

purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any Other Document shall deliver to Credit Parties (with a copy to Agent), at the time or times prescribed by Applicable Law or reasonably requested by Credit Parties or Agent, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if requested by Credit Parties or Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Credit Parties or Agent as will enable Credit Parties or Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

(f) Without limiting the generality of Section 3.10(b), if a Foreign Lender or Participant claims an exemption or reduction from withholding tax levied or imposed by Canada under an applicable Canadian tax treaty with respect to payments made under this Agreement or any Other Document by any Credit Party, such Lender or Participant shall deliver to Agent and the applicable Credit Party one of the following:

(i) if such Foreign Lender or Participant is a partnership entitled to claim an exemption from, or a reduction of, withholding tax under a Canadian tax treaty, a properly completed and executed copy of CRA Form NR302;

(ii) if such Foreign Lender or Participant is a hybrid entity that is entitled to claim an exemption from, or a reduction of, withholding tax under a Canadian tax treaty, a properly completed and executed copy of CRA Form NR303; and

(iii) if such Foreign Lender or Participant is a hybrid entity that is entitled to claim an exemption from, or a reduction of, withholding tax under a Canadian tax treaty, a properly completed and executed copy of CRA Form NR301.

(g) Without limiting the generality of Section 3.10(e), if a Credit Party is resident in the United States for the purposes of the US Tax Code:

(i) notwithstanding the submission by a Foreign Lender of documentation claiming a reduced rate of or exemption from U.S. withholding tax pursuant to Section 3.10(e), Agent or its designee shall be entitled to withhold United States federal income taxes at the full 30% withholding rate if in its reasonable judgment it is required to do so under the due diligence requirements imposed upon a withholding agent under § 1.1441-7(b) of the United States Income Tax Regulations or other Applicable Law;

(ii) Agent is indemnified under § 1.1461-1(e) of the United States Income Tax Regulations against any claims and demands of any Foreign Lender, Issuer or assignee or participant of a Foreign Lender or Issuer for the amount of any tax it deducts and withholds in accordance with regulations under § 1441 of the US Tax Code; and

(iii) each Foreign Lender (or other Lender) shall deliver to the applicable Credit Party and Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender (or other Lender)

becomes a Lender under this Agreement (and from time to time thereafter upon the request of Credit Parties or Agent, but only if such Foreign Lender (or other Lender) is legally entitled to do so), whichever of the following is applicable: (A) two (2) duly completed valid originals of IRS Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party, (B) two (2) duly completed valid originals of IRS Form W-8ECI; (C) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the US Tax Code, (x) a certificate to the effect that such Foreign Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the US Tax Code, (B) a "10 percent shareholder" of Credit Parties within the meaning of section 881(c)(3)(B) of the US Tax Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the US Tax Code and (y) two duly completed valid originals of IRS Form W-8BEN, (D) any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by Applicable Law to permit the Credit Parties to determine the withholding or deduction required to be made, or (E) to the extent that any Lender is not a Foreign Lender, such Lender shall submit to Agent two (2) originals of an IRS Form W-9 or any other form prescribed by Applicable Law demonstrating that such Lender is not a Foreign Lender.

(h) Each Foreign Lender and each Participant shall provide new forms (or successor forms) upon the expiration or obsolescence of any forms previously delivered under this Section 3.10 and shall promptly notify Agent and the Borrowing Agent (or, in the case of a Participant, to the Foreign Lender granting the participation only) of any change in circumstances which would modify or render invalid any claimed exemption or reduction.

(i) If a payment made to a Lender, Swing Loan Lender, Participant, Issuer, or Agent under this Agreement or any Other Document would be subject to U.S. Federal withholding Tax imposed by FATCA if such Person fails to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the US Tax Code, as applicable), such Lender, Swing Loan Lender, Participant, Issuer, or Agent shall deliver to the Agent (in the case of Swing Loan Lender, a Lender, Participant or Issuer) and Credit Parties (A) a certification signed by the chief financial officer, principal accounting officer, treasurer or controller of such Person, and (B) other documentation reasonably requested by Agent or any Credit Party sufficient for Agent and Credit Parties to comply with their obligations under FATCA and to determine that Swing Loan Lender, such Lender, Participant, Issuer, or Agent has complied with such applicable reporting requirements.

3.11 Replacement of Lenders.

If any Lender other than PNC Canada (an "Affected Lender") (a) makes demand upon Credit Parties for (or if Credit Parties are otherwise required to pay) amounts pursuant to Section 3.7 or 3.9 hereof, (b) is unable to make or maintain LIBOR Rate Loans as a result of a condition described in Section 2.2(h) hereof, (c) is a Defaulting Lender, or (d) denies any consent requested by the Agent pursuant to Section 16.2(b) hereof, Borrowers may, within ninety (90) days of receipt of such demand, notice (or the occurrence of such other event causing Credit Parties to be required to pay such compensation or causing Section 2.2(h) hereof to be

applicable), or such Lender becoming a Defaulting Lender or denial of a request by Agent pursuant to Section 16.2(b) hereof, as the case may be, by notice in writing to the Agent and such Affected Lender (i) request the Affected Lender to cooperate with Borrowers in obtaining a replacement Lender satisfactory to Agent and Borrowers (the "Replacement Lender"); (ii) request the non-Affected Lenders to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage, as provided herein, but none of such Lenders shall be under any obligation to do so; or (iii) propose a Replacement Lender subject to approval by Agent in its good faith business judgment. If any satisfactory Replacement Lender shall be obtained, and/or if any one or more of the non-Affected Lenders shall agree to acquire and assume all of the Affected Lender's Advances and its Revolving Commitment Percentage, then such Affected Lender shall assign, in accordance with Section 16.3 hereof, all of its Advances and its Revolving Commitment Percentage, and other rights and obligations under this Agreement and the Other Documents to such Replacement Lender or non-Affected Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, *plus* all other Obligations then due and payable to the Affected Lender.

3.12 Currency Indemnity.

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any Other Document, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Agreement or under any Other Document in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose "rate of exchange" means the rate at which the Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practices. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of receipt by the Agent of the amount due, Credit Parties will, on the date of receipt by the Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by the Agent on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by the Agent is the amount then due under this Agreement or such Other Document in the Currency Due. If the amount of the Currency Due which the Agent is so able to purchase is less than the amount of the Currency Due originally due to it, Credit Parties shall indemnify and save the Agent and the Lenders harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the Other Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any Other Document or under any judgment or order.

IV. COLLATERAL: GENERAL TERMS

4.1 Security Interest in the Collateral.

To secure the prompt payment and performance to Agent, Issuer and each Lender (and each other holder of any Obligations) of the Obligations, each Credit Party hereby assigns, pledges, hypothecates and grants to Agent for its benefit and for the ratable benefit of each Lender, Issuer and each other Secured Party, a continuing security interest in and to and Lien on all of its Collateral, whether now owned or existing or hereafter created, acquired or arising and wheresoever located. Each Credit Party shall mark its books and records as may be necessary or appropriate to evidence, protect and perfect Agent's security interest. Each Credit Party shall provide Agent with written notice of all commercial tort claims promptly upon the occurrence of any events giving rise to any such claim(s) (regardless of whether legal proceedings have yet been commenced), such notice to contain a brief description of the claim(s), the events out of which such claim(s) arose and the parties against which such claims may be asserted and, if applicable in any case where legal proceedings regarding such claim(s) have been commenced, the case title together with the applicable court and docket number. Upon delivery of each such notice, such Credit Party shall be deemed to thereby grant to Agent a security interest and lien in and to such commercial tort claims described therein and all proceeds thereof. Each Credit Party shall provide Agent with written notice promptly upon becoming the beneficiary under any letter of credit or otherwise obtaining any right, title or interest in any letter of credit rights, and at Agent's request shall take such actions as Agent may reasonably request for the perfection of Agent's security interest therein. Notwithstanding the foregoing, the grant by each Credit Party of security in trade-marks (as defined in the *Trade-marks Act* (Canada)) under this Agreement and any Other Document shall be limited to a grant by such Person of a Lien in all of such Person's right, title and interest in such trade-marks.

4.2 Perfection of Security Interest.

Each Credit Party shall take all action that may be necessary or desirable, or that Agent may request, so as at all times to maintain the validity, perfection, enforceability and priority of Agent's security interest in and Lien on the Collateral or to enable Agent to protect, exercise or enforce its rights hereunder and in the Collateral, including, but not limited to, (i) immediately discharging all Liens other than Permitted Encumbrances, (ii) obtaining Lien Waiver Agreements, (iii) delivering to Agent, endorsed or accompanied by such instruments of assignment as Agent may specify, and stamping or marking, in such manner as Agent may specify, any and all chattel paper, instruments, letters of credits and advices thereof and documents evidencing or forming a part of the Collateral, (iv) entering into warehousing, lockbox, customs and freight agreements and other custodial arrangements satisfactory to Agent, and (v) executing and delivering financing statements, control agreements, instruments of pledge, mortgages, notices and assignments, in each case in form and substance satisfactory to Agent, relating to the creation, validity, perfection, maintenance or continuation of Agent's security interest and Lien under the PPSA, Uniform Commercial Code, or other Applicable Law. By its signature hereto, each Credit Party hereby authorizes Agent to file against such Credit Party, one or more financing, continuation or amendment statements pursuant to the PPSA, Uniform Commercial Code, and Applicable Law in form and substance satisfactory to Agent (which statements may have a description of collateral which is broader than that set forth herein, including without limitation a description of Collateral as "all assets" and/or "all personal property" of any Credit Party). All charges, expenses and fees Agent may incur in doing any of the foregoing, and any local taxes relating thereto, shall be charged to Borrowers' Account as a Revolving Advance of a Base Rate Loan in the applicable currency and added to the Obligations,

or, at Agent's option, shall be paid by Credit Parties to Agent for its benefit and for the ratable benefit of Lenders immediately upon demand.

4.3 Preservation of Collateral.

Following the occurrence of an Event of Default, in addition to the rights and remedies set forth in Section 11.1 hereof, Agent: (a) may at any time take such steps as Agent deems necessary to protect Agent's interest in and to preserve the Collateral, including the hiring of security guards or the placing of other security protection measures as Agent may deem appropriate; (b) may employ and maintain at any of any Credit Party's premises a custodian who shall have full authority to do all acts necessary to protect Agent's interests in the Collateral; (c) may lease warehouse facilities to which Agent may move all or part of the Collateral; (d) may use any Credit Party's owned or leased lifts, hoists, trucks and other facilities or equipment for handling or removing the Collateral; and (e) shall have, and is hereby granted, a right of ingress and egress to the places where the Collateral is located, and may proceed over and through any of Credit Parties' owned or leased property. Each Credit Party shall cooperate fully with all of Agent's efforts to preserve the Collateral and will take such actions to preserve the Collateral as Agent may direct. All of Agent's expenses of preserving the Collateral, including any expenses relating to the bonding of a custodian, shall be charged to Borrowers' Account as a Revolving Advance maintained as a Base Rate Loan and added to the Obligations.

4.4 Ownership and Location of Collateral.

(a) With respect to the Collateral, at the time the Collateral becomes subject to Agent's security interest: (i) each Credit Party shall be the sole owner of and fully authorized and able to sell, transfer, pledge and/or grant a first priority security interest in each and every item of its respective Collateral to Agent; and, except for Permitted Encumbrances the Collateral shall be free and clear of all Liens whatsoever; (ii) each document and agreement executed by each Credit Party or delivered to Agent or any Lender in connection with this Agreement shall be true and correct in all material respects; (iii) all signatures and endorsements of each Credit Party that appear on such documents and agreements shall be genuine and each Credit Party shall have full capacity to execute same; and (iv) each Credit Party's equipment and Inventory shall be located as set forth on Schedule 4.4 and shall not be removed from such location(s) without the prior written consent of Agent except with respect to the sale of Inventory in the Ordinary Course of Business and equipment being used (or transported to be used) in the Ordinary Course of Business or to the extent permitted in Section 7.1(b) hereof.

(b) (i) There is no location at which any Credit Party has any Inventory (except for Inventory in transit) or other Collateral (including equipment except as it may be used, or transported to be used) other than those locations listed on Schedule 4.4(b)(i); (ii) Schedule 4.4(b)(ii) hereto contains a correct and complete list, as of the Closing Date, of the legal names and addresses of each warehouse at which Inventory or equipment of any Credit Party is stored; none of the receipts received by any Credit Party from any warehouse states that the goods covered thereby are to be delivered to bearer or to the order of a named Person or to a named Person and such named Person's assigns; (iii) Schedule 4.4(b)(iii) hereto sets forth a correct and complete list as of the Closing Date of (A) each place of business of each Credit Party and (B) the chief executive office of each Credit Party; and (iv) Schedule 4.4(b)(iv) hereto

sets forth a correct and complete list as of the Closing Date of the location, by province or state, as applicable and street address, of all Real Property owned or leased by each Credit Party, identifying which properties are owned and which are leased, together with the names and addresses of any landlords.

4.5 Defense of Agent's and Lenders' Interests.

Until (a) payment and performance in full of all of the Obligations and (b) termination of this Agreement, Agent's interests in the Collateral shall continue in full force and effect. During such period no Credit Party shall, without Agent's prior written consent, pledge, sell (except for sales or other dispositions otherwise permitted in Section 7.1(b) hereof), assign, transfer, create or suffer to exist a Lien upon or encumber or allow or suffer to be encumbered in any way except for Permitted Encumbrances, any part of the Collateral. Each Credit Party shall defend Agent's interests in the Collateral against any and all Persons whatsoever. At any time following demand by Agent for payment of all Obligations, Agent shall have the right to take possession of the indicia of the Collateral and the Collateral in whatever physical form contained, including: labels, stationery, documents, instruments and advertising materials. If Agent exercises this right to take possession of the Collateral, Credit Parties shall, upon demand, assemble it in the best manner possible and make it available to Agent at a place reasonably convenient to Agent. In addition, with respect to all Collateral, Agent and Lenders shall be entitled to all of the rights and remedies set forth herein and further provided by the PPSA, Uniform Commercial Code or other Applicable Law. Each Credit Party shall, and Agent may, at its option, instruct all suppliers, carriers, forwarders, warehousemen or others receiving or holding cash, checks, Inventory, documents or instruments in which Agent holds a security interest to deliver same to Agent and/or subject to Agent's order and if they shall come into any Credit Party's possession, they, and each of them, shall be held by such Credit Party in trust as Agent's trustee, and such Credit Party will immediately deliver them to Agent in their original form together with any necessary endorsement.

4.6 Inspection of Premises.

At all reasonable times during normal business hours from time to time as often as Agent shall elect in its sole discretion, Agent and each Lender shall have full access to and the right to audit, check, inspect and make abstracts and copies from each Credit Party's books, records, audits, correspondence and all other papers relating to the Collateral and the operation of each Credit Party's business. Agent, any Lender and their agents may enter upon any premises of any Credit Party at any time during business hours and at any other reasonable time, and from time to time as often as Agent shall elect in its sole discretion, for the purpose of inspecting the Collateral and any and all records pertaining thereto and the operation of such Credit Party's business.

4.7 Appraisals.

Agent may, in its sole discretion, at any time after the Closing Date and from time to time, engage the services of an independent appraisal firm or firms, satisfactory to Agent, for the purpose of appraising the then current values of Credit Parties' assets. If the value of Credit Parties' Inventory or equipment, as so determined by any such appraisal, is less than anticipated

by Agent, then, promptly upon Agent's demand for same, Credit Parties shall make mandatory prepayments of the then outstanding Revolving Advances in an amount prescribed by Agent.

4.8 Receivables; Deposit Accounts and Securities Accounts.

(a) Each of the Receivables shall be a bona fide and valid account representing a bona fide indebtedness incurred by the Customer therein named, for a fixed sum as set forth in the invoice relating thereto (provided immaterial or unintentional invoice errors shall not be deemed to be a breach hereof) with respect to an absolute sale or lease and delivery of goods upon stated terms of a Credit Party, or work, labor or services theretofore rendered by a Credit Party as of the date each Receivable is created. Same shall be due and owing in accordance with the applicable Credit Party's standard terms of sale without dispute, setoff or counterclaim except as may be stated on the accounts receivable schedules delivered by Credit Parties to Agent.

(b) Each Customer, to the best of each Credit Party's knowledge, as of the date each Receivable is created, is and will be solvent and able to pay all Receivables on which the Customer is obligated in full when due. With respect to such Customers of any Credit Party who are not solvent, such Credit Party has set up on its books and in its financial records bad debt reserves adequate to cover such Receivables.

(c) Each Credit Party's chief executive office is located as set forth on Schedule 4.4(b)(iii). Until written notice is given to Agent by Borrowing Agent of any other office at which any Credit Party keeps its records pertaining to Receivables, all such records shall be kept at such executive office.

(d) Credit Parties shall instruct their Customers to deliver all remittances upon Receivables other than Excluded Receivables (whether paid by check or by wire transfer of funds) to such Blocked Account(s) and/or Depository Accounts as Agent shall designate from time to time as contemplated by Section 4.8(h) or as otherwise agreed to from time to time by Agent. Notwithstanding the foregoing, to the extent any Credit Party directly receives any remittances upon Receivables, such Credit Party shall, at such Credit Party's sole cost and expense, but on Agent's behalf and for Agent's account, collect as Agent's property and in trust for Agent all amounts received on Receivables (other than Excluded Receivables), and shall not commingle such collections with any Credit Party's funds or use the same except to pay Obligations, and shall, except in the case of remittances on account of Excluded Receivables, as soon as possible and in any event no later than one (1) Business Day after the receipt thereof (i) in the case of remittances paid by check, deposit all such remittances in their original form (after supplying any necessary endorsements) and (ii) in the case of remittances paid by wire transfer of funds, transfer all such remittances, in each case, into such Blocked Account(s) and/or Depository Account(s). Each Credit Party shall deposit in the Blocked Account and/or Depository Account or, upon request by Agent, deliver to Agent, in original form and on the date of receipt thereof, all checks, drafts, notes, money orders, acceptances, cash and other evidences of Indebtedness other than those arising from Excluded Receivables. The Credit Parties acknowledge that neither the Agent nor any Lender shall be required to apply or otherwise remit any proceeds of Excluded Receivables received by it except in accordance with Applicable Laws

(including Anti-Terrorism Laws) and the directions of Governmental Bodies responsible for the administration of such Applicable Laws.

(e) At any time Agent shall have the right to send notice of the assignment of, and Agent's security interest in and Lien on, the Receivables to any and all Customers or any third party holding or otherwise concerned with any of the Collateral. At any time after the occurrence and during the continuance of an Event of Default, Agent shall have the sole right to collect the Receivables, take possession of the Collateral, or both. Agent's actual collection expenses, including, but not limited to, stationery and postage, telephone, facsimile, telegraph, secretarial and clerical expenses and the salaries of any collection personnel used for collection, may be charged to Borrowers' Account and added to the Obligations.

(f) Agent shall have the right to receive, endorse, assign and/or deliver in the name of Agent or any Credit Party any and all checks, drafts and other instruments for the payment of money relating to the Receivables, and each Credit Party hereby waives notice of presentment, protest and non-payment of any instrument so endorsed. Each Credit Party hereby constitutes Agent or Agent's designee as such Credit Party's attorney with power (i) at any time: (A) to endorse such Credit Party's name upon any notes, acceptances, checks, drafts, money orders or other evidences of payment or Collateral; (B) to sign such Credit Party's name on any invoice or bill of lading relating to any of the Receivables, drafts against Customers, assignments and verifications of Receivables; (C) to send verifications of Receivables to any Customer; (D) to sign such Credit Party's name on all financing statements or any other documents or instruments deemed necessary or appropriate by Agent to preserve, protect, or perfect Agent's interest in the Collateral and to file same; and (E) to receive, open and dispose of all mail addressed to any Credit Party at any post office box/lockbox maintained by Agent for Credit Parties or at any other business premises of Agent; and (ii) at any time following the occurrence of a Default or an Event of Default: (A) to demand payment of the Receivables; (B) to enforce payment of the Receivables by legal proceedings or otherwise; (C) to exercise all of such Credit Party's rights and remedies with respect to the collection of the Receivables and any other Collateral; (D) to sue upon or otherwise collect, extend the time of payment of, settle, adjust, compromise, extend or renew the Receivables; (E) to settle, adjust or compromise any legal proceedings brought to collect Receivables; (F) to prepare, file and sign such Credit Party's name on a proof of claim in bankruptcy or similar document against any Customer; (G) to prepare, file and sign such Credit Party's name on any notice of Lien, assignment or satisfaction of Lien or similar document in connection with the Receivables; (H) to accept the return of goods represented by any of the Receivables; (I) to change the address for delivery of mail addressed to any Credit Party to such address as Agent may designate; and (J) to do all other acts and things necessary to carry out this Agreement. All acts of said attorney or designee are hereby ratified and approved, and said attorney or designee shall not be liable for any acts of omission or commission nor for any error of judgment or mistake of fact or of law, unless done maliciously or with gross (not mere) negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment); this power being coupled with an interest is irrevocable while any of the Obligations remain unpaid.

(g) Neither Agent nor any Lender shall, under any circumstances or in any event whatsoever, have any liability for any error or omission or delay of any kind occurring in

the settlement, collection or payment of any of the Receivables or any instrument received in payment thereof, or for any damage resulting therefrom.

(h) All proceeds of Collateral shall be deposited by Credit Parties into either (i) a lockbox account, dominion account or such other "blocked account" ("Blocked Accounts") established at Bank of Montreal or such other bank or banks that are acceptable to Agent (each such bank, a "Blocked Account Bank") pursuant to an arrangement with such Blocked Account Bank as may be acceptable to Agent or (ii) depository accounts ("Depository Accounts") established at Agent for the deposit of such proceeds. Each applicable Credit Party, Agent and each Blocked Account Bank shall enter into a blocked account or deposit account control agreement in form and substance satisfactory to Agent that, in the case of accounts located in the United States or that is otherwise subject to the perfection provisions of the Uniform Commercial Code, is sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account and, for all such accounts, which directs such Blocked Account Bank to transfer such funds so deposited on a daily basis to Agent, either to any account maintained by Agent at said Blocked Account Bank or by wire transfer to appropriate account(s) at Agent. All funds deposited in such Blocked Accounts or Depository Accounts shall immediately become subject to the security interest of Agent for its own benefit and the ratable benefit of Issuer, Lenders and all other holders of the Obligations, and Borrowing Agent shall obtain the agreement by such Blocked Account Bank to waive any offset rights against the funds so deposited. Neither Agent nor any Lender assumes any responsibility for such blocked account arrangement, including any claim of accord and satisfaction or release with respect to deposits accepted by any Blocked Account Bank thereunder. Agent shall apply all funds received by it from the Blocked Accounts and/or Depository Accounts to the satisfaction of the Obligations (including the cash collateralization of the Letters of Credit) in such order as Agent shall determine in its sole discretion, provided that, in the absence of any Event of Default, Agent shall apply all such funds representing collection of Receivables first to the prepayment of the principal amount of the Swing Loans, if any, and then to the Revolving Advances.

(i) No Credit Party will, without Agent's consent, compromise or adjust any Receivables (or extend the time for payment thereof) or accept any returns of merchandise or grant any additional discounts, allowances or credits thereon except for those compromises, adjustments, returns, discounts, credits and allowances as have been heretofore customary in the Ordinary Course of Business of such Credit Party.

(j) All deposit accounts (including all Blocked Accounts and Depository Accounts), securities accounts and investment accounts of each Credit Party and its Subsidiaries as of the Closing Date are set forth on Schedule 4.8(j). No Credit Party shall open any new deposit account, securities account or investment account unless (i) Credit Parties shall have given at least thirty (30) days prior written notice to Agent and (ii) if such account is to be maintained with a bank, depository institution or securities intermediary that is not the Agent, such bank, depository institution or securities intermediary, each applicable Credit Party and Agent shall first have entered into an account control agreement in form and substance satisfactory to Agent that, in the case of accounts located in the United States or that is otherwise subject to the perfection provisions of the Uniform Commercial Code, is sufficient to give Agent "control" (for purposes of Articles 8 and 9 of the Uniform Commercial Code) over such account.

4.9 Inventory.

To the extent Inventory held for sale or lease has been produced by any Credit Party, it has been and will be produced by such Credit Party in accordance with all Applicable Laws.

4.10 Maintenance of Equipment.

Each Credit Party's equipment shall be maintained in good operating condition and repair (reasonable wear and tear excepted) and all necessary replacements of and repairs thereto shall be made so that the value and operating efficiency of the equipment shall be maintained and preserved. No Credit Party shall use or operate the equipment in violation of any Applicable Law.

4.11 Exculpation of Liability.

Nothing herein contained shall be construed to constitute Agent or any Lender as any Credit Party's agent for any purpose whatsoever, nor shall Agent or any Lender be responsible or liable for any shortage, discrepancy, damage, loss or destruction of any part of the Collateral wherever the same may be located and regardless of the cause thereof. Neither Agent nor any Lender, whether by anything herein or in any assignment or otherwise, assume any of any Credit Party's obligations under any contract or agreement assigned to Agent or such Lender, and neither Agent nor any Lender shall be responsible in any way for the performance by any Credit Party of any of the terms and conditions thereof.

4.12 Financing Statements.

Except as respects the financing statements filed by Agent, financing statements described on Schedule 1.2, and financing statements filed in connection with Permitted Encumbrances, no financing statement or similar filing covering any of the Collateral or any proceeds thereof is or will be on file in any public office.

4.13 Attachment.

The security interest created hereunder is intended to attach when this Agreement is executed by the Credit Parties and delivered to the Agent.

V. REPRESENTATIONS AND WARRANTIES.

Each Credit Party represents and warrants as follows:

5.1 Authority.

Each Credit Party has full power, authority and legal right to enter into this Agreement and the Other Documents to which it is a party and to perform all its respective Obligations hereunder and thereunder. This Agreement and the Other Documents to which it is a party have been duly executed and delivered by each Credit Party, and this Agreement and the Other Documents to which it is a party constitute the legal, valid and binding obligation of such Credit Party enforceable in accordance with their terms, except as such enforceability may be limited by

any applicable Insolvency Laws or by equitable principles (whether in equity or at law). The execution, delivery and performance of this Agreement and of the Other Documents to which it is a party (a) are within such Credit Party's corporate, company, or partnership (including limited partnership) powers, as applicable, have been duly authorized by all necessary corporate or company action, as applicable, are not in contravention of law or the terms of such Credit Party's Organizational Documents or to the conduct of such Credit Party's business or of any Material Contract or undertaking to which such Credit Party is a party or by which such Credit Party is bound, including the Subordinated Debt Documents, (b) will not conflict with or violate any law or regulation, or any judgment, order or decree of any Governmental Body applicable to such Credit Party or its property, (c) will not require the Consent of any Governmental Body, any party to a Material Contract or any other Person, except those Consents set forth on Schedule 5.1 hereto and lien filings with appropriate governmental offices, all of which will have been duly obtained, made or compiled prior to the Closing Date and which are in full force and effect and (d) will not conflict with, nor result in any breach in any of the provisions of or constitute a default under or result in the creation of any Lien except Permitted Encumbrances upon any asset of such Credit Party under the provisions of any material agreement, instrument, or other document to which such Credit Party is a party or by which it or its property is a party or by which it may be bound, including the Subordinated Debt Documents.

5.2 Formation and Qualification.

(a) Each Credit Party is duly incorporated or formed, as applicable, validly existing and, if applicable in such jurisdiction, in good standing under the laws of the jurisdiction listed on Schedule 5.2(a) and is qualified to do business and is in good standing in the jurisdictions listed on Schedule 5.2(a) which constitute all jurisdictions in which qualification and good standing are necessary for such Credit Party to conduct its business and own its property and where the failure to so qualify could reasonably be expected to have a Material Adverse Effect on such Credit Party. Each Credit Party has delivered to Agent true and complete copies of its Organizational Documents and will promptly notify Agent of any amendment or changes thereto.

(b) The only Subsidiaries of GASFRAC and each Credit Party are listed on Schedule 5.2(b).

5.3 Survival of Representations and Warranties.

All representations and warranties of each Credit Party contained in this Agreement and the Other Documents to which it is a party shall be true at the time of such Credit Party's execution of this Agreement and the Other Documents to which it is a party, and shall survive the execution, delivery and acceptance thereof by the parties thereto and the closing of the transactions described therein or related thereto.

5.4 Tax Returns.

Each Credit Party's federal and provincial business number and, if applicable, its tax identification number are set forth on Schedule 5.4. Each Credit Party has filed all federal, provincial, state and local tax returns and other reports each is required by law to file and, unless

Properly Contested, has paid all taxes, assessments, fees and other governmental charges that are due and payable. The provision for taxes on the books of each Credit Party is adequate for all years not closed by applicable statutes, and for its current fiscal year, and no Credit Party has any knowledge of any deficiency or additional assessment in connection therewith not provided for on its books.

5.5 Financial Statements.

(a) [Intentionally Omitted.]

(b) The twelve-month cash flow and balance sheet projections of Credit Parties and their Subsidiaries on a Consolidated Basis, copies of which are annexed hereto as Exhibit 5.5(b) (the "Projections") were prepared by the Chief Financial Officer of GASFRAC are based on underlying assumptions which provide a reasonable basis for the projections contained therein and reflect Credit Parties' good faith judgment based on present circumstances of the most likely set of conditions and course of action for the projected period, it being understood that Credit Parties do not warrant that the Projections will ultimately prove to have been accurate.

(c) The consolidated and consolidating balance sheets of Credit Parties and their Subsidiaries, and such other Persons described therein, as of December 31, 2013, and the related statements of income, changes in stockholder's equity, and changes in cash flow for the period ended on such date, all accompanied by reports thereon containing opinions without qualification by independent nationally recognized firm of chartered accountants, copies of which have been delivered to Agent, have been prepared in accordance with GAAP, consistently applied (except for changes in application to which such accountants concur and present fairly the financial position of Credit Parties at such date and the results of their operations for such period. Since December 31, 2013 there has been no change in the condition, financial or otherwise, of Credit Parties as shown on the consolidated balance sheet as of such date and no change in the Real Property owned by Credit Parties, except changes in the Ordinary Course of Business, none of which individually or in the aggregate has been materially adverse. Since May 5, 2014 there has been no material change in the aggregate value of the Credit Parties' machinery and equipment.

5.6 Entity Names.

No Credit Party has been known by any other company or corporate name, as applicable, and does not sell Inventory under any other name in the past five years except as set forth on Schedule 5.6, nor has any Credit Party been the surviving or continuing corporation or company, as applicable, of an amalgamation, merger or consolidation or acquired all or substantially all of the assets of any Person except as set forth in Schedule 5.6.

5.7 Environmental Compliance; Flood Insurance.

(a) Except as set forth on Schedule 5.7 hereto, each Credit Party is in compliance with, and its facilities, business, assets, property, leaseholds, Real Property and Equipment are in compliance with all Applicable Laws, including Environmental Laws and there are no outstanding citations, notices or orders of non-compliance issued to any Credit Party or

relating to its business, assets, property, leaseholds or Equipment under any such Applicable Laws.

(b) Except as set forth on Schedule 5.7 hereto, each Credit Party has been issued all required federal, provincial, state and local licenses, certificates or permits (collectively, "Approvals") relating to all applicable Environmental Laws and all such Approvals are current and in full force and effect.

(c) Except as set forth on Schedule 5.7: (i) there have been no releases, spills, discharges, leaks or disposal (collectively referred to as "Releases") of Hazardous Materials at, upon, under or migrating from or onto any Real Property owned, leased or occupied by any Credit Party, except for those Releases which are in full compliance with Environmental Laws; (ii) there are no underground storage tanks or polychlorinated biphenyls on any Real Property owned, leased or occupied by any Credit Party, except for such underground storage tanks or polychlorinated biphenyls that are present in compliance with Environmental Laws; (iii) the Real Property including any premises owned, leased or occupied by any Credit Party has never been used by any Credit Party to dispose of Hazardous Materials, except as authorized by Environmental Laws; and (iv) no Hazardous Materials are managed by any Credit Party on any Real Property including any premises owned, leased or occupied by any Credit Party, excepting such quantities as are managed in accordance with all applicable manufacturer's instructions and compliance with Environmental Laws and as are necessary for the operation of the commercial business of any Credit Party or of its tenants.

(d) All Real Property owned by Credit Parties is insured pursuant to policies and other bonds which are valid and in full force and effect and which provide adequate coverage from reputable and financially sound insurers in amounts sufficient to insure the assets and risks of each such Credit Party in accordance with prudent business practice in the industry of such Credit Party. Each Credit Party has taken all actions required under any applicable Flood Laws and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure located upon any Real Property, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral.

5.8 Solvency; No Litigation, Violation, Indebtedness or Default; Pension Compliance.

(a) Immediately after giving effect to the Transactions and at all times subsequent to the Closing Date, with respect to the Credit Parties, taken as a whole, (i) the property of Credit Parties is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all their obligations, due and accruing due, (ii) the property of Credit Parties is, at a fair valuation, greater than the total amount of liabilities, including contingent liabilities, of Credit Parties; (iii) Credit Parties have not ceased paying their current obligations in the Ordinary Course of Business as they generally become due; (iv) Credit Parties are not for any reason unable to meet their obligations as they generally become due; (v) Credit Parties are not engaged in a business or transaction, and are not about to engage in a business or transaction, for which Credit Parties' property would constitute an unreasonably small capital.

(b) Except as disclosed in Schedule 5.8(b)(i), no Credit Party has any pending or threatened litigation, arbitration, actions or proceedings. No Credit Party has any outstanding Indebtedness other than the Obligations, except for (i) Indebtedness disclosed in Schedule 5.8(b)(ii) and (ii) Indebtedness otherwise permitted under Section 7.8 hereof.

(c) No Credit Party is in violation of any Applicable Law, nor is any Credit Party in violation of any order of any court, Governmental Body or arbitration board or tribunal, in each case in any respect which could reasonably be expected to have a Material Adverse Effect.

(d) No Canadian Credit Party maintains or is required to contribute to any Canadian Pension Plan or Canadian Benefit Plan other than those listed in Schedule 5.8(d) hereto. There are no Canadian Defined Benefit Pension Plans. None of the Canadian Credit Parties have any liabilities or obligations in respect of a Canadian Defined Benefit Pension Plan that has been terminated or wound-up. Each Canadian Credit Party has complied with and performed all of its obligations in all material respects under the terms of its Canadian Pension Plans and Canadian Benefit Plans and all Applicable Laws (including any fiduciary, funding, investment and administration obligations) relating thereto. All employer and employee payments, contributions, withholdings or premiums to be remitted, paid to or in respect of each Canadian Pension Plan, Canadian Benefit Plan and Statutory Plans have been paid in a timely fashion in accordance with the terms thereof and all Applicable Laws. There have been no improper withdrawals or applications of the assets of the Canadian Pension Plans. Except as set forth on Schedule 5.8(d), as of the Closing Date there are no outstanding material disputes concerning the assets of the Canadian Pension Plans.

(e) No Credit Party or any member of the Controlled Group maintains or is required to contribute to any US Plan other than those listed on Schedule 5.8(d) hereto. (i) Each Credit Party and each member of the Controlled Group has met all applicable minimum funding requirements under Section 302 of ERISA and Section 412 of US Tax Code in respect of each US Plan, and each US Plan is in compliance with Sections 412, 430 and 436 of US Tax Code and Sections 206(g), 302 and 303 of ERISA, without regard to waivers and variances; (ii) each US Plan which is intended to be a qualified plan under Section 401(a) of US Tax Code as currently in effect has been determined by the Internal Revenue Service to be qualified under Section 401(a) of US Tax Code and the trust related thereto is exempt from federal income tax under Section 501(a) of US Tax Code or an application for such a determination is currently being processed by the Internal Revenue Code; (iii) neither any Credit Party nor any member of the Controlled Group has incurred any liability to the US PBGC other than for the payment of premiums, and there are no premium payments which have become due which are unpaid; (iv) no US Plan has been terminated by the plan administrator thereof nor by the US PBGC, and there is no occurrence which would cause the US PBGC to institute proceedings under Title IV of ERISA to terminate any US Plan; (v) the current value of the assets of each US Plan exceeds the present value of the accrued benefits and other liabilities of such US Plan and neither any Credit Party nor any member of the Controlled Group knows of any facts or circumstances which would materially change the value of such assets and accrued benefits and other liabilities; (vi) neither any Credit Party nor any member of the Controlled Group has breached any of the responsibilities, obligations or duties imposed on it by ERISA with respect to any US Plan; (vii) neither any Credit Party nor any member of a Controlled Group has incurred any liability

for any excise tax arising under Section 4971, 4972 or 4980B of US Tax Code, and no fact exists which could give rise to any such liability; (viii) neither any Credit Party nor any member of the Controlled Group nor any fiduciary of, nor any trustee to, any US Plan, has engaged in a "prohibited transaction" described in Section 406 of the ERISA or Section 4975 of US Tax Code nor taken any action which would constitute or result in a Termination Event with respect to any such US Plan which is subject to ERISA; (ix) no ERISA Termination Event has occurred or is reasonably expected to occur; (x) there exists no event described in Section 4043 of ERISA, for which the thirty (30) day notice period has not been waived; (xi) neither any Credit Party nor any member of the Controlled Group has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA; (xii) neither any Credit Party nor any member of the Controlled Group maintains or is required to contribute to any US Plan which provides health, accident or life insurance benefits to former employees, their spouses or dependents, other than in accordance with Section 4980B of US Tax Code; (xiii) neither any Credit Party nor any member of the Controlled Group has withdrawn, completely or partially, within the meaning of Section 4203 or 4205 of ERISA, from any Multiemployer Plan so as to incur liability under the Multiemployer Pension Plan Amendments Act of 1980 and there exists no fact which would reasonably be expected to result in any such liability; and (xiv) no Plan fiduciary (as defined in Section 3(21) of ERISA) has any liability for breach of fiduciary duty or for any failure in connection with the administration or investment of the assets of a Plan.

5.9 Patents, Trademarks, Copyrights and Licenses.

All material Intellectual Property owned or utilized by any Credit Party: (i) is set forth on Schedule 5.9; (ii) is valid and has been duly registered or filed with all appropriate Governmental Bodies; and (iii) constitutes all of the material intellectual property rights which are necessary for the operation of its business. There is no objection to, pending challenge to the validity of, or proceeding by any Governmental Body to suspend, revoke, terminate or adversely modify, any such material Intellectual Property and no Credit Party is aware of any grounds for any challenge or proceedings, except as set forth in Schedule 5.9 hereto. All material Intellectual Property owned or held by any Credit Party consists of original material or property developed by such Credit Party or was lawfully acquired by such Credit Party from the proper and lawful owner thereof. Each of such items has been maintained so as to preserve the value thereof from the date of creation or acquisition thereof.

5.10 Licenses and Permits.

Except as set forth in Schedule 5.10, each Credit Party (a) is in compliance with and (b) has procured and is now in possession of, all material licenses or permits required by any applicable federal, provincial, state or local law, rule or regulation for the operation of its business in each jurisdiction wherein it is now conducting or proposes to conduct business and where the failure to procure such licenses or permits could reasonably be expected to have a Material Adverse Effect.

5.11 Default of Indebtedness.

No Credit Party is in default in the payment of the principal of or interest on any Indebtedness or under any instrument or agreement under or subject to which any Indebtedness

in excess of \$500,000 has been issued and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder.

5.12 No Default.

No Default or Event of Default exists and no Credit Party is in default under any Material Contract.

5.13 No Burdensome Restrictions.

No Credit Party is party to any contract or agreement the performance of which could reasonably be expected to have a Material Adverse Effect. Each Credit Party has heretofore delivered to Agent true and complete copies of all Material Contracts to which it is a party or to which it or any of its properties is subject. No Credit Party has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien which is not a Permitted Encumbrance.

5.14 No Labor Disputes.

No Credit Party is involved in any labor dispute; there are no strikes or walkouts or union organization of any Credit Party's employees threatened or in existence and no labor contract is scheduled to expire during the Term other than as set forth on Schedule 5.14 hereto.

5.15 Margin Regulations.

No Credit Party or Guarantor is engaged, nor will it engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any Advance will be used for "purchasing" or "carrying" "margin stock" as defined in Regulation U of such Board of Governors.

5.16 Investment Company Act.

No Credit Party or Guarantor is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, nor is it controlled by such a company.

5.17 Disclosure.

No representation or warranty made by any Credit Party in this Agreement or in any financial statement, report, certificate or any other document furnished in connection herewith contains, as of the date made, any untrue statement of fact or omits to state any fact necessary to make the statements herein or therein not misleading. There is no fact known to any Credit Party or which reasonably should be known to such Credit Party which such Credit Party has not

disclosed to Agent in writing with respect to the transactions contemplated by this Agreement which could reasonably be expected to have a Material Adverse Effect.

5.18 Delivery of Subordinated Debt Documents.

Agent has received complete copies of the Subordinated Debt Documents and related documents (including all exhibits, schedules and disclosure letters referred to therein or delivered pursuant thereto, if any) and all amendments thereto, waivers relating thereto and other side letters or agreements affecting the terms thereof, other than fee letters. None of such documents and agreements has been amended or supplemented, nor have any of the provisions thereof been waived, except pursuant to a written agreement or instrument which has heretofore been delivered to Agent.

5.19 [Intentionally Omitted].

5.20 Swaps.

No Credit Party is a party to, nor will it be a party to, any swap agreement whereby such Credit Party has agreed or will agree to swap interest rates or currencies unless same provides that damages upon termination following an event of default thereunder are payable on an unlimited "two-way basis" without regard to fault on the part of either party.

5.21 Business and Property of Credit Parties.

Upon and after the Closing Date, Credit Parties do not propose to engage in any business other than oil and gas technology and services (including being a provider of gelled LPG fracturing technology in North America) and activities necessary to conduct the foregoing. On the Closing Date, each Credit Party will own all the property and possess all of the rights and Consents necessary for the conduct of the material business of such Credit Party.

5.22 Ineligible Securities.

Credit Parties do not intend to use and shall not use any portion of the proceeds of the Advances, directly or indirectly, to purchase Ineligible Securities being underwritten by a securities Affiliate of Agent or any Lender.

5.23 [Intentionally Omitted].

5.24 Equity Interests.

As at the Closing Date, the authorized and outstanding Equity Interests of each Credit Party, and each legal and beneficial holder thereof (other than with respect to GASFRAC) as of the Closing Date, are as set forth on Schedule 5.24 hereto. All of the Equity Interests of each Credit Party have been duly and validly authorized and issued and are fully paid and non-assessable and have been sold and delivered to the holders hereof in compliance with, or under valid exemption from, all federal and state laws and the rules and regulations of each Governmental Body governing the sale and delivery of securities. Except for the rights and obligations set forth on Schedule 5.24, there are no subscriptions, warrants, options, calls,

commitments, rights or agreement by which any Credit Party or, to the actual knowledge of any Credit Party, any of the holders of any Equity Interest of any Credit Party is bound relating to the issuance, transfer, voting or redemption of shares of its Equity Interests or any pre-emptive rights held by any Person with respect to the Equity Interests of Credit Parties. Except as set forth on Schedule 5.24, Credit Parties have not issued any securities convertible into or exchangeable for shares of its Equity Interests or any options, warrants or other rights to acquire such shares or securities convertible into or exchangeable for such shares.

5.25 Commercial Tort Claims.

No Credit Party has any commercial tort claims except as set forth on Schedule 5.25 hereto, as may be supplemented from time to time.

5.26 Letter of Credit Rights.

As of the Closing Date, no Credit Party has any letter of credit rights except as set forth on Schedule 5.26 hereto.

5.27 Material Contracts.

Schedule 5.27 as may be supplemented from time to time, sets forth all Material Contracts of the Credit Parties. All Material Contracts are in full force and effect in all material respects and no material defaults currently exist thereunder.

5.28 Application of Certain Laws and Regulations.

Neither any Credit Party, any Guarantor nor any of their respective Affiliates is in violation of any Applicable Law that regulates the incurrence of any Indebtedness, including laws, statutes, rules or regulations relative to the sale of electricity, gas, steam, water, telephone, telegraph or other public utility services.

VI. AFFIRMATIVE COVENANTS.

Each Credit Party shall, until payment in full of the Obligations and termination of this Agreement:

6.1 Compliance with Laws.

Comply with all Applicable Laws with respect to the Collateral or any part thereof or to the operation of such Credit Party's business the non-compliance with which could reasonably be expected to have a Material Adverse Effect (except to the extent any separate provision of this Agreement shall expressly require compliance with any particular Applicable Law(s) pursuant to another standard).

6.2 Conduct of Business and Maintenance of Existence and Assets.

(a) Conduct continuously and operate actively its business according to good business practices and maintain all of its properties useful or necessary in its business in good

working order and condition (reasonable wear and tear excepted and except as may be disposed of in accordance with the terms of this Agreement), including all Intellectual Property and take all actions necessary to enforce and protect the validity of any intellectual property right or other right included in the Collateral; (b) keep in full force and effect its existence and comply in all material respects with all Applicable Laws governing the conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect; and (c) make all such reports and pay all such franchise and other taxes and license fees and do all such other acts and things as may be lawfully required to maintain its rights, licenses, leases, powers and franchises under Applicable Laws in all material respects.

6.3 Books and Records.

Keep proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to its business and affairs (including without limitation accruals for taxes, assessments, Charges, levies and claims, allowances against doubtful Receivables and accruals for depreciation, obsolescence or amortization of assets), all in accordance with, or as required by, GAAP consistently applied in the opinion of such independent nationally recognized firm of chartered accountants as shall then be regularly engaged by Credit Parties.

6.4 Payment of Taxes.

Pay, when due, all taxes, assessments and other Charges lawfully levied or assessed upon such Credit Party or any of the Collateral, including real and personal property taxes, assessments and charges and all franchise, income, capital, employment, social security benefits, withholding, and sales taxes unless Properly Contested. If any tax by any Governmental Body is or may be imposed on or as a result of any transaction between any Credit Party and Agent or any Lender which Agent or any Lender may be required to withhold or pay or if any taxes, assessments, or other Charges remain unpaid after the date fixed for their payment, or if any claim shall be made which, in Agent's or any Lender's opinion, may possibly create a valid Lien on the Collateral, Agent may without notice to Credit Parties pay the taxes, assessments or other Charges and each Credit Party hereby indemnifies and holds Agent and each Lender harmless in respect thereof. The amount of any payment by Agent under this Section 6.4 shall be charged to Borrowers' Account as a Revolving Advance maintained as a Base Rate Loan in the applicable currency and added to the Obligations and, until Credit Parties shall furnish Agent with an indemnity therefor (or supply Agent with evidence satisfactory to Agent that due provision for the payment thereof has been made), Agent may hold without interest any balance standing to Credit Parties' credit and Agent shall retain its security interest in and Lien on any and all Collateral held by Agent.

6.5 Financial Covenant.

Fixed Charge Coverage Ratio. Cause to be maintained as of December 31, 2014 and as of the end of each calendar quarter thereafter a Fixed Charge Coverage Ratio of not less than 1.15 to 1.0, measured on a rolling four (4) quarter basis.

6.6 Insurance.

(a) (i) Keep all its insurable properties and properties in which such Credit Party has an interest insured against the hazards of fire, flood, sprinkler leakage, those hazards covered by extended coverage insurance and such other hazards, and for such amounts, as is customary in the case of companies engaged in businesses similar to such Credit Party's including business interruption insurance; (ii) [intentionally omitted]; (iii) maintain public and product liability insurance against claims for personal injury, death or property damage suffered by others; (iv) maintain all such worker's compensation or similar insurance as may be required under the laws of any provinces or states or jurisdiction in which such Credit Party is engaged in business; (vii) [intentionally omitted]; (vi) furnish Agent with (A) copies of all policies and evidence of the maintenance of such policies by the renewal thereof at least 30 days before any expiration date, and (B) appropriate loss payable endorsements in form and substance satisfactory to Agent, naming Agent as an additional insured and mortgagee and/or lender loss payee (as applicable) as its interests may appear with respect to all insurance coverage referred to in clauses (i) and (iii) above, and providing (I) that all proceeds thereunder shall be payable to Agent, (II) no such insurance shall be affected by any act or neglect of the insured or owner of the property described in such policy, and (III) that such policy and loss payable clauses may not be cancelled, amended or terminated unless at least 30 days (10 days for nonpayment) prior written notice is given to Agent. In the event of any loss thereunder, the carriers named therein hereby are directed by Agent and the applicable Credit Party to make payment for such loss to Agent and not to such Credit Party and Agent jointly. If any insurance losses are paid by cheque, draft or other instrument payable to any Credit Party and Agent jointly, Agent may endorse such Credit Party's name thereon and do such other things as Agent may deem advisable to reduce the same to cash.

(b) Each Credit Party shall take all actions required under Flood Laws, if applicable, and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure on any real property, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral, and thereafter maintaining such flood insurance in full force and effect for so long as required by Flood Laws, if applicable.

(c) Agent is hereby authorized to adjust and compromise claims under insurance coverage referred to in Sections 6.6(a)(i) and (iii) and 6.6(b) above. All loss recoveries received by Agent under any such insurance may be applied to the Obligations, in such order as Agent in its sole discretion shall determine. Any surplus shall be paid by Agent to Credit Parties or applied as may be otherwise required by law. Any deficiency thereon shall be paid by Credit Parties to Agent, on demand. If any Credit Party fails to obtain insurance as hereinabove provided, or to keep the same in force, Agent, if Agent so elects, may obtain such insurance and pay the premium therefor on behalf of such Credit Party, which payments shall be charged to Borrowers' Account and constitute part of the Obligations.

6.7 Payment of Indebtedness and Leasehold Obligations.

Pay, discharge or otherwise satisfy (i) at or before maturity (subject, where applicable, to specified grace periods) all its Indebtedness, except when the failure to do so could not reasonably be expected to have a Material Adverse Effect or when the amount or validity thereof

is currently being Properly Contested, subject at all times to any applicable subordination arrangement in favor of Lenders and (ii) when due its rental obligations under all leases under which it is a tenant, and shall otherwise comply, in all material respects, with all other terms of such leases and keep them in full force and effect in all material respects.

6.8 Environmental Matters.

(a) Ensure that the Real Property and all operations and businesses conducted thereon are in compliance and remain in compliance with all Environmental Laws and it shall manage any and all Hazardous Materials on any Real Property in compliance with Environmental Laws.

(b) Establish and maintain an environmental management and compliance system to assure and monitor continued compliance with all applicable Environmental Laws which system shall include periodic environmental compliance audits to be conducted by knowledgeable environmental professionals. All potential violations and violations of Environmental Laws shall be reviewed with legal counsel to determine any required reporting to applicable Governmental Bodies and any required corrective actions to address such potential violations or violations.

(c) Respond promptly to any Hazardous Discharge or Environmental Complaint and take all necessary action in order to safeguard the health of any Person and to avoid subjecting the Collateral or Real Property to any Lien that is not a Permitted Lien. If any Credit Party shall fail to respond promptly to any Hazardous Discharge or Environmental Complaint or any Credit Party shall fail to comply with any of the requirements of any Environmental Laws, Agent on behalf of Lenders may, but without the obligation to do so, for the sole purpose of protecting Agent's interest in the Collateral: (i) give such notices or (ii) enter onto the Real Property (or authorize third parties to enter onto the Real Property) at reasonable times and take such actions as Agent (or such third parties as directed by Agent) deem reasonably necessary or advisable, to remediate, remove, mitigate or otherwise manage with any such Hazardous Discharge or Environmental Complaint. All reasonable costs and expenses incurred by Agent and Lenders (or such third parties) in the exercise of any such rights, including any sums paid in connection with any judicial or administrative investigation or proceedings, fines and penalties, together with interest thereon from the date expended at the Default Rate for Base Rate Loans constituting Revolving Advances in the applicable currency shall be paid upon demand by Credit Parties, and until paid shall be added to and become a part of the Obligations secured by the Liens created by the terms of this Agreement or any other agreement between Agent, any Lender and any Credit Party.

(d) Promptly upon the written request of Agent from time to time, Credit Parties shall provide Agent, at Credit Parties' expense, with an environmental site assessment or environmental compliance audit report prepared by an environmental engineering firm acceptable in the reasonable opinion of Agent, to assess with a reasonable degree of certainty the existence of a Hazardous Discharge and the potential costs in connection with abatement, remediation and removal of any Hazardous Materials found on, under, at or within the Real Property. Any report or investigation of such Hazardous Discharge proposed and acceptable to the responsible Governmental Body shall be acceptable to Agent. If such estimates, individually

or in the aggregate, exceed \$100,000, Agent shall have the right to require Credit Parties to post a bond, letter of credit or other security reasonably satisfactory to Agent to secure payment of these costs and expenses.

6.9 Standards of Financial Statements.

Cause all financial statements referred to in Sections 9.7, 9.8, 9.9, 9.10, 9.11, 9.12, and 9.13 as to which GAAP is applicable to be complete and correct in all material respects (subject, in the case of interim financial statements, to normal year-end audit adjustments) and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as disclosed therein and agreed to by such reporting accountants or officer, as applicable).

6.10 [Intentionally Omitted].

6.11 Execution of Supplemental Instruments.

Execute and deliver to Agent from time to time, upon demand, such supplemental agreements, statements, assignments and transfers, or instructions or documents relating to the Collateral, and such other instruments as Agent may request, in order that the full intent of this Agreement may be carried into effect.

6.12 [Intentionally Omitted].

6.13 Government Receivables.

Take all steps necessary to protect Agent's interest in the Collateral under the Assignment of Crown Debt Restrictions, Federal Assignment of Claims Act, the PPSA, Uniform Commercial Code and all other Applicable Laws and arrange for the execution and delivery to Agent all documents reasonably required by Agent to evidence compliance with such legislation with respect to any Receivable arising out of any contract between any Credit Party and the applicable Governmental Authority.

6.14 [Intentionally Omitted].

6.15 Keepwell.

If it is a Qualified ECP Credit Party, then jointly and severally, together with each other Qualified ECP Credit Party, hereby absolutely unconditionally and irrevocably (a) guarantees the prompt payment and performance of all Swap Obligations owing by each Non-Qualifying Party (it being understood and agreed that this guarantee is a guaranty of payment and not of collection), and (b) undertakes to provide such funds or other support as may be needed from time to time by any Non-Qualifying Party to honor all of such Non-Qualifying Party's obligations under this Agreement or any Other Document in respect of Swap Obligations (provided, however, that each Qualified ECP Credit Party shall only be liable under this Section 6.15 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 6.15, or otherwise under this Agreement or any Other Document, voidable under applicable law, including applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Credit Party under this Section 6.15 shall remain in full force and effect until payment in full of the Obligations and termination of this Agreement and the Other Documents. Each Qualified ECP Credit Party intends that this Section 6.15 constitute, and this Section 6.15 shall be deemed to constitute, a guarantee of the obligations of, and a "keepwell, support, or other agreement" for the benefit of each other Credit Party and Guarantor for all purposes of Section 1a(18(A)(v)(II) of the CEA.

6.16 Post-Closing Matters.

Credit Parties shall deliver to Agent, in form and substance satisfactory to Agent, the items on Schedule 6.16 on or before the dates specified.

VII. NEGATIVE COVENANTS.

No Credit Party shall, until satisfaction in full of the Obligations and termination of this Agreement:

7.1 Amalgamation, Merger, Consolidation, Acquisition and Sale of Assets.

(a) Enter into any amalgamation, merger, consolidation or other reorganization with or into any other Person or acquire all or a substantial portion of the assets or Equity Interests of any Person or permit any other Person to amalgamate with, consolidate with or merge with it, except any Credit Party may amalgamate, merge, consolidate or reorganize with another Credit Party or acquire the assets or Equity Interests of another Credit Party so long as a Credit Party is the surviving entity thereof (but if the transaction involves a Credit Party that is a Borrower, the Borrower must be the surviving entity thereof) and such Credit Party provides Agent with 30 days prior written notice of such amalgamation, merger, consolidation or reorganization and delivers all of the relevant documents evidencing such amalgamation, merger, consolidation or reorganization.

(b) Sell, lease, transfer or otherwise dispose of any of its properties or assets, except (i) (a) the sale of Inventory in the Ordinary Course of Business and (b) the disposition or transfer of obsolete, worn-out, under-utilized, or redundant equipment in the Ordinary Course of Business during any fiscal year having an aggregate fair market value of not more than

\$5,000,000 and only to the extent that (x) the proceeds of any such disposition are used to acquire replacement equipment which is subject to Agent's first priority security interest or (y) the proceeds of which are remitted to Agent to be applied pursuant to Section 2.20 and (ii) any other sales or dispositions expressly permitted by this Agreement.

7.2 Creation of Liens.

Create or suffer to exist any Lien or transfer upon or against any of its property or assets now owned or hereafter created or acquired, except Permitted Encumbrances.

7.3 Guarantees.

Become liable upon the obligations or liabilities of any Person by assumption, endorsement or guaranty thereof or otherwise (other than to Lenders) except (a) as disclosed on Schedule 7.3, (b) guarantees made in the Ordinary Course of Business up to an aggregate amount of \$250,000 (c) guarantees by one or more Credit Parties of the Indebtedness or obligations of any other Credit Party to the extent such Indebtedness or obligations are permitted to be incurred and/or outstanding pursuant to the provisions of this Agreement and (d) the endorsement of checks in the Ordinary Course of Business.

7.4 Investments.

Purchase or acquire obligations or Equity Interests of, or any other interest in, any Person, other than Permitted Investments.

7.5 Loans.

Make advances, loans or extensions of credit to any Person, including any Parent, Subsidiary or Affiliate other than Permitted Loans.

7.6 Capital Expenditures.

Contract for, purchase or make any expenditure or commitments for Capital Expenditures in any fiscal year in an aggregate amount for all Credit Parties in excess of (i) \$4,500,000 for the period from the Closing Date through December 31, 2014 and (ii) \$8,000,000 in any fiscal year thereafter.

7.7 Dividends.

Declare, pay or make any dividend or distribution on any Equity Interests of any Credit Party (other than dividends or distributions payable in its stock, or split-ups or reclassifications of its stock and dividends paid to GASFRAC directly or indirectly by its Subsidiaries in accordance with Applicable Law) or apply any of its funds, property or assets to the purchase, redemption or other retirement of any Equity Interest, or of any options to purchase or acquire any Equity Interest of any Credit Party.

7.8 Indebtedness.

Create, incur, assume or suffer to exist any Indebtedness other than Permitted Indebtedness.

7.9 Nature of Business.

Substantially change the nature of the business in which it is presently engaged, nor except as specifically permitted hereby purchase or invest, directly or indirectly, in any assets or property other than in the Ordinary Course of Business for assets or property which are useful in, necessary for and are to be used in its business as presently conducted.

7.10 Transactions with Affiliates.

Directly or indirectly, purchase, acquire or lease any property from, or sell, transfer or lease any property to, or otherwise enter into any transaction or deal with, any Affiliate, except for (i) transactions among Credit Parties which are not expressly prohibited by the terms of this Agreement and which are in the Ordinary Course of Business, (ii) payment by Credit Parties of dividends and distributions permitted under Section 7.7 hereof, (iii) transactions disclosed to Agent in writing, which are in the Ordinary Course of Business, on an arm's-length basis on terms and conditions no less favorable than terms and conditions which would have been obtainable from a Person other than an Affiliate; and (iv) if no Default or Event of Default exists or would be caused by the payment, regularly scheduled payments of principal and interest as provided in the Loan Agreement between GASFRAC Luxembourg and GASFRAC Holdings as exists on the Closing Date, in the Ordinary Course of Business, by a US Credit Party to GASFRAC Luxembourg if within five days of receipt GASFRAC Luxembourg transfers all of such payments to a Canadian Credit Party.

7.11 Leases.

Enter as lessee into any lease arrangement for real or personal property (unless capitalized and permitted under Section 7.6 hereof) if after giving effect thereto, aggregate annual rental payments for all leased property would exceed \$5,014,196 in any one fiscal year in the aggregate for all Credit Parties. This number was derived in accordance with the calculation attached as Schedule 7.11.

7.12 Subsidiaries.

(a) Form any Subsidiary unless such Subsidiary (i) is not a Foreign Subsidiary, (ii) at Agent's discretion, (x) expressly joins in this Agreement as a Borrower and becomes jointly and severally liable for the Obligations and all other obligations under any other agreement between any Credit Party and Lenders, or (y) becomes a Guarantor with respect to the Obligations and executes a Guarantor Security Agreement in favor of Agent, and (iii) Agent shall have received all documents, including without limitation, legal opinions and appraisals it may reasonably require to establish compliance with each of the foregoing conditions in connection therewith.

(b) Enter into any partnership, joint venture or similar arrangement.

7.13 Fiscal Year and Accounting Changes.

Change its fiscal year from December 31 or make any change (i) in accounting treatment and reporting practices except as required by GAAP or (ii) in tax reporting treatment except as required by law.

7.14 Pledge of Credit.

Now or hereafter pledge Agent's or any Lender's credit on any purchases, commitments or contracts or for any purpose whatsoever or use any portion of any Advance in or for any business other than Credit Parties' business operations as conducted on the Closing Date.

7.15 Amendment of Organizational Documents.

(i) Change its legal name, (ii) change its form of legal entity (e.g., converting from a corporation to a unlimited liability company or vice versa), (iii) change its jurisdiction of organization or become (or attempt or purport to become) organized in more than one jurisdiction, or (iv) otherwise amend, modify or waive any term or material provision of its Organizational Documents unless required by law, in any such case without (x) giving at least thirty (30) days prior written notice of such intended change to Agent, (y) having received from Agent confirmation that Agent has taken all steps necessary for Agent to continue the perfection of and protect the enforceability and priority of its Liens in the Collateral belonging to such Credit Party and in the Equity Interests of such Credit Party and (z) in any case under clause (iv), having received the prior written consent of Agent and Required Lenders to such amendment, modification or waiver.

7.16 Canadian Pension Plans, Canadian Benefit Plans, Compliance with ERISA.

(a) (i) Permit its unfunded pension fund obligations and liabilities under any Canadian Pension Plan to remain unfunded other than in accordance with Applicable Law; (ii) terminate or wind-up or cause to be terminated or wound-up any Canadian Pension Plan or take any action for the purpose of effecting the foregoing, if such plan would have a solvency or wind-up deficiency on termination or wind-up, or (iii) establish, maintain, sponsor, administer, contribute to, participate in or assume or incur any liability in respect of any Canadian Defined Benefit Pension Plan, or (iv) acquire an interest in or amalgamate with any Person if such Person maintains, sponsors, administers, contributes to, participates in or has any liability or obligation in respect of, any Canadian Defined Benefit Pension Plan.

(b) For each existing, or hereafter adopted, Canadian Pension Plan and Canadian Benefit Plan, each Credit Party and Guarantor shall in a timely fashion comply with and perform in all material respects all of its obligations under and in respect of such Canadian Pension Plan or Canadian Benefit Plan and all Applicable Laws (including any fiduciary, funding, investment and administration obligations). All employer or employee payments, contributions, withholdings or premiums required to be remitted, paid to or in respect of each Canadian Pension Plan, Canadian Benefit Plan and Statutory Plan shall be paid or remitted by each Credit Party and each Guarantor in a timely fashion in accordance with the terms thereof, any funding agreements and all Applicable Laws. Notice of the occurrence of any Canadian Pension Termination Event shall be promptly given to the Agent.

(c) (i) (x) Maintain, or permit any member of the Controlled Group to maintain, or (y) become obligated to contribute, or permit any member of the Controlled Group to become obligated to contribute, to any US Plan, other than those US Plans disclosed on Schedule 5.8(d), (ii) engage, or permit any member of the Controlled Group to engage, in any non-exempt "prohibited transaction", as that term is defined in Section 406 of ERISA or Section 4975 of US Tax Code, (iii) terminate, or permit any member of the Controlled Group to terminate, any US Plan where such event could result in any liability of any Credit Party or any member of the Controlled Group or the imposition of a lien on the property of any Credit Party or any member of the Controlled Group pursuant to Section 4068 of ERISA, (iv) incur, or permit any member of the Controlled Group to incur, any withdrawal liability to any Multiemployer Plan; (v) fail promptly to notify Agent of the occurrence of any ERISA Termination Event, (vi) fail to comply, or permit a member of the Controlled Group to fail to comply, with the requirements of ERISA or US Tax Code or other Applicable Laws in respect of any US Plan, (vii) fail to meet, permit any member of the Controlled Group to fail to meet, or permit any US Plan to fail to meet all minimum funding requirements under ERISA and US Tax Code, without regard to any waivers or variances, or postpone or delay or allow any member of the Controlled Group to postpone or delay any funding requirement with respect of any US Plan, or (viii) cause, or permit any member of the Controlled Group to cause, a representation or warranty in Section 5.8(d) to cease to be true and correct.

7.17 Prepayment of Indebtedness.

At any time, directly or indirectly, prepay any Indebtedness (other than to Lenders, to another Loan Party, or if no Default exists or would be caused thereby, up to an additional \$500,000 in the aggregate per fiscal year of the Credit Parties to prepay capital lease obligations), or repurchase, redeem, retire or otherwise acquire any Indebtedness of any Credit Party, except for Permitted Subordinated Debenture Redemptions.

7.18 Subordinated Debt.

At any time, directly or indirectly, pay, prepay, repurchase, redeem, retire or otherwise acquire, or make any payment on account of any principal of, interest on or premium payable in connection with the repayment or redemption of the Subordinated Debt, except for Permitted Subordinated Debenture Redemptions.

7.19 Other Agreements.

Enter into any amendment, waiver or modification of the Subordinated Debt Documents or any related agreements.

7.20 Membership/Partnership Interests.

Permit any of their Subsidiaries formed under the laws of the United States to (a) treat their limited liability company membership interests or partnership interests, as the case may be, as securities as contemplated by the definition of "security" in Section 8-102(15) and by Section 8-103 of Article 8 of the Uniform Commercial Code or (b) certificate their limited liability membership interests or partnership interests, as applicable.

VIII. CONDITIONS PRECEDENT.

8.1 Conditions to Initial Advances.

The agreement of Lenders to make the initial Advances requested to be made on the Closing Date is subject to the satisfaction, or waiver by Agent, immediately prior to or concurrently with the making of such Advances, of the following conditions precedent:

(a) Note. Agent shall have received the Note duly executed and delivered by an authorized officer of each Credit Party;

(b) Other Documents. Agent shall have received each of the executed Other Documents, as applicable;

(c) [Intentionally Omitted.]

(d) [Intentionally Omitted.];

(e) [Intentionally Omitted.];

(f) [Intentionally Omitted.];

(g) Financial Condition Certificates. Agent shall have received an executed Financial Condition Certificate in the form of Exhibit 8.1(g) from each Credit Party.

(h) Closing Certificate. Agent shall have received a closing certificate signed by the Chief Executive Officer or Chief Financial Officer of each Credit Party dated as of the date hereof, stating that (i) all representations and warranties set forth in this Agreement and the Other Documents are true and correct on and as of such date, and (ii) on such date no Default or Event of Default has occurred or is continuing;

(i) Borrowing Base. Agent shall have received evidence from Borrowers that the aggregate amount of the Formula Amount is sufficient in value and amount to support Advances in the amount requested by Borrowers on the Closing Date;

(j) Undrawn Availability. After giving effect to the initial Advances hereunder, Borrowers shall have Undrawn Availability of at least \$10,000,000;

(k) [Intentionally Omitted.];

(l) Blocked Accounts. Credit Parties shall have opened the Depository Accounts with Agent or Agent shall have received duly executed agreements establishing the Blocked Accounts with financial institutions acceptable to Agent for the collection or servicing of the Receivables and proceeds of the Collateral and Agent shall have entered into blocked account or control agreements with the applicable financial institutions in form and substance satisfactory to Agent with respect to such Blocked Accounts;

(m) Subordinated Debt Documents. Agent shall have received final executed copies of the Subordinated Debt Documents, and all related agreements, documents and instruments as in effect on the Closing Date;

(n) Filings, Registrations and Recordings. Each document (including any PPSA or Uniform Commercial Code financing statement) required by this Agreement, any related agreement or under law or reasonably requested by Agent to be filed, registered or recorded in order to create, in favor of Agent, a perfected security interest in or lien upon the Collateral shall have been properly filed, registered or recorded in each jurisdiction in which the filing, registration or recordation thereof is so required or requested, and Agent shall have received an acknowledgment copy, or other evidence satisfactory to it, of each such filing, registration or recordation and satisfactory evidence of the payment of any necessary fee, tax or expense relating thereto;

(o) Lien Waiver Agreements. Agent shall have received Lien Waiver Agreements with respect to all locations or places at which Inventory, equipment and books and records are located (or Agent shall agree otherwise in its sole discretion, including after establishing reserves against the Formula Amount with respect thereto as Agent shall deem appropriate in its sole discretion);

(p) Secretary's Certificates, Authorizing Resolutions and Good Standings of Credit Parties. Agent shall have received a certificate of the Secretary or Assistant Secretary (or other equivalent officer, partner or manager) of each Credit Party in form and substance satisfactory to Agent dated as of the Closing Date which shall certify (i) copies of resolutions in form and substance reasonably satisfactory to Agent, of the board of directors (or other equivalent governing body, member or partner) of such Credit Party authorizing (x) the execution, delivery and performance of this Agreement, the Notes and each Other Document to which such Credit Party is a party (including authorization of the incurrence of indebtedness, borrowing of Revolving Advances and Swing Loans and requesting of Letters of Credit on a joint and several basis with all Credit Parties as provided for herein), and (y) the granting by such Credit Party of the security interests in and liens upon the Collateral to secure all of the joint and several Obligations of Credit Parties (and such certificate shall state that such resolutions have not been amended, modified, revoked or rescinded as of the date of such certificate), (ii) the incumbency and signature of the officers of such Credit Party authorized to execute this Agreement and the Other Documents, (iii) copies of the Organizational Documents of such Credit Party as in effect on such date, complete with all amendments thereto, and (iv) the status, compliance or good standing (or equivalent status) of such Credit Party in its jurisdiction of organization and each applicable jurisdiction where the conduct of such Credit Party's business activities or the ownership of its properties necessitates qualification, as evidenced by certificate(s) of status, compliance or good standing, as applicable, (or the equivalent thereof issued by any applicable jurisdiction) dated not more than 30 days prior to the Closing Date, issued by the appropriate official of each such jurisdiction;

(q) Secretary's Certificates, Authorizing Resolutions and Good Standings of Guarantors. Agent shall have received a certificate of the Secretary or Assistant Secretary (or other equivalent officer, partner or manager) of each Guarantor in form and substance satisfactory to Agent dated as of the Closing Date which shall certify (i) copies of resolutions in

form and substance reasonably satisfactory to Agent, of the board of directors (or other equivalent governing body, member or partner) of each Guarantor authorizing (x) the execution, delivery and performance of such Guarantor's Guarantee and each Other Loan Document to which such Guarantor is a party and (y) the granting by such Guarantor of the security interests in and liens upon the Collateral to secure its obligations under its Guarantee (and such certificate shall state that such resolutions have not been amended, modified, revoked or rescinded as of the date of such certificate), (ii) the incumbency and signature of the officers of such Guarantor authorized to execute this Agreement and the Other Documents, (iii) copies of the Organizational Documents of such Guarantor as in effect on such date, complete with all amendments thereto, and (iv) the status, compliance or good standing (or equivalent status) of such Guarantor in its jurisdiction of organization and each applicable jurisdiction where the conduct of such Guarantor's business activities or the ownership of its properties necessitates qualification, as evidenced by certificate(s) of status, compliance or good standing, as applicable, (or the equivalent thereof issued by any applicable jurisdiction) dated not more than 30 days prior to the Closing Date, issued by the appropriate official of each such jurisdiction;

(r) Legal Opinion. Agent shall have received the executed legal opinion of Credit Parties' counsel in form and substance reasonably satisfactory to Agent which shall cover such matters incident to the transactions contemplated by this Agreement, the Notes, the Other Documents, and related agreements as Agent may reasonably require and each Credit Party hereby authorizes and directs such counsel to deliver such opinions to Agent and Lenders;

(s) No Litigation. No litigation, investigation or proceeding before or by any arbitrator or Governmental Body shall be continuing or threatened against any Credit Party or against the officers or directors of any Credit Party (A) in connection with this Agreement, the Other Documents, the Subordinated Debt Documents or any of the transactions contemplated thereby and which, in the reasonable opinion of Agent, is deemed material or (B) which could, in the reasonable opinion of Agent, have a Material Adverse Effect; and (ii) no injunction, writ, restraining order or other order of any nature materially adverse to any Credit Party or the conduct of its business or inconsistent with the due consummation of the Transactions shall have been issued by any Governmental Body;

(t) Collateral Examination. Agent shall have completed Collateral examinations and received appraisals, the results of which shall be satisfactory in form and substance to Agent, of the Receivables, Inventory, general intangibles, and equipment of each Credit Party and all books and records in connection therewith;

(u) Fees. Agent shall have received all fees payable to Agent and Lenders on or prior to the Closing Date hereunder, including pursuant to Article III hereof;

(v) Projections. Agent shall have received a copy of the Projections which shall be satisfactory in all respects to Agent;

(w) Insurance. Agent shall have received in form and substance satisfactory to Agent, (i) evidence that adequate insurance, including without limitation, casualty and liability insurance, required to be maintained under this Agreement is in full force and effect, (ii) insurance certificates issued by Credit Parties' insurance broker containing such information

regarding Credit Parties' casualty and liability insurance policies as Agent shall request and naming Agent as an additional insured, lenders loss payee and/or mortgagee, as applicable, and (iii) loss payable endorsements issued by Credit Parties' insurer naming Agent as lenders loss payee and mortgagee, as applicable;

(x) Flood Insurance. Evidence that adequate flood insurance required to be maintained under this Agreement with respect to Real Property located in the United States is in full force and effect, with additional insured, mortgagee and lender loss payable special endorsements attached thereto in form and substance satisfactory to Agent and its counsel, and evidence that Credit Parties have taken all actions required under the Flood Laws and/or requested by Agent to assist in ensuring that each Lender is in compliance with the Flood Laws applicable to the Collateral, including, but not limited to, providing Agent with the address and/or GPS coordinates of each structure on any Real Property, and, to the extent required, obtaining flood insurance for such property, structures and contents prior to such property, structures and contents becoming Collateral;

(y) Payment Instructions. Agent shall have received written instructions from Borrowing Agent directing the application of proceeds of the initial Advances made pursuant to this Agreement;

(z) Consents. Agent shall have received any and all Consents necessary to permit the effectuation of the transactions contemplated by this Agreement and the Other Documents;

(aa) No Adverse Material Change. (i) Since December 31, 2013, there shall not have occurred any event, condition or state of facts which could reasonably be expected to have a Material Adverse Effect and (ii) no representations made or information supplied to Agent or Lenders shall have been proven to be inaccurate or misleading in any material respect;

(bb) Contract Review. Agent shall have received and reviewed all Material Contracts of Credit Parties including the convertible subordinated bonds, leases, union contracts, labor contracts, vendor supply contracts, license agreements and distributorship agreements as requested by the Agent and such contracts and agreements shall be satisfactory in all respects to Agent;

(cc) Compliance with Laws. Agent shall be reasonably satisfied that each Credit Party is in compliance with all Applicable Laws including Environmental Laws and Anti-Terrorism Laws; and

(dd) Other. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the Transactions shall be satisfactory in form and substance to Agent and its counsel.

8.2 Conditions to Each Advance.

The agreement of Lenders to make any Advance requested to be made on any date (including the initial Advance), is subject to the satisfaction of the following conditions precedent as of the date such Advance is made:

(a) Representations and Warranties. Each of the representations and warranties made by any Credit Party in or pursuant to this Agreement, the Other Documents and any related agreements to which it is a party, and each of the representations and warranties contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement, the Other Documents or any related agreement shall be true and correct in all respects on and as of such date as if made on and as of such date (except to the extent any such representation or warranty expressly relates only to any earlier and/or specified date);

(b) No Default. No Event of Default or Default shall have occurred and be continuing on such date, or would exist after giving effect to the Advances requested to be made, on such date; provided, however that Agent, in its sole discretion, may continue to make Advances notwithstanding the existence of an Event of Default or Default and that any Advances so made shall not be deemed a waiver of any such Event of Default or Default; and

(c) Maximum Advances. In the case of any type of Advance requested to be made, after giving effect thereto, the aggregate amount of such type of Advance shall not exceed the maximum amount of such type of Advance permitted under this Agreement.

Each request for an Advance by any Borrower hereunder shall constitute a representation and warranty by each Credit Party as of the date of such Advance that the conditions contained in this subsection shall have been satisfied.

IX. INFORMATION AS TO CREDIT PARTIES.

Each Credit Party shall, or (except with respect to Section 9.11) shall cause Borrowing Agent on its behalf to, until satisfaction in full of the Obligations and the termination of this Agreement:

9.1 Disclosure of Material Matters.

Immediately upon learning thereof, report to Agent all matters materially affecting the value, enforceability or collectability of any portion of the Collateral, including any Credit Party's reclamation or repossession of, or the return to any Credit Party of, a material amount of goods or claims or disputes asserted by any Customer or other obligor.

9.2 Schedules.

Deliver to Agent (i) on or before the 15th day of each month as and for the prior month (a) accounts receivable agings inclusive of reconciliations to the general ledger, (b) accounts payable schedules inclusive of reconciliations to the general ledger, (c) Inventory reports (including perpetual inventory listings and appropriate mark to market costing information and the current selling price for each category of Inventory), Equipment reports (including details of all disposals and additions and equipment locations), (d) a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the last day of the prior month and which shall not be binding upon Agent or restrictive of Agent's rights under this Agreement), and (e) a copy of the "management monthly financial reporting package," which must include equipment utilization information and sales and margins by customer, and (ii) on or

before Tuesday of each week, a Borrowing Base Certificate in form and substance satisfactory to Agent (which shall be calculated as of the preceding Friday, which shall not be binding on Agent or restrictive of Agent's rights under this Agreement, and which shall include sales report roll forward from the prior week, sales journals, and credit listing). In addition, each Credit Party will deliver to Agent at such intervals as Agent may require: (i) confirmatory assignment schedules; (ii) copies of Customer's invoices; (iii) evidence of shipment or delivery; and (iv) such further schedules, documents and/or information regarding the Collateral as Agent may require including trial balances and test verifications. Agent shall have the right to confirm and verify all Receivables by any manner and through any medium it considers advisable and do whatever it may deem reasonably necessary to protect its interests hereunder. The items to be provided under this Section are to be in form satisfactory to Agent and executed by each Credit Party and delivered to Agent from time to time solely for Agent's convenience in maintaining records of the Collateral, and any Credit Party's failure to deliver any of such items to Agent shall not affect, terminate, modify or otherwise limit Agent's Lien with respect to the Collateral. Unless otherwise agreed to by Agent, the items to be provided under this Section 9.2 shall be delivered to Agent by the specific method of Approved Electronic Communication designated by Agent.

9.3 Environmental Reports.

(a) Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7 and 9.8, with a certificate signed by either the Chief Executive Officer or Chief Financial Officer of Borrowing Agent stating, to his knowledge after due inquiry, that each Credit Party is in compliance in all material respects with all applicable Environmental Laws. To the extent any Credit Party is not in compliance with the foregoing laws, the certificate shall set forth with specificity all areas of non-compliance and the proposed action such Credit Party will implement in order to achieve full compliance.

(b) In the event any Credit Party obtains, gives or receives notice of any Release or threat of Release of a reportable quantity of any Hazardous Materials at the Real Property (any such event being hereinafter referred to as a "Hazardous Discharge") or receives any notice of violation, request for information or notification that it is potentially responsible for investigation or cleanup of environmental conditions at the Real Property, demand letter or complaint, order, citation, or other written notice with regard to any Hazardous Discharge or violation of Environmental Laws affecting the Real Property or any Credit Party's interest therein or the operations or the business (any of the foregoing is referred to herein as an "Environmental Complaint") from any Person, including any Governmental Body, then Borrowing Agent shall, within five (5) Business Days, give written notice of same to Agent detailing facts and circumstances of which any Credit Party is aware giving rise to the Hazardous Discharge or Environmental Complaint. Such information is to be provided to allow Agent to protect its security interest in and Lien on the Collateral and is not intended to create nor shall it create any obligation upon Agent or any Lender with respect thereto.

(c) Borrowing Agent shall promptly forward to Agent copies of any request for information, notification of potential liability, demand letter relating to potential responsibility with respect to the investigation or cleanup of Hazardous Materials at any other site owned, operated or used by any Credit Party to manage of Hazardous Materials and shall

continue to forward copies of correspondence between any Credit Party and the Governmental Body regarding such claims to Agent until the claim is settled. Borrowing Agent shall promptly forward to Agent copies of all documents and reports concerning a Hazardous Discharge or Environmental Complaint at the Real Property, operations or business that any Credit Party is required to file under any Environmental Laws. Such information is to be provided solely to allow Agent to protect Agent's security interest in and Lien on the Collateral.

9.4 Litigation.

Promptly notify Agent in writing of any claim, litigation, suit or administrative proceeding affecting any Credit Party or any Guarantor whether or not the claim is covered by insurance, and of any litigation, suit or administrative proceeding, which in any such case affects the Collateral or which could reasonably be expected to have a Material Adverse Effect.

9.5 Material Occurrences.

Immediately notify Agent in writing upon the occurrence of: (a) any Event of Default or Default; (b) any event of default under the Subordinated Debt Documents; (c) any event which with the giving of notice or lapse of time, or both, would constitute an event of default under the Subordinated Debt Documents; (d) any event, development or circumstance whereby any financial statements or other reports furnished to Agent fail in any material respect to present fairly, in accordance with GAAP consistently applied, the financial condition or operating results of any Credit Party as of the date of such statements; (e) any potential or actual solvency or wind-up deficiency under any Canadian Defined Benefit Pension Plan or the occurrence of events that could reasonably be expected to give rise thereto; (f) any accumulated retirement plan funding deficiency which, if such deficiency continued for two plan years and was not corrected as provided in Section 4971 of US Tax Code, the *Income Tax Act* (Canada), or other Applicable Law could subject any Subsidiary of any Credit Party to a tax imposed by Section 4971 of US Tax Code, the *Income Tax Act* (Canada), or other Applicable Law; (g) each and every default by any Credit Party which might result in the acceleration of the maturity of any Indebtedness, including the names and addresses of the holders of such Indebtedness with respect to which there is a default existing or with respect to which the maturity has been or could be accelerated, and the amount of such Indebtedness; and (h) any other development in the business or affairs of any Credit Party or Guarantor, which could reasonably be expected to have a Material Adverse Effect; in each case describing the nature thereof and the action Credit Parties propose to take with respect thereto.

9.6 Government Receivables.

Notify Agent immediately if any of its Receivables arise out of contracts between any Credit Party and any Governmental Body to which the Assignment of Crown Debt Restrictions or the federal Assignment of Claims Act are applicable.

9.7 Annual Financial Statements.

Furnish Agent and Lenders within 90 days after the end of each fiscal year of GASFRAC, audited financial statements of Credit Parties and their Subsidiaries on a consolidating and consolidated basis including, but not limited to, statements of income and

stockholders' equity and cash flow from the beginning of the current fiscal year to the end of such fiscal year and the balance sheet as at the end of such fiscal year, all prepared in accordance with GAAP applied on a basis consistent with prior practices, and in reasonable detail and reported upon without qualification by an independent nationally recognized firm of chartered accountants selected by Credit Parties and reasonably satisfactory to Agent (the "Accountants"). The report of the Accountants shall be accompanied by a Compliance Certificate.

9.8 [Intentionally Omitted].

9.9 Monthly Financial Statements.

Furnish Agent and Lenders within thirty (30) days after the end of each month which shall be delivered in accordance with Sections 9.7 and 9.8 as applicable), an unaudited balance sheet of Credit Parties and their Subsidiaries on a consolidated basis and unaudited statements of income and stockholders' equity and cash flow of Credit Parties and their Subsidiaries on a consolidated basis reflecting results of operations from the beginning of the fiscal year to the end of such month and for such month, prepared on a basis consistent with prior practices and complete and correct in all material respects, subject to normal and recurring year-end adjustments that individually and in the aggregate are not material to Credit Parties' business operations and setting forth in comparative form the respective financial statements for the corresponding date and period in the previous fiscal year. The reports shall be accompanied by a Compliance Certificate.

9.10 Other Reports.

Furnish Agent as soon as available, but in any event within ten (10) days after the issuance thereof, (i) with copies of such financial statements, reports and returns as each Credit Party shall send to its stockholders and (ii) copies of all notices, reports, financial statements and other materials sent pursuant to the Subordinated Debt Documents.

9.11 Additional Information.

Furnish Agent with such additional information as Agent shall reasonably request in order to enable Agent to determine whether the terms, covenants, provisions and conditions of this Agreement and the Other Documents have been complied with by Credit Parties including, without the necessity of any request by Agent, (a) copies of all environmental audits and reviews, (b) at least thirty (30) days prior thereto, notice of any Credit Party's opening of any new office or place of business or any Credit Party's closing of any existing office or place of business, and (c) promptly upon any Credit Party's learning thereof, notice of any labor dispute to which any Credit Party may become a party, any strikes or walkouts relating to any of its plants or other facilities, and the expiration of any labor contract to which any Credit Party is a party or by which any Credit Party is bound.

9.12 Projected Operating Budget.

Furnish Agent and Lenders, no later than December 31 of each Borrower's fiscal years commencing with fiscal year 2014, a month by month projected operating budget and cash flow of Credit Parties and their Subsidiaries on a consolidated and consolidating basis for such fiscal

year (including an income statement for each month and a balance sheet as at the end of the last month in each fiscal quarter), such projections to be accompanied by a certificate signed by the Chief Executive Officer or Chief Financial Officer of GASFRAC to the effect that such projections have been prepared on the basis consistent with past budgets and financial statements based upon underlying assumptions which provide a reasonable basis for such projections, it being understood such projections ultimately may prove not to have been accurate.

9.13 Variances From Operating Budget.

Furnish Agent, concurrently with the delivery of the financial statements referred to in Sections 9.7, 9.8, and 9.9, a written report summarizing all material variances from budgets submitted by Credit Parties pursuant to Section 9.12 and a discussion and analysis by management with respect to such variances.

9.14 Notice of Suits, Adverse Events.

Furnish Agent with prompt written notice of (i) any lapse or other termination of any Consent issued to any Credit Party or any Guarantor by any Governmental Body or any other Person that is material to the operation of any Credit Party's or any Guarantor's business, (ii) any refusal by any Governmental Body or any other Person to renew or extend any such Consent; and (iii) copies of any periodic or special reports filed by any Credit Party or any Guarantor with any Governmental Body or Person, if such reports indicate any material adverse change in the business, operations, affairs or condition of any Credit Party, or if copies thereof are requested by Lender, and (iv) copies of any material notices and other communications from any Governmental Body or Person which specifically relate to any Credit Party or any Guarantor.

9.15 Canadian Pension Plan and ERISA Notices and Requests.

(a) Promptly after any Credit Party knows or has reason to know of the occurrence of (i) any violation or asserted violation of any Applicable Law (including any applicable pension benefits legislation) in any material respect with respect to any Canadian Pension Plan of any Canadian Credit Party or; (ii) the occurrence of any Canadian Pension Termination Event, the applicable Credit Party will deliver to the Agent a certificate of a senior officer of the applicable Credit Party setting forth details as to such occurrence and the action, if any, that such Canadian Credit Party, or their respective Affiliates are required or proposes to take, together with any notices (required, proposed or otherwise) given to or filed with or by such Person, The Financial Services Commission of Alberta or like body, a Canadian Pension Plan participant (other than notices relating to an individual participant's benefits) or the Canadian Pension Plan administrator with respect thereto.

(b) Furnish Agent with immediate written notice in the event that (i) any Credit Party or any member of the Controlled Group knows or has reason to know that a ERISA Termination Event has occurred, together with a written statement describing such ERISA Termination Event and the action, if any, which such Credit Party or any member of the Controlled Group has taken, is taking, or proposes to take with respect thereto and, when known, any action taken or threatened by the Internal Revenue Service, Department of Labor or US PBGC with respect thereto, (ii) any Credit Party or any member of the Controlled Group knows

or has reason to know that a prohibited transaction (as defined in Sections 406 of ERISA and 4975 of US Tax Code) has occurred together with a written statement describing such transaction and the action which such Credit Party or any member of the Controlled Group has taken, is taking or proposes to take with respect thereto, (iii) a funding waiver request has been filed with respect to any US Plan together with all communications received by any Credit Party or any member of the Controlled Group with respect to such request, (iv) any increase in the benefits of any existing US Plan or the establishment of any new US Plan or the commencement of contributions to any US Plan to which any Credit Party or any member of the Controlled Group was not previously contributing shall occur, (v) any Credit Party or any member of the Controlled Group shall receive from the US PBGC a notice of intention to terminate a US Plan or to have a trustee appointed to administer a US Plan, together with copies of each such notice, (vi) any Credit Party or any member of the Controlled Group shall receive any favorable or unfavorable determination letter from the Internal Revenue Service regarding the qualification of a US Plan under Section 401(a) of US Tax Code, together with copies of each such letter; (vii) any Credit Party or any member of the Controlled Group shall receive a notice regarding the imposition of withdrawal liability, together with copies of each such notice; (viii) any Credit Party or any member of the Controlled Group shall fail to make a required installment or any other required payment under US Tax Code or ERISA on or before the due date for such installment or payment; or (ix) any Credit Party or any member of the Controlled Group knows that (a) a Multiemployer Plan has been terminated, (b) the administrator or plan sponsor of a Multiemployer Plan intends to terminate a Multiemployer Plan, (c) the US PBGC has instituted or will institute proceedings under Section 4042 of ERISA to terminate a Multiemployer Plan or (d) a Multiemployer Plan is subject to Section 432 of US Tax Code or Section 305 of ERISA.

9.16 Additional Documents.

Excute and deliver to Agent, upon request, such documents and agreements as Agent may, from time to time, reasonably request to carry out the purposes, terms or conditions of this Agreement.

9.17 Updates to Certain Schedules.

Deliver to Agent promptly as shall be required to maintain the related representations and warranties as true and correct, updates to Schedules 4.4 (Locations of equipment and Inventory), 5.9 (Intellectual Property, Source Code Escrow Agreements), 5.24 (Equity Interests), 5.25 (Commercial Tort Claims), and 5.26 (Letter-of-Credit Rights); provided, that absent the occurrence and continuance of any Event of Default, Credit Parties shall only be required to provide such updates on a monthly basis in connection with delivery of a Compliance Certificate with respect to the applicable month. Any such updated Schedules delivered by Credit Parties to Agent in accordance with this Section 9.17 shall automatically and immediately be deemed to amend and restate the prior version of such Schedule previously delivered to Agent and attached to and made part of this Agreement.

9.18 Financial Disclosure.

Each Credit Party hereby irrevocably authorizes and directs all accountants and auditors employed by such Credit Party at any time during the Term to exhibit and deliver to Agent and

each Lender copies of any of such Credit Party's financial statements, trial balances or other accounting records of any sort in the accountant's or auditor's possession, and to disclose to Agent and each Lender any information such accountants may have concerning such Credit Party's financial status and business operations. Each Credit Party hereby authorizes all Governmental Bodies to furnish to Agent and each Lender copies of reports or examinations relating to such Credit Party, whether made by such Credit Party or otherwise; however, Agent and each Lender will attempt to obtain such information or materials directly from such Credit Party prior to obtaining such information or materials from such accountants or Governmental Bodies and agree to maintain the confidentiality thereof in accordance with the terms of this Agreement.

X. EVENTS OF DEFAULT.

The occurrence of any one or more of the following events shall constitute an "Event of Default":

10.1 Nonpayment.

Failure by any Credit Party to pay when due (a) any principal or interest on the Obligations (including without limitation pursuant to Section 2.9), or (b) any other fee, charge, amount or liability provided for herein or in any Other Document, in each case whether at maturity, by reason of acceleration pursuant to the terms of this Agreement, by notice of intention to prepay or by required prepayment.

10.2 Breach of Representation.

Any representation or warranty made or deemed made by any Credit Party or any Guarantor in this Agreement, any Other Document or any related agreement or in any certificate, document or financial or other statement furnished at any time in connection herewith or therewith shall prove to have been incorrect or misleading in any material respect on the date when made or deemed to have been made;

10.3 Financial Information.

Failure by any Credit Party or any Guarantor to (i) furnish financial information when due or when requested, or (ii) permit the inspection of its books or records or access to its premises for audits and appraisals in accordance with the terms hereof;

10.4 Judicial Actions.

Issuance of a notice of Lien, levy, assessment, injunction, attachment or execution (a) against any Credit Party's or any Guarantor's Inventory or Receivables or (b) against a material portion of any Credit Party's or any Guarantor's other property;

10.5 Noncompliance.

Except as otherwise provided for in Sections 10.1, 10.3 and 10.5(ii), (i) failure or neglect of any Credit Party, any Guarantor, or any Person to perform, keep or observe any term,

provision, condition, covenant herein contained, or contained in any Other Document or any other agreement or arrangement, now or hereafter entered into between any Credit Party or such Person, and Agent or any Lender, or (ii) failure or neglect of any Credit Party to perform, keep or observe any term, provision, condition or covenant, contained in Sections 4.5, 6.1, 6.3, 6.11, 6.13, 9.4 or 9.6 hereof which is not cured within fifteen (15) days from the occurrence of such failure or neglect;

10.6 Judgments.

Any (a) judgment or judgments, writ(s), order(s) or decree(s) for the payment of money are rendered against any Credit Party or any Guarantor for an aggregate amount in excess of \$500,000 or against all Credit Parties and all Guarantors for an aggregate amount in excess of \$500,000 and (b) (i) action shall be legally taken by any judgment creditor to levy upon assets or properties of any Credit Party or any Guarantor to enforce any such judgment, (ii) such judgment shall remain undischarged for a period of thirty (30) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, shall not be in effect, or (iii) any Liens arising by virtue of the rendition, entry or issuance of such judgment upon assets or properties of any Credit Party or any Guarantor shall be senior to any Liens in favor of Agent on such assets or properties;

10.7 Insolvency.

Any Credit Party or any Guarantor any Subsidiary or Affiliate of any Credit Party or any Guarantor shall (i) apply for, consent to or suffer the appointment of, or the taking of possession by, a receiver, receiver-manager, custodian, trustee, liquidator, monitor or similar fiduciary of itself or of all or a substantial part of its property, (ii) admit in writing its inability, or be generally unable, to pay its debts as they become due or cease operations of its present business, (iii) make a general assignment for the benefit of creditors, (iv) commence a voluntary case under any Insolvency Law (as now or hereafter in effect), (v) be adjudicated a bankrupt or insolvent (including by entry of any order for relief in any involuntary Insolvency Proceeding commenced against it), (vi) file a petition seeking to take advantage of any other law providing for the relief of debtors, (vii) acquiesce to, or fail to have dismissed, within sixty (60) days, any petition filed against it in any involuntary case under such Insolvency Laws, or (viii) take any action for the purpose of effecting any of the foregoing;

10.8 Material Adverse Effect.

The occurrence of any event or development which could reasonably be expected to have a Material Adverse Effect;

10.9 Lien Priority.

Any Lien created hereunder or provided for hereby or under any related agreement for any reason ceases to be or is not a valid and perfected Lien having a first priority interest (subject only to Permitted Encumbrances that have priority as a matter of Applicable Law to the extent such Liens only attach to Collateral other than Receivables or Inventory);

10.10 Subordinated Debt Default.

An event of default has occurred under the Subordinated Debt Documents, which default shall not have been cured or waived within any applicable grace period, or if any Person party to a Subordinated Debt Documents breaches or violates, or attempts to terminate or challenge the validity of, such agreement (including any subordination provisions);

10.11 Cross Default.

Either (x) any specified "event of default" under any Indebtedness (other than the Obligations) of any Credit Party with a then-outstanding principal balance (or, in the case of any Indebtedness not so denominated, with a then-outstanding total obligation amount) of \$100,000 or more, or any other event or circumstance which would permit the holder of any such Indebtedness of any Credit Party to accelerate such Indebtedness (and/or the obligations of Credit Party thereunder) prior to the scheduled maturity or termination thereof, shall occur (regardless of whether the holder of such Indebtedness shall actually accelerate, terminate or otherwise exercise any rights or remedies with respect to such Indebtedness) or (y) a default of the obligations of any Credit Party under any other agreement to which it is a party shall occur which has or is reasonably likely to have a Material Adverse Effect;

10.12 Breach of Guarantee or Pledge Agreement.

Termination or breach of any Guarantee, Guarantor Security Agreement, Pledge Agreement or similar agreement executed and delivered to Agent in connection with the Obligations of any Credit Party, or if any Guarantor or pledgor attempts to terminate, challenges the validity of, or its liability under, any such Guarantee, Guarantor Security Agreement, Pledge Agreement or similar agreement;

10.13 Change of Control.

Any Change of Control shall occur;

10.14 Invalidity.

Any material provision of this Agreement or any Other Document shall, for any reason, cease to be valid and binding on any Credit Party or any Guarantor, or any Credit Party or any Guarantor shall so claim in writing to Agent or any Lender or any Credit Party or any Guarantor challenges the validity of or its liability under this Agreement or any Other Document;

10.15 Seizures.

Any (a) portion of the Collateral shall be seized, subject to garnishment (including a requirement from the Minister of National Revenue for payment pursuant to Section 224 of the *Income Tax Act* (Canada) or Section 317 of the *Excise Act* (Canada) or any comparable provision of similar legislation) or taken by a Governmental Body, (b) the title and rights of any Credit Party or any Guarantor that is the owner of any of the Collateral shall have become the subject matter of claim, litigation, suit, garnishment or other proceeding which might, in the opinion of Agent, upon final determination, result in impairment or loss of the security provided by this Agreement or the Other Documents;

10.16 Operations.

Any Credit Party is incapable of operating in the Ordinary Course of Business at any time for more than five consecutive days, unless such Credit Party shall (i) be entitled to receive for such period of interruption, proceeds of business interruption insurance sufficient to assure that its per diem cash needs during such period is at least equal to its average per diem cash needs for the consecutive three month period immediately preceding the initial date of interruption and (ii) receive such proceeds in the amount described in clause (i) preceding not later than thirty (30) days following the initial date of any such interruption; provided, however, that notwithstanding the provisions of clauses (i) and (ii) of this Section, an Event of Default shall be deemed to have occurred if such Credit Party shall be receiving the proceeds of business interruption insurance for a period of thirty (30) consecutive days; or

10.17 Pension Plans.

An event or condition specified in Sections 7.16 or 9.15 hereof shall occur or exist with respect to any Canadian Pension Plan or US Plan and, as a result of such event or condition, together with all other such events or conditions, any Credit Party or any Guarantor or any member of the Controlled Group shall incur, or in the opinion of Agent be reasonably likely to incur, a liability to a Canadian Pension Plan or to a US Plan or the US PBGC (or both) which, in the reasonable judgment of Agent, would have a Material Adverse Effect; or the occurrence of any Canadian Pension Termination Event or ERISA Termination Event, or any Credit Party's failure to immediately report a Canadian Pension Termination Event or ERISA Termination Event in accordance with Section 9.15 hereof or, with respect to a Canadian Pension Plan, a trust, deemed trust or Lien has been, or may be imposed in the opinion of the Agent, on the assets of a Credit Party or any Guarantor as the result of the occurrence of an event or condition specified in Sections 7.16 or 9.15.

10.18 Anti-Money Laundering/International Trade Law Compliance.

Any representation or warranty contained in Section 16.19 is or becomes false or misleading at any time.

XI. LENDERS' RIGHTS AND REMEDIES AFTER DEFAULT.

11.1 Rights and Remedies.

(a) Upon the occurrence of: (i) an Event of Default pursuant to Section 10.7 (other than Section 10.7(vii)), all Obligations shall be immediately due and payable and this Agreement and the obligation of Lenders to make Advances shall be deemed terminated, (ii) any of the other Events of Default and at any time thereafter, at the option of Agent or at the direction of Required Lenders all Obligations shall be immediately due and payable and Agent or Required Lenders shall have the right to terminate this Agreement and to terminate the obligation of Lenders to make Advances; and (iii) without limiting Section 8.2 hereof, any Default under Section 10.7(vii) hereof, the obligation of Lenders to make Advances hereunder shall be suspended until such time as such involuntary petition shall be dismissed. Upon the occurrence of any Event of Default, Agent shall have the right to exercise any and all rights and remedies provided for herein, under the Other Documents, under the PPSA, Uniform Commercial Code

and at law or equity generally, including the right to enforce the security interests granted herein and to realize upon any Collateral by any available judicial procedure and/or to take possession of and sell any or all of the Collateral with or without judicial process. Agent may enter any of any Credit Party's premises or other premises without legal process and without incurring liability to any Credit Party therefor, and Agent may thereupon, or at any time thereafter, in its sole discretion without notice or demand, take the Collateral and remove the same to such place as Agent may deem advisable and Agent may require Credit Parties to make the Collateral available to Agent at a convenient place. With or without having the Collateral at the time or place of sale, Agent may sell the Collateral, or any part thereof, at public or private sale, at any time or place, in one or more sales, at such price or prices, and upon such terms, either for cash, credit or future delivery, as Agent may elect. Except as to that part of the Collateral which is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Agent shall give Credit Parties reasonable notification of such sale or sales, it being agreed that in all events written notice mailed to Borrowing Agent at least fifteen (15) days prior to such sale or sales is reasonable notification. At any public sale Agent or any Lender may bid (including credit bid) for and become the purchaser, and Agent, any Lender or any other purchaser at any such sale thereafter shall hold the Collateral sold absolutely free from any claim or right of whatsoever kind, including any equity of redemption and all such claims, rights and equities are hereby expressly waived and released by each Credit Party. In connection with the exercise of the foregoing remedies, including the sale of Inventory, Agent is granted a perpetual nonrevocable, royalty free, nonexclusive license and Agent is granted permission to use all of each Credit Party's (a) Intellectual Property which is used or useful in connection with Inventory for the purpose of marketing, advertising for sale and selling or otherwise disposing of such Inventory and (b) equipment for the purpose of completing the manufacture of unfinished goods. The cash proceeds realized from the sale of any Collateral shall be applied to the Obligations in the order set forth in Section 11.5 hereof. Noncash proceeds will only be applied to the Obligations as they are converted into cash. If any deficiency shall arise, Credit Parties shall remain liable to Agent and Lenders therefor.

(b) To the extent that Applicable Law imposes duties on Agent to exercise remedies in a commercially reasonable manner, each Credit Party acknowledges and agrees that it is not commercially unreasonable for Agent: (i) to fail to incur expenses reasonably deemed significant by Agent to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition; (ii) to fail to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, to fail to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of; (iii) to fail to exercise collection remedies against Customers or other Persons obligated on Collateral or to remove Liens on or any adverse claims against Collateral; (iv) to exercise collection remedies against Customers and other Persons obligated on Collateral directly or through the use of collection agencies and other collection specialists; (v) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature; (vi) to contact other Persons, whether or not in the same business as any Credit Party, for expressions of interest in acquiring all or any portion of such Collateral; (vii) to hire one or more professional auctioneers to assist in the disposition of Collateral, whether or not the Collateral is of a specialized nature; (viii) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capacity of doing so, or that

match buyers and sellers of assets; (ix) to dispose of assets in wholesale rather than retail markets; (x) to disclaim disposition warranties, such as title, possession or quiet enjoyment, (xi) to purchase insurance or credit enhancements to insure Agent against risks of loss, collection or disposition of Collateral or to provide to Agent a guaranteed return from the collection or disposition of Collateral; or (xii) to the extent deemed appropriate by the Agent, to obtain the services of other brokers, investment bankers, consultants and other professionals to assist Agent in the collection or disposition of any of the Collateral. Each Credit Party acknowledges that the purpose of this Section 11.1(b) is to provide non-exhaustive indications of what actions or omissions by Agent would not be commercially unreasonable in Agent's exercise of remedies against the Collateral and that other actions or omissions by Agent shall not be deemed commercially unreasonable solely on account of not being indicated in this Section 11.1(b). Without limitation upon the foregoing, nothing contained in this Section 11.1(b) shall be construed to grant any rights to any Credit Party or to impose any duties on Agent that would not have been granted or imposed by this Agreement or by Applicable Law in the absence of this Section 11.1(b).

(c) Agent may seek the appointment of a receiver, receiver-manager or keeper (a "Receiver") under the laws of Canada or any Province thereof to take possession of all or any portion of the Collateral of Credit Parties or to operate same and, to the maximum extent permitted by law, may seek the appointment of such a receiver without the requirement of prior notice or a hearing. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed agent of Credit Parties and not Agent and the Lenders, and Agent and the Lenders shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral of the Credit Parties, to preserve Collateral of the Credit Parties or its value, to carry on or concur in carrying on all or any part of the business of the Credit Parties and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral of the Credit Parties. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Credit Parties, enter upon, use and occupy all premises owned or occupied by the Credit Parties wherein Collateral of the Credit Parties may be situated, maintain Collateral of the Credit Parties upon such premises, borrow money on a secured or unsecured basis and use Collateral of the Credit Parties directly in carrying on the Credit Parties' business or as security for loans or advances to enable the Receiver to carry on the Credit Parties' business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by Agent, all money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to Agent. Every such Receiver may, in the sole discretion of Agent, be vested with all or any of the rights and powers of Agent and the Lenders. Agent may, either directly or through its nominees, exercise any or all powers and rights given to a Receiver by virtue of the foregoing provisions of this paragraph.

11.2 Agent's Discretion.

Agent shall have the right in its sole discretion to determine which rights, Liens, security interests or remedies Agent may at any time pursue, relinquish, subordinate, or modify, which procedures, timing and methodologies to employ, and what any other action to take with respect to any or all of the Collateral and in what order, thereto and such determination will not in any way modify or affect any of Agent's or Lenders' rights hereunder as against Credit Parties or each other.

11.3 Setoff.

Subject to Section 14.13, in addition to any other rights which Agent or any Lender may have under Applicable Law, upon the occurrence of an Event of Default hereunder, Agent and such Lender shall have a right, immediately and without notice of any kind, to apply any Credit Party's property held by Agent and such Lender or any of their Affiliates to reduce the Obligations and to exercise any and all rights of setoff which may be available to Agent and such Lender with respect to any deposits held by Agent or such Lender.

11.4 Rights and Remedies not Exclusive.

The enumeration of the foregoing rights and remedies is not intended to be exhaustive and the exercise of any rights or remedy shall not preclude the exercise of any other right or remedies provided for herein or otherwise provided by law, all of which shall be cumulative and not alternative.

11.5 Allocation of Payments After Event of Default.

Notwithstanding any other provisions of this Agreement to the contrary, after the occurrence and during the continuance of an Event of Default, all amounts collected or received by Agent on account of the Obligations (including without limitation any amounts on account of any of Cash Management Liabilities or Hedge Liabilities), or in respect of the Collateral may, at Agent's discretion, be paid over or delivered as follows:

FIRST, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable legal fees) of Agent in connection with enforcing its rights and the rights of Lenders under this Agreement and the Other Documents, and any Out-of-Formula Loans and Protective Advances funded by Agent with respect to the Collateral under or pursuant to the terms of this Agreement;

SECOND, to payment of any fees owed to Agent;

THIRD, to the payment of all reasonable out-of-pocket costs and expenses (including reasonable legal fees) of each of the Lenders to the extent owing to such Lender pursuant to the terms of this Agreement;

FOURTH, to the payment of all of the Obligations consisting of accrued interest on account of the Swing Loans;

FIFTH, to the payment of the outstanding principal amount of the Obligations consisting of Swing Loans;

SIXTH, to the payment of all Obligations arising under this Agreement and the Other Documents consisting of accrued fees and interest (other than interest in respect of Swing Loans paid pursuant to clause FOURTH above);

SEVENTH, to the payment of the outstanding principal amount of the Obligations (other than principal in respect of Swing Loans paid pursuant to clause FIFTH above) arising under this Agreement (including Cash Management Liabilities and Hedge Liabilities) (including the payment or cash collateralization of any outstanding Letters of Credit in accordance with Section 3.2(b) hercof).

EIGHTH, to all other Obligations arising under this Agreement which shall have become due and payable (hereunder, under the Other Documents or otherwise) and not repaid pursuant to clauses "FIRST" through "SEVENTH" above;

NINTH, to all other Obligations which shall have become due and payable and not repaid pursuant to clauses "FIRST" through "EIGHTH"; and

TENTH, to the payment of the surplus, if any, to whoever may be lawfully entitled to receive such surplus.

In carrying out the foregoing, (i) amounts received shall be applied in the numerical order provided until exhausted prior to application to the next succeeding category; (ii) each of the Lenders shall receive (so long as it is not a Defaulting Lender) an amount equal to its pro rata share (based on the proportion that the then outstanding Advances, Cash Management Liabilities and Hedge Liabilities held by such Lender bears to the aggregate then outstanding Advances, Cash Management Liabilities and Hedge Liabilities) of amounts available to be applied pursuant to clauses "SIXTH", "SEVENTH", "EIGHTH" and "NINTH" above; and (iii) notwithstanding anything to the contrary in this Section 11.5, no Swap Obligations of any Non-Qualifying Party shall be paid with amounts received from such Non-Qualifying Party under its Guarantee (including sums received as a result of the exercise of remedies with respect to such Guarantee) or from the proceeds of such Non-Qualifying Party's Collateral if such Swap Obligations would constitute Excluded Hedge Liabilities, provided, however, that to the extent possible appropriate adjustments shall be made with respect to payments and/or the proceeds of Collateral from other Credit Parties or Guarantors that are Eligible Contract Participants with respect to such Swap Obligations to preserve the allocation to Obligations otherwise set forth above in this Section 11.5; and (iv) to the extent that any amounts available for distribution pursuant to clause "SEVENTH" above are attributable to the issued but undrawn amount of outstanding Letters of Credit, such amounts shall be held by Agent as cash collateral for the Letters of Credit pursuant to Section 3.2(b) hereof and applied (A) first, to reimburse Issuer from time to time for any drawings under such Letters of Credit and (B) then, following the expiration of all Letters of Credit, to all other obligations of the types described in clauses "SEVENTH", "EIGHTH", and "NINTH" above in the manner provided in this Section 11.5.

XII. WAIVERS AND JUDICIAL PROCEEDINGS.

12.1 Waiver of Notice.

Each Credit Party hereby waives notice of non-payment of any of the Receivables, demand, presentment, protest and notice thereof with respect to any and all instruments, notice of acceptance hereof, notice of loans or advances made, credit extended, Collateral received or delivered, or any other action taken in reliance hereon, and all other demands and notices of any description, except such as are expressly provided for herein.

12.2 Delay.

No delay or omission on Agent's or any Lender's part in exercising any right, remedy or option shall operate as a waiver of such or any other right, remedy or option or of any Default or Event of Default.

12.3 Jury Waiver.

EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, COUNTERCLAIM, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING UNDER THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT, ANY OTHER DOCUMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE AND EACH PARTY HEREBY CONSENTS THAT ANY SUCH CLAIM, COUNTERCLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENTS OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

XIII. EFFECTIVE DATE AND TERMINATION.

13.1 Term.

This Agreement, which shall inure to the benefit of and shall be binding upon the respective successors and permitted assigns of each Credit Party, Agent and each Lender, shall become effective on the date hereof and shall continue in full force and effect until June 19, 2019 (the "Term") unless sooner terminated as herein provided. Borrowers may terminate this Agreement at any time upon ninety days prior written notice to Agent upon payment in full of the Obligations. In the event the Obligations are prepaid in full (whether voluntary or involuntary, including after acceleration thereof) and this Agreement is terminated prior to the last day of the Term (the date of such prepayment hereinafter referred to as the "Early

Termination Date”), Credit Parties shall concurrently pay to Agent for the benefit of Lenders an early termination fee in an amount equal to (x) \$1,200,000 if the Early Termination Date occurs on or after the Closing Date to and including the date immediately preceding the first anniversary of the Closing Date, (y) \$600,000 if the Early Termination Date occurs on or after the first anniversary of the Closing Date to and including the date immediately preceding the second anniversary of the Closing Date, and (z) \$0 if the Early Termination Date occurs on or after the second anniversary of the Closing Date. Notwithstanding the foregoing, the Term shall terminate and end on November 30, 2016 unless by that date the Subordinated Debentures have been refinanced (i) with a maturity date at least one year after the Term; and (ii) on terms and conditions that are no less favorable to GASFRAC than currently contained in the Subordinated Debt Documents and otherwise reasonably satisfactory to Agent.

13.2 Termination.

The termination of the Agreement shall not affect Agent’s or any Lender’s rights, or any of the Obligations having their inception prior to the effective date of such termination or any Obligations which pursuant to the terms hereof continue to accrue after such date, and the provisions hereof shall continue to be fully operative until all transactions entered into, rights or interests created and Obligations have been fully and indefeasibly paid, disposed of, concluded or liquidated. The security interests, Liens and rights granted to Agent and Lenders hereunder and the financing statements filed hereunder shall continue in full force and effect, notwithstanding the termination of this Agreement or the fact that Borrowers’ Account may from time to time be temporarily in a zero or credit position, until all of the Obligations of each Credit Party have been indefeasibly paid and performed in full after the termination of this Agreement or each Credit Party has furnished Agent and Lenders with an indemnification satisfactory to Agent and Lenders with respect thereto. Accordingly, each Credit Party waives any rights which it may have under the PPSA or Uniform Commercial Code to demand the filing of termination statements with respect to the Collateral, and Agent shall not be required to send such termination statements to each Credit Party, or to file them with any filing office, unless and until this Agreement shall have been terminated in accordance with its terms and all Obligations have been indefeasibly paid in full in immediately available funds. All representations, warranties, covenants, waivers and agreements contained herein shall survive termination hereof until all Obligations are indefeasibly paid and performed in full.

XIV. REGARDING AGENT.

14.1 Appointment.

Each Lender hereby designates PNC to act as Agent for such Lender under this Agreement and the Other Documents. Each Lender hereby irrevocably authorizes Agent to take such action on its behalf under the provisions of this Agreement and the Other Documents and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto and Agent shall hold all Collateral, payments of principal and interest, fees (except the fees set forth in Sections 2.8(b), 3.3(a), 3.4, and the .25% fee payable to Issuer under Section 3.2), charges and collections received pursuant to this Agreement, for the ratable benefit of Lenders. Agent may perform any of its duties hereunder by or through its

agents or employees. As to any matters not expressly provided for by this Agreement (including collection of the Note) Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of Required Lenders, and such instructions shall be binding; provided, however, that Agent shall not be required to take any action which, in Agent's discretion, exposes Agent to liability or which is contrary to this Agreement or the Other Documents or Applicable Law unless Agent is furnished with an indemnification reasonably satisfactory to Agent with respect thereto.

14.2 Nature of Duties.

Agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Other Documents. Neither Agent nor any of its officers, directors, employees or agents shall be (i) liable for any action taken or omitted by them as such hereunder or in connection herewith, unless caused by their gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment), or (ii) responsible in any manner for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement, or in any of the Other Documents or in any certificate, report, statement or other document referred to or provided for in, or received by Agent under or in connection with, this Agreement or any of the Other Documents or for the value, validity, effectiveness, genuineness, due execution, enforceability or sufficiency of this Agreement, or any of the Other Documents or for any failure of any Credit Party to perform its obligations hereunder. Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any of the Other Documents, or to inspect the properties, books or records of any Credit Party. The duties of Agent as respects the Advances to Borrowers shall be mechanical and administrative in nature; Agent shall not have by reason of this Agreement a fiduciary relationship in respect of any Lender; and nothing in this Agreement, expressed or implied, is intended to or shall be so construed as to impose upon Agent any obligations in respect of this Agreement or the transactions described herein except as expressly set forth herein.

14.3 Lack of Reliance on Agent.

Independently and without reliance upon Agent or any other Lender, each Lender has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of each Credit Party and each Guarantor in connection with the making and the continuance of the Advances hereunder and the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of each Credit Party and each Guarantor. Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before making of the Advances or at any time or times thereafter except as shall be provided by any Credit Party or any Guarantor pursuant to the terms hereof. Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any agreement, document, certificate or a statement delivered in connection with or for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency of this Agreement or any Other Document, or of the financial condition of any Credit Party, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement, the Note, the Other Documents or the financial condition or prospects of any Credit Party, or the existence of any Event of Default or any Default.

14.4 Resignation of Agent; Successor Agent.

Agent may resign on sixty (60) days written notice to each Lender and Borrowing Agent and upon such resignation, Required Lenders will promptly designate a successor Agent reasonably satisfactory to Borrowers (provided that no such approval by Borrowers shall be required (i) in any case where the successor Agent is one of the Lenders or (ii) after the occurrence and during the continuance of any Event of Default). Any such successor Agent shall succeed to the rights, powers and duties of Agent, and shall in particular succeed to all of Agent's right, title and interest in and to all of the Liens in the Collateral securing the Obligations created hereunder or any Other Document (including the Pledge Agreement and all account control agreements), and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent. However, notwithstanding the foregoing, if at the time of the effectiveness of the new Agent's appointment, any further actions need to be taken in order to provide for the legally binding and valid transfer of any Liens in the Collateral from former Agent to new Agent and/or for the perfection of any Liens in the Collateral as held by new Agent or it is otherwise not then possible for new Agent to become the holder of a fully valid, enforceable and perfected Lien as to any of the Collateral, former Agent shall continue to hold such Liens solely as agent for perfection of such Liens on behalf of new Agent until such time as new Agent can obtain a fully valid, enforceable and perfected Lien on all Collateral, provided that Agent shall not be required to or have any liability or responsibility to take any further actions after such date as such agent for perfection to continue the perfection of any such Liens (other than to forego from taking any affirmative action to release any such Liens). After any Agent's resignation as Agent, the provisions of this Article XIV, and any indemnification rights under this Agreement, including without limitation, rights arising under Section 16.5 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement (and in the

event resigning Agent continues to hold any Liens pursuant to the provisions of the immediately preceding sentence, the provisions of this Article XIV and any indemnification rights under this Agreement, including without limitation, rights arising under Section 16.5 hereof, shall inure to its benefit as to any actions taken or omitted to be taken by it in connection with such Liens).

14.5 Certain Rights of Agent.

If Agent shall request instructions from Lenders with respect to any act or action (including failure to act) in connection with this Agreement or any Other Document, Agent shall be entitled to refrain from such act or taking such action unless and until Agent shall have received instructions from Required Lenders; and Agent shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, Lenders shall not have any right of action whatsoever against Agent as a result of its acting or refraining from acting hereunder in accordance with the instructions of Required Lenders.

14.6 Reliance.

Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, email, facsimile, telex, teletype or telecopier message, cablegram, order or other document or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to this Agreement and the Other Documents and its duties hereunder, upon advice of counsel selected by it. Agent may employ agents and attorneys-in-fact and shall not be liable for the default or misconduct of any such agents or attorneys-in-fact selected by Agent with reasonable care.

14.7 Notice of Default.

Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder or under the Other Documents, unless Agent has received notice from a Lender or Borrowing Agent referring to this Agreement or the Other Documents, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that Agent receives such a notice, Agent shall give notice thereof to Lenders. Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by Required Lenders; provided, that, unless and until Agent shall have received such directions, Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of Lenders.

14.8 Indemnification.

To the extent Agent is not reimbursed and indemnified by Credit Parties, each Lender will reimburse and indemnify Agent in proportion to its respective portion of the outstanding Advances and its respective Participation Commitments in the outstanding Letters of Credit and outstanding Swing Loans (or, if no Advances are outstanding, pro rata according to the percentage that its Revolving Commitment Amount constitutes of the total aggregate Revolving Commitment Amounts), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature

whatsoever which may be imposed on, incurred by or asserted against Agent in performing its duties hereunder, or in any way relating to or arising out of this Agreement or any Other Document; provided that Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross (not mere) negligence or willful misconduct (as determined by a court of competent jurisdiction in a final non-appealable judgment).

14.9 Agent in its Individual Capacity.

With respect to the obligation of Agent to lend under this Agreement, the Advances made by it shall have the same rights and powers hereunder as any other Lender and as if it were not performing the duties as Agent specified herein; and the term "Lender" or any similar term shall, unless the context clearly otherwise indicates, include Agent in its individual capacity as a Lender. Agent may engage in business with any Credit Party as if it were not performing the duties specified herein, and may accept fees and other consideration from any Credit Party for services in connection with this Agreement or otherwise without having to account for the same to Lenders.

14.10 Delivery of Documents.

To the extent Agent receives financial statements required under Sections 9.7, 9.8, 9.9, 9.12 and 9.13 or Borrowing Base Certificates from any Credit Party pursuant to the terms of this Agreement which any Credit Party is not obligated to deliver to each Lender, Agent will promptly furnish such documents and information to Lenders.

14.11 Credit Parties' Undertaking to Agent.

Without prejudice to their respective obligations to Lenders under the other provisions of this Agreement, each Credit Party hereby undertakes with Agent to pay to Agent from time to time on the sooner of when due or on demand all amounts from time to time due and payable by it for the account of Agent or Lenders or any of them pursuant to this Agreement to the extent not already paid. Any payment made pursuant to any such demand shall pro tanto satisfy the relevant Credit Party's obligations to make payments for the account of Lenders or the relevant one or more of them pursuant to this Agreement.

14.12 No Reliance on Agent's Customer Identification Program.

To the extent the Advances or this Agreement is, or becomes, syndicated in cooperation with other Lenders, each Lender acknowledges and agrees that, except as expressly contemplated by Section 16.17, neither such Lender, nor any of its Affiliates, participants or assignees, may rely on Agent to carry out such Lender's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to any Anti-Terrorism Law, including any programs involving any of the following items relating to or in connection with any of Credit Parties, their Affiliates or their agents, the Other Documents or the transactions hereunder or contemplated hereby: (i) any identity verification procedures, (ii) any recordkeeping, (iii) comparisons with government lists, (iv) customer notices or (v) other procedures required under such Anti-Terrorism Laws.

14.13 Other Agreements.

Each of the Lenders agrees that it shall not, without the express consent of Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the request of Agent, set off against the Obligations, any amounts owing by such Lender to any Credit Party or any deposit accounts of any Credit Party now or hereafter maintained with such Lender. Anything in this Agreement to the contrary notwithstanding, each of the Lenders further agrees that it shall not, unless specifically requested to do so by Agent, take any action to protect or enforce its rights arising out of this Agreement or the Other Documents, it being the intent of Lenders that any such action to protect or enforce rights under this Agreement and the Other Documents shall be taken in concert and at the direction or with the consent of Agent or Required Lenders.

XV. BORROWING AGENCY.

15.1 Borrowing Agency Provisions.

(a) Each Credit Party hereby irrevocably designates Borrowing Agent to be its attorney and agent and in such capacity to (i) borrow, (ii) request advances, (iii) request the issuance of Letters of Credit, (iv) sign and endorse notes, (v) execute and deliver all instruments, documents, applications, security agreements, reimbursement agreements and letter of credit agreements for Letters of Credit and all other certificates, notice, writings and further assurances now or hereafter required hereunder, (vi) make elections regarding interest rates, (vii) give instructions regarding Letters of Credit and agree with Issuer upon any amendment, extension or renewal of any Letter of Credit and (viii) otherwise take action under and in connection with this Agreement and the Other Documents, all on behalf of and in the name such Credit Party or Credit Parties, and hereby authorizes Agent to pay over or credit all loan proceeds hereunder in accordance with the request of Borrowing Agent.

(b) The handling of this credit facility as a co-borrowing facility with a borrowing agent in the manner set forth in this Agreement is solely as an accommodation to Credit Parties and at their request. Neither Agent nor any Lender shall incur liability to Credit Parties as a result thereof. To induce Agent and Lenders to do so and in consideration thereof, each Credit Party hereby indemnifies Agent and each Lender and holds Agent and each Lender harmless from and against any and all liabilities, expenses, losses, damages and claims of damage or injury asserted against Agent or any Lender by any Person arising from or incurred by reason of the handling of the financing arrangements of Borrowers and the other Credit Parties as provided herein, reliance by Agent or any Lender on any request or instruction from Borrowing Agent or any other action taken by Agent or any Lender with respect to this Section 15.1 except due to willful misconduct or gross (not mere) negligence by the indemnified party (as determined by a court of competent jurisdiction in a final and non-appealable judgment).

(c) All Obligations shall be joint and several of each Credit Party, and each Credit Party shall make payment upon the maturity of the Obligations by acceleration or otherwise, and such obligation and liability on the part of each Credit Party shall in no way be affected by any extensions, renewals and forbearance granted by Agent or any Lender to any Credit Party, failure of Agent or any Lender to give any Credit Party notice of borrowing or any other notice, any failure of Agent or any Lender to pursue or preserve its rights against any

Credit Party, the release by Agent or any Lender of any Collateral now or thereafter acquired from any Credit Party, and such agreement by each Credit Party to pay upon any notice issued pursuant thereto is unconditional and unaffected by prior recourse by Agent or any Lender to the other Credit Parties or any Collateral for such Credit Party's Obligations or the lack thereof. Each Credit Party waives all suretyship defenses.

15.2 Waiver of Subrogation.

Each Credit Party expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Credit Party may now or hereafter have against the other Credit Parties or any other Person directly or contingently liable for the Obligations hereunder, or against or with respect to any other Credit Parties' property (including, without limitation, any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and repayment in full of the Obligations.

XVI. MISCELLANEOUS.

16.1 Governing Law.

This Agreement and each Other Document (unless and except to the extent expressly provided otherwise in any such Other Document), and all matters relating hereto or thereto or arising herefrom or therefrom (whether arising under contract law, tort law or otherwise) shall be governed by and construed in accordance with the laws of the Province of Alberta (applicable to contracts to be performed wholly within the Province of Alberta) and the federal laws of Canada applicable therein (except that with respect to Article IV hereof, any and all Liens granted by any US Credit Party to Agent thereunder, creation, perfection, priority, validity and enforceability thereof, and the rights and remedies of Agent with respect thereto, shall be governed by the laws of Delaware applicable to contracts to be performed wholly within Delaware and the federal laws of the United States). Any judicial proceeding brought by or against any Credit Party with respect to any of the Obligations, this Agreement, the Other Documents or any related agreement may be brought in any court of competent jurisdiction in the Province of Alberta, Canada, and, by execution and delivery of this Agreement, each Credit Party accepts for itself and in connection with its properties, generally and unconditionally, the non-exclusive jurisdiction of the aforesaid courts, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each Credit Party hereby waives personal service of any and all process upon it and consents that all such service of process may be made by certified or registered mail (return receipt requested) directed to Borrowing Agent at its address set forth in Section 16.6 and service so made shall be deemed completed five (5) days after the same shall have been so deposited in the mails of Canada, or, at Agent's option, by service upon Borrowing Agent which each Credit Party irrevocably appoints as such Credit Party's Agent for the purpose of accepting service within the Province of Alberta. Nothing herein shall affect the right to serve process in any manner permitted by law or shall limit the right of Agent or any Lender to bring proceedings against any Credit Party in the courts of any other jurisdiction. Each Credit Party waives any objection to jurisdiction and venue of any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon forum non conveniens. Each Credit Party waives the right to remove any judicial proceeding brought against it in any

state court to any federal court. Any judicial proceeding by any Credit Party against Agent or any Lender involving, directly or indirectly, any matter or claim in any way arising out of, related to or connected with this Agreement or any related agreement, shall be brought only in a court of competent jurisdiction in the Province of Alberta.

16.2 Entire Understanding.

(a) This Agreement and the documents executed concurrently herewith contain the entire understanding between each Credit Party, Agent and each Lender and supersedes all prior agreements and understandings, if any, relating to the subject matter hereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing, signed by each Credit Party's, Agent's and each Lender's respective officers. Neither this Agreement nor any portion or provisions hereof may be changed, modified, amended, waived, supplemented, discharged, cancelled or terminated orally or by any course of dealing, or in any manner other than by an agreement in writing, signed by the party to be charged. Notwithstanding the foregoing, Agent may modify this Agreement or any of the Other Documents for the purposes of completing missing content or correcting erroneous content of an administrative or inconsequential nature without the need for a written amendment, provided that Agent shall send a copy of such modification to the Credit Parties and each Lender (which copy may be provided by electronic mail). Each Credit Party acknowledges that it has been advised by counsel in connection with the execution of this Agreement and Other Documents and is not relying upon oral representations or statements inconsistent with the terms and provisions of this Agreement.

(b) Required Lenders, Agent with the consent in writing of Required Lenders, and Credit Parties may, subject to the provisions of this Section 16.2(b), from time to time enter into written supplemental agreements to this Agreement or the Other Documents executed by Credit Parties, for the purpose of adding or deleting any provisions or otherwise changing, varying or waiving in any manner the rights of Lenders, Agent or Credit Parties thereunder or the conditions, provisions or terms thereof or waiving any Event of Default thereunder, but only to the extent specified in such written agreements; provided, however, that no such supplemental agreement shall:

(i) increase the Revolving Commitment Percentage, or the maximum dollar amount of the Revolving Commitment Amount of any Lender without the consent of such Lender directly affected thereby;

(ii) whether or not any Advances are outstanding, extend the Term or the time for payment of principal or interest of any Advance (excluding the due date of any mandatory prepayment of an Advance), or any fee payable to any Lender, or reduce the principal amount of or the rate of interest borne by any Advances or reduce any fee payable to any Lender, without the consent of each Lender directly affected thereby (except that Required Lenders may elect to waive or rescind any imposition of the Default Rate under Section 3.1 or of default rates of Letter of Credit fees under Section 3.2 (unless imposed by Agent));

(iii) increase the Maximum Revolving Advance Amount without the consent of all Lenders holding a Revolving Commitment;

(iv) alter the definition of the term Required Lenders or alter, amend or modify this Section 16.2(b) without the consent of all Lenders;

(v) alter, amend or modify the provisions of Section 11.5 without the consent of all Lenders;

(vi) release any Collateral during any calendar year (other than in accordance with the provisions of this Agreement) having an aggregate value in excess of \$5,000,000 without the consent of all Lenders;

(vii) change the rights and duties of Agent without the consent of all Lenders;

(viii) subject to clause (c) below, permit any Revolving Advance to be made if after giving effect thereto the total of Revolving Advances outstanding hereunder would exceed the Formula Amount for more than sixty (60) consecutive Business Days or exceed one hundred and ten percent (110%) of the Formula Amount without the consent of all Lenders holding a Revolving Commitment;

(ix) increase the Advance Rates above the Advance Rates in effect on the Closing Date without the consent of all Lenders holding a Revolving Commitment; or

(x) release any Credit Party or Guarantor (other than in accordance with this Agreement) without the consent of all Lenders.

(c) Any such supplemental agreement shall apply equally to each Lender and shall be binding upon Credit Parties, Lenders and Agent and all future holders of the Obligations. In the case of any waiver, Credit Parties, Agent and Lenders shall be restored to their former positions and rights, and any Event of Default waived shall be deemed to be cured and not continuing, but no waiver of a specific Event of Default shall extend to any subsequent Event of Default (whether or not the subsequent Event of Default is the same as the Event of Default which was waived), or impair any right consequent thereon.

(d) In the event that Agent requests the consent of a Lender (other than PNC Canada) pursuant to this Section 16.2 and such consent is denied, then Agent may, at its option, require such Lender to assign its interest in the Advances to Agent or to another Lender or to any other Person designated by Agent (the "Designated Lender"), for a price equal to (i) the then outstanding principal amount thereof plus (ii) accrued and unpaid interest and fees due such Lender, which interest and fees shall be paid when collected from Credit Parties. In the event Agent elects to require any Lender to assign its interest to Agent or to the Designated Lender, Agent will so notify such Lender in writing within forty five (45) days following such Lender's denial, and such Lender will assign its interest to Agent or the Designated Lender no later than five (5) days following receipt of such notice pursuant to a Commitment Transfer Supplement executed by such Lender, Agent or the Designated Lender, as appropriate, and Agent.

(c) Notwithstanding (i) the existence of a Default or an Event of Default, (ii) that any of the other applicable conditions precedent set forth in Section 8.2 have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, Agent may at its sole discretion and without the consent of any Lender, voluntarily permit the sum of the outstanding Revolving Advances and the aggregate Maximum Undrawn Amount at any time to exceed the Formula Amount (minus the amount of minimum Undrawn Availability required by Section 6.5(b) at such time) by up to 10% of the Formula Amount for up to sixty (60) consecutive Business Days (the "Out-of-Formula Loans"). If Agent is willing in its sole and absolute discretion to permit such Out-of-Formula Loans, Lenders holding the Revolving Commitments shall be obligated to fund such Out-of-Formula Loans in accordance with their respective Revolving Commitment Percentages, and such Out-of-Formula Loans shall be payable on demand and shall bear interest at the Default Rate for Revolving Advances consisting of Base Rate Loans; provided that, if Agent does permit Out-of-Formula Loans, neither Agent nor Lenders shall be deemed thereby to have changed the limits of Section 2.1(a) nor shall any Lender be obligated to fund Revolving Advances in excess of its Revolving Commitment Amount. For purposes of this paragraph, the discretion granted to Agent hereunder shall not preclude involuntary overadvances that may result from time to time due to the fact that the Formula Amount was unintentionally exceeded for any reason, including, but not limited to, Collateral previously deemed to be "Eligible Receivables", "Eligible Inventory", or Eligible Equipment as applicable, becomes ineligible, collections of Receivables applied to reduce outstanding Revolving Advances are thereafter returned for insufficient funds or overadvances are made to protect or preserve the Collateral. In the event Agent involuntarily permits the outstanding Revolving Advances plus the aggregate Maximum Undrawn Amount to exceed the Formula Amount (minus the amount of minimum Undrawn Availability required by Section 6.5(b) at such time) by more than 10%, Agent shall use its efforts to have Credit Parties decrease such excess in as expeditious a manner as is practicable under the circumstances and not inconsistent with the reason for such excess. Revolving Advances made after Agent has determined the existence of involuntary overadvances shall be deemed to be involuntary overadvances and shall be decreased in accordance with the preceding sentence. To the extent any Out-of-Formula Loans are not actually funded by the other Lenders as provided for in this Section 16.2(e), Agent may elect in its sole discretion to fund such Out-of-Formula Loans and any such Out-of-Formula Loans so funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

(f) In addition to (and not in substitution of) the discretionary Revolving Advances permitted above in this Section 16.2, Agent is hereby authorized by Credit Parties and Lenders, at any time in Agent's sole discretion, regardless of (i) the existence of a Default or an Event of Default, (ii) whether any of the other applicable conditions precedent set forth in Section 8.2 hereof have not been satisfied or the commitments of Lenders to make Revolving Advances hereunder have been terminated for any reason, or (iii) any other contrary provision of this Agreement, to make Revolving Advances ("Protective Advances") to Borrowers on behalf of Lenders which Agent, in its reasonable business judgment, deems necessary or desirable (a) to preserve or protect the Collateral, or any portion thereof, (b) to enhance the likelihood of, or maximize the amount of, repayment of the Advances and other Obligations, or (c) to pay any

other amount chargeable to Credit Parties pursuant to the terms of this Agreement (the "Protective Advances"). Lenders holding the Revolving Commitments shall be obligated to fund such Protective Advances and effect a Settlement with Agent therefor upon demand of Agent in accordance with their respective Revolving Commitment Percentages. To the extent any Protective Advances are not actually funded by the other Lenders as provided for in this Section 16.2(f), any such Protective Advances funded by Agent shall be deemed to be Revolving Advances made by and owing to Agent, and Agent shall be entitled to all rights (including accrual of interest) and remedies of a Lender holding a Revolving Commitment under this Agreement and the Other Documents with respect to such Revolving Advances.

16.3 Successors and Assigns; Participations; New Lenders.

(a) This Agreement shall be binding upon and inure to the benefit of Credit Parties, Agent, each Lender, all future holders of the Obligations and their respective successors and assigns, except that no Credit Party may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of Agent and each Lender.

(b) Each Credit Party acknowledges that in the regular course of commercial banking business one or more Lenders may at any time and from time to time sell participating interests in the Advances to Participants. Each Participant may exercise all rights of payment (including rights of set-off) with respect to the portion of such Advances held by it or other Obligations payable hereunder as fully as if such Participant were the direct holder thereof provided that (i) Credit Parties shall not be required to pay to any Participant more than the amount which it would have been required to pay to Lender which granted an interest in its Advances or other Obligations payable hereunder to such Participant had such Lender retained such interest in the Advances hereunder or other Obligations payable hereunder unless the sale of the participation to such Participant is made with Credit Parties' prior written consent, and (ii) in no event shall Credit Parties be required to pay any such amount arising from the same circumstances and with respect to the same Advances or other Obligations payable hereunder to both such Lender and such Participant. Each Credit Party hereby grants to any Participant a continuing security interest in any deposits, moneys or other property actually or constructively held by such Participant as security for the Participant's interest in the Advances.

(c) Any Lender, with the consent of Agent, may sell, assign or transfer all or any part of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to one or more additional Persons and one or more additional Persons may commit to make Advances hereunder (each a "Purchasing Lender"), in minimum amounts of not less than \$5,000,000, pursuant to a Commitment Transfer Supplement, executed by a Purchasing Lender, the transferor Lender, and Agent and delivered to Agent for recording, provided, however, that unless otherwise agreed by Agent in its sole discretion each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to each of the Revolving Advances under this Agreement in which such Lender has an interest. Upon such execution, delivery, acceptance and recording, from and after the transfer effective date determined pursuant to such Commitment Transfer Supplement, (i) Purchasing Lender thereunder shall be a party hereto and, to the extent provided in such Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder with a Revolving Commitment Percentage as set

forth therein, and (ii) the transferor Lender thereunder shall, to the extent provided in such Commitment Transfer Supplement, be released from its obligations under this Agreement, the Commitment Transfer Supplement creating a novation for that purpose. Such Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Each Credit Party hereby consents to the addition of such Purchasing Lender and the resulting adjustment of the Revolving Commitment Percentages arising from the purchase by such Purchasing Lender of all or a portion of the rights and obligations of such transferor Lender under this Agreement and the Other Documents. Credit Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(d) Any Lender, with the consent of Agent which shall not be unreasonably withheld or delayed, may directly or indirectly sell, assign or transfer all or any portion of its rights and obligations under or relating to Revolving Advances under this Agreement and the Other Documents to an entity, whether a corporation, partnership, trust, limited liability company or other entity that (i) is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and (ii) is administered, serviced or managed by the assigning Lender or an Affiliate of such Lender (a "Purchasing CLO" and together with each Participant and Purchasing Lender, each a "Transferee" and collectively the "Transferees"), pursuant to a Commitment Transfer Supplement modified as appropriate to reflect the interest being assigned ("Modified Commitment Transfer Supplement"), executed by any intermediate purchaser, the Purchasing CLO, the transferor Lender, and Agent as appropriate and delivered to Agent for recording. Upon such execution and delivery, from and after the transfer effective date determined pursuant to such Modified Commitment Transfer Supplement, (i) Purchasing CLO thereunder shall be a party hereto and, to the extent provided in such Modified Commitment Transfer Supplement, have the rights and obligations of a Lender thereunder and (ii) the transferor Lender thereunder shall, to the extent provided in such Modified Commitment Transfer Supplement, be released from its obligations under this Agreement, the Modified Commitment Transfer Supplement creating a novation for that purpose. Such Modified Commitment Transfer Supplement shall be deemed to amend this Agreement to the extent, and only to the extent, necessary to reflect the addition of such Purchasing CLO. Each Credit Party hereby consents to the addition of such Purchasing CLO. Credit Parties shall execute and deliver such further documents and do such further acts and things in order to effectuate the foregoing.

(e) Agent shall maintain at its address a copy of each Commitment Transfer Supplement and Modified Commitment Transfer Supplement delivered to it and a register (the "Register") for the recordation of the names and addresses of each Lender and the outstanding principal, accrued and unpaid interest and other fees due hereunder. The entries in the Register shall be conclusive, in the absence of manifest error, and each Credit Party, Agent and Lenders may treat each Person whose name is recorded in the Register as the owner of the Advance recorded therein for the purposes of this Agreement. The Register shall be available for inspection by Borrowing Agent or any Lender at any reasonable time and from time to time upon reasonable prior notice. Agent shall receive a fee in the amount of \$3,500 payable by the

applicable Purchasing Lender and/or Purchasing CLO upon the effective date of each transfer or assignment (other than to an intermediate purchaser) to such Purchasing Lender and/or Purchasing CLO.

(f) Each Credit Party authorizes each Lender to disclose to any Transferee and any prospective Transferee any and all financial information in such Lender's possession concerning such Credit Party which has been delivered to such Lender by or on behalf of such Credit Party pursuant to this Agreement or in connection with such Lender's credit evaluation of such Credit Party, subject to their agreement to the confidentiality provisions set forth herein.

(g) Notwithstanding anything to the contrary contained in this Agreement, any Lender may at any time and from time to time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank and the Central Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

16.4 Application of Payments.

Agent shall have the continuing and exclusive right to apply or reverse and re-apply any payment and any and all proceeds of Collateral to any portion of the Obligations. To the extent that any Credit Party makes a payment or Agent or any Lender receives any payment or proceeds of the Collateral for any Credit Party's benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the Obligations or part thereof intended to be satisfied shall be revived and continue as if such payment or proceeds had not been received by Agent or such Lender.

16.5 Indemnity.

Each Credit Party shall defend, protect, indemnify, pay and save harmless Agent, Issuer, each Lender and each of their respective officers, directors, Affiliates, attorneys, employees and agents (each an "Indemnified Party") for and from and against any and all claims, demands, liabilities, obligations, losses, damages, penalties, fines, actions, judgments, suits, costs, charges, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel (including allocated costs of internal counsel)) (collectively, "Claims") which may be imposed on, incurred by, or asserted against any Indemnified Party in arising out of or in any way relating to or as a consequence, direct or indirect, of: (i) this Agreement, the Other Documents, the Advances and other Obligations and/or the transactions contemplated hereby including the Transactions, (ii) any action or failure to act or action taken only after delay or the satisfaction of any conditions by any Indemnified Party in connection with and/or relating to the negotiation, execution, delivery or administration of the Agreement and the Other Documents, the credit facilities established hereunder and thereunder and/or the transactions contemplated hereby including the Transactions, (iii) any Credit Party's or any Guarantor's failure to observe, perform or discharge any of its covenants, obligations, agreements or duties under or breach of any of the representations or warranties made in this Agreement and the Other Documents, (iv)

the enforcement of any of the rights and remedies of Agent, Issuer or any Lender under the Agreement and the Other Documents, (v) any threatened or actual imposition of fines or penalties, or disgorgement of benefits, for violation of any Anti-Terrorism Law by any Credit Party, any Affiliate or Subsidiary of any Credit Parties, or any Guarantor, and (vi) any claim, litigation, proceeding or investigation instituted or conducted by any Governmental Body or instrumentality or any other Person with respect to any aspect of, or any transaction contemplated by, or referred to in, or any matter related to, this Agreement or the Other Documents, whether or not Agent or any Lender is a party thereto. Without limiting the generality of any of the foregoing, each Credit Party shall defend, protect, indemnify, pay and save harmless each Indemnified Party from (x) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party arising out of or in any way relating to or as a consequence, direct or indirect, of the issuance of any Letter of Credit hereunder and (y) any Claims which may be imposed on, incurred by, or asserted against any Indemnified Party under any Environmental Laws with respect to or in connection with the Real Property, any Hazardous Discharge, the presence of any Hazardous Materials affecting the Real Property (whether or not the same originates or emerges from the Real Property or any contiguous real estate), including any Claims consisting of or relating to the imposition or assertion of any Lien on any of the Real Property under any Environmental Laws and any loss of value of the Real Property as a result of the foregoing except to the extent such loss, liability, damage and expense is attributable to any Hazardous Discharge resulting from actions on the part of Agent or any Lender. Credit Parties' obligations under this Section 16.5 shall arise upon the discovery of the presence of any Hazardous Materials at the Real Property, whether or not any federal, provincial, state, or local environmental agency has taken or threatened any action in connection with the presence of any Hazardous Materials, in each case for any obligation in this Section 16.5, except to the extent that any of the foregoing arises out of the gross negligence or willful misconduct of the Indemnified Party (as determined by a court of competent jurisdiction in a final and non-appealable judgment). Without limiting the generality of the foregoing, this indemnity shall extend to any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses and disbursements of any kind or nature whatsoever (including fees and disbursements of counsel) asserted against or incurred by any of the Indemnified Parties by any Person under any Environmental Laws or similar laws by reason of any Credit Party's or any other Person's failure to comply with laws applicable to solid or hazardous waste materials, including Hazardous Materials and Hazardous Waste, or other Toxic Substances. Additionally, if any taxes (excluding taxes imposed upon or measured solely by the net income or capital of Agent and Lenders, but including any intangibles taxes, stamp tax, recording tax or franchise tax) shall be payable by Agent, Lenders or Credit Parties on account of the execution or delivery of this Agreement, or the execution, delivery, issuance or recording of any of the Other Documents, or the creation or repayment of any of the Obligations hereunder, by reason of any Applicable Law now or hereafter in effect, Credit Parties will pay (or will promptly reimburse Agent and Lenders for payment of) all such taxes, including interest and penalties thereon, and will indemnify and hold the Indemnified Parties harmless from and against all liability in connection therewith.

16.6 Notice.

Any notice or request hereunder may be given to Borrowing Agent or any Credit Party or to Agent or any Lender at their respective addresses set forth below or at such other address as may hereafter be specified in a notice designated as a notice of change of address under this

Section. Any notice, request, demand, direction or other communication (for purposes of this Section 16.6 only, a "Notice") to be given to or made upon any party hereto under any provision of this Agreement shall be given or made by telephone or in writing (which includes by means of electronic transmission (i.e., "e-mail") or facsimile transmission or by setting forth such Notice on a website to which Credit Parties are directed (an "Internet Posting") if Notice of such Internet Posting (including the information necessary to access such site) has previously been delivered to the applicable parties hereto by another means set forth in this Section 16.6) in accordance with this Section 16.6. Any such Notice must be delivered to the applicable parties hereto at the addresses and numbers set forth under their respective names on Section 16.6 hereof or in accordance with any subsequent unrevoked Notice from any such party that is given in accordance with this Section 16.6. Any Notice shall be effective:

- (a) In the case of hand-delivery, when delivered;
- (b) If given by mail, four (4) days after such Notice is deposited with the United States Postal Service or Canada Post, with first-class postage prepaid, return receipt requested;
- (c) In the case of a telephonic Notice, when a party is contacted by telephone, if delivery of such telephonic Notice is confirmed no later than the next Business Day by hand delivery, a facsimile or electronic transmission, an Internet Posting or an overnight courier delivery of a confirmatory Notice (received at or before noon on such next Business Day);
- (d) In the case of a facsimile transmission, when sent to the applicable party's facsimile machine's telephone number, if the party sending such Notice receives confirmation of the delivery thereof from its own facsimile machine;
- (e) In the case of electronic transmission, when actually received;
- (f) In the case of an Internet Posting, upon delivery of a Notice of such posting (including the information necessary to access such site) by another means set forth in this Section 16.6; and
- (g) If given by any other means (including by overnight courier), when actually received.

Any Lender giving a Notice to Borrowing Agent or any Credit Party shall concurrently send a copy thereof to Agent, and Agent shall promptly notify the other Lenders of its receipt of such Notice.

- (A) If to Agent or PNC Canada at:

PNC Bank Canada Branch
1 Place Ville Marie, Suite 2001
Montreal, Quebec H3B 2C4
Attention: Wendy Whitcher, C.A.
Telephone: (514) 448-5202
Facsimile: (514) 866-2115

with a copy to:

PNC Business Credit Canada
The Exchange Tower
130 King Street West - Suite #2140
Toronto, ON M5X 1E4
Attention: Portfolio Manager - Gasfrac account
Facsimile: (416) 361-0085

with a copy to:

Dickinson Wright PLLC
500 Woodward Avenue, Suite 4000
Detroit, Michigan 48226
Attention: Theodore B. Sylwestrzak
Telephone: (313) 223-3036
Facsimile: (313) 223-3598

with a copy to:

Dickinson Wright PLLC
199 Bay Street, Suite 2200
Commerce Court West
Toronto ON M5L 1G4
Attention: James McKeon
Telephone: 416-777-4019
Facsimile: 416-865-1398

- (B) If to a Lender other than Agent, as specified on the signature pages hereof.
- (C) If to Borrowing Agent or any Credit Party:

Lori McLeod-Hill CA
Chief Financial Officer
GASFRAC Energy Services Inc.
1900, 801-6th Ave. SW
Calgary, AB T2P 3W2
Telephone: (403) 515-3377
Facsimile: (403) 269-3722

with a copy to:

Warren B. Nishimura
Blake, Cassels & Graydon LLP
855 - 2nd Street S.W., Suite 3500
Bankers Hall East Tower

Calgary AB T2P 4J8
Telephone: (403) 260-9664
Facsimile: (403) 260-9700

16.7 Survival.

The obligations of Credit Parties under Sections 2.2(f), 2.2(g), 2.2(h), 3.7, 3.8, 3.9, 3.10, 16.5 and 16.9 and the obligations of Lenders under Sections 2.2, 2.15(b), 2.16, 2.18, 2.19, 14.8 and 16.5, shall survive termination of this Agreement and the Other Documents and payment in full of the Obligations.

16.8 Severability.

If any part of this Agreement is contrary to, prohibited by, or deemed invalid under Applicable Laws, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given effect so far as possible.

16.9 Expenses.

Credit Parties shall pay (i) all out-of-pocket expenses incurred by Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for Agent), and shall pay all fees and time charges and disbursements for attorneys who may be employees of Agent, in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration of this Agreement and the Other Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all out-of-pocket expenses incurred by Issuer in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) all out-of-pocket expenses incurred by Agent or Issuer (including the fees, charges and disbursements of any counsel for Agent or Issuer), and shall pay all fees and time charges for attorneys who may be employees of Agent or Issuer, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the Other Documents, including its rights under this Section, or (B) in connection with the Advances made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit, and (iv) all reasonable out-of-pocket expenses of Agent's regular employees and agents engaged periodically to perform audits of any Credit Party's or any Credit Party's Affiliate's or Subsidiary's books, records and business properties.

16.10 Injunctive Relief.

Each Credit Party recognizes that, in the event any Credit Party fails to perform, observe or discharge any of its obligations or liabilities under this Agreement, or threatens to fail to perform, observe or discharge such obligations or liabilities, any remedy at law may prove to be inadequate relief to Lenders; therefore, Agent, if Agent so requests, shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving that actual damages are not an adequate remedy.

16.11 Consequential Damages.

No party hereto, nor any agent or attorney for any of them, shall be liable to any other party hereto or any Affiliate thereof for indirect, punitive, exemplary or consequential damages arising from any breach of contract, tort or other wrong relating to the establishment, administration or collection of the Obligations or as a result of any transaction contemplated under this Agreement or any Other Document.

16.12 Captions.

The captions at various places in this Agreement are intended for convenience only and do not constitute and shall not be interpreted as part of this Agreement.

16.13 Counterparts; Facsimile Signatures.

This Agreement may be executed in any number of and by different parties hereto on separate counterparts, all of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile or electronic transmission (including email transmission of a PDF image) shall be deemed to be an original signature hereto.

16.14 Construction.

The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments, schedules or exhibits thereto.

16.15 Confidentiality; Sharing Information.

Agent, each Lender and each Transferee shall hold all non-public information obtained by Agent, such Lender or such Transferee pursuant to the requirements of this Agreement in accordance with Agent's, such Lender's and such Transferee's customary procedures for handling confidential information of this nature; provided, however, Agent, each Lender and each Transferee may disclose such confidential information (a) to its Affiliates, examiners, outside auditors, counsel and other professional advisors (subject to such agreeing to or being bound by reasonable confidentiality provisions), (b) to Agent, any Lender or to any prospective Transferees (subject to such prospective Transferees agreeing to reasonable confidentiality provisions), and (c) as required or requested by any Governmental Body or representative thereof or pursuant to legal process; provided, further that (i) unless specifically prohibited by Applicable Law, Agent, each Lender and each Transferee shall use its reasonable best efforts prior to disclosure thereof, to notify the applicable Credit Party of the applicable request for disclosure of such non-public information (A) by a Governmental Body or representative thereof (other than any such request in connection with an examination of the financial condition of a Lender or a Transferee by such Governmental Body) or (B) pursuant to legal process and (ii) in no event shall Agent, any Lender or any Transferee be obligated to return any materials furnished by any Credit Party other than those documents and instruments in possession of Agent or any Lender in order to perfect its Lien on the Collateral once the Obligations have been paid in full and this Agreement has been terminated. Each Credit Party acknowledges that from time to time financial advisory, investment banking and other services may be offered or provided to

such Credit Party or one or more of its Affiliates (in connection with this Agreement or otherwise) by any Lender or by one or more Subsidiaries or Affiliates of such Lender and each Credit Party hereby authorizes each Lender to share any information delivered to such Lender by such Credit Party and its Subsidiaries pursuant to this Agreement, or in connection with the decision of such Lender to enter into this Agreement, to any such Subsidiary or Affiliate of such Lender, it being understood that any such Subsidiary or Affiliate of any Lender receiving such information shall be bound by the provisions of this Section 16.15 as if it were a Lender hereunder. Such authorization shall survive the repayment of the other Obligations and the termination of this Agreement. Notwithstanding any non-disclosure agreement or similar document executed by Agent in favor of any Credit Party or any of any Credit Party's affiliates, the provisions of this Agreement shall supersede such agreements.

16.16 Publicity.

Each Credit Party and each Lender hereby authorizes Agent to make appropriate announcements of the financial arrangement entered into among Credit Parties, Agent and Lenders, including announcements which are commonly known as tombstones, in such publications and to such selected parties as Agent shall in its sole and absolute discretion deem appropriate.

16.17 Anti-Money Laundering Legislation.

(a) Each Credit Party acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws, whether within Canada or elsewhere (collectively, including any guidelines or orders thereunder, "AML Legislation"), the Lenders and Agent may be required to obtain, verify and record information regarding each Credit Party and each Guarantor, their respective directors, authorized signing officers (including any new chief executive officer), direct or indirect shareholders or other Persons in control of such Credit Parties or Guarantors, and the transactions contemplated hereby. Credit Parties shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or Agent, or any prospective assign or participant of a Lender or Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence.

(b) If Agent has ascertained the identity of the Credit Parties or Guarantors or any authorized signatories of such Persons for the purposes of applicable AML Legislation, then the Agent:

(i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Agent within the meaning of applicable AML Legislation; and

(ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that Agent has no obligation to ascertain the identity of the

Credit Parties, Guarantors, or any authorized signatories of such Persons on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from the Credit Parties, Guarantors, or any such authorized signatory in doing so.

16.18 USA PATRIOT Act.

(a) Each Lender or assignee or participant of a Lender that is not incorporated under the Laws of the United States of America or a state thereof (and is not excepted from the certification requirement contained in Section 313 of the USA PATRIOT Act and the applicable regulations because it is both (i) an affiliate of a depository institution or foreign bank that maintains a physical presence in the United States or foreign country, and (ii) subject to supervision by a banking authority regulating such affiliated depository institution or foreign bank) shall deliver to the Agent the certification, or, if applicable, recertification, certifying that such Lender is not a "shell" and certifying to other matters as required by Section 313 of the USA PATRIOT Act and the applicable regulations: (1) within ten (10) days after the Closing Date, and (2) as such other times as are required under the USA PATRIOT Act.

(b) The USA PATRIOT Act requires all financial institutions to which such Act applies to obtain, verify and record certain information that identifies individuals or business entities which open an "account" with such financial institution. Consequently, Lender may from time to time request, and each Credit Party shall provide to Lender, such Credit Party's name, address, tax identification number and/or such other identifying information as shall be necessary for Lender to comply with the USA PATRIOT Act and any other Anti-Terrorism Law.

16.19 Anti-Terrorism Laws.

(a) Each Credit Party represents and warrants that, except as disclosed in Schedule 16.19 or in writing to the Agent after the date hereof, (i) no Covered Entity is a Sanctioned Person and (ii) no Covered Entity, either in its own right or through any third party, (A) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) does business in or with, or derives any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; or (C) engages in any dealings or transactions prohibited by any Anti-Terrorism Law.

(b) Each Credit Party covenants and agrees that, except to the extent that compliance with the terms of this Section 16.19 would directly violate any Applicable Law (including the Foreign Extraterritorial Measures Act (Canada)) in effect in Canada, (i) no Covered Entity will become a Sanctioned Person, (ii) no Covered Entity, either in its own right or through any third party, will (A) have any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person in violation of any Anti-Terrorism Law; (B) do business in or with, or derive any of its income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law; (C) engage in any dealings or transactions prohibited by any Anti-Terrorism Law or (D) use the Advances to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any Anti-Terrorism Law, (iii) the funds used to repay the Obligations will not be derived from any unlawful activity,

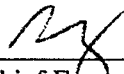
(iv) each Covered Entity shall comply with all Anti-Terrorism Laws and (v) the Credit Parties shall promptly notify the Agent in writing upon the occurrence of a Reportable Compliance Event.

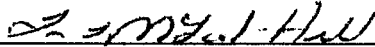
16.20 Joint and Several Obligations.

Notwithstanding any other provision contained in this Agreement or in any Other Document, if a "secured creditor" (as that term is defined under the Bankruptcy and Insolvency Act (Canada)) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint or joint and several basis, then each Credit Party's Obligations, to the extent such Obligations are secured, only shall be several obligations and not joint or joint and several obligations. Notwithstanding any other provision of this Agreement, the liability of any US Credit Party for all Obligations under this Agreement shall be limited to the maximum liability that can be incurred by such US Credit Party without rendering its liability for the Obligations subject to avoidance under Section 548 of the United States Bankruptcy Code or any comparable provisions of any applicable state or federal law.

Each of the parties has signed this Agreement as of the day and year first above written.

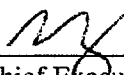
GASFRAC ENERGY SERVICES INC.

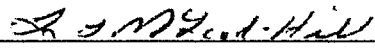
By: 
Jim Hill, Chief Executive Officer

By: 
Lori McLeod-Hill, Chief Financial Officer

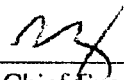
**GASFRAC ENERGY SERVICES LIMITED
PARTNERSHIP**

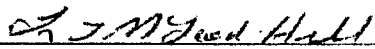
By: GASFRAC Services GP Inc.,
in its capacity as general partner of
GASFRAC Energy Services Limited
Partnership

By: 
Jim Hill, Chief Executive Officer

By: 
Lori McLeod-Hill, Chief Financial Officer

GASFRAC SERVICES GP INC.

By: 
Jim Hill, Chief Executive Officer

By: 
Lori McLeod-Hill, Chief Financial Officer

GASFRAC INC.

By: 
Eric Tudor, President

By: _____
Jim Hill, Chief Financial Officer and
Secretary

GASFRAC US HOLDINGS INC.

By: 
Eric Tudor, President

By: _____
Jim Hill, ~~Chief Financial Officer and~~
Corporate Secretary

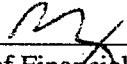
GASFRAC ENERGY SERVICES (US) INC.

By: 
Eric Tudor, President

By: _____
Jim Hill, Chief Financial Officer and
Corporate Secretary

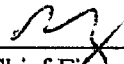
GASFRAC INC.

By: _____
Eric Tudor, President

By:  _____
Jim Hill, Chief Financial Officer and
Secretary

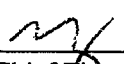
GASFRAC US HOLDINGS INC.

By: _____
Eric Tudor, President

By:  _____
Jim Hill, ~~Chief Financial Officer and~~
~~Corporate Secretary~~

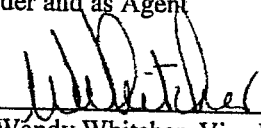
GASFRAC ENERGY SERVICES (US) INC.

By: _____
Eric Tudor, President

By:  _____
Jim Hill, Chief Financial Officer and
Corporate Secretary

PNC BANK CANADA BRANCH

As Lender and as Agent

By: 

Wendy Whitcher, Vice President

PNC Bank Canada Branch

1 Place Ville Marie, Suite 2001

Montreal, Quebec H3B 2C4

Attention: Wendy Whitcher, C.A.

Telephone: (514) 448-5202

Facsimile: (514) 866-2115

Revolving Commitment Percentage: 100%

Revolving Commitment Amount \$60,000,000

Exhibit 1.2

PNC Business Credit Revolving Credit, Term Loan and Security Agreement
Borrowing Base Certificate

GASFRAC Energy Services LP

Certificate # 0614-01
Period Ended 6/6/2014

To induce PNC Bank, National Association ("Agent") to make a loan advance pursuant to the Revolving Credit, Term Loan and Security Agreement dated as of _____ as well as amendments between the undersigned and Lender, we hereby certify as of the above date, the following:

		1 CDN \$ =		\$1.0842	USD	
		From	To	GasFrac ES	GasFrac - US	Total
Accounts Receivable	1 Previous Certificate AR Balance	05/31/12		\$3,999,157.83	\$4,061,153.11	\$4,061,153.11
	2 Gross Sales Since Last Certificate	06/01/12	06/06/14 +	4,410.00	6,031.24	6,031.24
	3 Collections Since Last Certificate	06/01/12	06/06/14 -	(50,644.52)	(50,644.52)	(50,644.52)
	4 Credits Since Last Certificate	06/01/12	06/06/14 -	-	-	-
	5 Other Adjustments	06/01/12	06/06/14 +/-	-	-	-
	6 Unreconciled Variance	06/01/12	06/06/14 -	-	-	-
	7 Non AR Collections	06/01/12	06/06/14 -	-	-	-
	8 Total AR Now Being Certified to Bank (Sum of # 1 thru # 6)			\$3,943,923.31	\$4,007,539.83	\$4,007,539.83
	9 Ineligible AR Per Attached		05/31/14 -	(1,377,722.68)	(1,319,031.28)	(1,319,031.28)
	10 Net Eligible AR (# 7 - # 9)			\$2,566,200.63	\$2,688,508.55	\$2,688,508.55
10A Advance Rate				85%	85%	
10B Gross AR Availability				\$ 2,181,270.54	\$ 103,961.73	\$ 2,285,232.27
Inventory	11 Gross Inventory As Of		5/31/14	16,130,871.58	217,702.22	16,348,573.80
	12 Ineligible Inventory		5/31/14 -	(9,907,364.53)	(79,254.94)	(9,986,619.47)
	13 Net Eligible Inventory			6,223,507.05	138,447.29	6,361,954.34
	14 Advance Rate			50.0%	50.0%	50.0%
	15 Inventory Availability before Submit			3,111,753.53	69,223.64	3,180,977.17
	16 Inventory Sub Limit					6,000,000.00
	17 Adjusted Inventory Availability					3,180,977.17
Fixed Assets	18 Gross NOLV of Fixed Assets As Of		5/5/14	83,175,682.00	44,790,769.13	127,966,451.13
	19 Add Cost of additions	5/5/2014	5/31/14 +	-	-	-
	20 Less NOLV of Disposals	5/5/2014	5/31/14 -	-	-	-
	21 Other	5/5/2014	5/31/14 +/-	-	-	-
	22 Eligible Fixed Assets			83,175,682.00	44,790,769.13	127,966,451.13
	23 Ineligible Fixed Assets		5/31/14 -	0.00	0.00	0.00
	24 Net Eligible Fixed Assets			83,175,682.00	44,790,769.13	127,966,451.13
	25 Advance Rate			85.0%	85.0%	85.0%
	26 Fixed Assets Availability before Submit			70,699,329.70	38,072,153.76	108,771,483.46
	27 Fixed Assets Sub Limit					60,000,000.00
	28 Adjusted Fixed Assets Availability					60,000,000.00
Collateral Reserves	29 Gross Combined Availability					\$ 65,466,209.44
	30 Less Reserve					
	31 Gross Loan Value					\$65,466,209.44
	32 Revolver Limit				\$60,000,000.00	
33 Net Loan Value						\$50,000,000.00
Loans & Advances	34 Revolver Loan Balance Per Previous Certificate					\$0.00
	35 Net Collections Since Last Certificate			-		0.00
	36 Advance Requested			+		0.00
	37 Misc. Loan Adjustment			+/		0.00
	38 New Loan Balance					\$0.00
	39 Availability Reserve			+		25,000,000.00
	40 WEPPA Reserve					326,000.00
	41 GST/HST Reserve					
	42 WCB Reserve					44,407.00
	43 Rent Reserves					90,745.90
Term Loans (if included in Revolver Limit)	44 Revolver Loans & Reserves					\$25,461,152.90
	45 Term Loans (if included in Revolver Limit)			+		\$0.00
	46 Total Loans & Reserves					\$25,461,152.90
	47 Loan Availability (# 23 - # 42)					\$34,538,847.10
	48 Remaining Revolver Availability (# 23 - # 30)				\$34,538,847.10	
	49 Remaining Line Availability (# 22 - # 32)				\$34,538,847.10	

The undersigned hereby certifies that the above representations are true and correct and subject to all conditions of the Loan and Security Agreement. We also represent that to the best of our knowledge, there does not exist a condition which may precipitate a default under the terms of the Loan and Security Agreement or any amendment thereto.

Authorized Signature, Title

Date

Name of Authorized Signer

For Bank Use Only

Date of Advance

Amount

Exhibit 1.2(a)

Compliance Certificate

In accordance with the Revolving Credit and Security Agreement dated as of June •, 2014 (as amended, restated, supplemented or modified from time to time, the "Agreement") by and among GASFRAC ENERGY SERVICES INC., a corporation organized under the laws of the Province of Alberta ("Borrowing Agent"), the other Credit Parties from time to time party thereto, PNC BANK CANADA BRANCH ("PNC Canada") and the other financial institutions from time to time party thereto (together with PNC Canada, collectively the "Lenders"), and PNC Canada as agent for the Lenders (PNC Canada, in such capacity, the "Agent"), Borrowing Agent is furnishing this Compliance Certificate and attached are the financial statements of Credit Parties and their Subsidiaries on a consolidating and consolidated basis dated _____, 20__ (the "Reporting Date") and for the fiscal year-to-date-period then ended (the "Current Financials"). Initially capitalized words and terms used herein without definition shall have the respective meanings assigned to them in the Agreement or in the other agreements, instruments and documents executed in connection with the Agreement (together with the Agreement, the "Loan Documents").

The undersigned certifies that he/she is the _____ [must be the Chief Executive Officer or Chief Financial Officer] of Borrowing Agent. The undersigned hereby represents and agrees as follows:

1. **Authorization.** The undersigned is authorized to execute and deliver this Compliance Certificate on behalf of Borrowers.

2. **Informed Statement.** The undersigned is familiar with the provisions of the Loan Documents and the transactions contemplated thereby, and has reviewed the Loan Documents, had such discussions with each Credit Party's management and employees and done such other investigation as necessary to support the statements made below.

3. **Defaults and Events of Default.** (Check one)

☐ No Default or Event of Default exists under the Loan Documents.

☐ A Default or an Event of Default exists under the Loan Documents as more fully described in a statement of facts attached to this Compliance Certificate, which includes the nature of the Default or Event of Default, when it occurred, whether it is continuing and the steps being taken by Credit Parties with respect to such Default or Event of Default.

4. **Fixed Charge Coverage Ratio.** If the Reporting Date is the last day of a calendar quarter on or after December 31, 2014, the Fixed Charge Coverage Ratio for the Credit Parties on a Consolidated Basis as of the Reporting Date, measured on a rolling four (4) quarter basis, was _____ to 1.00, which ☐ satisfies ☐ does not satisfy the requirement that such ratio be not less than 1.15 to 1.00 as of December 31, 2014 and as of the end of each calendar quarter thereafter, in accordance with Section 6.5 of the Agreement. Attached as Exhibit A is the

calculation of the Credit Parties' Fixed Charge Coverage Ratio.

5. **Capital Expenditures.** On the Reporting Date, the aggregate amount that the Credit Parties have contracted for, purchased or made any expenditure or commitments for Capital Expenditures for during (i) the period from the Closing Date through December 31, 2014 if the Reporting Date is during the 2014 fiscal year, or (ii) the fiscal year containing the Reporting Date if the Reporting Date is during the 2015 fiscal year or any fiscal year thereafter, is \$_____ which ☐ satisfies ☐ does not satisfy the requirement that the aggregate amount that Credit Parties may contract for, purchase or make any expenditure or commitments for Capital Expenditures for, shall not exceed (i) \$4,500,000 for the period from the Closing Date through December 31, 2014 and (ii) \$8,000,000 in any fiscal year thereafter, pursuant to Section 7.6 of the Agreement. If the second box is checked in the preceding sentence, the facts and circumstances resulting in that box being checked are described in detail in a statement attached to this Compliance Certificate.

6. **Leases.** On the Reporting Date, the aggregate annual rent payments for all leased property for all Credit Parties (unless capitalized and permitted under Section 7.6 of the Agreement) during the fiscal year containing the Reporting Date is \$_____ which ☐ satisfies ☐ does not satisfy the requirement that the aggregate annual rental payments for all leased property of all Credit Parties (unless capitalized and permitted under Section 7.6 of the Agreement) shall not exceed \$5,014,196 in any one fiscal year, pursuant to Section 7.11 of the Agreement. If the second box is checked in the preceding sentence, the facts and circumstances resulting in that box being checked are described in detail in a statement attached to this Compliance Certificate.

7. **Calculations.** In addition to the Current Financials, attached to this Compliance Certificate as **Exhibit B** are calculations and other materials in reasonable detail to determine compliance or noncompliance with any and all financial covenants contained in the Loan Documents as of the Reporting Date and during the period covered by the Current Financials.

8. **Schedules Updates.** If applicable, attached hereto as **Exhibit C**, are updates to Schedules 4.4(b)(i) (Inventory, Equipment, and other Collateral Locations), 4.4(b)(ii) (Legal names and addresses of each warehouse where Inventory or equipment is stored), 4.4(b)(iii) (Places of Business and Chief Executive Office), 4.4(b)(iv) (Owned and Leased Real Property), 5.9 (Intellectual Property, Source Code Escrow Agreements), 5.24 (Equity Interests), 5.25 (Commercial Tort Claims), and 5.26 (Letter-of-Credit Rights) to the Agreement, as required to maintain the related representations and warranties as true and correct.

WITNESS the due execution hereof with the intent to be legally bound hereby as of this _____ day of _____, 20__.

GASFRAC ENERGY SERVICES INC.,
as Borrowing Agent

By: _____
Name:
Title:

EXHIBIT A
FIXED CHARGE COVERAGE RATIO CALCULATION

See Attached.