The Backstop Parties and the Company have been in negotiations for months. Moreover, since the Backstop Parties delivered the 2006-2007 Proposal to Trident on December 19, 2009, Trident and the Backstop Parties have spent a considerable amount of time negotiating the terms of the Commitment Letter with each other, the Monitor and other parties. The result of these

extensive, arms'-length and good faith negotiations is the Commitment Letter, entry into which Trident believes, in its business judgment, is in the best interests of its estates and will maximize the value of its assets.

17. The Bidding Protections were a necessary material inducement for, and a condition of, the Backstop Parties' entry into the Commitment Letter. The Debtors believe that the Bidding Protections are fair and reasonable in view of (a) the intensive analysis, due diligence investigation, and negotiation undertaken by the Backstop Parties in connection with reaching consensual terms and conditions under the Commitment Letter, (b) the fact that the Backstop Parties' efforts have increased the chances that the Debtors will receive the highest or otherwise best investment offer, and (c) the complications and uncertainties inherent in the cross-border bankruptcy process in which the Backstop Parties have negotiated.

i. Expense Reimbursement

18. The Commitment Letter provides, and the Debtors request that the Order approve, reimbursement of the Backstop Parties' fees and expenses, as described herein and in more detail in the Commitment Letter. The Commitment Letter provides that, upon entry of the Approval Order, the Company will (i) immediately reimburse or pay the documented fees, costs and expenses reasonably incurred by the Backstop Parties, the 2006 Agent, and the 2007 Agent relating to the Equity Put Commitment and the Restructuring and (ii) reimburse or pay the documented and reasonable fees, costs and expenses of the Backstop Parties, the 2006 Agent and the 2007 Agent relating to the Equity Put Commitment and the Restructuring and incurred through the earlier of termination of this Commitment Letter or consummation of the Restructuring (clause (i) and (ii), the "Expense Reimbursement").

19. Except as set forth in the Commitment Letter, any amounts paid by the Company as part of the Expense Reimbursement shall be credited against the Equity Put Fee and, during the Chapter 11 Cases or the CCAA Proceedings, shall not exceed \$5 million (the “Expense Cap”); provided, that, the Expense Cap shall be increased to \$8 million upon the Company’s receipt of an unqualified<sup>8</sup> commitment for Exit Financing for an amount of not less than \$400 million, not subject to due diligence, and containing terms and conditions acceptable to the Company and the Required Backstop Parties, and not objected to by the Monitor.

20. The fees, costs and expenses of the Backstop Party Professionals will be afforded administrative expense priority status in the Chapter 11 Cases, secured under a charge in the CCAA Proceedings junior in priority to payment of the Second Lien Credit Agreement Obligations and to all existing court-ordered charges created by the Canadian Court under the CCAA, and paid promptly upon submission to the Company of summary statements therefor by the applicable Backstop Party or by such Backstop Party Professional, in each case, whether or not the Restructuring is consummated and, in any event, within 15 days of the submission of such statements.

ii. Equity Put Fee

21. The Commitment Agreement Documents provide, and the Debtors request that the Order approve, payment of the Equity Put Fee to the Backstop Parties in an aggregate amount equal to \$20 million, against which any amounts actually paid under the Expense

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<sup>8</sup> An Exit Financing commitment may be treated as “unqualified” for purposes of the Commitment Letter if it contains conditions related to (i) acceptability of a plan of reorganization, a disclosure statement, financing documents, plan supplements and the confirmation order; (ii) obtaining necessary court approvals; (iii) obtaining necessary regulatory approvals; (iv) no occurrence of a material adverse change (the definition of which to be reasonably acceptable to the Debtors, the Required Backstop Parties and the Monitor); (v) occurrence of all conditions precedent to the Chapter 11 Plan; and/or (vi) any other conditions reasonably acceptable to the Company and the Required Backstop Parties and not objected to by the Monitor.

Reimbursement are to be credited. The Equity Put Fee will be payable only (a) in the event that the Commitment Letter is terminated in accordance with paragraph 13(ii) of the Commitment Letter upon consummation of, and only from the proceeds of, an Alternative Transaction, or (b) if the Commitment Letter is terminated by the required Backstop Parties due to the Company's willful failure to cause any of the conditions to closing set forth in the Plan Term Sheet to be satisfied for the purpose of delaying or precluding the closing of the Restructuring, upon the earliest of (i) the effective date of a Chapter 11 Plan or CCAA Plan (together, the "Plans"), or (ii) any distribution made pursuant to a liquidation of the Company's assets. Any amounts paid under the Expense Reimbursement shall be credited against the Equity Put Fee.

22. To the extent the Required Backstop Parties terminate the Equity Put Commitment for any reason other than as set forth above, the Equity Put Fee will not be due or payable, but the reasonable fees and expenses of the Backstop Parties incurred prior to such termination shall be immediately due and payable; provided, that, any such fees and expenses that exceed the Expense Cap shall only be payable by the Company upon consummation of an Alternative Transaction.

23. If the Commitment Letter is not terminated, (a) the Equity Put Fee will be reduced to \$10 million (without any reduction for payments made under the Expense Reimbursements) and will be payable in cash on the Effective Date or credited against any obligation under the Agreement to purchase additional shares of New Common Stock, and (b) any fees, costs and expenses of the Backstop Party Professionals incurred prior to or subsequent to the entry of the Approval Order which remain outstanding will be paid on the effective date pursuant to, and in accordance with, the Chapter 11 Plan.



24. The Equity Put Fee will have administrative expense priority status in the Chapter 11 Cases and be secured by a charge junior in priority to payment of the Second Lien Credit Agreement Obligations in the CCAA Proceedings.

iii. Indemnification Obligations

25. Pursuant to the Commitment Letter, the Company agrees to indemnify and hold harmless the Backstop Parties, the 2006 Agent, the 2007 Agent and their respective affiliates, and each of their respective directors, officers, partners, members, employees, agents, counsel, financial advisors, accountants, tax advisors, reserve engineers and assignees (including affiliates of such assignees), in their capacities as such (each, an "Indemnified Party"), for and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject from third party claims, insofar as such losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) or other expenses arise out of or in any way relate to or result from the Commitment Letter, the Plans or the Definitive Agreements (the "Indemnification Obligations"); provided, however, that the Indemnification Obligations will not, as to any Indemnified Party, apply to losses, claims, damages, liabilities or related expenses, to the extent they have resulted from willful misconduct, fraud, or gross negligence of such Indemnified Party. The Company will reimburse (on an as-incurred monthly basis) each Indemnified Party for any reasonable and documented legal or other reasonable and documented expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such Indemnified Party is a party to any action or proceeding out of which indemnified expenses arise).

26. The Indemnification Obligations will be afforded administrative expense priority status in these Chapter 11 Cases and shall be a claim in the CCAA Proceedings. The Indemnification Obligations shall remain effective (a) whether any of the transactions contemplated in this Commitment Letter are consummated; (b) whether any Definitive Agreements are executed, and (c) notwithstanding any termination of the Commitment Letter. The Indemnification Obligations shall be binding upon the reorganized Company in the event that any plan of reorganization of the Company is consummated.

*C. SISP Procedures*<sup>9</sup>

27. The SISP Procedures describe, among other things, the Trident Property available for sale, the opportunity for an investment in Trident, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning Trident, the Trident Business, the manner in which bidders and bids become Qualified Bidders, and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the approval thereof by this Court and the Canadian Court (collectively, the "Solicitation Process"). The SISP Procedures balance a process intended to provide interested parties time to prepare alternative bids, while at the same time keeping Trident on track to emerge expeditiously from the Joint Proceedings.

28. Below is a summary of the Solicitation Process, as set forth in more detail in the SISP Procedures:<sup>10</sup>

**INVESTMENT AND** An investment in Trident may include one or more or any combination of the

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<sup>9</sup> For the purposes of this section C of the Motion, all capitalized terms used, but otherwise undefined shall have the meaning set forth in the SISP Procedures

<sup>10</sup> This summary of the Solicitation Process is provided for the Court's convenience and are qualified in their entirety by the SISP Procedures, which are attached hereto as Exhibit C. In the event of any inconsistency between this summary and SISP Procedures, the SISP Procedures shall control

**SALE OPPORTUNITY** following: a restructuring, recapitalization or other form of reorganization of the business and affairs of some or all of the Trident entities as a going concern; a sale of Trident Property, including one or more of the Parcels to a newly formed acquisition entity; or a CCAA Plan and/or a Chapter 11 Plan.

**MARKETING EFFORTS** The Financial Advisor has undertaken and, after entry of the Approval Order, will continue to undertake marketing efforts with respect to soliciting investment proposals for a restructuring of Trident. The Financial Advisor's efforts shall include preparing a confidential informational memorandum with respect to Trident, providing the confidential informational memorandum to all persons that have expressed an interest in a transaction and executed confidentiality agreements with Trident and contacting other logical strategic and financial investors that have in the past or may now have an interest in a transaction with Trident.

**PHASE 1** For a period of following the date of the Approval Orders until March 31, 2010 ("Phase 1"), Trident through the Financial Advisor (under the supervision of the Monitor and in accordance with the terms of the Approval Orders) will solicit letters of intent from prospective strategic or financial parties to acquire the Trident Property or Trident Business or to invest in Trident (each, a "Letter of Intent"). In order for a Letter of Intent to be considered a Qualified Letter of Intent, the Letter of Intent must contain certain information, as set forth in more detail in the SISP Procedures.

Trident shall terminate the SISP at the end of Phase 1 if: (a) no Qualified Letter of Intent is received by the Financial Advisor; or (b) Trident in consultation with the Financial Advisor and the Monitor determines that there is no reasonable prospect that any Qualified Letter of Intent received will result in a Superior Offer.

**PHASE 2** A Qualified Bidder will deliver written copies of a Qualified Investment Bid or a Qualified Purchase Bid, as detailed in the SISP Procedures, to the Financial Advisor with a copy to the Monitor so as to be received by them not later than 5:00 pm (Calgary time) on May 28, 2010 (the "Phase 2 Bid Deadline")

**AUCTION** If Trident determines in its reasonable business judgment, following consultation with the Financial Advisor and the Monitor, that one or more of the Qualified Bids is a Superior Offer, Trident, shall proceed to conduct an auction (the "Auction") at 9:30 a.m. on June 7, 2010 in accordance with the procedures set forth in the SISP Procedures. If the Monitor or any other interested party does not agree with the determination by Trident that one or more Qualified Bids is a Superior Offer, such party may seek advice and directions from the Courts with respect to the SISP.

Each incremental bid at the Auction shall provide net value to Trident's estate of at least U.S. \$10 million over the Starting Bid or the Leading Bid, as the case may be. Prior to the conclusion of the Auction, Trident, after consultation with the Financial Advisor and the Monitor will identify the highest or otherwise best Investment Proposal or Sale Proposal received (as well as the Alternate Bid, if applicable). Trident will notify the Qualified Bidders of the identity of the Qualified Bidders in respect of both the highest or otherwise best Investment Proposal or Sale Proposal received as well as the next highest or best Qualified Bid, if applicable.

**APPROVAL HEARING** A joint hearing to authorize Trident's entering into of agreements with respect to the Successful Bid and completing the transaction contemplated thereby will be held on a date to be scheduled by the Courts upon application by Trident on or before June 9, 2010.

***D. Notice of SISP Procedures and Approval of Successful Bid***

29. Notice of SISP Procedures. Within five days after the entry of the Order (the “Mailing Date”), the Debtors (or their agents) shall serve the Motion, the Commitment Agreement Documents, the SISP Procedures, and a copy of the Order by first-class mail, postage prepaid, upon (i) all entities known to have expressed an interest in a transaction with respect to the restructuring of Trident during the past 12 months, (ii) the U.S. Trustee, (iii) each of the agents, or their counsel, if known, under the Debtors’ prepetition credit facilities, (iv) the Office of the United States Attorney for the District of Delaware, (v) the Monitor appointed in the Canadian Proceedings, and (vi) those parties entitled to notice pursuant to Bankruptcy Rule 2002, in accordance with Local Bankruptcy Rule 2002-1.

30. Publication Notice. The Debtors also propose, pursuant to Federal Rule of Bankruptcy Procedure 2002(1) and 2002(d), that publication of a notice of the Auction in a form substantially similar to the form annexed hereto as Exhibit D, in Canada Newswire and a United States equivalent newswire, on the Mailing Date or as soon as practicable thereafter, be deemed proper notice to any other interested parties whose identities are unknown to the Debtors.

**BASIS FOR RELIEF**

**I. Entry Into the Commitment Letter is Warranted and is in the Best Interests of the Debtors, their Estates and their Creditors**

***A. The Business Judgment Standard***

31. Section 363(b)(1) provides that a debtor in possession, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). A court may authorize such a use of the property of an estate if a debtor demonstrates a sound business judgment for it and when the use of the property is proposed in good faith. Meyers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996); In re Delaware &

Hudson R.R. Co., 124 B.R. 169, 176 (D. Del. 1991); The Official Comm. of Unsecured Creditors v. The LTV Corp. (In re Chateaugay Corp.), 973 F.2d 141, 143 (2d Cir. 1992); see also Fulton State Bank v. Schipper (In re Schipper), 933 F.2d 513, 515 (7th Cir. 1991).

32. The debtor has the burden to establish that a valid business purpose exists for the use of estate property in a manner that is not in the ordinary course of business. See Committee of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070-71 (2d Cir. 1983). Once the debtor articulates a valid business justification, a presumption arises that the debtor's decision was made on an informed basis, in good faith, and in the honest belief the action was in the best interest of the company. See Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.), 147 B.R. 650, 656 (S.D.N.Y. 1992); see also In re S.N.A. Nut Co., 186 B.R. 98 (Bankr. N.D. Ill. 1995). The business judgment rule has vitality in chapter 11 cases and shields a debtor's management from judicial second-guessing. Integrated Res., Inc., 147 BR. At 656 (quoting Smith v. Van Gorkom, 488 A.2d 858, 872 (Del. 1985)); see Committee of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.), 60 B.R. 612, 615-16 (Bankr. S.D.N.Y. 1986) ("[T]he Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a debtor's management decisions"). Thus, the Court should grant the relief requested in this Motion if the Debtors demonstrate a sound business justification. See Schipper, 933 F.2d at 515; Lionel, 722 F.2d at 1071.

33. Additionally, section 105(a) of the Bankruptcy Code provides that the "court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." Pursuant to section 105(a) of the Bankruptcy Code, orders are appropriate when they are essential to the debtor's reorganization efforts and do not pose a burden on the debtor's

creditors. See United States Lines, Inc. v. American S.S. Owners Mut. Prot. & Indem. Ass'n (In re United States Lines, Inc.), 197 F.3d 631, 640 (2d Cir. 1999); Momentum Mfg. Corp. v. Employee Creditors Comm. (In re Momentum Mfg. Corp.), 25 F.3d 1132, 1136 (2d Cir. 1994) (“It is well settled that bankruptcy courts are courts of equity, empowered to invoke equitable principles to achieve fairness and justice in the reorganization process.”).

***B. Entering into the Commitment Letter Is an Exercise of Sound Business Judgment and Is in the Estates' Best Interests***

34. The Debtors submit that entering into the Commitment Letter is a sound exercise of their business judgment. Trident commenced the Joint Proceedings to deleverage its balance sheet to ensure long-term financial viability. Additional equity financing, pursuant to the Rights Offering (as backstopped by the Backstop Parties) and the retirement of existing funded indebtedness will enable Trident to continue its operations, implement its go-forward business strategy, and make distributions under the Plans. The Debtors, in consultation with their advisors and other interested parties, have concluded that the amount pledged under the Commitment Letter is necessary to help meet Trident's obligations under any Plans and will help attract additional sources of working capital necessary to fund the distributions that will be made pursuant to the Plans and Trident's business operations after emergence.

35. The Debtors submit that the terms and conditions of the Commitment Letter are fair, reasonable and appropriate and are the product of arms'-length negotiations. Moreover, Trident intends to conduct a dual track process to solicit alternative sale and investment opportunities pursuant to the SISP Procedures to “market test” the investment being offered pursuant to the Commitment Letter. As of the date of this filing, Trident submits that the Commitment Letter constitutes the best, highest and most feasible offer received by the Company. Further, the reorganization contemplated by the Commitment Letter leaves Trident's

existing business operations intact, minimizing the effect of these Joint Proceedings on Trident's various stakeholders, including its employees and vendors.

36. Having determined that pursuing the Motion is in the best interests of all stakeholders, the Debtors have negotiated the terms of the Commitment Letter to ensure that Trident has the flexibility to restructure its debt obligations upon consummation of the Plans. The funding contemplated by the Commitment Letter is a critical component to effectuating any Plans, and the Debtors believe that the terms and conditions of the Commitment Letter are fair and reasonable.

***C. The Equity Put Fee, Expense Reimbursement and Indemnification Obligations Should Be Approved***

37. The Debtors submit that the Equity Put Fee, Expense Reimbursement and Indemnification Obligations are necessary, reasonable and appropriate inducements for the Backstop Parties to enter into the Commitment Letter, particularly in light of the financial risks that they are undertaking. As discussed above, the Equity Put Fee and the Expense Reimbursement are reasonably and narrowly tailored. Moreover, the Equity Put Fee is only payable in limited circumstances. Further, the Bidding Protections were a necessary condition for the Backstop Parties to enter into the Commitment Letter. Absent the Bidding Protections, the Debtors would have lost the protection afforded by having the Backstop Parties act as a stalking horse bidder. In contrast, the Commitment Letter provides the Debtors with an opportunity to solicit bids and a base transaction upon which to evaluate other potential bids.

38. The Bidding Protections are the product of intensive good faith, arm's-length negotiations between the Debtors and the Backstop Parties. The Equity Put Fee, Expense Reimbursement and Indemnification Obligations are customary in transactions such as this, both in and out of chapter 11, and are reasonable and appropriate. The Bidding Protections, therefore,

should be approved. Specifically, the Equity Put Fee is fair and reasonable in amount, particularly in view of the Backstop Parties efforts to date and the risk to the Backstop Parties of being used as a “stalking horse.” Further, Trident believes that if it has been required to go forward with a “naked” sales process, with no stalking horse, this would have had a destabilizing effect on Trident’s business. Thus, entry into the Commitment Letter, and selecting the Backstop Parties to serve as stalking horse, likely benefitted the estate by preserving value for creditors and increasing the likelihood of additional bidding. The Expense Reimbursement is reasonable and appropriate because it will compensate the Backstop Parties for their actual costs incurred in connection with preparing and negotiating the Commitment Agreement Documents and participating in the negotiation of the related documents, including the Plans.

39. This Court has previously approved stalking horse agreements that support a debtor’s restructuring by providing plan funding or exit financing in exchange for new securities in the reorganized debtor, which include termination fees, expense reimbursements and indemnifications on terms and conditions similar to the Commitment Agreement Documents. See In re Aventine Renewable Energy Holdings, Inc., No. 09-11214 (KG) (Bankr. D. Del. Jan. 13, 2010) (approving a breakup fee, expense reimbursement and indemnification obligations); In re Accuride Corp., No. 09-13449 (BLS) (Bankr. D. Del. Nov. 2, 2009) (approving (i) a backstop fee of \$5.6 million (payable in new equity or as a superpriority administrative expense claim) plus 4% of new equity issued under a plan related to a \$140 million notes offering, (ii) a breakup fee of \$10 million and (ii) an expense reimbursement); In re Dayton Superior Corp., No. 09-11351 (BLS) (Bankr. D. Del. Aug. 24, 2009) (alternate transaction fee of 3% of the rights offering amount); In re Landsource Cmtys. Dev. LLC, No. 08-11111 (KJC) (Bankr. D. Del. June 2, 2009) (approving premium equal to 5% of a \$140 million offering which was payable in cash



in the event that an “Alternative Transaction” occurred and approving expense reimbursement); In re Key Plastics, Inc., No. 08-13324 (MFW) (Bankr. D. Del. Dec. 17, 2008) (approving an alternate transaction fee of 7.5% of the rights offering amount); In re Dura Auto. Sys., Inc., No. 06-11202 (KJC) (Bankr. D. Del. Aug. 17, 2007) (approving a backstop commitment fee of 4% of the rights offering amount and an alternative transaction fee of 3% of the rights offering amount).

40. In sum, the Debtors’ ability to offer the Bidding Protections enables them to ensure the required investment of a bidder at a value they believe to be fair while, at the same time, providing them with a significant benefit to the estates. Thus, the Bidding Protections should be approved.

## II. The Bidding Protections Should Be Awarded Administrative Expense Status

41. Finally, in accordance with section 503(b)(1)(A) of the Bankruptcy Code, the Equity Put Fee (if payable under the Commitment Letters), Expense Reimbursement and Indemnification Obligations (if an indemnification event occurs) should be afforded administrative expense priority. Although, historically, bankruptcy courts have approved bidding incentives similar to the Bidding Protections by deferring to the business judgment of the board of directors, the Third Circuit Court of Appeals has added an additional requirement for the approval of bidding incentives, including break-up fees and expense reimbursements. See Calpine Corp., v. O’Brien Env’tl. Energy, Inc. (In re O’Brien Env’tl. Energy, Inc.), 181 F. 3d 527, 532-33 (3d Cir. 1999).

42. In O’Brien, the Third Circuit held that even though bidding incentives are measured against a business judgment standard in non-bankruptcy transactions, the administrative expense provisions of section 503(b) of the Bankruptcy Code govern in the bankruptcy sale context. See id. Section 503(b) of the Bankruptcy Code provides for actual, necessary costs and expenses of preserving the estate to be granted administrative priority

following notice and a hearing. In other words, “bidding incentives must provide an actual benefit to a debtor’s estate.” See *id.* at 533; *In re Jartran, Inc.*, 732 F.2d 584, 587 (7th Cir. 1984); see also *In re Continental Airlines, Inc.*, 146 B.R. 520, 526 (Bankr. D. Del. 1992) (stating that a claim qualifies as an administrative expense under § 503(b) where it confers a benefit that “run[s] to the debtors in possession and it is typically fundamental to the conduction of its business”).

43. The court in *O’Brien* identified at least two instances in which bidding incentives may provide a benefit to the estate. First, a benefit may be found if “assurance of a break-up fee promoted more competitive bidding, such as by inducing a bid that otherwise would not have been made and without which bidding would have been limited.” *Id.* at 537. Second, where the availability of bidding incentives induced a bidder to research the value of the debtor and submit a bid that serves as a minimum or floor bid on which other bidders can rely, “the bidder may have provided a benefit to the estate by increasing the likelihood that the price at which the debtor is sold will reflect its true worth.” *Id.*

44. Here, the Bidding Protections provide the types of benefits to the Debtors’ estates identified by *O’Brien*. Absent the Bidding Protections, the Backstop Parties would not have conducted the exhaustive diligence and intensive negotiations required to enter into the Commitment Letter, in which they will serve as the stalking horse. The Bidding Protections served as necessary inducements, encouraging the Backstop Parties to sponsor the Debtors’ plan of reorganization, thereby avoiding what otherwise may have been a “naked” sale process. Value is preserved and enhanced under the current structure because interested parties may submit proposals for a competing transaction with the floor value set by the Commitment Letter, thereby increasing the likelihood that the Debtors will receive the most value to distribute to their

creditors. Absent the Backstop Parties' restructuring proposal, interested parties may have chosen to engage in a "race to the bottom" to see who among them could squeeze the most value from the Debtors for the lowest price. The Backstop Parties' agreement and entry into the Commitment Letter saved the Debtors from such a fate by setting a floor value upon which other bidders must top and a base transaction for the Debtors' estates to evaluate other bids. Thus, the Commitment Letter, with the Backstop Parties serving as a stalking horse, provides a measurable benefit to the estate.

45. Further, the Commitment Letter provides a guarantee of equity financing in the form of a fully backstopped Rights Offering that will facilitate Trident's successful emergence from the Joint Proceedings. This provides Trident with assurance that its Plans will be feasible and that Trident will be able to successfully emerge from these bankruptcy proceedings. The Backstop Parties have provided a benefit to Trident's estates by guaranteeing a necessary infusion of capital and are expected to play an important role in facilitating Trident securing necessary exit financing. Moreover, because the Backstop Parties include holders of more than 90% in principal amount of the 2006 Credit Agreement Claims and 95% in principal amount of 2007 Credit Agreement Claims, the Commitment Letter assures a consensual path to plan confirmation with these creditor constituencies. All of these facts benefit Trident's estates by lending certainty to the Debtors' ability to successfully emerge from bankruptcy.

46. For all of the foregoing reasons, the Bidding Protections under the Commitment Letter are actual and necessary costs of preserving these estates, and should be granted administrative expense status, with any amount owed under the Indemnification Obligations junior to the fees and expenses of the Debtors' professionals, under section 503(b)(1)(A).

**NOTICE**

47. The Debtors shall provide notice of this Motion to (i) the U.S. Trustee, (ii) each of the agents, or their counsel, if known, under the Trident's prepetition credit facilities, (iii) the Office of the United States Attorney for the District of Delaware, (iv) the Monitor appointed in the Canadian Proceedings, (v) counsel to the Backstop Parties, and (vi) those parties entitled to notice pursuant to Bankruptcy Rule 2002, in accordance with Local Bankruptcy Rule 2002-1. In light of the nature of the relief requested, the Debtors respectfully submit that no other or further notice is necessary.

**NO PRIOR REQUEST**

48. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request entry of an order, substantially in the form attached to this Motion as Exhibit A and granting such other and further relief as is just and proper.

Dated: January 29, 2010  
Wilmington, Delaware

Respectfully submitted,



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Mark D. Collins (No. 2981)  
Paul Heath (No. 3704)  
Travis A. McRoberts (No. 5274)  
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ATTORNEYS FOR THE DEBTORS AND DEBTORS  
IN POSSESSION

**Exhibit A**  
**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----X  
In re: : Chapter 11  
: :  
TRIDENT RESOURCES CORP., et al.,<sup>1</sup> : Case No. 09-13150 (MFW)  
: :  
: (Jointly Administered)  
: :  
Debtors. :  
-----X

**ORDER PURSUANT TO SECTIONS 105(a) AND 363 OF THE  
BANKRUPTCY CODE AND RULES 2002 AND 6004 OF THE FEDERAL  
RULES OF BANKRUPTCY PROCEDURE AUTHORIZING AND APPROVING  
(I) THE DEBTORS' ENTRY INTO THE COMMITMENT LETTER, (II) THE EQUITY  
PUT FEE, EXPENSE REIMBURSEMENT, AND INDEMNIFICATION OBLIGATIONS,  
(III) THE PROCEDURES FOR THE SALE AND INVESTOR SOLICITATION  
PROCESS, AND (IV) THE FORM AND MANNER OF NOTICE THEREOF**

This matter coming before the Court on the Motion<sup>2</sup> of the debtors and debtors in possession (collectively, the "Debtors") for an order authorizing and approving: (i) the Debtors' entry into the Commitment Letter (as defined below), (ii) the Equity Put Fee, the Expense Reimbursement, and the Indemnification Obligations (each as defined below), (iii) the procedures set forth herein and annexed to the Motion as Exhibit C for the sale and investor solicitation process (the "SISP Procedures"), and (iv) approving the form and manner of notice thereof (the "Notice Procedures"); the Court, having reviewed the Motion and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court having found that: (i) the Court has jurisdiction over

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<sup>1</sup> The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc (*Colorado*) (9277), Trident CBM Corp (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451).

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Motion.

this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion and the Hearing was sufficient under the circumstances; and after due deliberation the Court having determined that the relief requested in the Motion is necessary and essential for the Debtors' reorganization and such relief is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on the terms and conditions set forth in this Order.
2. All objections to the Motion or the relief requested therein, if any, that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled with prejudice.
3. The Commitment Agreement Documents attached hereto as Exhibit 1, the payment of the Equity Put Fee and the Expense Reimbursements to the Backstop Parties, and the incurrence of the Indemnification Obligations set forth therein are approved.
4. The Debtors are authorized to execute, deliver and perform their obligations under the Commitment Agreement Documents.
5. The SISP Procedures attached hereto as Exhibit 2 are approved.
6. The form and manner of notice of the SISP Procedures set forth in the Motion is adequate and sufficient and hereby approved.
7. The Debtors are authorized and directed to perform their obligations under the SISP Procedures to solicit the highest and best offer in the form of an Alternative Transaction, as applicable.



8. The fees and expenses contemplated in the Commitment Agreement Documents, including without limitation the Equity Put Fee and Expense Reimbursement, are hereby accorded the status of administrative expense claims pursuant to section 503(b)(1) of the Bankruptcy Code, on the terms and conditions set forth in the Commitment Agreement Documents, and the payment thereof is approved on the terms and conditions provided in the Credit Agreement Documents.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

10. The Backstop Parties are hereby granted all rights and remedies provided to them under the Commitment Agreement Documents.

11. This Court shall retain jurisdiction over all matters arising from or related to the interpretation and implementation of this Order.

12. Notwithstanding the possible application of any rule under the Federal Rules of Bankruptcy Procedure, this Order shall be effective immediately.

Dated: \_\_\_\_\_, 2010  
Wilmington, Delaware

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THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

EXECUTION VERSION

January 25, 2010

PRIVILEGED & CONFIDENTIAL

VIA ELECTRONIC MAIL

Trident Resources Corp.  
444 - 7th Avenue SW, Suite 1000  
Calgary, Alberta T2P 0X8

Attention: Mr. Eugene I. Davis  
Executive Chairman of the Board of Directors

Dear Mr. Davis:

This commitment letter (this "Commitment Letter") is by and among the parties identified on the signature pages hereto (collectively, the "Backstop Parties"); Trident Resources Corp., a Delaware corporation ("TRC"); and Trident Exploration Corp. ("TEC," and together with TRC and their respective affiliates and subsidiaries, the "Company"), and sets forth the conditional commitment of the Backstop Parties to purchase certain shares of new common stock of TRC as part of a proposed restructuring (the "Restructuring") of the Company pursuant to (i) a joint plan of reorganization (the "Chapter 11 Plan"), to be filed by TRC and certain of its domestic subsidiaries (collectively, the "U.S. Debtors") in connection with the U.S. Debtors' filing in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and (ii) a plan of arrangement or compromise (the "CCAA Plan," and together with the Chapter 11 Plan, the "Plans") under the Companies' Creditors Arrangement Act (the "CCAA") to be filed by TEC and certain of its U.S. and Canadian affiliates (the "CCAA Debtors" and together with the U.S. Debtors, the "Debtors") in connection with the CCAA Debtors' CCAA filing in the Alberta Court of Queen's Bench (the "Canadian Court," and together with the Bankruptcy Court, the "Courts") in Calgary, Alberta, Canada. The agreed to material terms of the Chapter 11 Plan are set forth on the Restructuring Term Sheet annexed hereto as Exhibit A (the "Term Sheet"). Each capitalized term used and not defined herein shall have the meaning ascribed to it in the Term Sheet.<sup>1</sup>

1. Rights Offering / Chapter 11 Plan / Overview. As set forth in the Term Sheet, pursuant to the Chapter 11 Plan, TRC (as a debtor-in-possession and a reorganized debtor, as applicable) shall propose to offer and sell, for an aggregate purchase price of \$200 million (the "Rights

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<sup>1</sup> Unless otherwise indicated, all dollar amounts are in US dollars.

Offering Amount"), 60.0%<sup>2</sup> of its new common stock (the "New Common Stock"), par value \$0.01 per share, to be issued pursuant to the Chapter 11 Plan. The New Common Stock will be offered pursuant to a rights offering (the "Rights Offering") on the terms and to the parties set forth in the Term Sheet.

2. Equity Put Commitment. In order to facilitate the Rights Offering and implementation of the Chapter 11 Plan, pursuant to this Commitment Letter, and subject to the terms, conditions and limitations set forth herein:

- a. each Backstop Party other than the 2007 Backstop Party (as defined below) (collectively, the "2006 Backstop Parties") hereby commits, severally and not jointly, to purchase (or to cause one or more designated nominees and/or assignees to purchase), at the Purchase Price, on the effective date of the Chapter 11 Plan (the "Effective Date"), its pro rata share of the additional shares of New Common Stock not sold to Eligible 2006 Holders pursuant to the Rights Offering as a result of the failure by any such Eligible 2006 Holders to timely exercise their Senior Creditor Rights in full. For purposes hereof, each 2006 Backstop Party's pro rata share shall be equal to the number of all unsubscribed shares offered to Eligible 2006 Holders pursuant to the Rights Offering in respect of the Senior Creditor Rights multiplied by a fraction (i) the numerator of which is the 2006 Backstop Party's commitment as set forth in its respective signature page attached hereto (after taking into account, for the avoidance of doubt, any permitted transfer or assignment of such 2006 Backstop Party's commitment) less the Purchase Price paid by such 2006 Backstop Party for any shares offered in respect of Senior Creditor Rights and (ii) a denominator of which is \$150 million less the aggregate amount paid by all 2006 Backstop Parties for any shares offered in respect of Senior Creditor Rights; and
- b. Jennison Associates LLC (the "2007 Backstop Party") hereby commits, severally and not jointly, to purchase (or to cause one or more designated nominees and/or assignees to purchase), at the Purchase Price, on the Effective Date, up to \$50 million worth of shares of New Common Stock (including any such shares not sold to Eligible 2007 Holders pursuant to the Rights Offering as a result of the failure by any such Eligible 2007 Holders to timely exercise their Junior Creditor Rights in full).
- c. Each Backstop Party hereby represents and warrants that it is an "accredited investor" ("Accredited Investor"), as defined in Rule 501 of Regulation D of the U.S. Securities Act of 1933, as amended.

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<sup>2</sup> Calculated prior to giving effect to dilution resulting from the Management Equity Issuance and after giving effect to Chapter 11 Plan.

d. The aggregate commitment provided for in sub-sections a. and b. of this Section 2 shall be defined as the "Equity Put Commitment."<sup>3</sup>

3. Conditions. The Equity Put Commitment is subject to, among other things: (i) the Chapter 11 Plan and the CCAA Plan being satisfactory in all material respects to the Required Backstop Parties (as defined below); (ii) execution of this Commitment Letter by TRC and TEC; (iii) entry of the Approval Orders (as defined below) on or before thirty-five (35) days after the date hereof; and (iv) the satisfaction or waiver by the Backstop Parties of the conditions to the Backstop Parties' obligations to consummate the transactions contemplated by the Term Sheet.

4. Costs and Expenses. Upon entry of the Approval Order, the Company shall (i) immediately reimburse or pay the documented fees, costs and expenses reasonably incurred by the Backstop Parties, the 2006 Agent, and the 2007 Agent relating to the Equity Put Commitment and the Restructuring and (ii) reimburse or pay the documented and reasonable fees, costs and expenses of the Backstop Parties, the 2006 Agent and the 2007 Agent relating to the Equity Put Commitment and the Restructuring and incurred through the earlier of termination of this Commitment Letter or consummation of the Restructuring (clause (i) and (ii), the "Expense Reimbursement"). Any amounts paid as part of the Expense Reimbursement shall be credited against the Equity Put Fee, unless provided otherwise herein. Subject to paragraph 6 hereof, fees and expenses payable by the Company pursuant to this paragraph during the Chapter 11 Cases or the CCAA proceedings shall not exceed \$5 million (the "Expense Cap"); provided that, the Expense Cap shall be increased to \$8 million upon the Company's receipt of an unqualified commitment for Exit Financing (as defined in the Term Sheet) for an amount of not less than \$400 million, not subject to due diligence, and containing terms and conditions acceptable to the Company the Required Backstop Parties, and not objected to by the monitor in the CCAA proceedings (the "Monitor"), provided, however, that an Exit Financing commitment may be treated as "unqualified" for purposes of this Commitment Letter if it contains conditions related to (a) acceptability of a plan of reorganization, a disclosure statement, financing documents, plan supplements and the confirmation order; (b) obtaining necessary court approvals; (c) obtaining necessary regulatory approvals; (d) no occurrence of a material adverse change (the definition of which to be reasonably acceptable to the Debtors; the Required Backstop Parties and the Monitor); (e) occurrence of all conditions precedent to the Plan; and/or (f) any other conditions reasonably acceptable to the Company and the Required Backstop Parties and not objected to by the Monitor. For the avoidance of doubt, such fees, costs and expenses shall include, without limitation, the reasonable and documented fees, costs and expenses of each of Houlihan Lokey Howard & Zukin Capital, Inc., Greenhill Co. Inc., Cadwalader, Wickersham & Taft LLP, Gibson, Dunn & Crutcher LLP, Bennett Jones LLP, Locke Lord Bissell & Liddell LLP, Ropes & Gray LLP, Lazard Freres & Co. LLC (provided that the aggregate fees, costs and expenses of Lazard Freres & Co. LLC shall not exceed \$2.5 million), Lane Powell PC, the respective Delaware counsel, accountants, tax advisors, reserve

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<sup>3</sup> For the avoidance of doubt, any modification to the aggregate size of the Equity Put Commitment, the size and allocation of any Equity Put Fee or Break Up Fee (each, as defined below), or any other economic provision of this Commitment Letter or the Term Sheet shall require the consent of each of the Backstop Parties.

engineers or other agents or advisors to the Backstop Parties (collectively, the "Backstop Party Professionals"). The fees, costs and expenses of the Backstop Party Professionals to be paid pursuant to this paragraph shall be afforded administrative expense priority status in the Chapter 11 Cases, secured under a charge in the CCAA proceedings junior in priority to payment of the Second Lien Credit Agreement Obligations and to all existing court-ordered charges created by the Canadian Court under the CCAA, and paid promptly upon submission to the Company of summary statements therefor by the applicable Backstop Party or by such Backstop Party Professional, in each case, whether or not the Restructuring is consummated and, in any event, within fifteen (15) days of the submission of such statements.

5. Indemnification. The Company agrees to indemnify and hold harmless the Backstop Parties, the 2006 Agent, the 2007 Agent and their respective affiliates, and each of their respective directors, officers, partners, members, employees, agents, counsel, financial advisors, accountants, tax advisors, reserve engineers and assignees (including affiliates of such assignees), in their capacities as such (each, an "Indemnified Party"), for and against any and all losses, claims, damages, liabilities or other expenses to which such Indemnified Party may become subject from third party claims, insofar as such losses, claims, damages, liabilities (or actions or other proceedings commenced or threatened in respect thereof) or other expenses arise out of or in any way relate to or result from this Commitment Letter, the Plans or the Definitive Agreements (as defined below), and the Company agrees to reimburse (on an as-incurred monthly basis) each Indemnified Party for any reasonable and documented legal or other reasonable and documented expenses incurred in connection with investigating, defending or participating in any such loss, claim, damage, liability or action or other proceeding (whether or not such Indemnified Party is a party to any action or proceeding out of which indemnified expenses arise). In the event of any litigation or dispute involving this Commitment Letter, the Restructuring and/or the Definitive Agreements, the Backstop Parties shall not be responsible or liable to the Company for any special, indirect, consequential, incidental or punitive damages. The obligations of the Company under this paragraph (the "Indemnification Obligations") shall be afforded administrative expense priority status in the Chapter 11 Cases and shall be a claim in the CCAA proceedings. The Indemnification Obligations shall remain effective whether or not any of the transactions contemplated in this Commitment Letter are consummated, any Definitive Agreements are executed and notwithstanding any termination of this Commitment Letter, and shall be binding upon the reorganized Company in the event that any plan of reorganization of the Company is consummated; provided, however, that the foregoing indemnity will not, as to any Indemnified Party, apply to losses, claims, damages, liabilities or related expenses to the extent they have resulted from willful misconduct, fraud, or gross negligence of such Indemnified Party.

6. Equity Put Fee. In consideration of the Backstop Parties' execution of this Commitment Letter and agreement to be bound hereunder, the Company agrees to pay a \$20.0 million cash fee (the "Equity Put Fee") (with each Backstop Party's rights to such fee to be paid *pro rata* in accordance with such Backstop Party's individual Equity Put Commitment, as set forth on its signature page), provided, however, any amounts actually paid under the Expense Reimbursement shall be credited against the Company's obligations hereunder. The Equity Put

Fee shall be payable (a) if the Commitment Letter is terminated in accordance with paragraph 13(ii) hereof, upon consummation and only from the proceeds of an Alternative Transaction<sup>4</sup> and (b) if the Commitment Letter is terminated by the Required Backstop Parties due to the Company's willful failure to cause any of the conditions to closing set forth in the Term Sheet to be satisfied for the purpose of delaying or precluding the closing of the Restructuring, upon the earliest of the effective date of a CCAA Plan or Chapter 11 Plan, or any distribution made pursuant to a liquidation of the Company's assets. Notwithstanding anything set forth herein, to the extent the Required Backstop Parties terminate the Equity Put Commitment for any reason other than as set forth above, the Equity Put Fee shall not be due or payable, but the reasonable legal fees and expenses of the Backstop Party Professionals and monthly or quarterly financial advisor fees incurred prior to such termination shall be immediately due and payable; provided that, any such Backstop Party Professional fees and expenses that exceed the Expense Cap shall only be payable by the Company upon consummation of, and solely out of the proceeds, of an Alternative Transaction. If this Commitment Letter is not terminated, (i) the Equity Put Fee shall be reduced to \$10.0 million (without any reduction for payments made under the Expense Reimbursement) and shall be payable in cash on the Effective Date or credited against any obligation under this Agreement to purchase additional shares of New Common Stock and (ii) any fees, costs and expenses of the Backstop Party Professionals which remain outstanding shall be paid on the Effective Date pursuant to and in accordance with the Chapter 11 Plan, regardless of whether such fees and expenses exceed the Expense Cap.

The Equity Put Fee shall have administrative expense claim status in the U.S. Debtors' chapter 11 proceedings, and will be secured under a charge in the CCAA Debtors' CCAA proceedings; provided, however, such charge will rank junior in priority to payment of the Second Lien Credit Agreement Obligations and to all existing court-ordered charges created by the Canadian Court under the CCAA. Notwithstanding anything contained herein, the Equity Put Fee shall not be payable if the Required Backstop Parties terminate this Commitment Letter prior to the Company's execution of this Commitment Letter (execution of which shall not occur prior to entry of the Approval Orders).

7. Approval Order. In addition to the conditions set forth above, it shall be a condition precedent to the Equity Put Commitment that TRC and the CCAA Debtors file motions seeking entry of court orders in form and substance satisfactory to Required Backstop Parties<sup>5</sup> (collectively, the "Approval Orders") authorizing the Company's entry into this

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<sup>4</sup> "Alternative Transaction" means any other plan (stand-alone or otherwise), proposal, investment, offer or transaction whereby a party other than the Backstop Parties would acquire more than 5% or more of any class of equity securities of TRC or 5% of TRC's consolidated total direct or indirect assets (including, without limitation, Plan sponsorship, acquisition of equity securities of any of TRC's direct or indirect subsidiaries or any other Restructuring transaction), in each case, other than a transaction consistent with this Commitment Letter or the Term Sheet.

<sup>5</sup> "Required Backstop Parties" shall mean Backstop Parties which hereby commit to provide, in aggregate, 80% of the Equity Put Commitment. For purposes of this Commitment Letter and the Term Sheet, except as

[Footnote continued on next page]

Commitment Letter and agreement to be bound hereby (including, without limitation, payment of the Equity Put Fee and the expenses and undertaking of the Indemnification Obligations), as soon as practicable so that hearings on the motions can be held in both Courts by no later than February 19, 2010.

8. No Modification; Entire Agreement. This Commitment Letter may not be amended or otherwise modified without the prior written consent of the Company and the Required Backstop Parties. Together with the Term Sheet and the confidentiality agreements entered into by the Backstop Parties and their advisors, this Commitment Letter constitutes the sole agreement and supersedes all prior agreements, understandings and statements, written or oral, between any of the Backstop Parties or any of their respective affiliates, on the one hand, and the Company or any of its affiliates, on the other, with respect to the transactions contemplated hereby.

9. Governing Law; Jurisdiction. This Commitment Letter shall be deemed to be made in accordance with and in all respects shall be interpreted, construed and governed by the Laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflict of laws in the State of New York. Subject to the cross-border protocol approved by the Courts, each party hereby irrevocably submits to the jurisdiction of the Courts, solely in respect of the interpretation and enforcement of the provisions of this Commitment Letter and of the documents referred to in this Commitment Letter, and in respect of the transactions contemplated hereby, and hereby waives, and agrees not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof or of any such document, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in the Courts or that the venue thereof may not be appropriate or that this Commitment Letter or any such document may not be enforced in or by the Courts, and the parties hereto irrevocably agree that all claims with respect to such action or proceeding shall be heard and determined in the Courts. The parties hereby consent to and grant the Courts jurisdiction over the person of such parties and, to the extent permitted by law, over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided for herein or in such other manner as may be permitted by law shall be valid and sufficient service thereof.

10. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Commitment Letter is likely to involve complicated and difficult issues, and, therefore, each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or relating to this Commitment Letter, or any of the transactions contemplated by this Commitment Letter. Each party certifies and acknowledges that (i) no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver, (ii) each party understands

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[Footnote continued from previous page]

provided herein, any agreement of the Backstop Parties shall require the agreement of the Required Backstop Parties.



and has considered the implications of this waiver, (iii) each party makes this waiver voluntarily and (iv) each party has been induced to enter into this Commitment Letter by, among other things, the mutual waivers and certifications expressed above.

11. Counterparts. This Commitment Letter may be executed in any number of counterparts (including by facsimile), each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile or other electronic transmission (in pdf or similar format) will be as effective as delivery of a manually executed counterpart hereof.

12. Third Party Beneficiaries. The parties hereby agree that their respective representations, warranties and covenants set forth herein are solely for the benefit of the other parties hereto, and, with respect to paragraphs 4 and 5, the 2006 Agent, the 2007 Agent, the Backstop Party Professionals and the Indemnified Parties, in accordance with and subject to the terms of this Commitment Letter, and this Commitment Letter is not intended to, and does not, confer upon any person other than the parties hereto and, with respect to paragraphs 4 and 5, each of the 2006 Agent, the 2007 Agent, the Backstop Party Professionals and the Indemnified Parties any rights or remedies hereunder or any rights to enforce the Equity Put Commitment of any provision of this Commitment Letter.

13. Termination. The obligations of the Backstop Parties under this Commitment Letter will immediately terminate, (A) upon written notice to the Company from the Required Backstop Parties, at any time prior to the consummation of the transactions upon the first to occur of (i) the Company's breach of any of its obligations set forth in this Commitment Letter; provided, however, that to the extent such breach can be cured, the Company shall have five (5) days upon receipt of written notice from the Required Backstop Parties to cure such breach; (ii) the Company's seeking court authority to enter into or obtain approval of an Alternative Transaction or executing any definitive documentation not subject to Court approval in connection with an Alternative Transaction; (iii) the failure of the Effective Date to occur by July 2, 2010; provided, that the Required Backstop Parties are not in material breach of the obligations hereto; (iv) the Approval Orders not having been entered by the Courts on or before thirty-five (35) days after the date hereof and become final in both Courts on or before fifty-six (56) days after the date hereof; and (v) failure by the Company to meet any of the milestones within the applicable dates set forth in the "Plan Implementation and Mandatory Reorganization Schedule" section of the Term Sheet; and (B) automatically, upon (i) the dismissal or conversion of the chapter 11 cases of the U.S. Debtors or the appointment of a chapter 11 trustee or an examiner with expanded powers over any of the U.S. Debtors; or (ii) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Restructuring or any related transactions. This Commitment Letter and the obligations of all parties hereunder, may be terminated by mutual agreement between and among the Company and the Required Backstop Parties. Notwithstanding anything herein, any Backstop Party may terminate its commitment under this Commitment Letter at any time prior to the Company's execution of this Commitment Letter (execution of which shall not occur prior to entry of the Approval Orders).

14. Additional Covenants of the Company. The Company agrees with the Backstop Parties that:

(i) any motion, pleading, proposed order, press release, public statement or other document that relates or refers to the Equity Put Commitment, this Commitment Letter or the Plans shall be provided to counsel to the Backstop Parties in draft form for review at least three (3) days prior to its being made public or its being filed with the Bankruptcy Court or the Canadian Court;

(ii) other than with respect to an Alternative Transaction, TRC (a) will use best efforts to obtain, and to cause the other Debtors to obtain, the entry of an order confirming the Chapter 11 Plan (the "Confirmation Order") by the Bankruptcy Court, the terms of which shall be consistent in all material respects with this Commitment Letter and the Term Sheet; (b) will use best efforts to adopt, and to cause the other U.S. Debtors to adopt, the Chapter 11 Plan, as applicable; and (c) will not, and will cause the other U.S. Debtors not to, amend or modify the Chapter 11 Plan in any material respect that would adversely affect the Backstop Parties without prior written consent of the Required Backstop Parties. In addition, TRC will provide to the Backstop Parties and their counsel a copy of the Confirmation Order at least five (5) days prior to such order being filed with the Bankruptcy Court, and TRC will not, and will cause the U.S. Debtors not to, file the Confirmation Order with the Bankruptcy Court unless the Required Backstop Parties have approved the form and substance of such order, such approval not being unreasonably withheld or delayed;

(iii) the Company will not file any pleading or take any other action in the Courts that is inconsistent with the terms of this Commitment Letter, the Plans, the Confirmation Order or the consummation of the transactions contemplated hereby or thereby without providing prior written notice to the Backstop Parties at least five (5) business days before filing such pleading or taking such action; and

(iv) the Company shall provide the Backstop Parties and their advisors and representatives with reasonable access during normal business hours to all books, records, documents, properties and personnel of the Company. In addition, the Company shall promptly provide written notification to counsel to the Backstop Parties of any claim or litigation, arbitration or administrative proceeding, that is threatened or filed against the Company from the date hereof until the earlier of (a) the Effective Date and (b) termination or expiration of this Commitment Letter.

15. Alternative Transaction. As soon as reasonably practicable, but no earlier than entry of the Approval Orders, the Company shall initiate a sale and marketing process acceptable to the Backstop Parties in the exercise of their reasonable discretion and approved by the Courts during which the Company may enter into an agreement with respect to sponsoring a plan of reorganization or sale of all or substantially all of the Company's assets under section 363 of the Bankruptcy Code or other applicable law.

16. No Recourse. Notwithstanding anything that may be expressed or implied in this Commitment Letter, or any document or instrument delivered in connection herewith, by its acceptance of the benefits of this Commitment Letter, the Company covenants, agrees and

acknowledges that no personal liability shall attach to, the former, current or future equity holders, controlling persons, directors, officers, employees, agents, affiliates, members, managers, general or limited partners or assignees of any of the Backstop Parties or any former, current or future stockholder, controlling person, director, officer, employee, general or limited partner, member, manager, affiliate, agent or assignee of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or applicable law, or otherwise.

17. Specific Performance; Waiver. It is understood and agreed by the parties that money damages would be an insufficient remedy for any breach of this Commitment Letter by any party and each non-breaching party shall be entitled to specific performance, without the need for posting of a bond or other security; and injunctive or other equitable relief as a remedy of any such breach, including, without limitation, an order of the Bankruptcy Court, or other court of competent jurisdiction, requiring any party to comply with any of its obligations hereunder. If the Restructuring contemplated herein is not consummated, or following the occurrence of a termination of this Commitment Letter, if applicable, nothing shall be construed herein as a waiver by any party of any or all of such party's rights, and the parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Commitment Letter and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

18. Assignment. Except as otherwise expressly provided herein, no Backstop Party may transfer, assign, or delegate its respective rights, interests or obligations hereunder to any other person (except by operation of law) (collectively, a "Transfer") without the prior written consent of the Company, unless: (i) such assignment or delegation consists of a simultaneous transfer by such Backstop Party of its 2006 TRC Obligations and/or 2007 TRC Obligations and its rights and obligations hereunder; (ii) the transferee furnishes to the Company a joinder, pursuant to which such transferee agrees to be bound by all of the terms and conditions of this Commitment Letter; and (iii) the Backstop Party notifies each of the other parties hereto in writing of such transfer within three (3) business days of the execution of an agreement (or trade confirmation) in respect of such transfer. In addition and notwithstanding anything to contrary set forth herein, the following shall be permitted without the consent of any other party to this Commitment Letter: (1) any transfer, delegation or assignment by a Backstop Party to an affiliate of such Backstop Party, or one or more affiliated funds or affiliated entity or entities with a common or affiliated investment advisor (in each case, other than portfolio companies); (2) any transfer, delegation or assignment by one Backstop Party to another Backstop Party; and (3) any transfer, delegation or assignment by a 2007 Backstop Party to any Eligible 2007 Holder so long as the assignee or transferee furnishes to the Company a joinder, pursuant to which such assignee or transferee agrees to be bound by all of the terms and conditions of this Commitment Letter; and in each case, the 2007 Backstop Party notifies each of the other parties hereto in writing of such transfer within three (3) business days of the execution of an agreement (or trade confirmation) in respect of such transfer. Notwithstanding anything herein, no Backstop Party may make a Transfer to any entity unless such entity is an Accredited Investor. The Company may not transfer, assign, or delegate its rights, interests or obligations hereunder to any other person (except by operation of law) without the prior written consent of each Backstop Party.

For the avoidance of doubt, the Definitive Agreements shall contain substantially similar restrictions on transfers, assignments and delegations.


19. Notice. All notices provided for or reference in this Commitment Letter may be delivered by hand or overnight courier service, mailed by certified or registered mail, sent by facsimile or email as follows: (i) if to the Backstop Parties, (a) Gibson, Dunn & Crutcher LLP, 200 Park Avenue, New York, NY 10166, Attention: David M. Feldman, Esq., at [dfeldman@gibsondunn.com](mailto:dfeldman@gibsondunn.com), and (b) Jennison Associates LLC, 466 Lexington Avenue, New York, NY 10017, Attention: David Kiefer at [dkiefer@jennison.com](mailto:dkiefer@jennison.com), with a copy to Ropes & Gray LLP, 1211 Avenue of the Americas, New York, NY 10036-8704, Attention: Mark R. Somerstein, Esq. at [mark.somerstein@ropesgray.com](mailto:mark.somerstein@ropesgray.com), (ii) if to the Company, Trident Resources Corp., 444 – 7<sup>th</sup> Avenue SW, Suite 1000, Calgary, Alberta T2P 0X8, Attention: Eugene I. Davis, Executive Chairman of the Board at [genedavis@pirinateconsulting.com](mailto:genedavis@pirinateconsulting.com), with a copy to (a) Akin Gump Strauss Hauer & Feld LLP, One Bryant Park, New York, NY 10036, Attention: Ira S. Dizengoff, Esq. at [idizengoff@akingump.com](mailto:idizengoff@akingump.com), (b) Akin Gump Strauss Hauer & Feld LLP, 1333 New Hampshire Avenue, N.W., Washington DC 20036, Attention: Scott L. Alberino, Esq. at [salberino@akingump.com](mailto:salberino@akingump.com), and (c) Fraser Milner Casgrain LLP, 1 First Canadian Place, 39th Floor, 100 King Street West, Toronto, Ontario, Canada M5X 1B2, Attention: Shayne Kukulowicz, and (iii) to the monitor in the CCAA proceedings, FTI Consulting, TD Waterhouse Tower, Suite 2010, 79 Wellington Street, Toronto, ON, M5K 1G8, Attention Nigel D. Meakin at [nigel.meakin@fticonsulting.com](mailto:nigel.meakin@fticonsulting.com), with a copy to McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Toronto Dominion Centre, Toronto, Ontario M5K 1E6, Attention: Sean Collins.

20. Court Approval. This Commitment Letter is conditioned on its approval by both Courts.

[Signature Page Follows]

Sincerely,

Mount Kellett Capital Management LP  
(on behalf of itself and its affiliates)



Name:

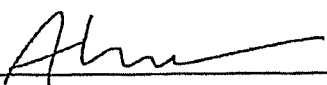
Title:



Name: Aaron Bellis

Title: Authorized Signatory

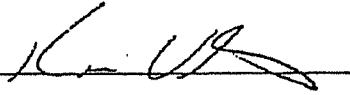
Sincerely,

|   |  |  |
|---|--|--|
| <p>Chilton Global Natural Resources<br/>Partners, L.P., in its capacity as an<br/>Eligible 2006 Holder and an Eligible<br/>2007 Holder</p> <p>By: Chilton Investment Company, LLC,<br/>as General Partner</p> <p></p> <p>Name: _____<br/>Title: <u>CHIEF FINANCIAL OFFICER</u></p> |  |  |
|---|--|--|

Sincerely,

Anchorage Capital Master Offshore, Ltd.  
(on behalf of itself and its affiliates)

By: Anchorage Advisors, L.L.C., its Investment Manager

  
\_\_\_\_\_

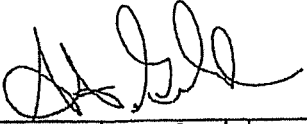
By:

Name: Kevin Ulrich

Title: Chief Executive Officer

Sincerely,

Whippoorwill Associates, Inc., as agent for its  
discretionary accounts



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Name: Steven Gerda  
Title: Principal

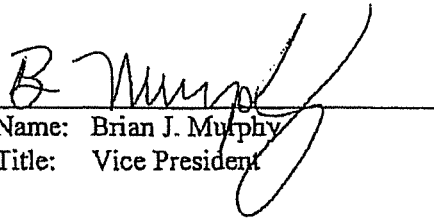


Sincerely,

**Notwithstanding anything herein to the contrary, in no event shall the aggregate total obligation of McDonnell Loan Opportunity Ltd. hereunder and as part of the Senior Credit Rights offering exceed \$12 million.**

McDonnell Loan Opportunity Ltd.  
(on behalf of itself and its affiliates)

By: McDonnell Investment Management, LLC,  
as Investment Manager

  
Name: Brian J. Murphy  
Title: Vice President

Sincerely,

Restoration Holdings Ltd.

Restoration Special Opportunities Master Ltd.

*Pamela M. Lawrence*

Name: Pamela M. Lawrence

Title: Director

Sincerely,

The Northwestern Mutual Life Insurance Company  
(on behalf of itself and its affiliates)

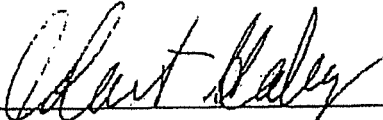


Name: Jerome R. Baier

Title: Its Authorized Representative

Sincerely,

Crédit Suisse Securities USA, LLC <sup>(PK)</sup>  
(on behalf of itself and its affiliates)



Name:

Title: Robert Healey  
Authorized Signatory

Sincerely,

Jennison Associates LLC  
(as investment manager on behalf of  
certain managed funds)

*David C. Kiefer*

Name: David A. Kiefer

Title: Managing Director

Agreed to and accepted:

TRIDENT RESOURCES CORP.

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By:

Name:

Title:

Agreed to and accepted:

TRIDENT EXPLORATION CORP.

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By:

Name:

Title:

EXECUTION VERSION

TRIDENT RESOURCES CORP.

RESTRUCTURING TERM SHEET

THIS TERM SHEET (THIS "TERM SHEET") DESCRIBES A PROPOSED RESTRUCTURING (THE "RESTRUCTURING") FOR TRIDENT RESOURCES CORP. (AS A DEBTOR-IN-POSSESSION AND A REORGANIZED DEBTOR, AS APPLICABLE, "TRC") AND CERTAIN OF ITS SUBSIDIARIES (COLLECTIVELY, THE "COMPANY"), PURSUANT TO A JOINT PLAN OF REORGANIZATION (THE "CHAPTER 11 PLAN"), WHICH WOULD BE PREPARED AND FILED BY TRC AND CERTAIN OF ITS DOMESTIC SUBSIDIARIES (COLLECTIVELY, THE "U.S. DEBTORS") IN CONNECTION WITH THE U.S. DEBTORS' FILING (THE "CHAPTER 11 CASES") IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE "BANKRUPTCY COURT") UNDER CHAPTER 11 OF TITLE 11 OF THE UNITED STATES CODE (THE "BANKRUPTCY CODE"), AND A RELATED PLAN OF ARRANGEMENT OR COMPROMISE UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT (THE "CCAA") TO BE FILED BY TRIDENT EXPLORATION CORP. ("TEC") AND CERTAIN OF ITS U.S. AND CANADIAN AFFILIATES (THE "CCAA DEBTORS" AND TOGETHER WITH THE U.S. DEBTORS, THE "DEBTORS") IN THE ALBERTA COURT OF QUEEN'S BENCH, IN CALGARY, ALBERTA, CANADA (THE "CANADIAN COURT").

THIS TERM SHEET IS NOT AN OFFER OR A SOLICITATION WITH RESPECT TO ANY SECURITIES OF TRC OR ITS SUBSIDIARIES. ANY SUCH OFFER OR SOLICITATION SHALL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

OVERVIEW<sup>1</sup>

Rights Offering

Pursuant to the terms and conditions of the equity commitment letter dated as of January \_\_, 2010 (the "Commitment Letter"),<sup>2</sup> TRC (as a debtor-in-possession and a reorganized debtor, as applicable) shall propose to offer and sell, for an aggregate

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<sup>1</sup> This Term Sheet does not include a description of all of the terms, conditions and other provisions that are to be contained in the Chapter 11 Plan and the related definitive documentation governing the Restructuring.

<sup>2</sup> Each capitalized term not otherwise defined herein shall have the meaning ascribed to it in the Commitment Letter.

purchase price of \$200 million<sup>3</sup> (the "Rights Offering Amount"), 60%<sup>4</sup> of its new common stock (the "New Common Stock"), par value \$0.01 per share, to be issued pursuant to the Chapter 11 Plan. Such New Common Stock will be offered pursuant to a rights offering (the "Rights Offering") whereby (x) each holder of 2006 TRC Obligations<sup>5</sup> who is an accredited investor (an "Accredited Investor"), as defined in Rule 501 of Regulation D of the U.S. Securities Act of 1933, as amended (each, an "Eligible 2006 Holder") as of the record date in the Plan (the "Record Date"), shall be offered the right (each, a "Senior Creditor Right") to purchase up to its pro rata share of \$150 million of such New Common Stock, at a purchase price of \$[ ] per share (the "Purchase Price") and (y) each holder, as of the Record Date, of 2007 TRC Obligations<sup>6</sup> who is an Accredited Investor (each, an "Eligible 2007 Holder") shall be offered the right (each, a "Junior Creditor Right" and collectively with the Senior Creditor Rights, the "Rights") to purchase up to its pro rata share of \$50 million of such New Common Stock at the Purchase Price.<sup>7</sup>

"New Money Investors" means all Eligible 2006 Holders and Eligible 2007 Holders who exercise their Rights to purchase New Common Stock.

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[Footnote continued from previous page]

- <sup>3</sup> Unless otherwise indicated all dollar amounts are in US dollars.
- <sup>4</sup> Calculated prior to giving effect to dilution resulting from the Management Equity Issuance and after giving effect to Chapter 11 Plan.
- <sup>5</sup> "2006 TRC Obligations" means outstanding obligations under that certain Secured Credit Facility dated as of November 24, 2006, as amended (the "2006 Credit Agreement") among TRC, certain of its subsidiaries, Credit Suisse, Toronto Branch, as administrative agent and collateral agent (in such capacity, the "2006 Agent"), and the lenders party thereto.
- <sup>6</sup> "2007 TRC Obligations" means outstanding obligations under that certain Subordinated Loan Agreement dated as of August 20, 2007, as amended (the "2007 Credit Agreement") among TRC, certain of its subsidiaries, Wells Fargo Bank, N.A., as administrative agent (in such capacity, the "2007 Agent"), and the lenders party thereto.
- <sup>7</sup> For the avoidance of doubt, any modification to the aggregate size of the Equity Put Commitment, the size and allocation of any Equity Put Fee or Break Up Fee, or any other economic provision of the Commitment Letter or this Term Sheet shall require the consent of each of the Backstop Parties.



Use of Investment Proceeds

The proceeds of the Investment shall be used for general corporate purposes and/or to be loaned or contributed to TEC and used by TEC to pay a portion of the obligations (the "Second Lien Credit Agreement Obligations") under the Amended and Restated Credit Agreement dated as of April 25, 2006 (as further amended and supplemented, the "Second Lien Credit Agreement") between Trident Exploration Corp. ("TEC"), certain of its subsidiaries, Credit Suisse, Toronto Branch as collateral agent and administrative agent, and the lenders party thereto. The remaining Second Lien Credit Agreement Obligations shall be paid in full from the proceeds of the exit financing being arranged by TEC (the "Exit Financing").

Securities to be Issued  
Under the Plan of  
Reorganization

New Common Stock. TRC shall issue the New Common Stock on the Effective Date, which New Common Stock shall be deemed fully paid and non-assessable.

Management Equity Issuance. Up to 7.5% of the New Common Stock on a fully diluted basis shall be reserved for issuance under a management equity plan (the "Management Equity Issuance"), the form, exercise price, vesting and allocation of which shall be governed by the board of directors of reorganized TRC, in its sole discretion. For the avoidance of doubt, the Management Equity Issuance will dilute *pro rata* the New Common Stock issued under the Chapter 11 Plan to the Eligible 2006 Holders, the Eligible 2007 Holders and the holders of allowed 2006 TRC Obligations.

CLASSIFICATION AND TREATMENT OF CLAIMS IN THE CHAPTER 11 PLAN

Unclassified Claims

Administrative Claims

Each holder of an allowed administrative claim shall receive payment in full in cash of the unpaid portion of its allowed administrative claim on the Effective Date, or as soon thereafter as reasonably practicable (or, if payment is not then due, shall be paid in accordance with its terms) or pursuant to such other terms as may be agreed to by the holder of such claim and the U.S. Debtors, provided such other terms are consented to by the Backstop Parties which pursuant to the Commitment Letter commit to provide, in aggregate, 80% of the Equity Put Commitment (the "Required Backstop Parties"), which consent shall not be unreasonably withheld.

Not classified – non-voting.

Priority Tax Claims

Priority tax claims against any of the U.S. Debtors shall be treated in accordance with section 1129(a)(9)(C) of the Bankruptcy Code.

Not classified – non-voting.

Intercompany Claims

There shall be no distributions on account of Intercompany Claims without approval of the Required Backstop Parties. Notwithstanding the foregoing, TRC, in a manner reasonably acceptable to the Required Backstop Parties, may (or may cause each applicable subsidiary to) reinstate, compromise or otherwise satisfy, as the case may be, Intercompany Claims between and among the Company and its subsidiaries.

Either unimpaired – not entitled to vote – deemed to accept or impaired – not entitled to vote – presumed to reject.

Classified Claims and Interests

Class 1—Other Priority Claims

All claims against the U.S. Debtors accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than Priority Tax Claims, shall be paid in full in cash on the later of the Effective Date or the allowance of the claim.

Unimpaired – not entitled to vote – deemed to accept.

Class 2—Other Secured Claims

Each holder of an Other Secured Claim against the U.S. Debtors shall receive the following treatment, at the option of the Debtors, with the consent of the Required Backstop Parties, which consent shall not be unreasonably withheld: (i) payment in full in cash on the Effective Date or as soon thereafter as practicable to the extent secured, (ii) delivery of collateral securing any such claim and payment of any interest required under section 506(b) of the Bankruptcy Code or (iii) other treatment rendering such claim unimpaired.

Unimpaired – not entitled to vote – deemed to accept.

Class 3—General  
Unsecured Claims<sup>8</sup>

"General Unsecured Claims" against the U.S. Debtors shall consist of all general unsecured claims against the U.S. Debtors (collectively, the "General Unsecured Claims"). Deficiency claims under the 2006 Credit Agreement and/or the 2007 Credit Agreement are excluded from this class for distribution purposes only.

The treatment of General Unsecured Claims is to be determined via agreement between the Required Backstop Parties and the U.S. Debtors.

Impaired – entitled to vote.

Class 4A—2006 Credit  
Agreement Claims

In full and final satisfaction, release, discharge and in exchange for such holder's allowed 2006 Credit Agreement Claim, each holder of such 2006 Credit Agreement Claim shall receive its pro rata share of (a) 40% of the New Common Stock, prior to giving effect to dilution resulting from the Management Equity Issuance and the Contingent Value Rights and after giving effect to the Chapter 11 Plan and (b) the Senior Creditor Rights.

To the extent not paid pursuant to the Commitment Letter, any and all outstanding fees and expenses of the 2006 Agent, including any and all outstanding fees and expenses of counsel and financial advisors to the 2006 Agent, shall be paid in full in Cash on the Effective Date.

Impaired – entitled to vote.

Class 4B—2007 Credit  
Agreement Claims

In full and final satisfaction, release, discharge and in exchange for such holder's allowed 2007 Credit Agreement Claim, each holder of such 2007 Credit Agreement Claim shall receive its pro rata share of the Junior Creditor Rights.

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<sup>8</sup> The Backstop Parties intend to support payment in full, in cash, of all admitted trade claims in the CCAA insolvency proceedings against TEC or its Canadian affiliates resulting from accounts payable on such entities' respective books and records due to the claimant's supply of goods and/or services to TEC or its Canadian affiliates ("Trade Claims"), provided that such claims do not exceed \$20.4 million. Other unsecured claims (including but not limited to contract rejection claims and litigation claims) at TEC or its Canadian affiliates (other than the guarantee claims in respect of the 2006 TRC Obligations and 2007 TRC Obligations) shall be treated in a manner reasonably acceptable to the Backstop Parties and the Debtors and in accordance with the applicable provisions of the CCAA; provided that, to the extent any such claims are paid in cash under the CCAA Plan, the amount of cash paid on account of such claims plus the amount of cash paid on account of Trade Claims shall in no event exceed \$20.4 million.

To the extent not paid pursuant to the Commitment Letter, any and all outstanding fees and expenses of the 2007 Agent, including any and all outstanding fees and expenses of counsel and financial advisors to the 2007 Agent, shall be paid in full in Cash on the Effective Date.

Impaired – entitled to vote.

Class 5 — Preferred Stock in TRC

The Class 5 Interests include the Series A and Series B preferred stock of TRC, and options, warrants or other agreements to acquire any of the same (whether or not arising under or in connection with any employment agreement).

No recovery.

All Class 5 Interests shall be cancelled and extinguished on the Effective Date.

Impaired – not entitled to vote. Presumed to reject.

Class 6 — Common Stock in TRC

Class 6 Interests include the common stock of TRC, and options, warrants or other agreements to acquire any of the same (whether or not arising under or in connection with any employment agreement).

No recovery.

All Class 6 Interests shall be cancelled and extinguished on the Effective Date.

Impaired – not entitled to vote. Presumed to reject.

Class 7 — TRC Subsidiary Equity Interests

All equity interests of TRC's subsidiaries shall continue to be held by TRC and the subsidiaries of TRC holding such interests prior to the Effective Date.

Unimpaired – not entitled to vote – deemed to accept.

Cancellation of Instruments, Certificates and Other Documents

On the Effective Date, except to the extent otherwise provided above, all instruments, certificates and other documents evidencing debt or equity interests in TRC or the other Debtors shall be cancelled, and the obligations of the Debtors thereunder, or in any way related thereto, shall be discharged.

Executory Contracts and

Executory contracts and unexpired leases shall be treated in