Form 49
[Rule 13.19]

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COURT	COURT OF QUEEN'S BENCH OF ALBERTA	
JUDICIAL CENTRE	Calgary	
APPLICANTS	**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended** **AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9** **AND IN THE MATTER OF GASFRAC ENERGY SERVICES INC., GASFRAC SERVICES GP INC., GASFRAC ENERGY SERVICES (US) INC., GASFRAC US HOLDINGS INC. and GASFRAC INC.**	
DOCUMENT	**AFFIDAVIT**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Josef G.A. Krüger, Q.C./Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9774 Facsimile: (403) 266-1395 Email: JKruger@blg.com/RGurofsky@blg.com File No. 441817-000015	

AFFIDAVIT OF LEIGH CASSIDY

Sworn on May 6th, 2015

I, Leigh Cassidy, of the City of Calgary, in the Province of Alberta, chartered accountant and chartered financial analyst, SWEAR AND SAY THAT:

1. I am a restructuring consultant and director of GASFRAC Energy Services Inc. ("**GESI**"), which is the 100% parent company of GASFRAC Services GP Inc. ("**GSGP**") and the 99.99865% owner of GASFRAC Energy Services Limited Partnership ("**GES LP**"), GASFRAC Energy Services (US) Inc. ("**GESI US**"), GASFRAC US Holdings Inc. ("**Holdings**") and GASFRAC Inc. ("**GI**") (GSGP owns the remaining 0.00135% or one unit of GES LP). GESI, GSGP, GES LP, GESI US, Holdings and GI are sometimes hereinafter referred to collectively as the

"**Company**". In my role as director of GESI, I am also a member of the Special Committee of GESI that has been responsible for overseeing the Company's restructuring efforts. I was engaged by the Company as a restructuring consultant and appointed as a director of GESI and member of the Special Committee on or about February 3, 2015.

2. As a result of the foregoing, I have personal knowledge of the facts and matters deposed to herein except where stated to be based on information and belief, and where so stated I do verily believe the same to be true.

3. I am authorized by the Company to swear this Affidavit.

Background

4. The Company, through its court appointed financial advisor, CIBC World Markets Inc. ("**CIBC**"), has engaged in an extensive sales and solicitation process ("**SISP**") with the assistance of Ernst & Young Inc., the court appointed Monitor in these proceedings (the "**Monitor**") to market its business and operations. Through the SISP, the Company received a very favourable offer for the purchase of certain of the Company's assets (the "**Transaction**"), which was approved by this Court on March 16, 2015 and by the United States Bankruptcy Court in the related Chapter 15 proceedings on March 18, 2015.

5. The Transaction closed on April 2, 2015, resulting in payment to the Company's first secured creditor, PNC Bank Canada Branch, in the amount of $37,725,890.73, with the remainder of the proceeds held by the Monitor for distribution to the unsecured creditors and the subordinated unsecured debenture holders (the "**Subordinated Debentureholders**") of the Company.

6. Subsequent to the approval of the Transaction, on March 26, 2015 the Company also obtained this Court's approval to enter into a transaction with Calfrac Well Services Ltd. (the "**Calfrac Transaction**"). The Calfrac Transaction requires GESI to complete a plan of arrangement or compromise with its remaining creditors.

The Calfrac Transaction and Plan of Arrangement

7. As contemplated under the Calfrac Transaction, the Company has finalized a plan of arrangement and compromise (the "**Plan**") with respect to the Company's unsecured creditors, including the Subordinated Debentureholders (the "**Affected Unsecured Creditors**").

8. The Plan was prepared by the Company in consultation with Calfrac Well Services Ltd., the Monitor and legal counsel to the respective parties. Capitalized terms not otherwise defined herein, have the same meaning as given to them in the Plan. The Plan contemplates, among other things, that:

(a) the unsecured creditors, with the exception of the Subordinated Debentureholders, will receive 100% of their proven claims valued as of the date of the Initial Order;

(b) the Subordinated Debentureholders (through Computershare Limited ("**Computershare**") as Indenture Trustee and Broadridge Financial Solutions Inc. ("**Broadridge**") as its clearing agent) will receive a distribution of the remaining funds held by the Monitor in an amount greater than what they would receive without the Plan;

(c) all issued and outstanding shares of GESI will be cancelled for no consideration;

(d) Holdings, GESI US, GI and Gasfrac Luxembourg Finance S.a.r.l. a Gasfrac entity incorporated in Luxembourg, will be wound up; and

(e) a new class of shares of GESI shall be created and 100 new shares of the new class of shares of GESI shall be issued to Calfrac or its nominee.

Attached hereto and marked as **Exhibit "A"** is a copy of the Plan.

9. It is the view of the Company that the approval and implementation of the Plan is likely to produce a better result for the Subordinated Debentureholders than the next most likely alternative, being a bankruptcy. The Plan provides additional funds for distribution to the Subordinated Debentureholders that would not otherwise be available in a bankruptcy, thereby maximizing value for the benefit of creditors. I am informed by Neil Narfason of Ernst & Young Inc. and do verily believe that the Monitor agrees with this assessment.

Meeting of Creditors

10. In order to conduct a meeting of creditors to vote on the Plan, the Company intends to provide notice to the Affected Unsecured Creditors. The Company is requesting that a meeting of creditors be held on June 22, 2015, which given the date for the hearing of this application, should

be sufficient time for the Affected Unsecured Creditors to review the Plan and submit a proxy to the Monitor or make arrangements to attend the meeting. Attached hereto and marked as **Exhibit "B"** is a true copy of the Notice of Meeting to Creditors, together with a form of proxy.

11. Because the identity of the Subordinated Debentureholders is unknown by the Company, the Company intends to send the Plan and the meeting materials, including the Notice of Meeting, proxy and the Monitor's Report to Computershare and Broadridge for distribution to the relevant parties. I understand that Broadridge will collect the proxies on behalf of the Subordinated Debentureholders and tabulate their votes, providing the proxies together with a voting report to the Monitor. In addition, I understand that Broadridge will attend the Creditors' Meeting and scrutineer the votes of any Subordinated Debentureholders in attendance at the Creditors' Meeting. The Monitor has been consulted with respect to this process and I understand that the Monitor is supportive of it.

Creditor Classes

12. For the purposes of voting on the Plan, the Company contemplates a division of the Affected Unsecured Creditors into an unsecured creditor class for each of GESI, GSGP, GESLP, Holdings, GI and GESI US, all of which exclude the Subordinate Debentureholders (the "**Unsecured Creditor Classes**") and a Subordinate Debentureholders class (the "**Subordinate Debentureholders Class**").

13. Pursuant to the terms of the debentures, the Subordinate Debentureholders agreed that their interests would be subordinated to all other creditors of the Company and that in the event of any insolvency or bankruptcy proceedings, all outstanding liabilities of the Company (including Inter Company Claims) existing as of the date of the Debenture Indenture or coming into existence after that date are require to be paid in full before any payment is made on account of the Subordinate Debentureholders. Attached hereto and marked as **Exhibit "C"** is an excerpt from the debenture, evidencing the subordination agreement. In the Company's view, the division of the creditor classes is appropriate in the circumstances, considering the subordinated nature of the Subordinate Debentureholders' interest.

14. I understand that the Monitor is supportive of the Company's proposed creditor classes.

Stay Extension

15. The stay of proceedings currently expires on May 14, 2015. As such, the Company requires an extension of the stay of proceedings to enable it to call a meeting of creditors on June 22, 2015

and if the requisite majority of creditors vote to approve the Plan, to schedule an application to sanction the Plan shortly thereafter. The Company has acted and continues to act in good faith and with due diligence.

16. The Company requests an extension of the stay of proceedings to July 6, 2015. Assuming the creditors vote in favour of the Plan, it is anticipated that an application for a further stay of proceedings will be made at the same time as the sanction order application, to enable the Company, the Monitor and Calfrac to implement the Plan.

Relief Requested

17. I make this Affidavit in support of an order:

(a) extending the stay of proceedings to July 6, 2015 to allow the Company to hold a meeting of creditors for the purposes of voting on the Plan;

(b) authorizing circulation of the Plan to the Company's creditors;

(c) authorizing the Company to call a meeting of creditors on June 22, 2015 for the purposes of voting on the Plan;

(d) approving the division of the Affected Unsecured Creditors into separate creditor classes as more particularly set out in the Plan; and

(e) such further and other relief as the Court may permit in the circumstances.

SWORN BEFORE ME at Casa Granda, Arizona, this 6th day of May, 2015.

Nancy Ellen Paupst

Notary Public in and for the State of Arizona

NANCY ELLEN PAUPST
Notary Public - Arizona
Pinal County
My Comm. Expires May 24, 2018

LEIGH CASSIDY

TAB A

This is **Exhibit "A"** referred to
In the Affidavit of Leigh Cassidy
Sworn before me this 6th day of May, 2015

Nancy Ellen Paupst

Notary Public of the State of Arizona

NANCY ELLEN PAUPST
Notary Public - Arizona
Pinal County
My Comm. Expires May 24, 2018

	CLERK'S STAMP

COURT FILE NUMBER	1501-00396
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
	IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, as amended
	IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, R.S.A. 2000, c. B-9
	AND IN THE MATTER OF GASFRAC ENERGY SERVICES INC., GASFRAC SERVICES GP INC., GASFRAC ENERGY SERVICES (US) INC., GASFRAC US HOLDINGS INC. and GASFRAC INC.
DOCUMENT	**PLAN OF COMPROMISE AND ARRANGEMENT**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Pat McCarthy, Q.C./Robyn Gurofsky Borden Ladner Gervais LLP 1900, 520 3rd Ave. S.W. Calgary, AB T2P 0R3 Telephone: (403) 232-9500 Facsimile: (403) 266-1395 Email: pmccarthy@blg.com / RGurofsky@blg.com File No. 441817-000015

PLAN OF COMPROMISE AND ARRANGEMENT

OF

GASFRAC ENERGY SERVICES INC., GASFRAC SERVICES GP INC., GASFRAC ENERGY SERVICES LIMITED PARTNERSHIP, GASFRAC U.S. HOLDINGS INC., GASFRAC INC. and GASFRAC ENERGY SERVICES (U.S.) INC.

PURSUANT TO

THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

May ___, 2015

- THIS PLAN SHOULD BE READ TOGETHER WITH THE MONITOR'S SEVENTH REPORT TO CREDITORS DATED APRIL ___, 2015
- THE FOLLOWING SCHEDULES ATTACHED HERETO ARE INTEGRAL TO AND FORM PART OF THIS PLAN:

SCHEDULE A	DEFINED TERMS AND INTERPRETATION
SCHEDULE B	INSTRUMENT OF PROXY
SCHEDULE C	ARTICLES OF REORGANIZATION OF GASFRAC ENERGY SERVICES INC.
SCHEDULE D	TRUST AGREEMENT

ARTICLE 1
INTRODUCTION

1.1 Introduction

The purpose of this Plan is to effect a compromise and arrangement of the Claims of the Affected Unsecured Creditors of GASFRAC Energy Services Inc. ("**GESI**"), Gasfrac Services GP Inc. ("**GSGP**"), Gasfrac Energy Services Limited Partnership ("**GESLP**"), Gasfrac U.S. Holdings Inc. ("**Holdings**"), Gasfrac Inc. ("**GI**") and Gasfrac Energy Services (U.S.) Inc. ("**GUS**") (collectively, the **Applicants**") in order to permit GESI, GSGP and GESLP to restructure and reorganize their affairs for the benefit of all stakeholders, with a view to increasing the recovery of the Affected Unsecured Creditors and primarily the Subordinated Debentureholders. The Applicants have concluded, and the Monitor agrees, that the Subordinated Debentureholders will likely obtain a greater return on their Claims if the Plan is approved than the likely alternative bankruptcy of the Applicants. The Applicants also conclude, and the Monitor agrees, that the Affected Unsecured Creditors (with the exception of the Subordinated Debentureholders) will likely obtain a full recovery of their Claim, as at the Filing Date. Affected Unsecured Creditors should review this Plan and the Monitor's Report before voting to accept or to reject this Plan.

1.2 Background

On January 15, 2015 (the "**Filing Date**"), the Applicants sought and obtained an initial order (the "**Initial Order**") from the Court of Queen's Bench of Alberta (the "**Court**") granting protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 (the "**CCAA**"). Ernst and Young Inc. was appointed by the Court as the monitor (the "**Monitor**") of the Applicants in the CCAA proceedings. The Initial Order was recognized by the U.S. Court on January 30, 2015.

On March 16, 2015, the Applicants obtained an order from the Court (the "**Claims Process Order**") approving a claims process for determining the Claims of Creditors of GESI, GSGP and GESLP. A similar claims process order was granted by the U.S. Court in the U.S. Proceedings on March 18, 2015 with respect to the Claims of Creditors of Holdings, GI and GUS. The claims bar date or deadline by which Creditors are required to file their proof of claim is May 7, 2015 in both the CCAA and U.S. Proceedings.

In addition to the Claims Process Order, the Applicants also obtained an order on March 16, 2015 approving the sale of certain of its assets to STEP Energy Services Ltd. (the "**STEP Transaction**"), pursuant to an asset purchase and sale agreement generated out of the Sale and Investment Solicitation Process approved by the Court on January 23, 2015 and the U.S. Court on January 30, 2015. The STEP Transaction closed on April 2, 2015.

The Applicants obtained a further order from the Court on March 26, 2015 approving the terms of a transaction with Calfrac Well Services Ltd. (the "**Calfrac Transaction**"). The Calfrac Transaction forms part of this Plan and is designed to maximize value for the benefit of the Affected Unsecured Creditors (including the Subordinated Debentureholders) through a corporate restructuring of GESI, GESLP and GSGP. Pursuant to the Calfrac Transaction, additional consideration of $1,500,000 will be added to the Cash Pool available for distribution to Affected Unsecured Creditors. In addition, the U.S. Debtors and GLuxco will be dissolved and their respective businesses wound up. Any of the U.S. Debtors' Residual Assets will be transferred to the Monitor as Residual Trustee for the benefit of the Affected Unsecured Creditors and the Unaffected Creditors pursuant to the Trust Agreement attached hereto as Schedule D and this Plan. In addition, GESI will undergo a corporate restructuring with all issued and outstanding shares of GESI being retracted, cancelled and extinguished for no consideration and New Shares being issued to Calfrac, who will be the only shareholder of GESI immediately after completion of the Plan.

If this Plan is approved by the Required Majorities of creditors voting in each class, it is anticipated that the Affected Unsecured Claims (with the exception of the Subordinated Debentureholders) will receive full payment of their Allowed Claims as at the Filing Date. It is further anticipated that the Subordinated Debentureholders will receive a portion of their Claim, in an amount greater than would be recovered if the Plan is rejected by Creditors. If the Plan is approved and subsequently sanctioned by the Court, the Allowed Affected Claims will be paid out upon implementation of the Plan in the manner set out herein and all Affected Claims will be released and forever discharged.

ARTICLE 2

PURPOSE AND EFFECT OF PLAN

2.1 Purpose

The purpose of this Plan is:

(a) to permit GESI, GSGP and GESLP to continue to carry on business as a going concern;

(b) to permit the dissolution and winding up of the U.S. Debtors;

(c) to provide for a settlement of all Allowed Affected Unsecured Claims; and

(d) to effect a release and discharge of all Affected Claims and Released Claims;

in the expectation that the Persons who have an economic interest in the Applicants, when considered as a whole, will derive a greater benefit from the implementation of this Plan than would result from a bankruptcy of the Applicants.

2.2 Persons Affected

This Plan provides for (i) a full and final release and discharge of the Affected Claims and Released Claims, (ii) a settlement of, and consideration for, all Allowed Affected Unsecured Claims, and (iii) a reorganization of the Applicants. This Plan will become effective beginning at the Effective Time in accordance with its terms and the steps and sequence set forth in Section 5.2, and shall be binding on the Applicants, all Affected Creditors (including Equity Claimants), all Released Parties and all other Persons named or referred to in, or subject to, this Plan.

2.3 Persons Not Affected

This Plan does not affect the Unaffected Creditors. Nothing in this Plan shall affect the Applicants' obligations, rights and defences, both legal and equitable, with respect to any Unaffected Claims, including all rights with respect to legal and equitable defences or entitlements to set-offs or recoupments against such Unaffected Claims.

ARTICLE 3

CLASSIFICATION AND TREATMENT OF CREDITORS AND RELATED MATTERS

3.1 Claims Procedure

The procedure for determining the validity and quantum of the Affected Claims for voting and distribution purposes under this Plan shall be governed by the Claims Procedure Order, the Meeting Order, the CCAA, this Plan and any further Order of the Court.

3.2 Classification of Affected Unsecured Claims

In accordance with the Meeting Order, for the purpose of voting on this Plan, the Affected Unsecured Claims are divided into classes as set out below:

Affected Unsecured Creditors Class	Affected Unsecured Claims
GESI Class	Affected Unsecured Claims against GESI
GSGP Class	Affected Unsecured Claims against GSGP
GESLP Class	Affected Unsecured Claims against GESLP
Holdings Class	Affected Unsecured Claims against Holdings
GI Class	Affected Unsecured Claims against GI
GUS Class	Affected Unsecured Claims against GUS
Subordinated Debentureholder Class	Affected Unsecured Claims by Subordinated Debentureholders

3.3 Creditors' Meetings

The Meetings shall be held in accordance with the Meeting Order and any further Order of the Court. The only Persons entitled to attend the Meetings are those specified in the Meeting Order.

3.4 Treatment of Affected Unsecured Claims

An Affected Unsecured Creditor shall receive distributions in respect of its Affected Unsecured Claim as set forth below only to the extent that such Claim is an Allowed Affected Unsecured Claim and has not been paid, released, discharged or otherwise satisfied prior to the Plan Implementation Date.

In accordance with the steps and sequence set forth in Section 5.2, and in full and final satisfaction of all Affected Unsecured Claims:

For Affected Unsecured Creditors (other than Subordinated Debentureholders):

(a) each Affected Unsecured Creditor (other than Subordinated Debentureholders) with an Allowed Affected Unsecured Claim will receive payment of its claim as at the Filing Date in full in accordance with this Plan.

For Subordinated Debentureholders:

(b) the Subordinated Debenture Trustee will receive the Subordinated Debentureholder Cash Pool, to be distributed to Subordinated Debentureholders pro rata according to their Subordinated Debenture Obligations existing as at the Filing Date;

All Affected Unsecured Claims shall be fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred on the Plan Implementation Date. Thereafter, the only rights of Affected Unsecured Creditors shall be to receive distributions under this Plan from the Cash Pool in accordance with their Allowed Affected Unsecured Claims.

3.5 Treatment of Equity Claims

On the Plan Implementation Date, in accordance with the steps and sequence set forth in Section 5.2, all Equity Interests and all Equity Claims shall be fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred without the consent of the holders thereof (other than the Equity Interests held by: (a) GESI in GSGP; and (b) GESI and GSGP in GSLP (collectively, the "**Preserved Equity Interests**") which shall continue to exist and be held in the same manner after the Plan Implementation Date as was the case immediately before the Plan Implementation Date) and the New Shares, which shall be issued in accordance with Section 5.2.

3.6 Treatment of Unaffected Claims

Unaffected Creditors will not receive any consideration or distributions under this Plan in respect of their Unaffected Claims (except to the extent their Unaffected Claims are paid in full on the Plan Implementation Date in accordance with the express terms of Section 5.2), and shall not be entitled to vote on this Plan at the Meetings in respect of their Unaffected Claims.

3.7 Disputed Distribution Claims

Any Affected Unsecured Creditor with a Disputed Distribution Claim shall not be entitled to receive any distribution hereunder with respect to such Disputed Distribution Claim unless and until such Claim becomes an Allowed Affected Unsecured Claim. A Disputed Distribution Claim shall be resolved in accordance with the Claims Procedure Order. Distributions pursuant to Section 3.4 shall be paid from the Disputed Distribution Claims Reserve in accordance with Section 6.2 in respect of any Disputed Distribution Claim that is finally determined to be an Allowed Affected Unsecured Claim in accordance with the Claims Procedure Order.

3.8 Extinguishment of Claims

On the Plan Implementation Date, in the sequence set forth in Section 5.2 and in accordance with the provisions of the Sanction Order and the Sanction Recognition Order, the treatment of Affected Claims (including Allowed Claims and Disputed Distribution Claims) and all Released Claims, in each case as set forth herein, shall be final and binding on the Applicants, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns) and any Person holding an Affected Claim or a Released Claim, and all Affected Claims and Released Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Released Parties shall thereupon have no further obligation whatsoever in respect of the Affected Claims and Released Claims, as applicable (other than the Monitor's obligation to make distributions from the Cash Pool with respect to Allowed Affected Unsecured Claims); *provided that* nothing herein releases the Applicants or any other Person from their obligations to make distributions in the manner and to the extent provided for in this Plan; and *provided further that* such discharge and release of the Applicants shall be without prejudice to the right of a Creditor in respect of a Disputed Distribution Claim to prove such Disputed Distribution Claim in accordance with the Claims Procedure Order so that such Disputed Distribution Claim may become an Allowed Affected Unsecured Claim entitled to receive consideration under Section 3.4, Section 3.7 and Section 6.2.

3.9 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim that is compromised and released under this Plan, or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim that is compromised and released under this Plan, shall be entitled to any greater rights as against the Applicants than the Person whose Claim is compromised and released under this Plan.

3.10 Multiple Affected Unsecured Claims

Notwithstanding the division of Affected Unsecured Creditors into classes by the Applicants for the purpose of voting on this Plan, all Affected Unsecured Creditors will participate in the same distribution scheme under this Plan in accordance with their respective priority position. In particular, the Allowed Affected Unsecured Creditors (excluding the Subordinated Debentureholders) shall be paid in priority to the Subordinated Debentureholders. At the Effective Time, for distribution purposes under this Plan, in respect of all Affected Unsecured Creditors and their rights in respect of Affected Unsecured Claims: (a) all guarantees of an Applicant of the payment or performance by another Applicant with respect to any Affected Unsecured Claim will be deemed eliminated and cancelled; (b) any Affected Unsecured Claim and all guarantees by an Applicant of any Affected Unsecured Claim will be treated as a single Affected Unsecured Claim against the Applicants; (c) any joint obligation of any Applicant with another Applicant will be treated as a single Affected Unsecured Claim against the Applicants; and (d) each Affected Unsecured Claim in respect of any Applicant will be deemed to be one Affected Unsecured Claim against, and obligation of, the Applicants.

For certainty, the treatment of Affected Unsecured Claims in this Section 3.10 will not affect the legal and corporate structures of the Applicants or cause any Applicant to be liable for any Claim for which it is not otherwise liable.

3.11 Set-Off

The law of set-off applies to all Claims.

ARTICLE 4
DISTRIBUTIONS AND PAYMENTS

4.1 Distribution of Payments to Affected Unsecured Claims

Distributions under this Plan shall be made in accordance with Sections 3.4 and 5.2.

4.2 Cancellation of Certificates and Notes

Following completion of the steps in the sequence set forth in Section 5.2, all notes (including the Subordinated Debenture Indenture), debentures (including the Subordinated Debentures), certificates, agreements, indentures, statements, bills, invoices, instruments or other documents representing or evidencing (or purporting to represent or evidence) Affected Claims or Equity Interests will not entitle any holder thereof or party thereto to any compensation or participation other than as expressly provided for in this Plan and will be cancelled and be null and void (other than the Preserved Equity Interests). Notwithstanding the foregoing, the Subordinated Debenture Indenture shall remain in effect for the purpose of and only to the extent necessary to: (i) allow the Subordinated Debenture Trustee to make distributions to the Subordinated Debentureholders; and (ii) maintain all of the protections the Subordinated Debenture Trustee enjoys as against the Subordinated Debentureholders, including its rights with respect to any distributions under this Plan, until all distributions are made to Subordinated Debentureholders hereunder. For certainty, any and all obligations of the Applicants (as borrower, guarantor, surety or otherwise) under and with respect to the Subordinated Debentures and the Subordinated Debenture Indenture shall not continue beyond the Plan Implementation Date.

4.3 Currency

All payments and distributions to Canadian Affected Unsecured Creditors on account of their Affected Claims shall be made in Canadian dollars. All payments and distributions to U.S. Affected Unsecured Creditors on account of their Affected Claims shall be made in U.S. Dollars. Notwithstanding the foregoing, the Monitor is authorized and has the discretion to make distributions in Canadian or U.S. dollars as it deems appropriate.

4.4 Interest

Interest shall not accrue or be paid on Affected Claims on or after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

4.5 Allocation of Distributions

All distributions made pursuant to this Plan shall be allocated first towards the repayment of the principal amount in respect of an Affected Claim, and then to any interest accruing up to the Filing Date.

4.6 Treatment of Undeliverable Distributions

If any distribution to a Person under this Plan is returned as undeliverable (an "**Undeliverable Distribution**"), no further distributions to such Person shall be made unless and until the Applicants are notified by such Person of such Person's current address, at which time all such distributions shall be made to such Person. All claims for Undeliverable Distributions must be made on or before the date that is six (6) months following the final Distribution Date, after which date any entitlement with respect to such Undeliverable Distribution shall be forever released, discharged, cancelled and barred, without any compensation therefor, notwithstanding any federal, provincial, territorial, state or local laws to the contrary, at which time any such Undeliverable Distributions shall be paid to Calfrac. Nothing contained in this Plan shall require the Applicants, the Monitor or any other Person to attempt to locate any holder or intended recipient of an Undeliverable Distribution. No interest is payable in respect of an Undeliverable Distribution. Any distribution under this Plan on account of the Subordinated Debentures, if delivered to the Subordinated Debenture Trustee in accordance with the provisions hereof, shall be deemed made when delivered to the Subordinated Debenture Trustee for subsequent distribution to Subordinated Debentureholders. Any amounts transferred by the Applicants to the Monitor and/or the Residual Trustee for payment to an Affected Unsecured Creditor or an Unaffected Creditor in accordance with the provisions hereof shall be deemed made by the Applicants when delivered to the Monitor and/or Residual Trustee.

4.7 Withholding Rights

The Applicants, the Monitor and/or any other Person making a payment contemplated herein (each, a "**Payor**") shall be entitled to deduct and withhold from any distributions or other amounts payable to any Person such amounts as it is required, as determined in the Payor's discretion, acting reasonably, to deduct and withhold with respect to such payment under the Canadian Tax Act, corresponding provisions of provincial or territorial laws, the United States Internal Revenue Code of 1986, as amended or any other Applicable Laws. To the extent that amounts are so withheld or deducted, such withheld or deducted amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, *provided that* such amounts are actually remitted to the appropriate Taxing Authority. The Payor is authorized to sell or otherwise dispose of such portion of any non-cash consideration payable to any such Person as is necessary to provide the Payor with sufficient funds to enable it to comply with such deduction or withholding requirement or entitlement, and shall notify the applicable Person thereof and remit to such Person any unapplied balance of the net proceeds of such sale. If such sale is not reasonably possible, the Payor shall not be required to make any excess payment of consideration or other amounts until the Person has directly satisfied any such withholding obligation and provides evidence thereof to the Payor.

4.8 Calculations

All amounts of consideration to be received hereunder will be calculated to the nearest whole cent ($0.01). All calculations and determinations made by the Monitor and/or the Applicants for the purposes of and in accordance with this Plan, including, without limitation, the allocation of consideration, shall be conclusive, final and binding upon the Affected Creditors and the Applicants.

ARTICLE 5
PLAN IMPLEMENTATION

5.1 Corporate Actions

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of the Applicants will occur and be effective as of the Plan Implementation Date or in such other manner or time as may be expressly provided for in Section 5.2, and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes, without any requirement of further action by shareholders, members, directors, managers or officers of the Applicants. All necessary approvals of and from the shareholders, members, directors, managers or officers of the Applicants, as applicable (including all necessary resolutions, whether ordinary, special or otherwise, of the shareholders, members, directors, managers or officers of the Applicants, as applicable) to take all actions hereunder or contemplated hereby shall be deemed to have been made, given, passed or obtained; no agreement between or among the shareholders or members of any Applicant, or any of them, or between a shareholder or member and another Person, that limits or purports to limit in any way the right to vote shares or membership interests held by such shareholder(s) or member(s) with respect to any of the steps or transactions contemplated by this Plan, shall be effective, and all such agreements shall be deemed to be of no force or effect.

5.2 Plan Implementation

Subject to Sections 9.1 and 9.2, the following steps, compromises and releases to be effected on the implementation of this Plan shall occur, and be deemed to have occurred, in the following order in ten minute increments (or at such other times as may be agreed to by the Applicants, the Monitor, and Calfrac), without any further act or formality, on the Plan Implementation Date beginning at the Effective Time (or in such other manner or sequence or such other time or times as the Applicants, the Monitor and Calfrac may agree), except that the winding-up and dissolution of the U.S. Debtors and GLuxco pursuant to Sections 5.2(a), 5.2(e) and 5.2(f) and the amendments to the Articles of Amalgamation of GESI described in Section 5.2(b) may be completed on a day or days other than the Plan Implementation Date to be agreed to by the Applicants, the Monitor and Calfrac.

Pre-Plan Implementation Date Steps

(a) GLuxco shall be dissolved and, to the extent necessary, the Monitor shall be authorized to wind-up the affairs of GLuxco;

(b) the Articles of Amalgamation of GESI shall be amended substantially in accordance with the Articles of Reorganization to add a new class of shares to the authorized share capital of GESI by creating a new class of shares, being the New Shares, which class shall consist of an unlimited number of shares designated as "Class A Common Shares" having rights, privileges, restrictions and conditions as set forth in the Articles of Reorganization;

Plan Implementation Date Pre-Distribution Steps

(c) all Option Plans shall be terminated and be of no further force or effect;

(d) all cash held by the U.S. Debtors shall be deemed part of the Cash Pool;

(e) all of the U.S. Debtors' Residual Assets shall be transferred, conveyed or assigned to the Monitor as Residual Trustee who shall hold the U.S. Debtors' Residual Assets as Trustee pursuant to the Trust Agreement for the benefit of the Affected Unsecured Creditors and Unaffected Creditors as provided under this Plan. Upon such transfers, conveyance or assignment, the U.S. Debtors shall have no interest in, or with respect to, the Cash Pool or the U.S. Debtors' Residual Assets. As to the U.S. Debtors' Residual Assets, the Monitor as Residual Trustee is authorized to take all steps necessary or appropriate to realize upon such U.S. Debtors' Residual Assets and reduce the same to cash, including but not limited to, selling or otherwise disposing of such assets (whether by gift or otherwise), transferring or otherwise conveying title to such U.S. Debtors' Residual Assets, pursuing all causes of action previously held by the U.S. Debtors in regard to the U.S. Debtors' Residual Assets and abandoning any such asset deemed to be of inconsequential value or otherwise uncollectable. For the sake of clarity, the Monitor as Residual Trustee shall have the broadest authority and discretion in administering the U.S. Debtors' Residual Assets and shall have the absolute right in its sole discretion to pursue, not pursue, collect, abandon, sell, dispose of, gift, compromise and settle or otherwise administer the U.S. Debtors' Residual Assets, and shall have no liability for the outcome of its decisions regarding same except for any damages caused by willful misconduct or gross negligence. Upon the subsequent conversion of the U.S. Debtors' Residual Assets (or any of them) into cash and the payment of reasonable costs and expenses associated with converting such assets into cash or otherwise administering such assets, which costs and expenses shall be covered by the Administration Charge set out in the Initial Order, the net cash shall become part of the Cash Pool to be further distributed as provided in this Plan;

(f) Upon the transfer of (i) the Cash Pool to the Monitor and, (ii) the transfer of the U.S. Debtors' Residual Assets to the Monitor as Residual Trustee as provided in section 5.2(e) of this Plan, each of the U.S. Debtors shall be deemed dissolved, all Securities of and Equity Interests in the U.S. Debtors shall be fully, finally and irrevocably cancelled for no consideration, and their respective businesses shall be wound up without any further action by its former or existing shareholders, officers, employers or directors and the Monitor as Residual Trustee is authorized on behalf of each of the U.S. Debtors, to make, execute, acknowledge and file all necessary or appropriate certificates or other documents with the appropriate governmental unit or agency and take any other action necessary or appropriate to effect such dissolution and wind-up of each of the U.S. Debtors pursuant to the terms of the Trust Agreement and to withdraw each U.S. Debtor from qualification in any state where it is qualified to do business, including without limitation the execution and filing of certifications of dissolution and payment of any associated filing fees and state taxes and the filing of any tax returns deemed necessary or appropriate (and the paymentof related taxes) on behalf of the U.S. Debtors. In this regard, the notices of the filing of these bankruptcy cases and this Plan to creditors, the opportunity provided to creditors to file proofs of claims in these bankruptcy cases and the provisions for payments to creditors provided under this Plan shall be deemed to constitute and effectuate the dissolution and winding-up of the U.S. Debtors' business as contemplated under applicable non-bankruptcy law for dissolved corporations without any further action or notice by (i) the U.S. Debtors, their former or existing shareholders, officers, directors, representatives or employees, or (ii) the Monitor as Residual Trustee. All applicable regulatory or governmental units or agencies shall accept any such certificates or other documents filed by the Monitor as Residual Trustee and shall take all steps necessary or appropriate to allow and effect the prompt dissolution and/or winding-up of the U.S. Debtors as herein provided.

Distribution Steps

(g) the unspent balance of the $535,000 of working capital loaned by Calfrac to GESLP under the Working Capital Note for the purposes of allowing the Applicants to complete this Plan, if any, shall be returned to Calfrac in accordance with the terms of the Working Capital Note;

(h) in final payment and satisfaction of the Affected Unsecured Claims and the Unaffected Claims that are being paid in connection with this Plan, the Cash Pool shall be transferred by the Applicants to the Monitor who shall thereafter hold such amounts for the benefit of Affected Creditors and those Unaffected Creditors whose Unaffected Claims are being paid in connection with this Plan and shall make all distributions under this Plan and in accordance with this Plan, from the Cash Pool. All payments to Affected Unsecured Creditors and Unaffected Creditors under this Plan shall be satisfied solely from the Cash Pool;

(i) all Unaffected Claims (other than the Calfrac Debt) that are due and payable on the Plan Implementation Date shall be paid in full from the Cash Pool, or a reserve set aside in trust for these payments and, for certainty:

   (i) the Monitor shall pay in cash from the Cash Pool all reasonable fees and expenses incurred by the Subordinated Debenture Trustee, including its reasonable legal fees, in connection with the performance of its duties under the Subordinated Debenture Indenture or this Plan;

   (ii) the Monitor shall make all distributions to KERP participants from the Cash Pool in accordance with the terms of the KERP;

(iii) the Monitor shall pay from the Cash Pool all reasonable fees and disbursements of the Company Advisors, the Monitor and the Monitor Advisors to the extent not already satisfied by the Applicants; and

(iv) each of the Charges and the Claims secured thereby shall be paid, terminated, discharged and released;

(j) any Intercompany Claims shall be settled and extinguished for no consideration;

(k) the Disputed Distribution Claims Reserve shall be created and held by the Monitor, separately from the Cash Pool;

(l) Calfrac shall make a loan of $1,499,900 to GESI, being the Calfrac Contribution, which shall be held by the Monitor as part of the Cash Pool and distributed in accordance with the provisions of this Plan;

(m) the Monitor shall become fully and irrevocably authorized and empowered to make distributions from the Cash Pool to each Affected Unsecured Creditor Class, which distributions shall be made at the conclusion of the Subsequent Claims Procedures, in full, final and irrevocable compromise, settlement and satisfaction of Affected Unsecured Creditor Claims (recognizing that such distributions shall occur after the Plan Implementation Date);

(n) all Affected Claims (other than the claims of Subordinated Debentureholders), and all of such Affected Creditors' entitlements with respect to any Affected Claims (other than the claims of Subordinated Debentureholders), shall be, and shall be deemed to be, fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred, and the Applicants, and each of them, shall be fully, finally and irrevocably released from any and all claims, liabilities or obligations of any kind to an Affected Creditor (other than Subordinated Debentureholders) (and the Affected Creditors (other than Subordinated Debentureholders) shall only have rights thereafter as against the Cash Pool held by the Monitor);

(o) GESI shall issue to Calfrac 100 New Shares in consideration of the aggregate amount of $100 and Calfrac shall be added to the register of shareholders of the GESI Class A Common Shares. The $100 shall be added to the Cash Pool;

(p) all Securities of GESI and all Equity Interests existing immediately prior to this Section 5.2(p) shall be fully, finally and irrevocably cancelled for no consideration and without the consent of the holders thereof, except that, for greater certainty, the New Shares issued pursuant to Section 5.2(o) and the Preserved Equity Interests shall not be cancelled and shall continue to exist;

(q) the releases set forth in Article 7 shall become effective, except that the Calfrac Debt shall remain outstanding and any Claim by Calfrac thereunder shall not be released;

(r) all Affected Claims of Subordinated Debentureholders, and all of the Subordinated Debentureholders' entitlements with respect to any Affected Claims, shall be, and shall be deemed to be, fully, finally, irrevocably and forever compromised, settled, released, discharged, extinguished, cancelled and barred, and the Applicants, and each of them, shall be fully, finally and irrevocably released from any and all claims, liabilities or obligations of any kind to a Subordinated Debentureholder (and the Subordinated Debentureholders shall only have rights thereafter as against the Cash Pool held by the Monitor); and

(s) the appointment of the Post-Implementation Boards shall become effective, and each member thereof shall thereupon become a director of GESI and/or GSGP, as applicable.

5.3 Governmental and Regulatory Filings

In furtherance of the transactions provided in this Plan, including the steps set forth in Section 5.2, the Applicants and the Monitor as Residual Trustee on behalf of the U.S. Debtors are authorized to file with all applicable Governmental Entities, pursuant to the ABCA, relevant U.S. state General Corporation Law, U.S. federal securities laws, applicable Canadian securities legislation, applicable Canadian or U.S. tax laws and all other Applicable Laws, all such forms, certificates, applications, returns, statements or other records as are necessary or appropriate to record such transactions.

ARTICLE 6
PROCEDURE FOR DISPUTED DISTRIBUTION CLAIMS

6.1 No Distribution Pending Allowance

An Affected Unsecured Creditor holding a Disputed Distribution Claim will not be entitled to receive a distribution under this Plan in respect of such Disputed Distribution Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim.

6.2 Distributions After Disputed Distribution Claims Resolved

(a) Distributions in relation to a Disputed Distribution Claim of an Affected Unsecured Creditor will be held by the Monitor, in a segregated account constituting the Disputed Distribution Claims Reserve, for the benefit of the Affected Unsecured Creditors with Allowed Affected Unsecured Claims until the final determination of the Disputed Distribution Claim in accordance with the Claims Procedure Order and this Plan.

(b) To the extent that any Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim in accordance with this Plan, the Monitor shall distribute to the holder of such Allowed Affected Unsecured Claim, the distribution from the Disputed Distribution Claims Reserve equal to the distribution that such Affected Unsecured Creditor would have been entitled to receive in respect of its Allowed Affected Unsecured Claim on the relevant Distribution Date had such Disputed Distribution Claim been an Allowed Affected Unsecured Claim on such date.

ARTICLE 7
RELEASES

7.1 Plan Releases

On the Plan Implementation Date, in accordance with the sequence set forth in Section 5.2 and notwithstanding Section 2.3, the Applicants, GLuxco (and its directors, officers and affiliates) the Directors, the Officers, the Monitor (in its capacity as Monitor and as Residual Trustee), the Subordinated Debenture Trustee, Calfrac, the Company Advisors, the Monitor Advisors, Bennett Jones LLP, Lewis Roca Rothgerber LLP, and their respective directors, officers, partners and employees (the "**Released Parties**", and individually a "**Released Party**"), and each of them, shall be released and forever discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders (including for injunctive relief or specific performance and compliance orders), expenses, executions, Encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature, including claims for contribution or indemnity, which any Creditor or other Person may be entitled to assert (including pursuant to common law or statutory liabilities of directors, officers, managers or members of any of the Applicants), whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act, omission, transaction, duty, responsibility, indebtedness, liability, obligation, conduct, dealing or other occurrence existing or taking place on or prior to the later of the Plan Implementation Date, the claims bar date under the Subsequent Claims Procedures, and the date on which all actions are taken to implement all transactions and distributions under this Plan, that are in any way relating to, arising out of or in connection with the Affected Claims, the Subordinated Debenture Indenture, any Equity Interests, any Equity Claims, any Claims, the business and affairs of the Applicants and GLuxco whenever or however conducted, the administration and/or management of the Applicants, this Plan, the CCAA Proceeding, the U.S. Proceeding, the dissolution and winding-up of Holdings, GI and GUS, or any matter or transaction involving any of the Applicants done, occurring or undertaken in connection with this Plan (referred to collectively as the "**Released Claims**"), and all Released Claims shall be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, all to the fullest extent permitted by Applicable Law; *provided that* nothing herein will release or discharge, (v) the Calfrac Debt, (w) the right to enforce the obligations of any Person under this Plan, (x) any Released Party if the Released Party is determined by a Final Order of a court of competent jurisdiction to have committed fraud or wilful misconduct, (y) the Applicants, the Directors or the Officers from or in respect of any Unaffected Claim or any Claim that is not permitted to be released pursuant to section 19(2) of the CCAA, or (z) any Director or Officer from any Claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, as determined by a Final Order of the Court.

Notwithstanding anything to the contrary herein, from and after the Plan Implementation Date, a Person may only commence an action against a Released Party in connection with (x) or (z) above if such Person has first obtained leave of the Court on notice to the applicable Released Party, the Applicants, the Monitor (unless previously discharged), Calfrac and any applicable insurers; *provided that* no Person shall be prevented from commencing such an action against a Released Party where such an action must be taken in order to comply with statutory time limitations in order to preserve such Person's rights at law, *provided further that* no further steps shall be taken by such Person except in accordance with the other provisions of this Plan (including the requirement herein to obtain the leave of the Court at the first available opportunity), and notice in writing of such action be given to the applicable Released Party, the Applicants, the Monitor (unless previously discharged), Calfrac and any applicable insurers at the first available opportunity.

7.2 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all Released Claims, from: (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or Encumbrance of any kind against the Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Plan.

ARTICLE 8
COURT SANCTION

8.1 Application for Sanction Order

If the Required Majorities approve this Plan, the Applicants shall apply for the Sanction Order, the Sanction Recognition Order and the Subsequent Claims Procedure Orders as soon as reasonably possible thereafter.

8.2 Sanction Order

The Sanction Order shall, among other things:

(a) declare that (i) this Plan has been approved by the Required Majorities in conformity with the CCAA; (ii) the activities of the Applicants have been in material compliance with the provisions of the CCAA and the Orders of the Court made in the CCAA Proceeding in all respects; (iii) the Court is satisfied that the Applicants have not done or purported to do anything that is not authorized by the CCAA; and (iv) this Plan and the transactions contemplated thereby are fair and reasonable;

(b) declare that beginning as of the Effective Time, this Plan and all associated steps, compromises, transactions, arrangements, releases and reorganizations effected thereby are approved, binding and effective as herein set out upon and with respect to the Applicants, all Affected Creditors, the Directors and Officers, the Released Parties and all other Persons named or referred to in, or subject to, this Plan;

(c) declare that the steps to be taken and the compromises and releases to be effective on the Plan Implementation Date are deemed to occur and be effected in the sequence and at the times set forth in Section 5.2;

(d) confirm the amount of the Disputed Distribution Claims Reserve;

(e) compromise, discharge and release the Applicants from any and all Affected Claims of any nature in accordance with this Plan, and declare that the ability of any Person to proceed against the Applicants or any of the Released Parties in respect of or relating to any Affected Claims shall be forever discharged and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims be permanently stayed, subject only to the right of Affected Creditors to receive distributions pursuant to this Plan in respect of their Affected Claims, in accordance with Article 7 of this Plan;

(f) confirm that the only remaining rights and entitlements of Affected Unsecured Creditors after the Plan Implementation Date is to receive distributions from the Cash Pool with respect to Allowed Affected Unsecured Creditors;

(g) declare that all Equity Interests (other than the Preserved Equity Interests and the New Shares) have been fully, finally and irrevocably cancelled in accordance with the terms of this Plan;

(h) declare that, subject to performance by the Applicants of their obligations under this Plan and except as provided in this Plan, those obligations, agreements or leases to which the Applicants are party on the Plan Implementation Date (to be listed in a Schedule to the Sanction Order) shall be and remain in full force and effect, unamended, as at the Plan Implementation Date and no party to any such obligation or agreement shall on or following the Plan Implementation Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

    (i) of any event which occurred prior to, and not continuing after, the Plan Implementation Date, or which is or continues to be suspended or waived under this Plan, which would have entitled any other party thereto to enforce those rights or remedies;

    (ii) that the Applicants have sought or obtained relief or have taken steps as part of this Plan or under the CCAA;

(iii) of any default or event of default arising as a result of the financial condition or insolvency of the Applicants;

(iv) of the effect upon the Applicants of the completion of any of the transactions contemplated under this Plan; or

(v) of any compromises, settlements, restructurings, recapitalizations or reorganizations effected pursuant to this Plan;

(i) bar, stop, stay and enjoin the commencing, taking, applying for or issuing or continuing any and all steps or proceedings, including without limitation, administrative hearings and orders, declarations or assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any Released Party in respect of all Claims and any matter which is released pursuant to Article 7 hereof;

(j) declare that section 36.1 of the CCAA, sections 95 to 101 of the BIA and any other federal or provincial law relating to preferences, fraudulent conveyances or transfers at undervalue, shall not apply to the Plan or to any payments, distributions, transfers, allocations or transactions made or completed in connection with the transaction contemplated by the Plan, whether before or after the Filing Date, including, without limitation, to any and all of the payments, distributions, transfers, allocations or transactions contemplated by and to be implemented pursuant to this Plan;

(k) authorize the Monitor to perform its functions and fulfil its obligations under this Plan to facilitate the implementation of this Plan;

(l) authorizing the Monitor as Residual Trustee to perform its functions and fulfil its obligations under the Trust Agreement to properly administer the U.S. Debtors' Residual Assets for the benefit of the Affected Unsecured Creditors and Unaffected Creditors;

(m) declare that upon completion by the Monitor of its duties in respect of the Applicants pursuant to the CCAA and the Orders, the Monitor may file with the Court a certificate stating that all of its duties in respect of the Applicants pursuant to the CCAA and the Orders have been completed and thereupon, Ernst & Young Inc. shall be deemed to be discharged from its duties as Monitor of the Applicants and released of all claims relating to its activities as Monitor;

(n) subject to payment of any amounts secured thereby, declare that each of the Charges shall be terminated, discharged and released;

(o) declare that the Applicants, Calfrac and the Monitor may apply to the Court for advice and direction in respect of any matters arising from or under this Plan;

(p) authorize and empower the Applicants or any of them to seek the recognition of the Sanction Recognition Order; and

(q) declare the Persons to be appointed to the board of directors of GESI and GSGP on the Plan Implementation Date shall be the Persons on a certificate to be filed with the Court by the Applicants prior to the Plan Implementation Date.

ARTICLE 9
CONDITIONS PRECEDENT AND IMPLEMENTATION

9.1 Conditions Precedent to Implementation of this Plan

The implementation of this Plan shall be conditional upon satisfaction or waiver of the following conditions prior to or at the Effective Time, each of which is for the benefit of the Applicants and Calfrac, collectively, and may be waived only by the Applicants and Calfrac, collectively; *provided, however, that* such conditions shall not be enforceable by the Applicants or Calfrac if any failure to satisfy such conditions results from an action, error, omission by or within the control of the party seeking enforcement:

Pre-Plan Implementation Date Matters

(a) no Event of Default having occurred under the APA (as defined in the Approval Order of the Court dated March 26, 2015) (unless the same was waived by Calfrac, in its discretion);

(b) the Monitor having delivered to Calfrac cashflow statements for the Applicants, on an entity-by-entity basis for the period up to and including the Plan Implementation Date, in a form satisfactory to Calfrac;

(c) the Applicants, pursuant to paragraph 11 of the Initial Order, retaining certain of their Canadian employees as may be required to continue their operations in the ordinary course of business (the "**Retained Employees**") including entering into commercially reasonable extensions of its existing KERP with the Retained Employees, and taking the steps necessary under s. 32 of the CCAA to disclaim such of their Canadian agreements which will not be required to continue the Applicants' business, as is satisfactory to Calfrac, acting reasonably;

(d) the Applicants and Calfrac having entered into agreements with the Retained Employees, on terms satisfactory to Calfrac, settling the terms of any claims to be submitted by the Retained Employees in the CCAA Proceedings;

(e) the Applicants having completed the termination of such of their U.S. employees and having disclaimed or rejected such of their U.S. agreements as are satisfactory to Calfrac, in its discretion;

(f) the Applicants having hired no employees and having entered into no material contracts outside the ordinary course of business in the period from February 24, 2015 until the Plan Implementation Date, without the prior written consent of Calfrac;

(g) the Applicants shall have provided notice pursuant to the Claims Process Order entered in the CCAA Proceeding on March 16, 2015 and pursuant to the Order Granting Monitor's and Debtors' Expedited Motion for Approval of Claims Process for United States Creditors granted by the U.S. Court on March 18, 2015, to: (a) the United States Environmental Protection Agency and all state environmental agencies where the Applicants have conducted operations; and (b) the United States Internal Revenue Service and all state and county taxing authorities where the Applicants have conducted operations;

(h) between the date hereof and the Plan Implementation Date, the Applicants having conducted their business, and having maintained its books and records in respect thereof, in accordance with generally accepted industry practice;

(i) all legal and regulatory filings that are required in connection with the reorganization of the Applicants' capital structure shall have been made, and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(j) all Intercompany Claims existing immediately prior to the Plan Implementation Date shall have been paid in full, in such a manner so that no "forgiven amount" arises under the Canadian Tax Act, and the Applicants or the Monitor shall have provided reasonably satisfactory evidence of the same to Calfrac;

(k) the Cash Pool shall be capable of being paid to the Monitor and the U.S. Debtors' Residual Assets shall be capable of being transferred to the Monitor as Residual Trustee for the benefit of the Affected Unsecured Creditors and Unaffected Creditors;

(l) the dissolution and wind-up of the U.S. Debtors and the wind-up and liquidation of GLuxco shall be capable of being implemented, or shall be implemented, as applicable, prior to the Plan Implementation Date;

(m) between the date hereof and the Plan Implementation Date, there shall not have been any change in, or any specific proposal to amend, the provisions of any applicable laws (including, for greater certainty, common law, all statutes, regulations, by-laws, statutory rules, orders, judgments, ordinances, protocols, codes, guidelines, notices and directions enacted by any governmental authority and the terms and conditions of any grant of approval, permission, authority or license of any governmental authority or self-regulatory authority) that has an effect that is, or would reasonably be expected to be, materially adverse to the financial, economic, or tax condition of the Applicants following the Plan Implementation Date;

Plan Approval Matters

(n) this Plan shall have been approved by the Required Majority in each Meeting and the Court, in each case in a form acceptable to the Applicants and Calfrac;

(o) the Sanction Order, the Canadian Subsequent Claims Procedure Order and the U.S. Subsequent Claims Procedure Order: (i) shall have been granted by the Court prior to May 20, 2015 (or such later date as the Applicants and Calfrac may agree); (ii) shall be in a form consistent with the Plan and otherwise acceptable to the Applicants and Calfrac; and (iii) shall have become Final Orders;

(p) the Sanction Recognition Order: (i) shall have been granted by the U.S. Court prior to June 12, 2015 (or such later date as the Applicants and Calfrac may agree); (ii) shall be in a form consistent with the Sanction Order, and the Plan and otherwise acceptable to the Applicants and Calfrac; and (iii) shall have become a Final Order;

(q) all filings under Applicable Laws that are required in connection with the transaction contemplated by the Plan shall have been made, and any regulatory consents or approvals that are required in connection with the transactions contemplated by the Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;

(r) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Entity, no application shall have been made to any Governmental Entity, and no action or investigation shall have been announced, threatened or commenced by any Governmental Entity, in consequence of or in connection with the Plan that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or prohibit) the implementation of the Plan or any material part thereof or requires or purports to require a variation of the Plan;

(s) except as expressly set out in or contemplated by this Plan or the Orders, or as consented to by Calfrac, none of the Applicants shall have, since the Filing Date: (i) issued or authorized the issuance of any shares, notes, options, warrants or other securities of any kind, (ii) become subject to any new Encumbrance with respect to its property; (iii) become liable to pay any new material indebtedness or liability of any kind; or (iv) entered into any material agreement;

(t) any securities that are created in connection with the Plan, including the New Shares, when issued and distributed pursuant to the Plan, shall be duly authorized, validly issued and fully paid and non-assessable, and the issuance and distribution thereof shall be exempt from the registration requirements of the U.S. Securities Act and the prospectus requirements of Canadian provincial and territorial securities legislation;

Plan Matters

(u) the aggregate amount of the Unaffected Claims, Cash Pool and the Disputed Distribution Claims Reserve shall be acceptable to the Applicants, the Monitor and Calfrac and shall have been confirmed in the Sanction Order;

(v) the Applicants, the Monitor and Calfrac, each acting reasonably, shall be satisfied with the proposed use of proceeds and payments to be made pursuant to or in connection with the Plan (except as expressly set out in or contemplated by this Plan or the Orders), including, without limitation, consent fees, transaction fees, third party fees payable by any of the Applicants to any Person (other than a Governmental Entity) or amounts payable pursuant to any employment agreement or incentive plan of any of the Applicants;

(w) the transaction steps required to complete and implement the Plan and ensure satisfaction of the condition precedents thereto shall be in form and in substance satisfactory to the Applicants and Calfrac;

(x) any and all Court-imposed charges on any assets, property or undertaking of the Applicants, including the Charges, shall be discharged on the Plan Implementation Date on terms acceptable to the Applicants and Calfrac;

(y) the Plan Implementation Date shall have occurred no later than June 15, 2015 (or such later date as the Applicants, Calfrac and the Monitor may agree);

(z) all fees and expenses owing to the Company Advisors, Monitor Advisors, the Monitor in its capacity as Monitor and as Residual Trustee and the Subordinated Debenture Trustee shall have been paid as of the Plan Implementation Date, and the Applicants and Calfrac shall be satisfied that adequate provision has been made for any fees and expenses due or accruing due to the Company Advisors, the Monitor Advisors, the Monitor in its capacity as Monitor and as Residual Trustee and the Subordinated Debenture Trustee from and after the Plan Implementation Date; and

(aa) there shall not have occurred after the Filing Date a material adverse change in respect of the business and affairs of the Applicants.

9.2 Monitor's Certificate

Upon delivery of written notice from the Applicants, the Monitor, or Calfrac, as applicable, of the satisfaction or waiver of the conditions set forth in Section 9.1, the Monitor shall forthwith deliver to the Applicants and Calfrac a certificate stating that the Plan Implementation Date has occurred and that this Plan is effective in accordance with its terms and the terms of the Sanction Order. As soon as practicable following the Plan Implementation Date, the Monitor shall file such certificate with the Court.

ARTICLE 10
GENERAL

10.1 Binding Effect

This Plan will become effective on the Plan Implementation Date. On the Plan Implementation Date:

(a) the treatment of Affected Claims and Released Claims under this Plan shall be final and binding for all purposes and shall be binding upon and enure to the benefit of the Applicants, the Released Parties, all Affected Creditors, any Person having a Released Claim and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns;

(b) all Affected Claims shall be forever discharged and released, excepting only the obligations in the manner and to the extent provided for in this Plan;

(c) all Released Claims shall be forever discharged and released;

(d) each Affected Creditor and each Person holding a Released Claim shall be deemed to have consented and agreed to all of the provisions of this Plan, in its entirety; and

(e) each Affected Creditor and each Person holding a Released Claim shall be deemed to have executed and delivered to the Applicants and any other Released Parties, as applicable, all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety.

10.2 Waiver of Defaults

From and after the Plan Implementation Date, all Persons shall be deemed to have waived any and all defaults of the Applicants then existing or previously committed by the Applicants, or caused by the Applicants, by any of the provisions in this Plan or steps contemplated in this Plan, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Applicants and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, *provided that* nothing shall be deemed to excuse the Applicants from performing their obligations under this Plan or be a waiver of defaults by the Applicants under this Plan and the related documents.

10.3 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.4 Non-Consummation; Exclusion from this Plan

If the Sanction Order is not issued, or if the Monitor's Certificate is not delivered, (i) this Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in this Plan, including the fixing or limiting to an amount certain any Claim, and any document or agreement executed pursuant to this Plan, shall be deemed null and void, and (iii) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (A) constitute or be deemed to constitute a waiver or release of any Claims by or against the Applicants or any other Person, (B) prejudice in any manner the rights of the Applicants or any other Person in any further proceedings involving the Applicants, or (C) constitute an admission of any sort by the Applicants or any other Person.

10.5 Modification of this Plan

(a) The Applicants reserve the right, at any time and from time to time, to amend, restate, modify and/or supplement this Plan, but only with the consent of Calfrac *provided that* any such amendment, restatement, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to or at the Meetings, communicated to the Affected Unsecured Creditors present at the Meetings prior to any vote being taken at the Meetings; and (ii) subject to Section 10.5(b), if made following the Meetings, approved by the Court.

(b) Notwithstanding Section 10.5(a), any amendment, restatement, modification or supplement may be made by the Applicants with the consent of the Monitor and Calfrac, without further Court Order or approval, *provided that* it concerns a matter which, in the opinion of the Applicants, the Monitor and Calfrac, each acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Unsecured Creditors.

(c) Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

10.6 Paramountcy

From and after the Effective Time on the Plan Implementation Date, any conflict between:

(a) this Plan or the Sanction Order; and

(b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Applicants as at the Plan Implementation Date and the articles, certificate of incorporation or bylaws of the Applicants at the Plan Implementation Date;

will be deemed to be governed by the terms, conditions and other provisions of this Plan, any Plan Supplement Document and the Sanction Order, which shall take precedence and priority; *provided*, *however*, that if there is a conflict between this Plan and any Plan Supplement Document, the Plan Supplement Document shall govern and control; and *provided*, *further*, *however*, that to the extent that any provision of this Plan or any Plan Supplement Document conflicts with or is in any way inconsistent with any provision of the Sanction Order, the Sanction Order shall govern.

10.7 Foreign Recognition

The Applicants, together with the Monitor, as the foreign representative of the Applicants appointed by the U.S. Court, shall file a joint motion with the U.S. Court seeking entry of the Sanction Recognition Order as soon as practicable after entry of the Sanction Order.

10.8 Severability of Plan Provisions

If, prior to the Sanction Date, any provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Applicants and with the consent of the Monitor and Calfrac, shall have the power to either (a) sever such provision from the balance of this Plan and provide the Applicants with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Plan Implementation Date, or (b) alter and interpret such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the provision held to be invalid, void or unenforceable, and such provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, and *provided that* the Applicants proceed with the implementation of this Plan, the remainder of the provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.9 Responsibilities of the Monitor

The Monitor is acting in its capacity as Monitor in the CCAA Proceeding and this Plan with respect to the Applicants and will not be responsible or liable for any obligations of the Applicants.

10.10 Different Capacities

Persons who are affected by this Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Applicants and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.11 Notices

Any notice or other communication to be delivered hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail or by facsimile or email addressed to the respective parties as follows:

(a) If to the Applicants:

Gasfrac Energy Services Inc.
1900, 801 – 6th Avenue SW
Calgary, Alberta, Canada T2P 3W2

Attention: Lori McLeod-Hill
Fax: (403) 269-3722
Email: lori.mcleod-hill@gasfrac.com

with a copy to:

Borden Ladner Gervais LLP
1900, 520 3rd Avenue S.W.
Calgary, Alberta, Canada T2P 0R3

Attention: Patrick T. McCarthy Q.C. / Robyn Gurofsky
Fax: (403) 266-1395
Email: PMcCarthy@blg.com / RGurofsky@blg.com

(b) If to Calfrac Well Services Ltd. represented by Bennett Jones LLP:

c/o Bennett Jones LLP
4500, 855 2nd Street S.W.
Calgary, Alberta, Canada T2P 4K7

Attention: Chris Simard / Kahlan Mills
Fax: (403-265-7219
Email: simardc@bennettjones.com / millsk@bennettjones.com

(c) If to an Affected Creditor, to the mailing address, facsimile address or email address provided on such Affected Creditor's Proof of Claim;

(d) If to the Monitor:

Ernst & Young Inc.
1000, 440 2nd Avenue S.W.
Calgary, Alberta, Canada T2P 5E9

Attention: Neil Narfason / Cassie Riglin
Fax: (403) 206-5067 / (403) 206-5139
Email Neil.narfason@ca.ey.com / Cassie.riglin@ca.ey.com

with a copy to:

Norton Rose Fulbright LLP
3700, 400 – 3 Avenue S.W.
Calgary, Alberta, Canada T2P 4H2

Attention: Howard Gorman
Fax: (403) 267-8144
Email: Howard.gorman@nortonrosefulbright.com

or to such other address as any party may from time to time notify the others in accordance with this section. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, *provided that* such day in either event is a Business Day and the communication is so delivered, faxed or sent before 5:00 p.m. (Calgary time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

10.12 Further Assurances

Each of the Persons named or referred to in, or subject to, this Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

10.13 Successors and Assigns

This Plan shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in this Plan.

10.14 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the jurisdiction of the Court.

DATED as of the • day of May, 2015.

SCHEDULE "A"

DEFINED TERMS AND INTERPRETATION

Definitions

In this Plan, unless otherwise stated or unless the subject matter or context otherwise requires:

"**ABCA**" means the *Business Corporations Act* (Alberta), as amended.

"**Affected Claim**" means any Claim that is not an Unaffected Claim, and, for certainty, includes any Equity Claim and the Subordinated Debenture Obligations.

"**Affected Creditor**" means any holder of an Affected Claim (or its permitted assignee), but only with respect to and to the extent of such Affected Claim.

"**Affected Unsecured Claims**" means all Affected Claims other than Equity Claims.

"**Affected Unsecured Creditor**" means any holder of an Affected Unsecured Claim (or its permitted assignee), but only with respect to and to the extent of such Affected Unsecured Claim.

"**Affected Unsecured Creditors Classes**" means the classes of Affected Unsecured Creditors entitled to vote on this Plan at the Meetings in accordance with the terms of the Meeting Order, which, for certainty, are (as each such class is further described in Section 3.2): (i) the GESI Class, (ii) the GSGP Class, (iii) the GESLP Class, (iv) the Holdings Class, and (v) the GI Class, (vi) the GUS Class; and (viii) the Subordinated Debentureholder Class and "**Affected Unsecured Creditors Class**" means any one of them.

"**Allowed**" means, with respect to a Claim, any Claim or any portion thereof that has been finally allowed pursuant to the Claims Procedure Order for purposes of receiving distributions under this Plan in accordance with the Claims Procedure Order or a Final Order of the Court.

"**Applicable Law**" means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law, whether in Canada, the United States or any other country, of any domestic or foreign nation, province, territory, state, city or other political subdivision or of any Governmental Entity.

"**Applicants**" has the meaning ascribed thereto in Article 1.

"**Articles of Amalgamation**" means the Articles of Amalgamation of GESI filed in the Province of Alberta on August 6, 2010.

"**Articles of Reorganization**" are those Articles of Reorganization of GESI attached as Schedule "C" hereto.

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada), as amended.

"**Business Day**" means a day, other than Saturday, Sunday or a statutory holiday, on which banks are generally open for the transaction of commercial business in Calgary, Alberta.

"**Calfrac**" means Calfrac Well Services Ltd.

"**Calfrac Charge**" has the meaning ascribed thereto in the Approval Order granted by the Court on March 26, 2015.

"**Calfrac Contribution**" means the loan by Calfrac of $1,499,900 and the subscription price of $1.00 per New Share to be made or paid to, as the case may be, GESI on the Plan Implementation Date and to form part of the Cash Pool available for distribution to Affected Unsecured Creditors.

"**Calfrac Debt**" means the amounts loaned by Calfrac to GESLP and sanctioned by Order granted March 26, 2015 and includes (i) the promissory notes pursuant to which such loans are provided (excluding the Transfer Taxes Promissory Note, as defined in the March 24, 2015 Asset Purchase Agreement entered into between Calfrac and GESLP) and (ii) all security agreements, security interests, liens, debentures, charges and other encumbrances granted by the Applicants in favour of Calfrac to secure the obligations of the Applicants thereunder, and includes, from and after the Plan Implementation Date, the loan created by the Calfrac Contribution;

"**Calfrac Transaction**" has the meaning ascribed thereto in Article 1.

"**Canadian Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Cash Pool**" means the pool of cash comprising the aggregate of all cash held by the Applicants as at the Plan Implementation Date (except for any unspent balance of the amount loaned by Calfrac to GESLP under the Working Capital Note), including the Calfrac Contribution, subject to deductions as provided in this Plan and available for distribution to Creditors with Allowed Claims.

"**CCAA**" has the meaning ascribed thereto in Article 1.

"**CCAA Proceeding**" means the proceeding commenced by the Applicants under the CCAA on the Filing Date.

"**Charges**" means the Administration Charge, the Directors' Charge, the Critical Suppliers' Charge, the Financial Advisor Charge and the KERP Charge, each as defined in the Initial Order, and any other charges on the property of the Applicants granted by Orders of the Court (except that the Calfrac Charge shall not comprise a "Charge" in this Plan).

"**Claim**" has the meaning ascribed thereto in the Claims Procedure Order, or the U.S. Bankruptcy Code, as the case may be.

"**Claims Procedure Order**" means, collectively, the Claims Process Order of the Court dated March 16, 2015, the Claims Process Order of the U.S. Court dated March 18, 2015, the Employee Claims Process Order of the Court dated March 26, 2015, and the Subsequent Claims

Procedure Orders, each establishing a claims procedure in respect of the Applicants, as same may be amended, restated or varied from time to time.

"**Company Advisors**" means Borden Ladner Gervais LLP, and Vinson & Elkins LLP.

"**Court**" has the meaning ascribed thereto in the Article 1.

"**Creditor**" means any Person having a Claim, but only with respect to and to the extent of such Claim, including the transferee or assignee of a transferred Claim that is recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

"**Directors**" means all current and former directors and individual managers (or their estates) of any one or more of the Applicants, in such capacity, and "**Director**" means any one of them.

"**Disputed Distribution Claim**" means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been Allowed, which is disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order and, for certainty, does not include any Equity Claims.

"**Disputed Distribution Claims Reserve**" means the reserve, if any, to be established by the Applicants on the Plan Implementation Date, which shall be comprised of the consideration that would have been paid to holders of Disputed Distribution Claims if such Disputed Distribution Claims had been Allowed Claims as of such date and which shall be acceptable to the Applicants, the Monitor and Calfrac.

"**Distribution Date**" means the date or dates determined by the Applicants and the Monitor from time to time on which to effect distributions in respect of Allowed Affected Unsecured Claims (including any Disputed Distribution Claim that becomes an Allowed Affected Unsecured Claim pursuant to the provisions of this Plan).

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Plan Implementation Date or such other time on such date as the Applicants, the Monitor and the Calfrac may agree.

"**Encumbrance**" means any charge, mortgage, lien, pledge, claim, restriction, hypothec, adverse interest, security interest or other encumbrance, whether created or arising by agreement, statute or otherwise at law, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law applicable to such property, interests or rights and whether or not they constitute specific or floating charges as those terms are understood under the laws of the Province of Alberta.

"**Equity Claim**" means a Claim that is an "equity claim" with respect to an Applicant within the meaning of section 2(1) of the CCAA, and, for certainty, includes (i) any claims resulting from the ownership, purchase or sale of an Equity Interest, (ii) any conversion right arising from the ownership of a Subordinated Debenture Obligation, and (iii) any indemnification claims against the Applicants related to or arising from (i) or (ii) above.

"**Equity Claimant**" means any Person with an Equity Claim or holding an Equity Interest, but only in such capacity.

"**Equity Interest**" means an "equity interest" with respect to an Applicant within the meaning of section 2(1) of the CCAA and, for certainty, includes Options and any other interest in or entitlement to, or any interest capable of becoming such an interest through the lapse of time or otherwise.

"**Filing Date**" has the meaning ascribed thereto in the Article 1.

"**Final Order**" means any order, ruling or judgment of the Court, or any other court of competent jurisdiction, which has not been reversed, modified or vacated, and is not subject to any stay, and in respect of which all applicable appeal periods shall have expired and any appeals therefrom shall have been disposed of by the applicable appellate court.

"**GLuxco**" means Gasfrac Luxembourg Finance S.a.r.l.

"**Government Priority Claims**" means all Claims of Governmental Entities against the Applicants in respect of amounts that are outstanding and that are of a kind that could reasonably be subject to a demand under:

(a) subsections 224(1.2) of the Canadian Tax Act;

(b) any provision of the *Canada Pension Plan* or the *Employment Insurance Act* (Canada) that refers to subsection 224(1.2) of the Canadian Tax Act and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or employee's premium or employer's premium as defined in the *Employment Insurance Act* (Canada), or a premium under Part VII. I of that Act, and of any related interest, penalties or other amounts; or

(c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the Canadian Tax Act, or that refers to that subsection, to the extent that such provision provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:

   (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the Canadian Tax Act; or

   (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

"**Governmental Entity**" means any government, regulatory authority, government department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making body or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power.

"**Initial Order**" has the meaning ascribed thereto in the Article 1.

"**Insured Claim**" means all or that portion of any Claim against one or more of the Applicants, Directors or Officers asserted prior to the Plan Implementation Date for which insurance coverage is available, but only to the extent insurance coverage is available for such Claim or portion thereof.

"**Intercompany Claim**" means any Claim by one or more of the Applicants against one or more other Applicants.

"**KERP**" means the payments to be made to certain key employees of the Applicants, as approved by Order dated January 21, 2015 and as described in Original Confidential Affidavit and the Confidential Supplemental Report of the Monitor described in that Order.

"**Meetings**" means the meetings of Affected Unsecured Creditors to be held on the Meeting Date called for the purpose of considering and voting on this Plan pursuant to the CCAA, and includes any adjournment, postponement or other rescheduling of such meetings in accordance with the Meeting Order.

"**Meeting Date**" means the date on which the Meetings are held in accordance with the Meeting Order.

"**Meeting Order**" means the Order of the Court under the CCAA that, among other things, sets the date for the Meetings, as the same may be amended, restated or varied from time to time.

"**Monitor**" means Ernst & Young Inc., as Court-appointed Monitor of the Applicants in the CCAA Proceeding.

"**Monitor Advisors**" means Norton Rose Fulbright LLP in Canada and the United States.

"**New Shares**" means the 100 new class A common shares in the capital of GESI to be issued on the Plan Implementation Date to Calfrac, pursuant to the provisions of this Plan.

"**Officers**" means all current and former officers (or their estates) of any one or more of the Applicants, in such capacity, and "**Officer**" means any one of them.

"**Option Plans**" means any plan or arrangement of any Applicant pursuant to which Options, warrants, share units or any other rights to purchase or otherwise receive shares or other securities or Equity Interests of any Applicant, in each case as such plan or arrangement may be amended, restated or varied from time to time in accordance with the terms thereof.

"**Options**" means any options, warrants, rights, conversion privileges, puts, calls, convertible debentures, subscriptions, or other rights, entitlements, agreements, arrangements, commitments or claims of any kind (whether pre-emptive, contingent, conditional or otherwise) obligating an Applicant to sell or otherwise issue, or to purchase or otherwise acquire, shares or other securities of any Applicant, or any securities or obligations of any kind convertible into or exchangeable for shares or other securities or Equity Interests of any Applicant, in each case that are existing or are issued and outstanding immediately prior to the Effective Time, including any options, warrants or other rights pursuant to any other Option Plan, and any rights, entitlements, agreements, arrangements, commitments or claims of any kind to receive any other form of consideration in respect of any prior or future exercise of any of the foregoing.

"**Order**" means any order, ruling or judgment of the Court or any other court of competent jurisdiction made in connection with the CCAA Proceeding.

"**Person**" means any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Governmental Entity or any agency, officer or instrumentality thereof or of any other entity.

"**Plan**" means this Plan of Compromise and Arrangement filed by each of the Applicants under the CCAA, as it may be amended, supplemented or restated from time to time in accordance with the terms hereof, the Meeting Order and any further Order.

"**Plan Implementation Date**" means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor delivers to the Applicants and Bennett Jones LLP the certificate referenced in Section 9.2.

"**Plan Supplement Document**" means any document or agreement that is entered into in order to supplement or implement the provisions of this Plan, and that is expressly established as a "Plan Supplement Document" in its terms, including any "Plan Supplement" within the meaning of the Meeting Order.

"**Post-Filing Trade Payables**" means trade payables that were incurred by the Applicants in the ordinary course of business: (i) after the Filing Date but before the Plan Implementation Date; and (ii) in compliance with the Initial Order and any other Orders issued in connection with the CCAA Proceeding.

"**Post-Implementation Board**" means the board of directors of GESI upon implementation of the Plan, as appointed in accordance with the Sanction Order.

"**Preserved Equity Interests**" has the meaning ascribed thereto in Section 3.5.

"**Prior Ranking Secured Claims**" means: (i) Claims existing on both the Filing Date and the Plan Implementation Date, other than pursuant to the Calfrac Debt; and (ii) Claims secured by the Charges, that in each case have the benefit of a valid and enforceable security interest in, mortgage or charge over, lien against or other similar interest in, any of the assets that the Applicants own or to which the Applicants are entitled as at the Plan Implementation Date, but only to the extent of the realizable value of the property subject to such security.

"**Proof of Claim**" has the meaning ascribed thereto in the Claims Procedure Order.

"**Released Claim**" has the meaning ascribed to such term in Section 7.1.

"**Released Party**" and "**Released Parties**" have the meanings ascribed to such terms in Section 7.1.

"**Required Majorities**" means, in respect of each Meeting, a majority in number of Affected Unsecured Creditors representing at least two-thirds in value of the Voting Claims of Affected Unsecured Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the resolution approving this Plan at the Meeting.

"**Residual Trust**" means the trust created pursuant to the Trust Agreement.

"**Residual Trustee**" means the Monitor as trustee of the U.S. Debtors' Residual Assets in accordance with the Trust Agreement.

"**Sanction Date**" means the date that the Sanction Order is made by the Court.

"**Sanction Order**" means the Order of the Court sanctioning and approving this Plan.

"**Sanction Recognition Order**" means the order of the U.S. Court made in the U.S. Proceeding that, among other things, recognizes and gives effect to the Sanction Order in the United States.

"**Securities**" has the meaning set out in the *Securities Act*, R.S.A. 2000, c. S-4, and for certainty, includes any Options.

"**STEP Transaction**" has the meaning ascribed thereto in Article 1.

"**Subordinated Debentureholder Cash Pool**" means the amount remaining in the Cash Pool after payment of the Unaffected Claims in accordance with Section 5.2(i) and all distributions to Allowed Affected Unsecured Claims (other than the Subordinated Debentureholders' Claims) in accordance with Section 5.2(m).

"**Subordinated Debenture Indenture**" means the debenture indenture dated February 28, 2012 among GESI as issuer, the other Applicants as guarantors, and Olympia Trust Company as trustee, pursuant to which the Debentures were issued, as it may be amended, restated, varied or supplemented in accordance with its terms.

"**Subordinated Debenture Obligations**" means all obligations, liabilities and indebtedness of the Applicants (whether as borrower, guarantor, surety or otherwise) to the Subordinated Debenture Trustee and/or the Subordinated Debentureholders under, arising out of or in connection with the Subordinated Debentures, the Subordinated Debenture Indenture or the guarantees granted in connection with any of the foregoing, as well as any other agreements or documents relating thereto, as at the Plan Implementation Date.

"**Subordinated Debenture Trustee**" means Computershare Trust Company of Canada as successor in interest to Olympia Trust Company, in its capacity as trustee under the Subordinated Debenture Indenture.

"Subordinated Debentureholder Class" means the class of Subordinated Debentureholders.

"Subordinated Debentureholder" means the ultimate beneficial owner of a Subordinated Debenture Obligation.

"Subsequent Claims Procedures" means the Claims Procedures pursuant to the Subsequent Claims Procedure Orders.

"Subsequent Claims Procedure Orders" means the subsequent claims procedure orders to be granted by the Court and by the U.S. Court concurrently with the Sanction Order.

"**Taxing Authority**" means any one of Her Majesty the Queen, Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency, any similar revenue or taxing agency or authority of Canada and each and every province or territory of Canada and any political subdivision thereof, the United States Internal Revenue Service, any similar revenue or taxing agency or authority of the United States and each and every state of the United States, and any Canadian, United States or other government, regulatory authority, government department, agency, commission, bureau, official, minister, court, board, tribunal or other law, rule or regulation making body or entity exercising taxing authority or power.

"**Trust Agreement**" means the Agreement attached hereto as Schedule D appointing the Monitor as the Residual Trustee of the U.S. Debtors' Residual Assets for the benefit of the Affected Unsecured Creditors.

"**U.S. Bankruptcy Code**" means title 11 of the United States Code, as amended from time to time.

"**U.S. Court** " means the United States Bankruptcy Court for the Western District of Texas, San Antonio Division.

"**U.S. Debtors**" means, collectively, Holdings, GI and GUS.

"**U.S. Debtors' Residual Assets**" means any and all assets, other than cash, owned by the U.S. Debtors on the Plan Implementation Date, including but not limited to any and all accounts receivable, causes of action, personal property, books and records of the U.S. Debtors and any other assets which may be owned by the U.S. Debtors on the Plan Implementation Date.

"**U.S. Proceeding**" means the proceeding commenced by GESI, as authorized representative of the Applicants, under Chapter 15 of the U.S. Bankruptcy Code on the Filing Date.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Unaffected Claim**" means any of:

(a) the Calfrac Debt;

(b) Insured Claims;

(c) Post-Filing Trade Payables;

(d) Prior Ranking Secured Claims;

(e) Preserved Equity Interests;

(f) Claims that are not permitted to be compromised pursuant to section 19(2) of the CCAA, but only to the extent not permitted; and

(g) Government Priority Claims.

"**Unaffected Creditor**" means a Creditor who has an Unaffected Claim, but only in respect of and to the extent of such Unaffected Claim.

"**Undeliverable Distribution**" has the meaning ascribed to such term in Section 4.6.

"**Voting Claim**" has the meaning ascribed thereto in the Claims Procedure Order.

"**Voting Record Date**" has the meaning ascribed thereto in the Meeting Order.

"**Working Capital Note**" means the promissory note issued by GESLP in favour of Calfrac in the principal amount of $535,000 and dated March 30, 2015.

Certain Rules of Interpretation

For the purposes of this Plan:

(a) any reference in this Plan to an Order, document or exhibit filed or to be filed means such Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms, any Orders and this Plan, as applicable;

(b) unless otherwise specified, all references to currency are in Canadian dollars;

(c) the division of this Plan into "articles" and "sections" are for convenience of reference only and do not affect the construction or interpretation of this Plan, and the descriptive headings of "articles" and "sections" are not intended as complete or accurate descriptions of the content thereof;

(d) the use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;

(e) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(f) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Calgary, Alberta and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. (Calgary time) on such Business Day;

(g) unless otherwise specified herein or in the Meeting Order, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day;

(h) unless otherwise provided, any reference to a statute or other enactment of parliament or a legislature includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(i) references to a specified "article" or "section" shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specified article or section of this Plan, whereas the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and not to any particular "article", "section" or other portion of this Plan and include any documents supplemental hereto; and

(j) the word "or" is not exclusive.

SCHEDULE "B"

PROXY

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

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9

AND IN THE MATTER OF GASFRAC ENERGY SERVICES INC., GASFRAC SERVICES GP INC., GASFRAC ENERGY SERVICES (US) INC., GASFRAC US HOLDINGS INC. and GASFRAC INC.

INSTRUMENT OF PROXY

MEETING OF UNSECURED CREDITORS OF ______________________ to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "**Court**") in connection with ____________________ Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Plan**") on June 22, 2015 at 10:00 a.m. (MDT) at:

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520-3rd Avenue S.W.
Calgary AB, T2P 0R3

Before completing this Instrument of Proxy, please read carefully the instructions accompanying this Instrument of Proxy for information respecting the proper completion and return of this Instrument of Proxy.

THIS INSTRUMENT PROXY MUST BE COMPLETED AND SIGNED BY THE CREDITOR AND PROVIDED TO THE MONITOR, ERNST & YOUNG INC., BY 5:00 P.M. (MST) ON THE BUSINESS DAY PRIOR TO THE MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON THE CCAA PLAN OR IF SUCH CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH INSTRUMENT OF PROXY.

THE UNDERSIGNED CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints ________________________ or, if no person is named, Neil Narfason of Ernst & Young Inc. in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the undersigned Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Creditor at the Meeting of Creditors of ___________________ to be held in connection with the CCAA Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Creditor's Claims for voting purposes as determined pursuant to the Creditors' Meeting Order, the Claims Process, the CCAA Plan, the CCAA and any further order of the Court as follows:

A. (mark one only):

☐ VOTE FOR approval of the CCAA Plan; or

☐ VOTE AGAINST approval of the CCAA Plan

-and-

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Creditor with respect to any amendments or variations to the CCAA Plan and to any other matters that may properly come before the Meeting of Creditors of _________________________ or any adjournment thereof.

DATED this ___ day of _________, 2015

____

Print Name of Creditor

____

Signature of Creditor. If the Creditor is a corporation, signature of an authorized signing officer of the Corporation.

____

Title of the authorized signing officer of the corporation, if applicable.

____

Mailing address of the Creditor

____

Telephone number of the Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of such Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Neil Narfason of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Creditor's proxy holder.**

2. **If an officer of Ernst & Young Inc. is appointed or is deemed to be appointed as proxy holder and the Creditor fails to indicate on this creditors' proxy a vote for or against approval of the CCAA Plan, this instrument of proxy will be voted FOR approval of the CCAA Plan.**

3. If this instrument of proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.

4. This instrument of proxy must be signed by the Creditor or by the Creditor's attorney duly authorized in writing or, if the Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.

5. Valid proxies bearing or deemed to bear a later date will revoke this creditors' proxy. If more than one valid proxy for the same Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.

6. [*For Affected Unsecured Creditors excluding the Subordinated Debentureholders*:] This instrument of proxy should be sent to the Monitor by mail, delivery, email or facsimile at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on June 19, 2015.

   Ernst & Young Inc.
   Court Appointed Monitor
   Ernst & Young Tower,
   1000, 440 2nd Avenue S.W.,
   Calgary, AB T2P 5E9 Canada

   Attention: Jessica Caden

   Fax: (403) 206-5075
   Email: Jessica.Caden@ca.ey.com
   Telephone: (403) 206-5060

7. [*For the Subordinated Debentureholders*:] This instrument of proxy should be sent to Broadridge Financial Solutions Inc. by mail at the address set out below so that it is received by the Broadridge no later than 5:00 p.m. (MST) on June 19, 2015.

Alternatively, votes may be submitted by the Subordinated Debentureholders online or by telephone in the manner set out in the 'Voting Instruction Form' enclosed herewith.

Data Processing Centre
POX Box 2800 Stn LCD Malton
Missisauga ON L5T 2T7

BROKER LOGO

ANY BROKER
5970 ANYSTREET
CITY, PROVINCE V5V 5V5

S91970-81 010 E:
S:3 E:2 1/1
A:A N:N V:

SPEICAL MEETING

GASFRAC ENERGY SERVICES INC.

WHEN:

MONDAY, JUNE 22, 2015 AT 00:00 AM MDT

WHERE:

BORDEN LADNER GERVAIS LLP
CENTENNIAL PLACE, EAST TOWER
1900, 520–3RD AVENUE S.W.
CALGARY AB, T2P 0R3

JOHN SAMPLE
5970 ANY STREET
CITY, PROVINCE Z6Z 6Z6

STEP 1 **REVIEW YOUR VOTING OPTIONS**

ONLINE: VOTE AT **PROXYVOTE.COM** USING YOUR COMPUTER OR MOBILE DATA DEVICE. YOUR CONTROL NUMBER IS LOCATED BELOW.

SCAN TO VIEW MATERIAL AND VOTE NOW →

BY TELEPHONE: YOU MAY ENTER YOUR VOTING INSTRUCTIONS BY TELEPHONE AT: **ENGLISH: 1-800-474-7493** OR **FRENCH: 1-800-474-7501**

BY MAIL: THIS VOTING INSTRUCTION FORM MAY BE RETURNED BY MAIL IN THE ENVELOPE PROVIDED.

REMINDER: PLEASE REVIEW THE INFORMATION / PROXY CIRCULAR BEFORE VOTING.

WE NEED TO RECEIVE YOUR VOTING INSTRUCTIONS AT LEAST ONE BUSINESS DAY BEFORE THE PROXY DEPOSIT DATE.

CONTROL NO.: → 1234 5678 9012 3456 **PROXY DEPOSIT DATE:** JUNE 19, 2015

Dear Client:

A meeting is being held for securityholders of the above noted issuer.

1. You are receiving this Voting Instruction Form and the enclosed meeting materials at the direction of the issuer as a beneficial owner of securities. You are a beneficial owner because we, as your intermediary, hold the securities in an account for you but not registered in your name.
2. **Votes are being solicited by or on behalf of the management of the corporation.**
3. Even if you have declined to receive materials, a reporting issuer is entitled to deliver these materials to you and it is our responsibility to forward them. These materials are being sent at no cost to you, in the language you requested, provided that the materials are made available in your requested language.
4. Unless you attend the meeting and vote in person, your securities can only be voted by us as registered holder or proxy holder of the registered holder in accordance with your instructions. We cannot vote for you if we do not receive your voting instructions. Please complete and return (or provide by one of the alternative available methods) the information requested in this form to provide your voting instructions to us promptly. We will issue a proxy on your behalf according to the voting instructions you provide, unless you elect to attend the meeting and vote in person.
5. When you give us your voting instructions, you acknowledge that:
   - You are the beneficial owner;
   - You are authorized to provide these voting instructions; and
   - You have read the material and the voting instructions on this form.
6. You may not present this voting instruction form at the meeting in order to vote.
7. To attend the meeting and vote your shares in person:
   - Write your name or the name of your designate to act on your behalf on the "Appointee" line on the other side of this form, sign and date the form, and return it by mail, or
   - Go to ProxyVote.com (if available) and insert the name in the "Appointee" section on the electronic ballot.

   You, or your designate, as the named "Appointee", must attend the meeting for your vote to be counted. When you or your designate arrive at the meeting, please register with the scrutineer or proxy tabulator. Unless you instruct otherwise, the person whose name is written in the space provided will have full authority to attend and otherwise act at, and present matters to, the meeting and any adjournment or postponement thereof, and vote on all matters that are brought before the meeting or any adjournment or postponement thereof, even if these matters are not set out in this form or the information / proxy circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require assistance, please contact the person who services your account.
8. If these voting instructions are given on behalf of a body corporate, set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.
9. If the items listed in the information/proxy circular are different from the items listed on the other side of this form, the information/proxy circular will be considered correct.
10. In the absence of any specific instructions as to voting being provided by you on this form, the item(s) will be voted as recommended on the reverse of this form or as stated in the information/proxy circular, except in the case of your appointment of an Appointee.
11. **To ensure that your instructions are received in sufficient time to be processed, please ensure that the Voting Instruction Form is returned for processing or voted online** <u>at least one business day before the proxy deposit date noted above</u>. Voting instructions received on the proxy deposit date or later may not be able to be included in the final tabulation.

If you have any questions or require help, please contact the person who services your account.

<u>Disclosure of Information – Electing to Receive Financial Statements or Requesting Meeting Materials</u>

By electing to receive the financial statements or requesting meeting materials, your name and address may be provided to the issuer (or its agent) for mailing purposes.

PLEASE SEE OVER

VOTING INSTRUCTION FORM

GASFRAC ENERGY SERVICES INC.

78

S91970-81 010 E:
S:3 E:2 1/1
A:A N:N V:

MEETING TYPE:	SPEICAL MEETING
MEETING DATE:	MONDAY, JUNE 22, 2015 AT 00:00 AM MDT
RECORD DATE:	MAY 7, 2015
PROXY DEPOSIT DATE:	JUNE 19, 2015
ACCOUNT NO:	123456789

CUID: T123 C55

CUSIP: 234567TES

10852138

CONTROL NO.: → 1234 5678 9012 3456

0100000000 0000000000 0000000000 000007064

STEP 2 APPOINT A PROXY (OPTIONAL)

APPOINTEE(S): NEIL NARFASON

IF YOU WISH TO ATTEND THE MEETING OR DESIGNATE ANOTHER PERSON TO ATTEND, VOTE AND ACT ON YOUR BEHALF AT THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, OTHER THAN THE PERSON(S) SPECIFIED ABOVE, PRINT YOUR NAME OR THE NAME OF THE OTHER PERSON ATTENDING THE MEETING IN THE SPACE PROVIDED HEREIN. UNLESS YOU INSTRUCT OTHERWISE, THE PERSON WHOSE NAME IS WRITTEN IN THIS SPACE WILL HAVE FULL AUTHORITY TO ATTEND, VOTE AND OTHERWISE ACT IN RESPECT OF ALL MATTERS THAT MAY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, EVEN IF THESE MATTERS ARE NOT SET OUT IN THE FORM OR THE CIRCULAR.

PLEASE PRINT APPOINTEE NAME ABOVE

R1

STEP 3 COMPLETE YOUR VOTING DIRECTIONS

ITEM(S): *VOTING RECOMMENDATIONS ARE INDICATED BY* **HIGHLIGHTED TEXT** *OVER THE BOXES* (FILL IN ONLY ONE BOX "■" PER ITEM IN BLACK OR BLUE INK)

		FOR	AGAINST
01	APPROVAL OF THE CCAA PLAN.	☐	☐

NOTE THIS VOTING INSTRUCTION FORM CONFERS DISCRETIONARY AUTHORITY TO VOTE ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.
NOTE THIS VOTING INSTRUCTION FORM SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING MANAGEMENT PROXY CIRCULAR.

STEP 4 THIS DOCUMENT MUST BE SIGNED AND DATED

SIGNATURE(S) *INVALID IF NOT SIGNED*

M M D D Y Y

1234 5678 9012 3456

SCHEDULE "C"

ARTICLES OF REORGANIZATION

SCHEDULE "D"

TRUST AGREEMENT

GASFRAC RESIDUAL TRUST AGREEMENT

THIS GASFRAC RESIDUAL TRUST AGREEMENT (this "Trust Agreement") dated as of [____________], 2015, by and among Gasfrac U.S. Holdings Inc., a Delaware corporation, Gasfrac Inc., a Delaware corporation, and Gasfrac Energy Services (U.S.) Inc., a Delaware corporation (collectively, the "U.S. Debtors"), and the Monitor (as defined below) as trustee (in such capacity as trustee of the Gasfrac Residual Trust, the "Trustee"), is executed to facilitate the implementation of the *Plan of Compromise and Arrangement* dated [______________], 2015 (as amended, modified and supplemented from time to time, the "Plan"). All capitalized terms used and not otherwise defined in this Trust Agreement and defined in the Plan shall have the meanings ascribed to them in the Plan.

WHEREAS, on January 14, 2015, the U.S. Debtors and certain of their affiliates instituted proceedings under the Companies' Creditors Arrangement Act ("CCAA") by filing applications for the commencement of reorganization proceedings pursuant to the CCAA, in the *Matter of Gasfrac Energy Services Inc., et. al.*, Court File No. 1501-00396 (the "Canadian Proceedings") that are being heard in the Court of Queen's Bench of Alberta, Judicial Centre of Calgary (the "Canadian Court");

WHEREAS, the Canadian Court appointed Ernst and Young Inc. as the monitor (in such capacity, the "Monitor") of the Canadian Proceedings;

WHEREAS, on January 15, 2015, the Monitor filed petitions for each of the U.S. Debtors pursuant to sections 1504, 1509(a), and 1515(a) of title 11 of the United States Code (the "U.S. Bankruptcy Code"), to commence Chapter 15 cases that are currently pending in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division (the "U.S. Court");

WHEREAS, on February 2, 2015, the U.S. Court entered the *Order Granting Monitor's Expedited Petition for Recognition as Foreign Main Proceeding Pursuant to Sections 1515 and 1517 of the United States Bankruptcy Code and Related Relief* recognizing the Canadian Proceedings as foreign main proceedings pursuant to U.S. Bankruptcy Code § 1517;

WHEREAS, the Canadian Court has sanctioned and approved the Plan by entry of the Sanction Order, and the U.S. Court has recognized and given full force and effect to the Sanction Order by entry of the Sanction Recognition Order;

WHEREAS, the Plan provides for, among other things, (i) all cash held by the U.S. Debtors on the Plan Implementation Date is deemed part of the Cash Pool and being transferred to the Monitor for further distribution as provided in the Plan, (ii) all of the U.S. Debtors' Residual Assets are to be transferred, conveyed or assigned to the Residual Trust (as defined below) for the benefit of holders of Allowed Affected Unsecured Claims and holders of Allowed Unaffected Claims entitled to a distribution under the Plan (collectively, the "Trust Beneficiaries"), (iii) the liquidation of the U.S. Debtors' Residual Assets by the Trustee, (iv) the transfer of the proceeds of the U.S. Debtors' Residual Assets by the Trustee to the Monitor to become part of the Cash Pool for subsequent distribution to the Trust Beneficiaries in accordance with the Plan, and (v) the dissolution and winding-up of the U.S. Debtors and their respective businesses for all purposes; and

WHEREAS, the Residual Trust is intended to qualify as a liquidating trust treated as a grantor trust within the meaning of Treasury Regulations Section 301.7701-(4)(d) and is established for the purposes set forth in this Trust Agreement.

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

ARTICLE I.

ESTABLISHMENT OF THE RESIDUAL TRUST

1.1 **Establishment of Residual Trust**. Pursuant to the Plan, the U.S. Debtors and the Trustee hereby establish the Gasfrac Residual Trust (the "Residual Trust") for the benefit of the Trust Beneficiaries. The Trustee shall accept and hold the U.S. Debtors' Residual Assets in trust for the Trust Beneficiaries subject to the terms of this Trust Agreement and the Plan. The Residual Trust shall be established as a liquidating trust treated as a grantor trust within the meaning of Treasury Regulations Section 301.7701-(4)(d) with no objective or authority to carry on or conduct a trade or business, or accept an assignment of any claim or right of action from, or assume any liabilities of, any Person other than the U.S. Debtors, and no part of the U.S. Debtors' Residual Assets or the proceeds, revenue or income from the U.S. Debtors' Residual Assets shall be used or disposed of by the Residual Trust in furtherance of any trade or business.

1.2 **Purpose of Residual Trust**. The purpose of this Residual Trust is (a) to liquidate the U.S. Debtors' Residual Assets in a manner calculated to conserve, protect and maximize the value of the U.S. Debtors' Residual Assets, (b) upon the conversion of the U.S. Debtors' Residual Assets (or any of them) into cash, to pay the cash from such liquidation to the Monitor to become part of the Cash Pool and to be further distributed as provided in the Plan, and (c) to effectuate the dissolution, winding-up and termination of each U.S. Debtors' corporate existence and to withdraw each U.S. Debtor from qualification in any state where it is qualified to do business.

1.3 **No Additional Beneficiaries**. The Residual Trust shall be solely for the benefit of the Trust Beneficiaries as provided herein and in the Plan.

1.4 **Transfer of U.S. Debtors' Residual Assets and Rights to the Residual Trust**. As of the Plan Implementation Date, the U.S. Debtors hereby convey, transfer, assign and deliver to the Residual Trust (a) all of their rights, title and interests in the U.S. Debtors' Residual Assets and (b) all of their rights with respect to the U.S. Debtors' Residual Assets, including attorney-client privilege and the protections afforded by the work product doctrine, and hereby waive their right and the right of any legal, financial or other advisors to assert such rights as a defense or otherwise.

1.5 **Title to U.S. Debtors' Residual Assets**. On the Plan Implementation Date, the U.S. Debtors' Residual Assets shall be vested in, and transferred to, the Residual Trust pursuant to the Plan for the benefit of the Trust Beneficiaries as provided herein and in the Plan. As of the

Plan Implementation Date, the Residual Trust shall hold legal title to all U.S. Debtors' Residual Assets and will succeed to all of the U.S. Debtor's right, title and interest in the U.S. Debtors' Residual Assets and the U.S. Debtors will have no further interest in or with respect to the U.S. Debtors' Residual Assets or the Residual Trust, except as provided in the Plan. The Trustee hereby declares that it shall hold the U.S. Debtors' Residual Assets in trust to be administered and disposed of pursuant to the terms of this Trust Agreement and the Plan for the benefit of the Trust Beneficiaries.

1.6 **Reliance**. The Trustee may rely upon any information provided by the U.S. Debtors or their Representatives concerning Claims against the U.S. Debtors, and their reconciliation and documents supporting such reconciliation.

1.7 **Governance of the Residual Trust**. The Residual Trust shall be governed by the Trustee. Subject to the provisions of the Plan and this Trust Agreement, the Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of this Trust Agreement and the Plan and not otherwise. Subject to the terms and conditions of this Trust Agreement, the Trustee may delegate responsibility for issues, tasks, or decisions to Representatives (as defined below) subject to continued oversight by the Trustee.

1.8 **Appointment of the Trustee**. As of the date hereof, the Trustee shall be the Monitor. The Trustee accepts the trust imposed on it by this Trust Agreement and agrees to observe and perform that trust on and subject to the terms and conditions set forth in this Trust Agreement.

1.9 **Trust Interests; Transferability; Surrender**.

(a) There will be no certificates evidencing interests in the Residual Trust. The register of holders of Allowed Affected Unsecured Claims and holders of Allowed Unaffected Claims entitled to a distribution under the Plan shall constitute the register of the Trust Beneficiaries.

(b) Interests in the Residual Trust may not be transferred, sold, pledged or otherwise disposed of, or offered for sale except for transfers by operation of law.

ARTICLE II.

DURATION AND TERMINATION OF RESIDUAL TRUST

2.1 **Duration**. The duties, responsibilities and powers of the Trustee shall terminate after the process of winding-up the U.S. Debtors shall have been completed and all U.S. Debtors' Residual Assets transferred and assigned to the Residual Trust, or involving the Trustee on behalf of the Residual Trust, are fully resolved, abandoned or liquidated and, upon the conversion of the U.S. Debtors' Residual Assets (or any of them) into cash, the cash being paid to the Monitor and becoming part of the Cash Pool to be further distributed as provided in the Plan. Except in the circumstances set forth below, the Residual Trust shall terminate no later than three years after the Plan Implementation Date. However, if warranted by the facts and circumstances relating to the Plan, and subject to the approval of the Canadian Court upon a finding that an extension is necessary for the purpose of the Residual Trust, the term of the

Residual Trust may be extended, one or more times (not to exceed a total of four extensions, unless the Trustee receives a favorable ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Residual Trust as a grantor trust for federal income tax purposes) for a finite period, not to exceed six months, based on the particular circumstances at issue. Each such extension must be approved by the Canadian Court within two months prior to the beginning of the extended term with notice thereof to the Trust Beneficiaries. Upon the occurrence of the termination of the Residual Trust, the Trustee shall file with the Canadian Court a notice thereof and shall be discharged of all further responsibilities under this Trust Agreement.

2.2 **Continuance of Residual Trust for Winding-Up.** After the termination of the Residual Trust and for the purpose of liquidating and winding-up the affairs of the Residual Trust, the Trustee shall continue to act as such until all duties under the Plan and this Trust Agreement have been fully performed. Upon liquidation of all of the U.S. Debtors' Residual Assets and the transfer to the Monitor of the cash proceeds thereof and subject to Section 3.6, the Trustee shall hold the books, records and files delivered to or created by the Trustee for a period of time in the Trustee's sole discretion in order to carry out the Trustee duties under this Trust Agreement, after which time such books, records, and files may be destroyed by the Trustee or transferred to the Monitor in the Trustee's sole discretion. All costs and expenses associated with the storage of such books, records and files shall be paid by the Monitor from the Cash Pool. Except as otherwise specifically provided herein, upon the liquidation of all of the U.S. Debtors' Residual Assets and distribution of all of the cash proceeds therefrom to the Monitor, the Trustee shall have no further duties or obligations hereunder except (a) to account and report as provided in Sections 2.3 and 3.3 hereof and (b) to perform such other acts as may be required by law in order to effect the winding-up of the U.S. Debtors.

2.3 **Final Accounting.** Upon termination of the Residual Trust, the Trustee shall file an accounting with the Canadian Court setting forth the amount it has collected and disbursed, and the Trust Expenses.

ARTICLE III.

ADMINISTRATION OF TRUST ESTATE

3.1 **Payment of Expenses.** The Monitor shall pay all costs and expenses of the Residual Trust from the Cash Pool, including the Trustee Compensation, Trustee Expenses, Representative Fees and Expenses, and the costs, expenses, fees, and taxes arising from the carrying out of duties under this Residual Trust and the dissolution and winding-up of the U.S. Debtors and the Residual Trust and the reasonable costs and expenses associated with converting such U.S. Debtors' Residual Assets into cash or otherwise administering such U.S. Debtors' Residual Assets (together, "Trust Expenses"), all of which shall be payable and enjoy the benefits of the Administration Charge as provided for in the Initial Order.

3.2 **Disbursement to Trust Beneficiaries**. Upon the conversion of the U.S. Debtors' Residual Assets (or any of them) into cash, the cash shall be transferred to Monitor to become part of the Cash Pool to be further distributed as provided in the Plan. For the purpose of clarity, no Trust Beneficiary shall have a right to a direct distribution from the Residual Trust as all distributions to Trust Beneficiaries shall be made by the Monitor from the Cash Pool as provided in the Plan.

3.3 **Reports**.

(a) The Trustee shall maintain good and sufficient books and records of account relating to the U.S. Debtors' Residual Assets, the proceeds from the sale thereof, the management thereof, all transactions undertaken by the Trustee, and all Trust Expenses.

(b) The fiscal year of the Residual Trust shall end on the last day of December of each year unless some other fiscal year-end date is required by Applicable Law and is permissible under the Internal Revenue Code or other applicable taxing legislation.

3.4 **Benefit Plans**

(a) For purposes of this Section 3.4, "Benefit Plan" shall mean an employee benefit plan specified in ERISA (29 United States Code §1001 *et seq.*) Section 3(3) and any other plan, policy, program, practice, agreement, understanding or arrangement that provides compensation or other benefits to any present or former director, officer, employee or individual consultant who is employed in the United States by the U.S. Debtors, irrespective of whether such Benefit Plan is legally enforceable, specified in ERISA Section 3(3), funded or unfunded, and includes, without limitation, all incentive, bonus, profit sharing, savings, deferred compensation, cafeteria, medical, health, dental, life insurance, disability, accident, supplemental unemployment or retirement, employment, severance or salary or benefits continuation, fringe benefit, stock purchase or equity based compensation plans, policies or programs.

(b) The Trustee shall take all actions necessary to terminate each Benefit Plan or otherwise terminate all obligations and responsibilities of the U.S. Debtors with respect to each Benefit Plan.

(c) Subject to Section 3.4(b), the Trustee shall take all steps necessary to ensure that:

i. each Benefit Plan will be administered and terminated in all material respects in accordance with its terms and in compliance with all applicable laws;

ii. all contributions required to be made under the terms of any Benefit Plan prior to termination have been made;

iii. all reports, returns and similar documents with respect to each Benefit Plan required to be filed and all documents required by any applicable law to be distributed to any plan participant or beneficiary will be fully and timely filed and distributed; and

iv. no act or omission will occur with respect to any Benefit Plan that could directly or indirectly subject the U.S. Debtors to any fine, penalty, tax or liability of any kind imposed under any applicable law.

3.5 **Winding-Up.** The Trustee shall comply with all applicable federal, state and local laws governing the activities of the U.S. Debtors and shall file such returns, reports, applications, forms or other documents and take all steps and perform all acts that may be necessary to complete the process of winding-up the U.S. Debtors.

3.6 **Provision of Information to Gasfrac Energy Services Inc.** From time to time as needed until termination of the Residual Trust, upon the request of Gasfrac Energy Services Inc. ("GESI") the Trustee shall provide to GESI such information or materials, including without limitation, books and records, which may be required by GESI, acting reasonably, to comply with any provisions of Canadian law or industry practice relating to the preparation of financial statements or tax returns.

ARTICLE IV.

POWERS OF AND LIMITATIONS ON THE TRUSTEE

4.1 **General Powers of Trustee**. Subject to the express limitations contained in this Trust Agreement and the Plan, the Trustee shall have, in addition to any powers conferred by other provisions of this Trust Agreement or the Plan, the power to take any and all actions as, in the sole discretion of the Trustee, are necessary or advisable to effectuate the purpose of the Residual Trust, including the following powers, which it may exercise without the approval of the Canadian Court or the U.S. Court, except to the extent otherwise required under the provisions of the Plan or this Trust Agreement:

(a) To hold legal title to any and all rights in or arising from the U.S. Debtors' Residual Assets, including, without limitation, the right to collect and receive any and all money and other property belonging to the Residual Trust;

(b) To take all steps necessary or appropriate to realize upon the U.S. Debtors' Residual Assets and reduce the same to cash, including but not limited to, selling or otherwise disposing of the U.S. Debtors' Residual Assets (whether by gift or otherwise), transferring or otherwise conveying title to the U.S. Debtors' Residual Assets, pursuing all causes of action previously held by the U.S. Debtors in regard to the U.S. Debtors' Residual Assets and abandoning any such asset deemed to be of inconsequential value or otherwise uncollectable, and the Trustee shall have the broadest authority and discretion in administering the U.S. Debtors' Residual Assets and shall have the absolute right in its sole discretion to pursue, not pursue, collect, abandon, sell, dispose of, gift, compromise and settle or otherwise administer the U.S. Debtors' Residual Assets;

(c) To invest or reinvest the U.S. Debtors' Residual Assets as provided in Section 4.3 hereof and to cause such investments, or any part thereof, to be registered and held in its name, as Trustee, or in the names of nominees;

(d) On behalf of each of the U.S. Debtors, to make, execute, acknowledge and file all necessary or appropriate certificates or other documents with the appropriate governmental unit or agency and take any other action necessary or appropriate to effect the dissolution, winding-up, and termination of each U.S. Debtor's corporate existence and to withdraw each U.S. Debtor from qualification in any state where it is qualified to do business, including without limitation the execution and filing of certifications of dissolution and payment of any associated filing fees and state taxes, and the filing of appropriate tax returns and the payment of any taxes arising therefrom;

(e) To establish and maintain such bank accounts as may be necessary or appropriate, to draw checks on such bank accounts and to perform such other necessary and appropriate duties with respect to such accounts, or designate individuals as signatories therefor, as the Trustee may direct and authorize;

(f) To engage employees, agents, attorneys, accountants, consultants, experts, advisors, and other professional persons (collectively, "Representatives"), including, without limitation, former employees of the U.S. Debtors, to assist the Trustee with respect to its responsibilities or otherwise act on behalf of the Trustee in carrying out his responsibilities under this Trust Agreement;

(g) To perform all of the Trustee's obligations under the Plan and this Trust Agreement;

(h) To avoid and recover transfers of the U.S. Debtors' property as may be permitted by Applicable Law, to the extent the right to avoid and recover such transfers are U.S. Debtors' Residual Assets under the Plan to the extent applicable;

(i) To exercise offsets against Claims as permitted under the Plan, to the extent such offset rights are U.S. Debtors' Residual Assets under the Plan;

(j) To investigate, pursue and prosecute all causes of action that are part of the U.S. Debtors' Residual Assets;

(k) To institute, join or defend actions or other requests for relief and to take such other actions, including settlements thereof, on any terms deemed reasonable by the Trustee, in its discretion, to enforce or collect upon any instruments, contracts, agreements or causes of action constituting or relating to the U.S. Debtors' Residual Assets;

(l) To perform any act authorized, permitted or required under any instrument, contract, agreement, claim or cause of action constituting or relating to the U.S. Debtors' Residual Assets, whether in the nature of an approval, consent, demand or notice thereunder or otherwise;

(m) To file or cause to be filed all required federal, state, provincial, local and foreign tax filings of the Residual Trust and the U.S. Debtors, make tax elections, if any, available to the Residual Trust or the U.S. Debtors under federal, state, provincial, local or foreign law, and prepare applications for rulings or other administrative determinations from federal, state, provincial, local and foreign tax authorities as may be reasonably necessary to determine the tax liabilities of the Residual Trust or the U.S. Debtors and furnish appropriate tax reporting information to the Trust Beneficiaries;

(n) To request any appropriate tax determination with respect to the Residual Trust or the U.S. Debtors, including, without limitation, a determination pursuant to U.S. Bankruptcy Code § 505;

(o) To obtain insurance coverage with respect to its liabilities and obligations as Trustee under this Trust Agreement (in the form of an errors and omissions policy or otherwise);

(p) To assert or waive any privilege on behalf of the U.S. Debtors, solely with respect to the U.S. Debtors' Residual Assets, or on behalf of the Residual Trust;

(q) To represent the estates of the U.S. Debtors before the Canadian Court, the U.S. Court or other courts of competent jurisdiction with respect to matters concerning the Residual Trust and the U.S. Debtors' Residual Assets; and

(r) To exercise such other powers as may be vested in or assumed by the Trustee pursuant to the Plan, this Trust Agreement, the Sanction Order, or the Sanction Recognition Order or as may be necessary and desirable to carry out the provisions of this Trust Agreement and Applicable Law.

4.2 **Limitations on Trustee**. The Trustee shall carry out the purposes of the Residual Trust and the directions contained herein, and shall not at any time, on behalf of the Residual Trust or the Trust Beneficiaries, (a) enter into or engage in any business or (b) accept an assignment of any right of action from, or assume any liabilities of, any Person other than the U.S. Debtors, and no part of the U.S. Debtors' Residual Assets or the proceeds, revenue or income therefrom shall be used or disposed of by the Trustee in furtherance of any business other than as contemplated by the Plan. This limitation shall apply irrespective of whether the conduct of any such business activities is deemed by the Trustee to be necessary or proper for the conservation and protection of the Residual Trust. The Trustee shall make continuing efforts to liquidate the U.S. Debtors' Residual Assets, make timely distributions of the proceeds therefrom to the Monitor, and not unduly prolong the duration of the Residual Trust.

4.3 **Investment Power**. The investment power of the Trustee, other than that reasonably necessary to maintain the value of the U.S. Debtors' Residual Assets and to further the liquidating purpose of the Residual Trust, shall be limited to the power to invest (a) in demand and time deposits, such as short-term certificates of deposit, (b) in banks or other savings institutions, or (c) in other temporary, liquid investments such as Treasury bills. Once such funds are so invested, the Trustee shall not sell or otherwise liquidate the investment until such time as such funds are (a) needed to pay expenses incurred pursuant to this Trust Agreement or the Plan, or (b) to be distributed to the Monitor pursuant to the Plan or this Trust Agreement; *provided, however,* that the Trustee may liquidate such investments if the Trustee determines in its discretion that such liquidation is necessary to protect the Residual Trust from loss on the amounts invested. The Trustee shall be restricted to the holding and collection of the U.S. Debtors' Residual Assets and the payment and distribution thereof for the purposes set forth herein and in the Plan and to the conservation, protection and maximization of the U.S. Debtors' Residual Assets and to the administration thereof in accordance with the provisions of this Trust Agreement. The Trustee shall keep all U.S. Debtors' Residual Assets segregated from and shall not commingle any U.S. Debtors' Residual Assets with any assets of any other Person, including any of the Trustee's own assets.

4.4 **Additional Powers of Trustee**. Subject to the express limitations contained herein, the Trustee shall have, and may exercise with respect to the U.S. Debtors' Residual Assets, or any part thereof, and to the administration and distribution of the U.S. Debtors' Residual Assets, all powers now or hereafter conferred on trustees by the laws of the State of Texas. The powers conferred by this Section 4.4 in no way limit any power conferred on the Trustee by any other section hereof but shall be in addition thereto; *provided, however,* that the powers conferred by this Section 4.4 are conferred and may be exercised only and solely within the limitations and for the limited purposes imposed and expressed in the Plan and in Article III and Section 4.4 hereof.

4.5 **Tax and Reporting Duties of the Trustee.** The Trustee shall be responsible for all tax and other matters as set forth in Article V of this Trust Agreement.

ARTICLE V.

TAX MATTERS

5.1 **Classification of the Residual Trust.** For all U.S. federal income tax purposes, all parties (including the U.S. Debtors, the Trustee and the Trust Beneficiaries) are required to treat the vesting of the U.S. Debtors' Residual Assets in the Residual Trust, and the transfer of the U.S. Debtors' Residual Assets to the Residual Trust for the benefit of the Trust Beneficiaries, as (a) a transfer of the U.S. Debtors' Residual Assets directly to the Trust Beneficiaries followed by (b) the transfer by the Trust Beneficiaries to the Residual Trust of the U.S. Debtors' Residual Assets. The Residual Trust will be treated as a grantor trust for federal income tax purposes and, to the extent permitted under Applicable Law, for state and local income tax purposes. The Trust Beneficiaries shall be treated as the grantors and owners of their allocable portion of the U.S. Debtors' Residual Assets for federal income tax purposes. The parties shall not take any position on their respective tax returns or with respect to any other matter related to taxes that is inconsistent with treating the Residual Trust as a "liquidating trust" within the meaning of Treasury Regulation Section 301.7701-4(d), unless any party receives definitive guidance to the contrary from the Internal Revenue Service.

5.2 **General Tax Reporting by the Trust and the Trust Beneficiaries**. (a) The Trustee shall prepare, consistent with Section 4.1 hereof, and file on behalf of the Residual Trust, at the time and in the manner prescribed by the Internal Revenue Code and applicable state and local and foreign law, such tax returns and reports as may be required, including but not limited to returns and reports required by Treasury Regulations Section 1.671-4(a). The Monitor shall pay or cause to be paid from the Cash Pool any and all taxes (whether U.S. or foreign) imposed on the Residual Trust.

(b) As soon as practicable after the close of each fiscal year, the Trustee shall mail to each of the Trust Beneficiaries a statement setting forth the beneficiary's share of items of income, gain, loss, deduction or credit and will instruct all such beneficiaries to report such items on their federal income tax returns. The Residual Trust's taxable income, gain, loss, deduction or credit will be allocated, for U.S. federal tax issues, to the Trust Beneficiaries in accordance with their relative beneficial interests in the Residual Trust.

(c) The Monitor shall be responsible for payments, out of the Cash Pool, of any taxes imposed on the Residual Trust or its assets or on the U.S. Debtors or their affiliates relating to the Residual Trust or the transactions contemplated in the Residual Trust Agreement.

(d) The Residual Trust may retain Representatives to perform the Trustee's duties under this Section 5.2 and, subject to Section 6.6, may rely upon the performance of such Representatives with respect to such duties.

5.3 **Other**. The Trustee shall file, or cause to be filed, any other statements, returns, or disclosures relating to the Residual Trust or the U.S. Debtors that are required by any governmental unit or Applicable Law.

ARTICLE VI.

THE TRUSTEE

6.1 **Trustee's Compensation and Reimbursement**.

(a) The Trustee's compensation, on a post Plan Implementation Date basis, shall be based on time spent by the relevant professionals in performing the duties of the Trustee under this Trust Agreement and the Plan, on the basis of actual time spent at hourly rates normally charged by it for this type of work (the "Trustee Compensation"). The Trustee Compensation and the reasonable costs and expenses of the Trustee in carrying out the duties of the Trustee under this Trust Agreement and the Plan (the "Trustee Expenses") shall be paid by the Monitor from the Cash Pool.

(b) The Trustee shall have the right to retain the services of Representatives that, in the discretion of the Trustee, are necessary to assist the Trustee in the performance of its duties. The reasonable fees and expenses of such Representatives (the "Representative Fees and Expenses") shall be paid by the Monitor from the Cash Pool upon the submission of invoices to the Monitor by the Trustee. The payment of the Representative Fees and Expenses shall not be subject to the approval of the Canadian Court or the U.S. Court.

6.2 **Resignation**. The Trustee may resign as Trustee hereunder by giving not less than 90 days' prior written notice thereof to the Trust Beneficiaries. Such resignation shall become effective on the later to occur of: (a) the day specified in such notice or (b) the appointment of a successor Trustee pursuant to this Trust Agreement and the acceptance of such successor Trustee of such appointment. If a successor Trustee is not appointed or does not accept its appointment within 90 days following delivery of notice of resignation, the Trustee may petition the Canadian Court for the appointment of a successor Trustee.

6.3 **Removal**. The Trustee (and its successors) may be removed by order of the Canadian Court.

6.4 **Appointment of Successor Trustee**. In the event of the resignation of the Trustee, the Trustee may appoint a successor Trustee in its sole discretion, and may apply to the Canadian Court for an order recognizing such appointment. In the event the Trustee fails to appoint a successor Trustee or the incapacity of the Trustee, the Canadian Court may appoint a successor Trustee. In the event of removal or incapacity of the Trustee, the Canadian Court shall designate a successor Trustee. The successor Trustee shall give written notice of its appointment to the Trust Beneficiaries as soon thereafter as is practicable. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Canadian Court, and the retiring Trustee an instrument duly accepting such appointment and agreeing to be bound by the terms of this Trust Agreement and thereupon such successor Trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the Trustee under this Trust Agreement. All Trust Expenses shall be paid by the Monitor from the Cash Pool unless disputed by the successor Trustee, in which case such dispute shall be subject to resolution by the Canadian Court.

6.5 **Residual Trust Continuance**. The resignation or removal of the Trustee shall not operate to terminate the Residual Trust or to revoke any existing agency created pursuant to the terms of this Trust Agreement or invalidate any action theretofore taken by the Trustee or any prior Trustee. In the event of the resignation or removal of the Trustee, such Trustee shall (i) promptly execute and deliver such documents, instruments and other writings as may be reasonably requested by the successor Trustee to effect the termination of the Trustee's capacity under this Trust Agreement and the conveyance of the U.S. Debtors' Residual Assets then held by the Trustee to such Trustee's successor; (ii) deliver to the successor Trustee all documents, instruments, records and other writings related to the Residual Trust as may be in the possession of the Trustee; and (iii) otherwise assist and cooperate in effecting the assumption of its obligations and functions by such successor Trustee.

6.6 **Reliance by Trustee**. The Trustee may rely, and shall be fully protected personally in acting upon, any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, or other instrument or document which the Trustee believes to be genuine and to have been signed or presented by the proper party or parties or, in the case of facsimile transmissions or electronic mail, to have been sent by the proper party or parties, in each case without obligation to satisfy itself that the same was given in good faith and without responsibility for errors in delivery, transmission, or receipt. In the absence of willful misconduct or gross negligence on the Trustee's part, the Trustee may rely as to the truth of any statements contained therein in acting thereon. The Trustee may consult with and rely on the advice of Representatives as shall have been retained pursuant to this Trust Agreement and shall be fully protected in respect of any action taken or suffered by them in accordance with the written opinion of such Representatives. Notwithstanding such authority, the Trustee shall be under no obligation to consult with Representatives, and its determination to not do so should not result in imposition of liability on the Trustee unless such determination is based on willful misconduct or gross negligence.

6.7 **Standard of Care**. Notwithstanding anything else herein to the contrary, except in the case of willful misconduct or gross negligence, the Trustee and its Representatives shall not be liable for any loss or damage by reason of any action taken or omitted (including, without limitation, action or inaction by the Trustee pursuant to the rights to rely under Sections 1.6, 5.2(d), and 6.6) by the Trustee or its Representatives pursuant to the discretion, power and authority conferred on the Trustee by this Trust Agreement, the Plan, the Sanction Order, and the Sanction Recognition Order. Any action against the Trustee alleging any breach of duty or failure to comply with the Trust Agreement, the Plan, the Sanction Order, or the Sanction Recognition Order shall be in the exclusive jurisdiction of the Canadian Court.

6.8 **No Liability for Acts of Predecessor Trustees**. No successor Trustee shall be in any way liable for the acts or omissions of any predecessor Trustee unless a successor Trustee expressly assumes such responsibility.

6.9 **Insurance**. The Trustee may purchase, at the expense of the Monitor to be paid out of the Cash Pool, errors and omissions insurance with regard to any liabilities, losses, damages, claims, costs and expenses it may incur, including but not limited to attorneys' fees, arising out of or due to its actions or omissions or consequences of such actions or omissions, other than as a result of its gross negligence or willful misconduct, with respect to the implementation of this Trust Agreement, the Plan, the Sanction Order, or the Sanction Recognition Order.

6.10 **No Implied Obligations**. No Trustee shall be liable for any duties or obligations except for the performance of such duties and obligations as are specifically set forth herein or in the Plan, and no implied covenants or obligations shall be read into this Residual Trust.

6.11 **No Personal Liability**. Except as otherwise provided in this Trust Agreement, Persons dealing with the Residual Trust must look solely to the Residual Trust or U.S. Debtors' Residual Assets for the enforcement of any claims against the Residual Trust or to satisfy any liability incurred by the Trustee to such Persons in carrying out the terms of this Residual Trust, and neither the Trustee, its Representatives, the U.S. Debtors, nor any other Person shall have any personal liability or individual obligation to satisfy any such liability.

6.12 **Indemnification**. The Residual Trust shall indemnify and hold harmless the Trustee and its Representatives from and against and in respect to any and all liabilities, losses, damages, claims, costs and expenses, including, but not limited to attorneys' fees and costs arising out of or due to their actions or omissions, or consequences of such actions or omissions, with respect to the Residual Trust or the implementation or administration of the Plan; *provided, however*, that no such indemnification will be made to such Persons for such actions or omissions as a result of willful misconduct or gross negligence.

ARTICLE VII.

AMENDMENTS

7.1 **Amendments**. This Trust Agreement may be amended with the approval of the Canadian Court; *provided, however,* that in no event shall this Trust Agreement be amended (a) so as to change the purpose of the Residual Trust as set forth in Article I hereof, (b) so as to allow funds constituting U.S. Debtors' Residual Assets to be invested in a manner other than as permitted in Section 4.3 hereof, or (c) so as to adversely affect the U.S. Federal income status of the Residual Trust in accordance with Article I hereof.

ARTICLE VIII.

MISCELLANEOUS PROVISIONS

8.1 **Applicable Law**. The Residual Trust created herein shall be construed, regulated and administered under the laws of the State of Texas without regard to principles of conflicts of law; *provided* that the Residual Trust and any interpretation or enforcement of the provisions of this Trust Agreement shall be subject to the jurisdiction of the Canadian Court.

8.2 **No Association, Partnership or Joint Venture**. This Trust Agreement is not intended to create and shall not be interpreted as creating an association, partnership or joint venture of any kind.

8.3 **Partial Invalidity**. If any term or provision of this Trust Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Trust Agreement, such term or provision shall be fully severable and this Trust Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Trust Agreement; and the remaining terms and provisions of this Trust Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Trust Agreement, and this Trust Agreement shall be construed so as to limit any term or provision so as to make it a legal, valid and enforceable provision, provided that such construction, to the maximum extent possible, shall give effect to the purposes of the Plan.

8.4 **Notices**. All notices, requests, consents and other communications hereunder shall be in writing and shall be addressed (i) if to the Trustee, to Ernst & Young Inc., 1000, 440 2nd Avenue S.W. Calgary, Alberta, Canada T2P 5E9, Attention Neil Narfason and Cassie Riglin, Fax: (403) 206-5067 and (403) 206-5139, Neil.narfason@ca.ey.com and Cassie.riglin@ca.ey.com, with a copy to Norton Rose Fulbright LLP, 3700, 400 – 3 Avenue S.W., Calgary, Alberta, Canada T2P 4H2, Attention Howard Gorman, Fax: (403) 267-8144, Howard.gorman@nortonrosefulbright.com, or such other address as such Trustee will have furnished; and (ii) if to any Trust Beneficiary, at the address determined as set forth in Section 10.11 of the Plan. All such notices, requests, consents and other communications shall be given to the Trustee by facsimile, hand delivery, overnight delivery, or, if to a Trust Beneficiary, by first-class mail, postage prepaid, and shall be deemed given when actually delivered (with respect to the Trustee), or three Business Days after deposit in the U.S. mail if mailed (with respect to a Trust Beneficiary).

8.5 **Counterparts**. This Trust Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same instrument.

8.6 **Headings**. The section headings contained in this Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

8.7 **<u>Confidentiality</u>**. The Trustee shall, during the period that it serves in such capacity under this Trust Agreement and following either the termination of this Trust Agreement or such Trustee's removal, incapacity, or resignation hereunder, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to any entity to which any of the U.S. Debtors' Residual Assets relates or of which it has become aware in its capacity as Trustee.

8.8 **<u>No Bond Required</u>**. Notwithstanding any state law to the contrary, the Trustee (including any successor trustee) shall be exempt from giving any bond or other surety in any jurisdiction.

8.9 **<u>Retention of Jurisdiction</u>**. The Canadian Court shall retain jurisdiction over issues related to the enforcement or interpretation of this Trust Agreement, including the determination of all claims, controversies, disputes and issues arising under or in connection with the Residual Trust or this Trust Agreement and the management and administration of the Residual Trust and for all of the purposes contemplated herein.

8.10 **<u>Relationship to Plan; Paramountcy</u>**. The principal purpose of this Trust Agreement is to aid in the implementation of the Plan and, therefore, this Trust Agreement incorporates and is subject to the provisions of the Plan. In the event any provision of this Trust Agreement is found to be inconsistent with a provision of the Plan, the Sanction Order, or the Sanction Recognition Order, the provision of the Plan, the Sanction Order, or the Sanction Recognition Order shall control.

[Remainder of Page Internationally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement or caused this Trust Agreement to be duly executed as of the day and year first written.

GASFRAC U.S. HOLDINGS INC.

By: ________________________________
Name: ________________________________
Title: ________________________________

GASFRAC INC.

By: ________________________________
Name: ________________________________
Title: ________________________________

GASFRAC ENERGY SERVICES (U.S.) INC.

By: ________________________________
Name: ________________________________
Title: ________________________________

ERNST AND YOUNG INC., as Monitor and Trustee

By: ________________________________
Name: ________________________________
Title: ________________________________

TAB B

This is **Exhibit "B"** referred to
In the Affidavit of Leigh Cassidy
Sworn before me this 6th day of May, 2015

Mary Ellen Paynt
Notary Public of the State of Arizona

[illegible]
Notary Public - Arizona
Pinal County
My Comm. Expires May 24, 2018

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

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9

AND IN THE MATTER OF GASFRAC ENERGY SERVICES INC., GASFRAC SERVICES GP INC., GASFRAC ENERGY SERVICES (US) INC., GASFRAC US HOLDINGS INC. and GASFRAC INC.

NOTICE TO AFFECTED UNSECURED CREDITORS OF ______________________________

NOTICE IS HEREBY GIVEN that ______________________________ (the "**Company**") has filed with the Alberta Court of Queen's Bench (the "Court") a plan of compromise and arrangement dated May ____, 2015 (as amended from time to time, the "**CCAA Plan**") pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA**").

You can view copies of the documents relating to this process, including the Plan on the following website: www.ey.com/ca/gasfracenergy

The CCAA Plan contemplates the compromise of rights and claims of certain creditors of the Company (as defined in the CCAA Plan, "**Affected Unsecured Creditors**"). Affected Unsecured Claims of Affected Unsecured Creditors constitute seven (7) classes of creditors as established in the CCAA Plan: (i) the "**GESI Class**", (ii) the "**GSGP Class**", (iii) the "**GESLP Class**", (iv) the "**Holdings Class**", (v) the "**GI Class**", (vi) the "**GUS Class**", and (vii) the "**Subordinated Debentureholder Class**".

NOTICE IS ALSO HEREBY GIVEN that a Meeting of the Affected Unsecured Creditors (the "**Creditors Meeting**") will be held at the time and place and on the date set forth below for the purposes of considering and, if thought advisable by the Affected Unsecured Creditors, voting in favour of, with or without variation, a resolution to approve the CCAA Plan and to transact such other business as may properly come before such Creditors Meeting or any adjournment thereof. The Creditors Meeting is being held pursuant to the Order of the Court made on May 13, 2015, by the Honourable Madam Justice K.M. Eidsvik (the "**Meeting Order**").

DATE	TIME (MDT)	LOCATION
June 22, 2015	**10:00 a.m.**	Borden Ladner Gervais LLP 1900, 520-3rd Avenue S.W. Calgary AB, T2P 0R3

The quorum for the Creditors' Meeting has been set by the Meeting Order as the presence, in person or by proxy, at the Creditors' Meeting of one (1) Affected Unsecured Creditor, voting in each class, present in person or by proxy.

To become effective, in respect of the Affected Unsecured Creditors, the CCAA Plan must be approved by a majority in number of the Affected Unsecured Creditors who represent at least two-thirds in value of the Voting Claims of each of the respective seven classes of Affected Unsecured Creditors who actually vote on the resolution approving the CCAA Plan (in person or by proxy) at the Creditors' Meeting. The CCAA Plan must also be sanctioned by a final order of the Court under the CCAA.

NOTICE IS ALSO HEREBY GIVEN that such order will be sought in an application to be brought by the Company within ten (10) days of the Creditors' Meeting, which date shall be posted on the website of the court-appointed Monitor as set out below. At that time the Company will also seek the other relief specified in the CCAA Plan. Subject to the satisfaction of the conditions to implementation of the CCAA Plan, all Affected Unsecured Claims of Affected Unsecured Creditors will then receive the treatment as set out in the CCAA Plan unless otherwise ordered by the Court.

The value of each Affected Unsecured Claim for voting purposes has or will be determined pursuant to the Meeting Order, the Claims Process, the CCAA Plan, the CCAA and any further order of the Court.

Any Affected Unsecured Creditor who is entitled to vote at the Creditors' Meeting but is unable to attend the Creditors' Meeting is requested to date, sign and return the enclosed form of proxy, either by fax, email or registered mail.

In order to be used at the Creditors' Meeting, a proxy submitted by an Affected Unsecured Creditor (with the exception of a Subordinated Debentureholder) must be deposited with the Monitor, by way of fax, email or registered mail at the address below, any time prior to 5:00 p.m. (MST) on the last Business Day before the Creditors' Meeting, or with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

In the case of a Subordinated Debentureholder, in order to be used at the Creditors' Meeting, a proxy must be deposited with Broadridge Financial Solutions Inc. ("Broadridge") at the address below, any time prior to 5:00 p.m. (MST) on the last Business Day before the Creditors' Meeting, or with the Chair of the Creditors' Meeting prior to the commencement of the Creditors' Meeting or any adjournment thereof.

The Company in its discretion may waive in writing the time limits for the deposit of proxies and all other procedural matters of the Company deems it advisable to do so.

The Monitor's address for the purpose of filing the form of proxy and for obtaining any additional information or materials related to the Creditors' Meeting is:

Ernst & Young Inc.
Court-Appointed Monitor
Ernst & Young Tower
1000, 440-2nd Avenue S.W.
Calgary AB, T2P 5E9

Attention : Jessica Caden

Fax : (403) 206-5075
Telephone : (403) 206-5060
Email: Jessica.Caden@ca.ey.com

The Broadridge address for the purpose of the Subordinated Debentureholders filing the form of proxy and for obtaining any additional information or materials related to the Creditors' Meeting is:

Data Processing Centre
POX Box 2800 Stn LCD Malton
Missisauga ON L5T 2T7

This notice is given by the Company pursuant to the Meeting Order.

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the CCAA Plan.

Dated this ___ day of May, 2015.

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

AND IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9

AND IN THE MATTER OF GASFRAC ENERGY SERVICES INC., GASFRAC SERVICES GP INC., GASFRAC ENERGY SERVICES (US) INC., GASFRAC US HOLDINGS INC. and GASFRAC INC.

INSTRUMENT OF PROXY

MEETING OF UNSECURED CREDITORS OF ______________________ to be held pursuant to an Order of the Alberta Court of Queen's Bench (the "**Court**") in connection with ______________________ Plan of Compromise and Arrangement under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA Plan**") on June 22, 2015 at 10:00 a.m. (MDT) at:

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520-3rd Avenue S.W.
Calgary AB, T2P 0R3

Before completing this Instrument of Proxy, please read carefully the instructions accompanying this Instrument of Proxy for information respecting the proper completion and return of this Instrument of Proxy.

THIS INSTRUMENT PROXY MUST BE COMPLETED AND SIGNED BY THE CREDITOR AND PROVIDED TO THE MONITOR, ERNST & YOUNG INC., BY 5:00 P.M. (MST) ON THE BUSINESS DAY PRIOR TO THE MEETING OR WITH THE CHAIR PRIOR TO THE COMMENCEMENT OF THE MEETING OR ANY ADJOURNMENT THEREOF IF ANY PERSON ON SUCH CREDITOR'S BEHALF IS TO ATTEND THE MEETING AND VOTE ON THE CCAA PLAN OR IF SUCH CREDITOR WISHES TO APPOINT AN OFFICER OF THE MONITOR TO ACT AS SUCH INSTRUMENT OF PROXY.

THE UNDERSIGNED CREDITOR hereby revokes all proxies previously given and nominates, constitutes and appoints ________________________ or, if no person is named, Neil Narfason of Ernst & Young Inc. in its capacity as Monitor, or such other representative of the Monitor as the Monitor may designate, as nominee of the undersigned Creditor, with full power of substitution, to attend on behalf of and act for the undersigned Creditor at the Meeting of Creditors of ___________________ to be held in connection with the CCAA Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Creditor's Claims for voting purposes as determined pursuant to the Creditors' Meeting Order, the Claims Process, the CCAA Plan, the CCAA and any further order of the Court as follows:

A. (mark one only):

☐ VOTE FOR approval of the CCAA Plan; or

☐ VOTE AGAINST approval of the CCAA Plan

-and-

B. vote at the nominee's discretion and otherwise act for and on behalf of the undersigned Creditor with respect to any amendments or variations to the CCAA Plan and to any other matters that may properly come before the Meeting of Creditors of ________________________ or any adjournment thereof.

DATED this ___ day of _________, 2015

____
Print Name of Creditor

____
Signature of Creditor. If the Creditor is a corporation, signature of an authorized signing officer of the Corporation.

____
Title of the authorized signing officer of the corporation, if applicable.

____
Mailing address of the Creditor

____
Telephone number of the Creditor

INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a person (who need not be a Creditor) to attend, act and vote for and on behalf of such Creditor and such right may be exercised by inserting in the space provided the name of the person to be appointed. **If no name has been inserted in the space provided, the Creditor will be deemed to have appointed Neil Narfason of the Monitor (or such other representative of the Monitor as the Monitor may designate) as the Creditor's proxy holder.**

2. **If an officer of Ernst & Young Inc. is appointed or is deemed to be appointed as proxy holder and the Creditor fails to indicate on this creditors' proxy a vote for or against approval of the CCAA Plan, this instrument of proxy will be voted FOR approval of the CCAA Plan.**

3. If this instrument of proxy is not dated in the space provided, it will be deemed to be dated on the date it is received by the Monitor.

4. This instrument of proxy must be signed by the Creditor or by the Creditor's attorney duly authorized in writing or, if the Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.

5. Valid proxies bearing or deemed to bear a later date will revoke this creditors' proxy. If more than one valid proxy for the same Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such proxies will be treated as disputed proxies and will not be counted.

6. [*For Affected Unsecured Creditors excluding the Subordinated Debentureholders*:] This instrument of proxy should be sent to the Monitor by mail, delivery, email or facsimile at the address set out below so that it is received by the Monitor no later than 5:00 p.m. (MST) on June 19, 2015.

   Ernst & Young Inc.
   Court Appointed Monitor
   Ernst & Young Tower,
   1000, 440 2nd Avenue S.W.,
   Calgary, AB T2P 5E9 Canada

   Attention: Jessica Caden

   Fax: (403) 206-5075
   Email: Jessica.Caden@ca.ey.com
   Telephone: (403) 206-5060

7. [*For the Subordinated Debentureholders*:] This instrument of proxy should be sent to Broadridge Financial Solutions Inc. by mail at the address set out below so that it is received by the Broadridge no later than 5:00 p.m. (MST) on June 19, 2015.

Alternatively, votes may be submitted by the Subordinated Debentureholders online or by telephone in the manner set out in the 'Voting Instruction Form' enclosed herewith.

Data Processing Centre
POX Box 2800 Stn LCD Malton
Missisauga ON L5T 2T7

BROKER LOGO

ANY BROKER
5970 ANYSTREET
CITY, PROVINCE V5V 5V5

S91970-81 010 E:
S:3 E:2 1/1
A:A N:N V:

SPEICAL MEETING

GASFRAC ENERGY SERVICES INC.

WHEN:

MONDAY, JUNE 22, 2015 AT 00:00 AM MDT

WHERE:

BORDEN LADNER GERVAIS LLP
CENTENNIAL PLACE, EAST TOWER
1900, 520–3RD AVENUE S.W.
CALGARY AB, T2P 0R3

JOHN SAMPLE
5970 ANY STREET
CITY, PROVINCE Z6Z 6Z6

STEP 1 **REVIEW YOUR VOTING OPTIONS**

ONLINE: VOTE AT **PROXYVOTE.COM** USING YOUR COMPUTER OR MOBILE DATA DEVICE. YOUR CONTROL NUMBER IS LOCATED BELOW.

SCAN TO VIEW MATERIAL AND VOTE NOW →

BY TELEPHONE: YOU MAY ENTER YOUR VOTING INSTRUCTIONS BY TELEPHONE AT: **ENGLISH: 1-800-474-7493** OR **FRENCH: 1-800-474-7501**

BY MAIL: THIS VOTING INSTRUCTION FORM MAY BE RETURNED BY MAIL IN THE ENVELOPE PROVIDED.

REMINDER: PLEASE REVIEW THE INFORMATION / PROXY CIRCULAR BEFORE VOTING.

WE NEED TO RECEIVE YOUR VOTING INSTRUCTIONS AT LEAST ONE BUSINESS DAY BEFORE THE PROXY DEPOSIT DATE.

CONTROL NO.: → 1234 5678 9012 3456 **PROXY DEPOSIT DATE:** JUNE 19, 2015

Dear Client:

A meeting is being held for securityholders of the above noted issuer.

1. You are receiving this Voting Instruction Form and the enclosed meeting materials at the direction of the issuer as a beneficial owner of securities. You are a beneficial owner because we, as your intermediary, hold the securities in an account for you but not registered in your name.
2. **Votes are being solicited by or on behalf of the management of the corporation.**
3. Even if you have declined to receive materials, a reporting issuer is entitled to deliver these materials to you and it is our responsibility to forward them. These materials are being sent at no cost to you, in the language you requested, provided that the materials are made available in your requested language.
4. Unless you attend the meeting and vote in person, your securities can only be voted by us as registered holder or proxy holder of the registered holder in accordance with your instructions. We cannot vote for you if we do not receive your voting instructions. Please complete and return (or provide by one of the alternative available methods) the information requested in this form to provide your voting instructions to us promptly. We will issue a proxy on your behalf according to the voting instructions you provide, unless you elect to attend the meeting and vote in person.
5. When you give us your voting instructions, you acknowledge that:
   - You are the beneficial owner;
   - You are authorized to provide these voting instructions; and
   - You have read the material and the voting instructions on this form.
6. You may not present this voting instruction form at the meeting in order to vote.
7. To attend the meeting and vote your shares in person:
   - Write your name or the name of your designate to act on your behalf on the "Appointee" line on the other side of this form, sign and date the form, and return it by mail, or
   - Go to ProxyVote.com (if available) and insert the name in the "Appointee" section on the electronic ballot.

   You, or your designate, as the named "Appointee", must attend the meeting for your vote to be counted. When you or your designate arrive at the meeting, please register with the scrutineer or proxy tabulator. Unless you instruct otherwise, the person whose name is written in the space provided will have full authority to attend and otherwise act at, and present matters to, the meeting and any adjournment or postponement thereof, and vote on all matters that are brought before the meeting or any adjournment or postponement thereof, even if these matters are not set out in this form or the information / proxy circular. Consult a legal advisor if you wish to modify the authority of that person in any way. If you require assistance, please contact the person who services your account.
8. If these voting instructions are given on behalf of a body corporate, set out the full legal name of the body corporate, the name and position of the person giving voting instructions on behalf of the body corporate and the address for service of the body corporate.
9. If the items listed in the information/proxy circular are different from the items listed on the other side of this form, the information/proxy circular will be considered correct.
10. In the absence of any specific instructions as to voting being provided by you on this form, the item(s) will be voted as recommended on the reverse of this form or as stated in the information/proxy circular, except in the case of your appointment of an Appointee.
11. **To ensure that your instructions are received in sufficient time to be processed, please ensure that the Voting Instruction Form is returned for processing or voted online** at least one business day before the proxy deposit date noted above. Voting instructions received on the proxy deposit date or later may not be able to be included in the final tabulation.

If you have any questions or require help, please contact the person who services your account.

Disclosure of Information – Electing to Receive Financial Statements or Requesting Meeting Materials

By electing to receive the financial statements or requesting meeting materials, your name and address may be provided to the issuer (or its agent) for mailing purposes.

PLEASE SEE OVER

VOTING INSTRUCTION FORM

GASFRAC ENERGY SERVICES INC.

78

MEETING TYPE:	SPEICAL MEETING
MEETING DATE:	MONDAY, JUNE 22, 2015 AT 00:00 AM MDT
RECORD DATE:	MAY 7, 2015
PROXY DEPOSIT DATE:	JUNE 19, 2015
ACCOUNT NO:	123456789

CUID: T123 C55
CUSIP: 234567TES

S91970-81 010 E:
S:3 E:2 1/1
A:A N:N V:

10852138

CONTROL NO.:→ 1234 5678 9012 3456

0100000000 0000000000 0000000000 000007064

STEP 2 **APPOINT A PROXY (OPTIONAL)**

APPOINTEE(S): NEIL NARFASON

IF YOU WISH TO ATTEND THE MEETING OR DESIGNATE ANOTHER PERSON TO ATTEND, VOTE AND ACT ON YOUR BEHALF AT THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, OTHER THAN THE PERSON(S) SPECIFIED ABOVE, PRINT YOUR NAME OR THE NAME OF THE OTHER PERSON ATTENDING THE MEETING IN THE SPACE PROVIDED HEREIN. UNLESS YOU INSTRUCT OTHERWISE, THE PERSON WHOSE NAME IS WRITTEN IN THIS SPACE WILL HAVE FULL AUTHORITY TO ATTEND, VOTE AND OTHERWISE ACT IN RESPECT OF ALL MATTERS THAT MAY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, EVEN IF THESE MATTERS ARE NOT SET OUT IN THE FORM OR THE CIRCULAR.

PLEASE PRINT APPOINTEE NAME ABOVE

R1

STEP 3 **COMPLETE YOUR VOTING DIRECTIONS**

ITEM(S): *VOTING RECOMMENDATIONS ARE INDICATED BY* **HIGHLIGHTED TEXT** *OVER THE BOXES* (FILL IN ONLY ONE BOX "■" PER ITEM IN BLACK OR BLUE INK)

		FOR	AGAINST
01	APPROVAL OF THE CCAA PLAN.	☐	☐

NOTE THIS VOTING INSTRUCTION FORM CONFERS DISCRETIONARY AUTHORITY TO VOTE ON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT THEREOF.
NOTE THIS VOTING INSTRUCTION FORM SHOULD BE READ IN CONJUNCTION WITH THE ACCOMPANYING MANAGEMENT PROXY CIRCULAR.

STEP 4 **THIS DOCUMENT MUST BE SIGNED AND DATED**

SIGNATURE(S) ***INVALID IF NOT SIGNED***

M M D D Y Y

1234 5678 9012 3456

TAB C

This is **Exhibit "C"** referred to
In the Affidavit of Leigh Cassidy
Sworn before me this 6th day of May, 2015

Nancy Ellen Paupst

Notary Public of the State of Arizona

NANCY ELLEN PAUPST
Notary Public - Arizona
Pinal County
My Comm. Expires May 24, 2018

CONVERTIBLE DEBENTURE INDENTURE

DATED AS OF THE 8TH DAY OF FEBRUARY, 2012

BETWEEN

GASFRAC ENERGY SERVICES INC.

AND

OLYMPIA TRUST COMPANY

PROVIDING FOR THE ISSUE OF DEBENTURES

(kkk) "**Redemption Date**" has the meaning ascribed thereto in Section 4.3;

(lll) "**Redemption Notice**" has the meaning ascribed thereto in Section 4.3;

(mmm) "**Redemption Price**" means, in respect of a Debenture, the amount payable on the Redemption Date, which amount may be payable by the issuance of Freely Tradeable Common Shares as provided for in Section 4.6;

(nnn) "**Regulation S**" means Regulation S adopted by the SEC under the 1933 Act;

(ooo) "**Restricted Definitive Debenture**" means a Definitive Debenture that bears the U.S. Legend;

(ppp) "**Restricted 144A Global Debenture**" means a Global Debenture that bears the U.S. Legend;

(qqq) "**Rule 144A**" means Rule 144A under the 1933 Act;

(rrr) "**SEC**" means the United States Securities and Exchange Commission;

(sss) "**Senior Creditor**" means a holder or holders of Senior Indebtedness and includes any representative or representatives, agent or agents or trustee or trustees of any such holder or holders;

(ttt) "**Senior Indebtedness**" means all obligations, liabilities and indebtedness of the Corporation and its Subsidiaries, whether outstanding on the date of this Indenture or thereafter created, incurred, assumed or guaranteed which would, in accordance with IFRS, be classified upon a consolidated statement of financial position of the Corporation as liabilities of the Corporation and its Subsidiaries and, whether or not so classified, includes (without duplication): (a) indebtedness of the Corporation or its Subsidiaries for borrowed money; (b) obligations of the Corporation or its Subsidiaries evidenced by bonds, debentures, commercial paper, notes or other similar instruments; (c) obligations of the Corporation or its Subsidiaries arising pursuant or in relation to bankers' acceptances, letters of credit and letters of guarantee, financial leases, performance bonds and surety bonds (including payment and reimbursement obligations in respect thereof) or indemnities issued in connection therewith; (d) obligations of the Corporation or its Subsidiaries under any swap, hedging or other similar contracts or arrangements; (e) obligations of the Corporation or its Subsidiaries under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the Senior Indebtedness or other obligations of any other person which would otherwise constitute Senior Indebtedness within the meaning of this definition; (f) all indebtedness of the Corporation or its Subsidiaries representing the deferred purchase price of any property or assets including, without limitation, purchase money mortgages; (g) indebtedness to trade creditors; (h) all renewals, extensions, restructurings, refundings and refinancings of any of the foregoing; (i) all accrued and unpaid interest, fees and other amounts in respect of any of the foregoing; and (j) all costs and expenses incurred by or on behalf of any Senior Creditor in enforcing payment or collection of any such Senior Indebtedness, including enforcing any security interest securing the same, provided that "**Senior Indebtedness**" shall not include any indebtedness that would

(e) The Initial Debentures will be subordinated to the Senior Indebtedness of the Corporation in accordance with the provisions of Article 5. In accordance with Section 2.12, the Initial Debentures will rank *pari passu* with each other series of Debentures issued under this Indenture or under indentures supplemental to this Indenture (regardless of their actual date or terms of issue) and, except as prescribed by law, with all other existing and future unsecured indebtedness of the Corporation, other than Senior Indebtedness.

(f) Upon and subject to the provisions and conditions of Article 6 and Section 3.7, the holder of each Initial Debenture shall have the right at such holder's option, at any time prior to the close of business on the earlier of the Business Day immediately preceding: (i) the Maturity Date of the Initial Debentures; or (ii) the Redemption Date if the Initial Debentures are called for redemption by notice to the holders of Initial Debentures in accordance with Sections 2.4(d) and 4.3 (the earlier of which will be the "**Time of Expiry**" for the purposes of Article 6 in respect of the Initial Debentures), to convert any part, being $1,000 or an integral multiple thereof, of the principal amount of a Debenture into Common Shares at the Conversion Price in effect on the Date of Conversion. To the extent a redemption is a redemption in part only of the Initial Debentures, such right to convert, if not exercised prior to the applicable Time of Expiry, shall survive as to any Initial Debentures not redeemed or converted and be applicable to the next succeeding Time of Expiry.

The Conversion Price in effect on the date hereof for each Common Share to be issued upon the conversion of Initial Debentures shall be equal to $10.50 such that approximately 95.2381 Common Shares shall be issued for each $1,000 principal amount of Initial Debentures so converted. Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 6, or for interest accrued on Initial Debentures surrendered. No fractional Common Shares will be issued, and holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion, provided, however, that the Corporation shall not be required to make any payment of less than $10.00. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of, the Initial Debentures is subject to adjustment pursuant to the provisions of Section 6.5.

Holders converting Debentures shall receive accrued and unpaid interest thereon from the period of the last Interest Payment Date prior to the Date of Conversion to the date that is one Business Day prior to the Date of Conversion.

Notwithstanding any other provisions of this Indenture, if a Debenture is surrendered for conversion on an Interest Payment Date or during the eight preceding Business Days, the person or persons entitled to receive Common Shares in respect of the Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date.

A Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Purchase Offer pursuant to the provisions of Section 2.4(j) may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture.

of the amount due on maturity is sufficient to yield net proceeds (after payment of all costs) to cover the amount of taxes required to be withheld, and shall remit same on behalf of the Corporation to the proper tax authorities within the period of time prescribed for this purpose under applicable laws.

(k) Each certificate representing Freely Tradeable Common Shares issued in payment of the Debentures bearing the U.S. Legend, as well as all certificates issued in exchange for or in substitution of the foregoing securities, shall bear the U.S. Legend; provided that, if any securities are being sold within the United States in accordance with Rule 144, if available, or another applicable exemption from registration under the 1933 Act, the U.S. Legend may be removed by delivery to the Trustee, as registrar and transfer agent for the Common Shares, of an opinion of counsel, of recognized standing, that the U.S. Legend is no longer required under applicable requirements of the 1933 Act and applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

ARTICLE 5
SUBORDINATION OF DEBENTURES

5.1 Applicability of Article

The indebtedness, liabilities and obligations of the Corporation hereunder (except as provided in Section 15.15) or under the Debentures, whether on account of principal, premium, if any, interest or otherwise, but excluding the issuance of Common Shares upon any conversion pursuant to Article 6, upon any redemption pursuant to Article 4, or at maturity pursuant to Article 4 (collectively, the "**Debenture Liabilities**"), shall be subordinated and postponed and subject in right of payment, to the extent and in the manner hereinafter set forth in the following Sections of this Article 5, to the full and final payment of all Senior Indebtedness, and each holder of any such Debenture by his acceptance thereof agrees to and shall be bound by the provisions of this Article 5.

5.2 Order of Payment

In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Corporation, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or voluntary winding-up of the Corporation, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Corporation:

(a) all Senior Indebtedness shall first be paid in full, or provision made for such payment, before any payment is made on account of Debenture Liabilities;

(b) any payment or distribution of assets of the Corporation, whether in cash, property or securities, to which the holders of the Debentures or the Trustee on behalf of such holders would be entitled except for the provisions of this Article 5, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee for the benefit of creditors, or other liquidating agent making such payment or distribution, directly to the holders of Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior

Indebtedness may have been issued, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of such Senior Indebtedness;

(c) the Senior Creditors or a receiver or a receiver-manager of the Corporation or of all or part of its assets or any other enforcement agent may sell, mortgage or otherwise dispose of the Corporation's assets in whole or in part, free and clear of all Debenture Liabilities and without the approval of the Debentureholders or the Trustee or any requirement to account to the Trustee or the Debentureholders; and

(d) the rights and priority of the Senior Indebtedness and the subordination pursuant hereto shall not be affected by:

(i) whether or not the Senior Indebtedness is secured;

(ii) the time, sequence or order of creating, granting, executing, delivering of, or registering, perfecting or failing to register or perfect any security notice, caveat, financing statement or other notice in respect of the Senior Security;

(iii) the time or order of the attachment, perfection or crystallization of any security constituted by the Senior Security;

(iv) the taking of any collection, enforcement or realization proceedings pursuant to the Senior Security;

(v) the date of obtaining of any judgment or order of any bankruptcy court or any court administering bankruptcy, insolvency or similar proceedings as to the entitlement of the Senior Creditors, or any of them or the Debentureholders or any of them to any money or property of the Corporation;

(vi) the failure to exercise any power or remedy reserved to the Senior Creditors under the Senior Security or to insist upon a strict compliance with any terms thereof;

(vii) whether any Senior Security is now perfected, hereafter ceases to be perfected, is avoidable by any trustee in bankruptcy or like official or is otherwise set aside, invalidated or lapses;

(viii) the date of giving or failing to give notice to or making demand upon the Corporation; or

(ix) any other matter whatsoever.

5.3 **Subrogation to Rights of Holders of Senior Indebtedness**

Subject to the prior payment in full of all Senior Indebtedness, the holders of the Debentures shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Corporation to the extent of the application thereto of such payments or other assets which would have been received by the holders of the Debentures but for the provisions hereof until the principal of, premium, if any, and interest on the Debentures shall be paid in full, and no such payments or distributions to the holders of the Debentures of cash, property or securities, which otherwise would be payable or distributable to the holders of the Senior Indebtedness, shall, as between the Corporation, its creditors other than the holders of Senior Indebtedness, and the holders of Debentures, be deemed to be a payment by the Corporation to the holders of the Senior Indebtedness or on account of the Senior Indebtedness, it being understood that the provisions of this Article 5 are and are intended solely for the purpose of defining the relative rights of the holders of the Debentures, on the one hand, and the holders of Senior Indebtedness, on the other hand.

The Trustee, for itself and on behalf of each of the Debentureholders, hereby waives any and all rights to require a Senior Creditor to pursue or exhaust any rights or remedies with respect to the Corporation or any property and assets subject to any Senior Security or in any other manner to require the orderly disposition of property, assets or security in connection with the exercise by the Senior Creditors of any rights, remedies or recourses available to them.

5.4 **Obligation to Pay Not Impaired**

Nothing contained in this Article 5 or elsewhere in this Indenture or in the Debentures is intended to or shall impair, as between the Corporation, its creditors other than the holders of Senior Indebtedness, and the holders of the Debentures, the obligation of the Corporation, which is absolute and unconditional, to pay to the holders of the Debentures the principal of, premium, if any, and interest on the Debentures, as and when the same shall become due and payable in accordance with their terms, or affect the relative rights of the holders of the Debentures and creditors of the Corporation other than the holders of the Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or the holder of any Debenture from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article 5 of the holders of Senior Indebtedness.

5.5 **No Payment if Senior Indebtedness in Default**

Upon the maturity of any Senior Indebtedness by lapse of time, acceleration or otherwise, or any other enforcement of any Senior Indebtedness, then, except as provided in Section 5.8, all such Senior Indebtedness shall first be paid in full, or shall first have been duly provided for, before any payment is made on account of the Debenture Liabilities.

In case of a circumstance constituting a default or event of default with respect to any Senior Indebtedness permitting (whether at that time or upon notice, lapse of time, or satisfaction of any other condition precedent) a Senior Creditor to demand payment or accelerate the maturity thereof where the notice of such default or event of default has been given by or on behalf of the holders of Senior Indebtedness to the Corporation or the Corporation otherwise has knowledge thereof, unless and until such default or event of default shall have been cured or waived or shall have ceased to exist, no payment (by purchase of Debentures or otherwise) shall be made by the Corporation (except as provided in Section 5.8) with respect to the Debenture Liabilities and neither the Trustee nor the holders of Debentures shall be entitled to demand, institute proceedings for the collection of (which shall, for certainty include proceedings related to an adjudication or declaration as to the insolvency or bankruptcy of the Corporation and other similar creditor proceedings), or receive any payment or benefit (including without limitation by set-off, combination of accounts or otherwise in any manner whatsoever) on account of the Debentures after the happening of such a default or event of default (except as provided in Section 5.8), and unless and until such default or event of default shall have been cured or waived