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JUDICIAL CENTRE
OF CALGARY

COURT FILE NUMBER:	1901- 16844
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
RESPONDENT	TRAVERSE ENERGY LTD.
DOCUMENT:	**AFFIDAVIT (Appointment of Receiver)**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP 2100, 222 - 3rd Ave SW Calgary, AB T2P 0B4 Telephone: 403.693.5420/4347 Fax: 403.508.4349 Attention: Ryan Zahara/Catrina Webster File: 0114153.00020

AFFIDAVIT OF GREG STEIDL

Sworn on November 28, 2019

I, **GREG STEIDL,** of the City of Calgary, in the Province of Alberta, **SWEAR AND SAY THAT**:

1. I am a Director of the Turnaround and Restructuring Group with ATB Financial, formerly Alberta Treasury Branches ("**ATB**"). I have been directly involved with the accounts of Traverse Energy Ltd. ("**Traverse**"), and have also had the opportunity to review the business records of ATB relevant to the Traverse account. I have personal knowledge of the matters deposed to in this Affidavit, except where stated to be based upon information, in which case I believe the same to be true.

2. I am authorized to make this Affidavit on behalf of ATB.

3. ATB advanced funds to Traverse pursuant to: (i) an amended and restated commitment letter dated May 1, 2017 and accepted on May 2, 2017 between Traverse and ATB (the "**Commitment Letter**"); (ii) an amending agreement dated April 3, 2018 and accepted on April 5, 2018 between Traverse and ATB (the "**First Amending Agreement**"); (iii) an amending agreement dated May 30, 2019 and accepted on May 31, 2019 between

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Traverse and ATB (the "**Second Amending Agreement**"); and (iv) an amending agreement made effective on September 30, 2019 between Traverse and ATB (the "**Third Amending Agreement**", and together with the Commitment Letter, the First Amending Agreement, and the Second Amending Agreement, the "**Commitment Letters**").

4. Attached hereto and marked as **Exhibits "A", "B", "C", and "D"** are copies of each of the Commitment Letter, the First Amending Agreement, the Second Amending Agreement and the Third Amending Agreement, respectively.

A. OVERVIEW

5. Traverse is an oil and gas exploration, development, and production corporation and is a public corporation with its common shares listed on the TSX Venture Exchange under symbol "TVL".

6. Traverse is a company incorporated pursuant to the laws of the Province of Alberta with its registered office in Calgary, Alberta. Attached hereto and marked as **Exhibit "E"** is a copy of the Alberta corporate search report for Traverse.

7. ATB believes that the liquidation and distribution of the assets of Traverse will be most efficiently completed by a receiver. Accordingly, ATB has made this application to appoint Ernst & Young Inc. LIT ("**EY**") as receiver over the assets, property, and undertakings of Traverse pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the "**BIA**").

B. THE LOANS

8. In accordance with the Commitment Letters, ATB has extended credit under the following credit facilities to Traverse (collectively, the "**Traverse Facilities**") and, as of November 26, 2019, the following amounts are outstanding on the Traverse Facilities:

Facilities	Outstanding	Interest Rate	Interest	Total	Per Diem
Operating Loan Facility (760-101xxxx8200)	$6,450,909.73	P+1.3%	$25,385.52	$6,476,295.25	$927.87

Corporate MasterCard (xxx-0681)		5.95%		$4,375.00	-
TOTAL				**$6,480,670.25**	

9. The Traverse Facilities are repayable by Traverse on demand from ATB.

10. As of November 26, 2019, the total indebtedness of Traverse to ATB pursuant to the Commitment Letters is $6,480,670.25 (the "**Outstanding Indebtedness**") with interest accruing thereafter at the rates set out in the Commitment Letters, plus all legal and other costs and expenses incurred by ATB in respect of the Commitment Letters.

C. THE SECURITY

11. As security for all amounts owing by Traverse to ATB, Traverse entered into the following:

    (a) a General Security Agreement in favour of ATB dated August 10, 2009 (the "**GSA**"); and

    (b) an ISDA Master Agreement in favour of ATB dated November 8, 2012 (the "**ISDA Agreement**").

12. The GSA and ISDA Agreement are collectively referred to herein as the "**Security**". Attached hereto and collectively marked as **Exhibit "F"** and **"G"** are copies of the GSA and the ISDA Agreement, respectively.

13. ATB has registered the GSA and ISDA Agreement against Traverse at the Alberta Personal Property Registry. Attached hereto and marked as **Exhibit "H"** is a copy of the Alberta Personal Property Registry search report in respect of Traverse dated November 27, 2019.

14. Traverse owns undeveloped & natural gas assets and operates plays throughout central and southern Alberta. Traverse's oil and gas interest are 100% owned and operated by Traverse (ie. no working interest partners) and primarily focus in the Greater Coyote and the Duvernay Shale Oil areas. At June 30, 2019, Traverse had a total of 203,400 gross undeveloped acres (Greater Coyote – 85,200, Duvernay – 105,900, Other – 12,300).

15. In late 2017, Traverse completed a well in the Chigwell area of the Duvernay play. This well was originally budgeted to cost $6.5MM, however, significant cost overruns occurred, which drove the exploration cost up to $9.0MM. Production and exploration were financed via equity of $5.4MM and the remainder through bank financing from ATB. Since completion, the well sustained only minor recoveries in oil. By June 30, 2018, management determined the commercial viability of the well could not be proven and the carrying value of the asset could not be foreseeably recovered at the well's current rate of production. As such, this resulted in the assets full impairment of $9.84MM, which to date has not been recovered by Traverse.

16. The unsuccessful production of the Duvernay well contributed to an increasingly tight cash flow situation for Traverse, and with restricted capital available for capital expenditures, production in other areas is declining and negatively impacting liquidity. Although a review of Traverse's financial forecasts has not been completed, Traverse's quarterly cash flow projected to the end of 2019 (actuals to August 2019). Through three quarters of 2019, Traverse has realized an average quarterly cash burn of approximately $84K.

D. EVENTS LEADING TO DEMAND

17. Starting in 2019, Traverse commenced a process to engage a financial advisor to dispose of the Duvernay assets. Sayer Energy Advisors was engaged to advise on this disposition and closed the bidding process for the Duvernay assets on May 30 with unsuccessful results. Subsequently, GMP First Energy was engaged by Traverse to advise on the sale of Traverse as a going concern (the "**Corporate Transaction**").

18. The Corporate Transaction would be consummated by a purchaser acquiring the common shares of Traverse and therefore, providing a recovery to its shareholders.

19. Due to the uncertainty associated with the success of the GMP sales process, Traverse directed GMP not to undertake a broad public sales process. As such, GMP approached 34 parties that it identified through knowledge of oil & gas companies active in the same plays as Traverse, which may be interested in acquiring Traverse's properties.

20. A summary of GMP's marketing activities included:

    (a) compiled a list of 34 parties identified as potentially interested in acquiring the common shares of Traverse;

    (b) teaser brochure sent to 34 parties;

    (c) eight parties executed confidentiality agreements;

    (d) virtual data room was set-up and the eight parties that executed confidentiality agreements were provided access; and

    (e) management presentations given to four parties.

21. No offers were able to be closed by Traverse as the offers did not provide sufficient consideration to repay all of Traverse's creditors in full.

E. DEMAND AND WAIVER OF NOTICE OF INTENTION TO ENFORCE SECURITY

22. Traverse has experienced significant financial difficulties as prices for crude oil, natural gas, and natural gas liquids have been extremely volatile in the last few years, which has adversely affected the business of Traverse.

23. On November 26, 2019, ATB sent Traverse a demand letter and a notice of intention to enforce its security in accordance with section 244 of the BIA (collectively, the "**Traverse Demand**"), which required full payment of the Outstanding Indebtedness together with a form to facilitate Traverse's waiver of the 10-day notice period under section 244(2) of the BIA. Attached hereto and marked as **Exhibit "I"** is a copy of the Traverse Demand.

24. On November 26, 2019, Traverse issued a news release announcing the issuance of the Traverse Demand (the "**Press Release**"). The Press Release confirmed that Traverse consented to the early enforcement by ATB of its security and the appointment of a Receiver over Traverse. Attached hereto and marked as **Exhibit "J"** is a copy of the Press Release.

25. On November 26, 2019, Traverse executed the waiver attached to the section 244 notice sent as part of the Traverse Demand waiving the 10-day notice period required by

section 244(2) of the BIA (the "**Waiver Notice**"). Attached hereto and marked as **Exhibit "K"** is a copy of the Waiver Notice.

26. As a result of the issuance of the Press Release, there is a risk of erosion or dissipation of assets of Traverse by stakeholders receiving the Press Release who may exercise self-help remedies. This will negatively impact ATB's ability to recover the Outstanding Indebtedness unless a receiver is appointed over the property, assets, and undertakings of Traverse.

27. Further, the Press Release confirmed the imminent resignation of all of Traverse's directors and officers upon the appointment of a Receiver. The Waiver Notice removes any requirement of ATB to wait the 10-day period, as the notice is only required upon the Borrower and no other interested parties.

28. As stated in the Press Release, Traverse does not intend to oppose ATB's Receivership Application.

29. Traverse has been and remains unable to pay the Outstanding Indebtedness that is due and owing to ATB. The failure of Traverse to pay amounts owed to ATB when due and owing is an Event of Default pursuant to the terms of the Commitment Letters and the Security.

30. The ability of Traverse to continue as a going concern is dependent upon the ongoing support and financing from ATB and ATB is no longer prepared to extend any further credit to Traverse.

31. The GSA and the ISDA Agreement provide that, upon an Event of Default by Traverse, ATB is entitled to, among other things, apply for the appointment of a receiver.

F. NECESSITY OF THE APPOINTMENT OF A RECEIVER

32. Traverse is not able to meet its obligations generally as they become due, is no longer able to make payments to its creditors, and no longer has any liquidity.

33. Traverse also ran a sales process pursuant to the Second Amending Agreement in which they attempted to sell the assets of Traverse. Ultimately, the sales process was unsuccessful.

34. As a result of the foregoing, I believe that the appointment of a receiver pursuant to section 243 of the BIA over the assets, undertakings, and properties of Traverse is just and convenient and necessary to protect the interests of ATB and to preserve and realize on the Security in an orderly fashion.

35. Traverse no longer has any credit available under the Traverse Facilities and do not have any funds available to them to continue any remaining operations or pay debts generally as they become due.

36. ATB believes that any sale of the assets of Traverse will be more efficiently and effectively accomplished by a receiver.

37. ATB believes that the appointment of the Receiver will be the most effective and efficient way to realize on the value of the assets and minimize the costs associated with this process.

38. I believe it is appropriate in all of the circumstances that the Receiver be appointed over the assets, undertaking, and properties of Traverse pursuant to section 243 of the BIA.

39. I swear this Affidavit in support of ATB's Application for the appointment of EY as Receiver in respect of Traverse.

SWORN BEFORE ME at the City of Calgary, in the Province of Alberta, this 28th day of November, 2019.	))))))	
A Commissioner of Oaths in and for the Province of Alberta	)	**GREG STEIDL**

SYDNEY L. THOMSON
STUDENT-AT-LAW

THIS IS EXHIBIT "**A**" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

Phone: 403-663-3144
Fax: 403-974-5784

May 1, 2017

Traverse Energy Ltd.
Suite 780, 839 – 5th Avenue SW
Calgary, AB T2P 3C8

Attn: Sharon Supple, CFO

Dear Madam:

Alberta Treasury Branches has approved and offers financial assistance on the terms and conditions in the attached Commitment Letter. This agreement amends and restates in its entirety our letter dated June 7, 2016. Any borrowings outstanding under that letter agreement are deemed to be Borrowings hereunder under the related facility referenced herein.

You may accept our offer by returning the enclosed duplicate of this letter, signed as indicated below, by 4:00 p.m. on or before May 15, 2017 or our offer will automatically expire. This letter may be executed electronically; this letter may be delivered by email, facsimile or other functionally-equivalent electronic means. We reserve the right to cancel our offer at any time prior to acceptance.

Thank you for your continued business.

Yours truly,

ALBERTA TREASURY BRANCHES

By: ______________________
Glenn Kalyniuk, Managing Director & Head

By: ______________________
Edi Qereshniku, Associate Director

Encl.

Accepted this 2 day of MAY, 2017

Traverse Energy Ltd.

Per: ______________________ President & CEO

Per: Sharon Supple
Sharon Supple
Chief Financial Officer

COMMITMENT LETTER

LENDER: ALBERTA TREASURY BRANCHES

BORROWER: TRAVERSE ENERGY LTD.

1. AMOUNTS AND TYPES OF FACILITIES (each referred to as a "Facility")

Facility #1 - Operating Loan Facility (Revolving) – Cdn. $7,000,000.00

- Facility #1 is available by way of:
  - Prime-based loans in Canadian dollars
  - Letters of Credit (to an aggregate maximum of $500,000.00) in Canadian dollars
  - Corporate MasterCard (to a maximum of $30,000.00)

- Facility #1 is to be used for the general operating purposes of Borrower related to the exploration, development, production and acquisition of domestic oil and natural gas reserves within the Western Canadian sedimentary basin.

- Notwithstanding the amount of Facility #1, advances under Facility #1 will be limited to the amount equal to the lesser of:

  - the maximum principal amount of Facility #1; and

  - the amount of the most recent Borrowing Base determined hereunder.

  From time to time, the Borrowing Base shall be re-calculated by Lender upon receipt of each engineering report required to be delivered hereunder and if Borrower fails to deliver any such report then at any other time at Lender's sole discretion. Lender shall notify Borrower of each change in the amount of the Borrowing Base. In the event that Lender re-calculates the Borrowing Base to be an amount that is less than the Borrowings outstanding under Facility #1, Borrower shall repay the difference between such Borrowings outstanding and the new Borrowing Base within 30 days of receiving notice of the new Borrowing Base, and all rates and fees for Facility #1 listed under the **"Interest Rates and Prepayment"** section hereof will immediately upon receipt of that notice increase by 100 basis points. Lender confirms that the Borrowing Base on the date hereof is $7,000,000.00.

Other Facilities – Foreign Exchange, Interest Rate and Commodity Derivatives

- At Borrower's request, Lender may enter into foreign exchange forward contracts and/or interest rate and commodity derivatives with Borrower from time to time. Lender makes no commitment to enter into any such contract or derivative and may at any time in its sole discretion decline to enter into any such contract or derivative. Any Security Documents will also secure Borrower's liability and obligations pursuant to any such contracts or derivatives.

2. INTEREST RATES AND PREPAYMENT:

Facility #1:

- Pricing applicable to Facility #1 is as follows:
  - Prime-based loans: Interest is payable in Canadian dollars at Prime plus 1.30% per annum

- Letters of Credit: Fee is 2.00% per annum with a minimum fee of $200.00.
- Corporate MasterCard: Fees are detailed in the Corporate MasterCard documentation.

- Non-refundable facility fee calculated at a rate of 0.35% per annum is payable monthly in Canadian dollars on the last day of each month, calculated daily on the unused portion of the authorized amount of Facility #1.

- Facility #1 may be prepaid in whole or in part at any time (subject to the notice periods provided hereunder) without penalty.

3. REPAYMENT:

Facility #1:

- Facility #1 is payable in full on demand by Lender, and Lender may terminate the availability thereof (including any undrawn portion) at any time without notice.

- Facility #1 may revolve in multiples as permitted hereunder, and Borrower may borrow, repay, reborrow and convert between types of Borrowings, up to the amount and subject to the notice periods provided hereunder.

4. FEES:

- Non-refundable renewal fee of $10,500.00 is payable on acceptance of this offer. Lender is hereby authorized to debit Borrower's current account for any unpaid portion of the fee.

- Any amount in excess of established credit facilities may be subject to a fee where Lender in its sole discretion permits excess Borrowings, if any.

- For reports or statements not received within the stipulated periods (and without limiting Lender's rights by virtue of such default), Borrower will be subject to a fee of $50 per month (per monthly or quarterly report or statement) and $250 per month (per annual report or statement) for each late reporting occurrence, which will be deducted from Borrower's account.

5. SECURITY DOCUMENTS:

All security documents (whether held or later delivered) (collectively referred to as the "**Security Documents**") shall secure all Facilities and all other obligations of Borrower to Lender (whether present or future, direct or indirect, contingent or matured). The parties acknowledge that the following Security Documents are currently held:

(a) General Security Agreement from Borrower providing a security interest over all present and after acquired personal property and a floating charge on all lands;

(b) ISDA Master Agreement.

The Security Documents are registered in the following jurisdictions: Alberta.

6. **REPRESENTATIONS AND WARRANTIES:**

Borrower represents and warrants to Lender that:

(a) if a Loan Party is a corporation, it is a corporation duly incorporated, validly existing and duly registered or qualified to carry on business in the Province of Alberta and in each other jurisdiction where it carries on any material business;

(b) if a Loan Party is a partnership, it is a partnership duly created, validly existing and duly registered or qualified to carry on business in the Province of Alberta and in each other jurisdiction where it carries on any material business;

(c) the execution, delivery and performance by each Loan Party of this agreement and each Security Document to which it is a party have been duly authorized by all necessary actions and do not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

(d) no event has occurred which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any provision of this agreement or any Security Document given in connection herewith;

(e) the most recent financial statements of Borrower and, if applicable, any Guarantor, provided to Lender fairly present its financial position as of the date thereof and its results of operations and cash flows for the fiscal period covered thereby, and since the date of such financial statements, there has occurred no material adverse change in its business or financial condition;

(f) all engineering data, production and cash flow projections, and other information and data provided to Lender by or on behalf of Borrower (including, without limitation, any engineering reports and land schedules) are true and correct in all material respects as at the time provided and fairly reflect the interests of the Loan Parties therein net of all royalties and other burdens affecting the same;

(g) each Loan Party has good and marketable title to all of its properties and assets, free and clear of any encumbrances, other than Permitted Encumbrances;

(h) each Loan Party is in compliance in all material respects with all applicable laws including, without limitation, all environmental laws, and there is no existing material impairment to its properties and assets as a result of environmental damage, except to the extent disclosed in writing to Lender and acknowledged by Lender; and

(i) Borrower has no Subsidiaries.

All representations and warranties are deemed to be repeated by Borrower on each request for an advance hereunder.

7. **POSITIVE COVENANTS:**

Borrower covenants with Lender that so long as it is indebted or otherwise obligated (contingently or otherwise) to Lender, it will do and perform the following covenants. If any such covenant is to be done or performed by a Guarantor, Borrower also covenants with Lender to cause Guarantor to do or perform such covenant.

(a) Borrower will pay to Lender when due all amounts (whether principal, interest or other sums) owing by it to Lender from time to time;

(b) Borrower will deliver to Lender the Security Documents, in all cases in form and substance satisfactory to Lender and Lender's solicitor;

(c) Borrower will ensure that at least 95% of its consolidated assets are held by those Loan Parties which have provided security in favour of Lender;

(d) Borrower will use the proceeds of loans only for the purposes approved by Lender;

(e) each Loan Party will maintain its valid existence as a corporation or partnership, as the case may be, and except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect, will maintain all licenses and authorizations required from regulatory or governmental authorities or agencies to permit it to carry on its business, including, without limitation, any licenses, certificates, permits and consents for the protection of the environment;

(f) each Loan Party will maintain appropriate books of account and records relative to the operation of its business and financial condition;

(g) each Loan Party will maintain and defend title to all of its property and assets, will maintain, repair and keep in good working order and condition all of its property and assets and will continuously carry on and conduct its business in a proper, efficient and businesslike manner and in accordance with good oilfield practice;

(h) each Loan Party will maintain appropriate types and amounts of insurance with Lender shown as first loss payee on any property insurance covering any assets on which Lender has security, and promptly advise Lender in writing of any significant loss or damage to its property;

(i) each Loan Party will provide evidence of insurance to Lender:

   i) in situations where Lender has taken a fixed charge on an asset or property whether on real property or personal property; and

   ii) in all other situations, on request;

(j) each Loan Party will permit Lender, by its officers or authorized representatives at any reasonable time and on reasonable prior notice, to enter its premises and to inspect its plant, machinery, equipment and other real and personal property and their operation, and to examine and copy all of its relevant books of accounts and records (including without limitation, all land records);

(k) Borrower will ensure that all engineering data, production and cash flow projections and other information and data provided to Lender by or on behalf of the Loan Parties (including without limitation, any engineering reports and land schedules) are true and accurate in all material respects as at the time provided and fairly reflect the interests of the Loan Parties therein net of all royalties and other burdens affecting the same;

(l) each Loan Party will remit all sums when due to tax and other governmental authorities (including, without limitation, any sums in respect of employees and GST), and upon request, will provide Lender with such information and documentation in respect thereof as Lender may reasonably require from time to time;

(m) each Loan Party will comply with all applicable laws, including without limitation, environmental laws, except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect;

(n) Borrower will promptly advise Lender in writing, giving reasonable details, of (i) the discovery of any contaminant or any spill, discharge or release of a contaminant into the environment from or upon any property of a Loan Party which could reasonably be expected to result in a Material Adverse Effect, (ii) any event which constitutes, or which with notice, lapse of time or both, would constitute a breach of any provision hereof or of any Security Documents, and (iii) each event which has or is reasonably likely to have a Material Adverse Effect; and

(o) Borrower undertakes that, upon request from Lender, Borrower will grant (or cause Guarantor to grant) a fixed mortgage and charge to Lender on any or all property of Borrower or Guarantor so designated by Lender. Borrower shall promptly provide to Lender all information reasonably requested by Lender to assist it in that regard. Borrower acknowledges that this undertaking constitutes present and continuing security in favour of Lender, and that Lender may file such caveats, security notices or other filings in regard thereto at any time and from time to time as Lender may determine.

8. NEGATIVE COVENANTS:

Borrower covenants with Lender that while it is indebted or otherwise obligated (contingently or otherwise) to Lender, it will not do any of the following, without the prior written consent of Lender. If a Guarantor is not to do an act, Borrower also covenants with Lender not to permit Guarantor to do such act.

(a) a Loan Party will not create or permit to exist any mortgage, charge, lien, encumbrance or other security interest on any of its present or future assets, other than Permitted Encumbrances;

(b) a Loan Party will not create, incur, assume or allow to exist any Indebtedness other than:

- i) trade payables incurred in the ordinary course of business;
- ii) any Indebtedness owing to another Loan Party (but only if that Loan Party has provided security in favour of Lender);
- iii) any Indebtedness secured by a Permitted Encumbrance;
- iv) any unsecured advances from affiliates/shareholders which are postponed in all respects to the Facilities; and
- v) any Indebtedness owing to Lender;

(c) a Loan Party will not sell, lease or otherwise dispose of any assets except (i) inventory sold, leased or disposed of in the ordinary course of business, (ii) obsolete equipment which is being replaced with equipment of an equivalent value, (iii) assets sold, leased or disposed of to another Loan Party (but only if that Loan Party has provided security in favour of Lender), and (iv) assets sold, leased or disposed of during a fiscal year having an aggregate fair market value not exceeding 10% of the Borrowing Base for such fiscal year;

(d) a Loan Party will not provide financial assistance (by means of a loan, guarantee or otherwise) to any person (other than Lender) other than loans permitted under clause (b) above;

(e) a Loan Party will not pay to or for the benefit of shareholders or persons associated with shareholders (within the meaning of the Alberta Business Corporations Act) by way of salaries, bonuses, dividends, management fees, repayment of loans or otherwise, any amount which would cause a breach of a provision hereof;

(f) a Loan Party will not reduce its capital or redeem, purchase or otherwise acquire, retire or pay off any of its present or future share capital other than to another Loan Party;

(g) a Loan Party will not amalgamate, consolidate, or merge with any person other than a Loan Party and then only if no default or event of default is then in existence or would thereafter be in existence, and will not enter into any partnership with any other person unless the partnership becomes a Loan Party hereunder and provides security in favour of Lender;

(h) a Loan Party will not acquire any assets in, or move or allow any of its assets to be moved to, a jurisdiction where Lender has not registered or perfected the Security Documents;

(i) a Loan Party will not change the present nature of its business;

(j) Borrower will not operate accounts with or otherwise conduct any banking business with any financial institution other than Lender, other than to the extent expressly permitted in the definition of Permitted Encumbrances hereunder;

(k) a Loan Party will not incur capital expenditures in respect of oil or gas properties outside of the Western Canadian sedimentary basin;

(l) a Loan Party will not enter into any Hedging Agreement which is not used for risk management in relation to its business or which is not entered into in the ordinary course of its business but is entered into for speculative purposes, or which, in the case of commodity swaps or similar transactions of either a financial or physical nature, have a term exceeding two years or if more than 60% of its forecasted production from proved producing resources would be hedged at the time of determination for the hedged period;

(m) a Loan Party will not allow any pollutant (including any pollutant now on, under or about such land) to be placed, handled, stored, disposed of or released on, under or about any of its lands unless done in the normal course of its business and then only as long as it complies with all applicable laws in placing, handling, storing, transporting, disposing of or otherwise dealing with such pollutants, except to the extent any failure to do so could not reasonably be expected to have a Material Adverse Effect;

(n) Borrower will not utilize Borrowings to finance a hostile takeover; and

(o) a Loan Party will not use the proceeds of any Borrowings to accumulate or maintain cash or cash equivalents in one or more depository or investment accounts maintained by the Borrower and its Subsidiaries in an amount, in the aggregate, greater than Cdn. $1,000,000, but excluding therefrom cash or cash equivalents accumulated or maintained therein for a specified business purpose (other than simply accumulating a cash reserve).

9. REPORTING COVENANTS:

Borrower will provide to Lender:

(a) within 120 days after the end of each of its fiscal years:

i) financial statements of Borrower on an audited basis prepared by a firm of qualified accountants;

ii) a compliance certificate executed by a senior officer of Borrower in the form attached hereto as Schedule "A";

iii) external engineering report of the Loan Parties' total proved properties prepared by an accredited, independent firm of consulting petroleum engineers satisfactory to Lender;

iv) an officer's certificate as to title, attaching thereto a current land schedule of major producing petroleum and natural gas reserves held by the Loan Parties described by lease (type, date, term, parties), legal description (wells and spacing units), interest (W.I. or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances and overrides;

v) an environmental questionnaire and disclosure statement in the form requested by Lender;

vi) annual capital and revenue budget reports from Borrower for the next following fiscal year which include gross and/or net oil and gas production volumes, gross revenues, royalties and other burdens, operating costs, general & administrative costs, commodity price assumptions and, if available, a pro forma balance sheet;

(b) within 60 days following the end of each of its first 3 fiscal quarters:

i) internally produced financial statements of Borrower for that quarter, and

ii) a compliance certificate executed by a senior officer of Borrower in the form attached hereto as Schedule "A";

(c) within 60 days following the end of each fiscal quarter, production and revenue reports (operator statements or internally generated area-by-area summaries) for the Loan Parties' producing properties, certified by a senior officer of Borrower, clearly indicating gross and/or net oil and gas production volumes, gross revenues, royalties and other burdens, operating costs, etc.;

(d) on request, any further information regarding its assets, operations and financial condition that Lender may from time to time reasonably require.

10. FINANCIAL COVENANTS:

Borrower will not at any time, without the prior written consent of Lender, breach the following restriction:

(a) permit the Working Capital Ratio to fall below 1.00:1.

The above financial ratio shall be maintained at all times and shall be detailed in the compliance certificate required to be delivered hereunder.

11. CONDITIONS PRECEDENT:

It is a condition precedent to each advance hereunder that, at the time of such advance, all representations and warranties hereunder must be true and correct in all material respects as if made on such date, and there must be no default hereunder or under any Security Document.

In addition, no Facilities will be available until the following conditions precedent have been satisfied, unless waived by Lender:

(a) Lender has received all Security Documents and all registrations and filings have been completed in Alberta, in all cases in form and substance satisfactory to Lender;

(b) Borrower and Guarantors (if any) have provided all authorizations and all financial statements, appraisals, environmental reports and any other information that Lender may require;

(c) Lender has received payment of all fees due in respect hereof;

(d) Lender is satisfied as to the value of Borrower's and any Guarantor's assets and financial condition, and Borrower's and any Guarantor's ability to carry on business and repay any amount owed to Lender from time to time;

(e) Lender has received an officer's certificate as to title satisfactory to Lender including a schedule of major producing petroleum and natural gas reserves described by lease (type, date, term, parties), legal description (wells and spacing units), interest (W.I. or other APO/BPO interests), overrides (APO/BPO), gross overrides, and other liens, encumbrances, and overrides.

12. AUTHORIZATIONS AND SUPPORTING DOCUMENTS

Borrower has delivered or will deliver the following authorizations and supporting documents to Lender:

- Corporate Borrower:

  a) Incorporation documents including Certificate of Incorporation, Articles of Incorporation (including any amendments) and last Notice of Directors;

  b) Banking resolution in form provided by Lender or otherwise acceptable to Lender;

  c) Corporate MasterCard documentation;

  d) Environmental Questionnaire & Disclosure Statement;

  e) Credit Information and Alberta Land Titles Office Name Search Consent Form;

- General:

  a) Solicitor Opinion Letter from counsel to Borrower;

  b) Solicitor Opinion Letter from counsel to Borrower regarding ISDA Master Agreement;

  c) Solicitor Opinion Letter from counsel to Lender.

13. DRAWDOWNS, PAYMENTS AND EVIDENCE OF INDEBTEDNESS

- Interest on Prime-based loans is calculated on the daily outstanding principal balance, and is payable on the last day of each month.

- If revolvement of loans is permitted hereunder, principal advances and repayments on Prime-based loans are to be in the minimum sum of Cdn. $25,000.00 or multiples of it.

- If Letters of Credit are available hereunder, the term of each Letter of Credit shall not exceed one (1) year, although automatic extensions thereof (unless notified by Lender) are permitted. On any demand being made by a beneficiary for payment under a Letter of Credit, the amount so paid shall be automatically deemed to be outstanding as a Prime-based loan under the relevant Facility.

- Borrower shall monitor its Borrowings (including the face amount and maturity date of each Letter of Credit) to ensure that the Borrowings hereunder do not exceed the maximum amount available hereunder.

- Borrower shall provide notice to Lender prior to requesting an advance or making a repayment or conversion of Borrowings hereunder, as follows:

  For Borrowings:
  - under Cdn. $5,000,000 – same day notice
  - Cdn. $5,000,000 and over – one Business Day prior written notice

- Borrower may cancel the availability of any unused portion of a Facility on five Business Days' notice. Any such cancellation is irrevocable.

- The annual rates of interest or fees to which the rates calculated in accordance with this agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

- If the amount of Borrowings outstanding under any Facility, when converted to the Equivalent Amount in Canadian dollars, exceeds the amount available under such Facility, Borrower shall, unless Lender otherwise agrees in its sole discretion, immediately repay such excess to Lender.

- If any amount due hereunder is not paid when due, Borrower shall pay interest on such unpaid amount (including without limitation, interest on interest) if and to the fullest extent permitted by applicable law, at a rate per annum equal to Prime plus 5%.

- The branch of Lender (the "**Branch of Account**") where Borrower maintains an account and through which the Borrowings will be made available is located at Calgary Stephen Avenue, 239 - 8 Avenue SW, Calgary, Alberta T2P 1B9. Funds under the Credit Facilities will be advanced into and repaid from account no. 760-00131816024 at the Branch of Account, or such other branch or account as Borrower and Lender may agree upon from time to time.

- Lender shall open and maintain at the Branch of Account accounts and records evidencing the Borrowings made available to Borrower by Lender under this agreement. Lender shall record the principal amount of each Borrowing and the payment of principal, interest and fees and all other amounts becoming due to Lender under this agreement. Lender's accounts and records (and any confirmations issued hereunder) constitute, in the absence of manifest error, conclusive evidence of the indebtedness of Borrower to Lender pursuant to this agreement.

- Borrower authorizes and directs Lender to automatically debit, by mechanical, electronic or manual means, any bank account of Borrower for all amounts payable by Borrower to Lender pursuant to this agreement. Any amount due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day, and interest shall accrue accordingly.

14. MISCELLANEOUS:

(a) All legal and other costs and expenses incurred by Lender in respect of the Facilities, the Security Documents and other related matters will be paid or reimbursed by Borrower on demand by Lender.

(b) All Security Documents will be prepared by or under the supervision of Lender's solicitors, unless Lender otherwise permits. Acceptance of this offer will authorize Lender to instruct Lender's solicitors to prepare all necessary Security Documents and proceed with related matters.

(c) Lender, without restriction, may waive in writing the satisfaction, observance or performance of any of the provisions of this Commitment Letter. The obligations of a Guarantor (if any) will not be diminished, discharged or otherwise affected by or as a result of any such waiver, except to the extent that such waiver relates to an obligation of such Guarantor. Any waiver by Lender of the strict performance of any provision hereof will not be deemed to be a waiver of any subsequent default, and any partial exercise of any right or remedy by Lender shall not be deemed to affect any other right or remedy to which Lender may be entitled.

(d) Borrower shall reimburse Lender for any additional cost or reduction in income arising as a result of (i) the imposition of, or increase in, taxes on payments due to Lender hereunder (other than taxes on the overall net income of Lender), (ii) the imposition of, or increase in, any reserve or other similar requirement, (iii) the imposition of, or change in, any other condition affecting the Facilities imposed by any applicable law or the interpretation thereof.

(e) Lender is authorized but not obligated, at any time, to apply any credit balance, whether or not then due, to which Borrower or Guarantor is entitled on any account in any currency at any branch or office of Lender in or towards satisfaction of the obligations of Borrower or such Guarantor due to Lender under this agreement or any guarantee granted in support hereof, as applicable. Lender is authorized to use any such credit balance to buy such other currencies as may be necessary to effect such application.

(f) Words importing the singular will include the plural and vice versa, and words importing gender will include the masculine, feminine and neuter, and anything importing or referring to a person will include a body corporate and a partnership and any entity, in each case all as the context and the nature of the parties requires.

(g) Where more than one person is liable as Borrower (or as a Guarantor) for any obligation hereunder, then the liability of each such person for such obligation is joint and several with each other such person.

(h) If any portion of this agreement is held invalid or unenforceable, the remainder of this agreement will not be affected and will be valid and enforceable to the fullest extent permitted by law. In the event of a conflict between the provisions hereof and of any Security Document, the provisions hereof shall prevail to the extent of the conflict.

(i) Where the interest rate for a credit is based on Prime, the applicable rate on any day will depend on the Prime rate in effect on that day, as applicable. The statement by Lender as to Prime and as to the rate of interest applicable to a credit on any day will be binding and conclusive for all purposes. All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. To the extent permitted by law, Borrower waives the provisions of the *Judgment Interest Act* (Alberta).

(j) Any written communication which a party may wish to serve on any other party may be served personally (in the case of a body corporate, on any officer or director thereof) or by leaving the same at or couriering or mailing the same by registered mail to the Branch of Account (for Lender) or to the last known address (for Borrower or any Guarantor), and in the case of mailing will be deemed to have been received two (2) Business Days after mailing except in the case of postal disruption.

(k) Unless otherwise specified, references herein to "$" and "dollars" mean Canadian dollars.

(l) If for the purpose of obtaining judgment in any court in any jurisdiction with respect to this Agreement, it is necessary to convert into the currency of such jurisdiction (the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, rate of exchange means the rate at which Lender would, on the relevant date, be prepared to sell a similar amount of such currency against the Judgment Currency, in accordance with normal banking procedures. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which judgment is given and the date of payment of the amount due, Borrower will, on the date of payment, pay such additional amounts as may be necessary to ensure that the amount paid on such day is the amount in the Judgment Currency which, when converted at the rate of exchange prevailing on the date of payment, is the amount then due under this Agreement in such other currency. Any additional amount due from Borrower under this paragraph will be due as a separate debt and shall not be affected by judgment being obtained for any other sums due in connection with this Agreement.

(m) Lender shall have the right to assign, sell or participate its rights and obligations in the Facilities or in any Borrowing thereunder, in whole or in part, to one or more persons, provided that the consent of Borrower shall be required if no default is then in existence, such consent not to be unreasonably withheld or delayed.

(n) Borrower shall indemnify Lender against all losses, liabilities, claims, damages or expenses (including without limitation legal expenses on a solicitor and his own client basis) (i) incurred in connection with the entry into, performance or enforcement of this agreement, the use of the Facility proceeds or any breach by Borrower or any Guarantor of the terms hereof or any document related hereto, or (ii) arising out of or in respect of: (A) the release of any hazardous or toxic waste or other substance into the environment from any property of Borrower or any of its Subsidiaries, and (B) the remedial action (if any) taken by Lender in respect of any such release, contamination or pollution. This indemnity will survive the repayment or cancellation of any of the Facilities or any termination of this agreement.

(o) For certainty, the permission to create a Permitted Encumbrance shall not be construed as a subordination or postponement, express or implied, of Lender's Security Documents to such Permitted Encumbrance.

(p) Each accounting term used hereunder, unless otherwise defined herein, has the meaning assigned to it under GAAP consistently applied. If there occurs a change in generally accepted accounting principles (an "**Accounting Change**"), including as a result of a conversion to International Financial Reporting Standards, and such change would result in a change (other than an immaterial change) in the calculation of any financial covenant, standard or term used hereunder, then at the request of Borrower or Lender, Borrower and Lender shall enter into negotiations to amend such provisions so as to reflect such Accounting Change with the result that the criteria for evaluating the financial condition of Borrower or any other party, as applicable, shall be the same after such Accounting Change, as if such Accounting Change had not occurred. If, however, within 30 days of the foregoing request by Borrower or Lender, Borrower and Lender have not reached agreement on such amendment, the method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

(q) Borrower's information, corporate or personal, may be subject to disclosure without its consent pursuant to provincial, federal, national or international laws as they apply to the product or service Borrower has with Lender or any third party acting on behalf of or contracting with Lender.

(r) Borrower acknowledges that the terms of this agreement are confidential, and Borrower agrees not to disclose the terms hereof or provide a copy hereof to any person without the prior written consent of Lender, unless and to the extent required by applicable law.

(s) Time shall be of the essence in all provisions of this agreement.

(t) This agreement may be executed in counterpart.

(u) This agreement shall be governed by the laws of Alberta.

(v) Margot Langdon of Burnet, Duckworth & Palmer is designated as Lender's solicitor.

15. NEXT REVIEW DATE:

All demand Facilities are subject to review by Lender at any time in its sole discretion, and at least annually. The next annual review date has been set for May 31, 2018 but may be set at an earlier or later date at the sole discretion of Lender.

16. DEFINITIONS:

"**Borrowing Base**" means the number determined by Lender based on a lending value assigned to the net present value of the total proved oil and gas properties of Borrower and Guarantor, as determined by Lender in its sole discretion in accordance with its customary practices and standards for oil and gas loans using such reasonable assumptions as may be determined by Lender in its sole discretion.

"**Borrowings**" means all amounts outstanding under the Facilities, or if the context so requires, all amounts outstanding under one or more of the Facilities or under one or more borrowing options of one or more of the Facilities.

"**Business Day**" means a day, excluding Saturday and Sunday, on which banking institutions are open for business in the province of Alberta.

"**Current Assets**" means, for a day, the amount of current assets of Borrower as determined in accordance with GAAP on a consolidated basis, but in any event excluding any amounts arising as a result of the mark-to-market position of Borrower due to hedging contracts.

"**Current Liabilities**" means, for a day, the amount of current liabilities of Borrower as determined in accordance with GAAP on a consolidated basis, but in any event excluding any amounts arising as a result of the mark-to-market position of Borrower due to hedging contracts.

"**Equivalent Amount**" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through Lender in accordance with normal banking procedures.

"**Generally Accepted Accounting Principles**" or "**GAAP**" means generally accepted accounting principles as may be described in the CPA Canada Handbook and other primary sources recognized from time to time by the Canadian Chartered Professional Accountants.

"**Guarantor**" means any party that has provided a guarantee in favour of Lender with respect to the Borrowings hereunder.

"**Hedging Agreement**" means any swap, hedging, interest rate, currency, foreign exchange or commodity contract or agreement, or confirmation thereunder, entered into from time to time in connection with:

(a) interest rate swaps, forward rate transactions, interest rate options, cap transactions, floor transactions and similar rate-related transactions;

(b) forward rate agreements, foreign exchange forward agreements, cross currency transactions and other similar currency-related transactions; or

(c) commodity swaps, hedging transactions and other similar commodity-related transactions (whether physically or financially settled), including without limitation commodity swaps;

the purpose of which is to hedge (a) interest rate, (b) currency exchange, and/or (c) commodity price exposure, as the case may be.

"**Indebtedness**" means all present and future obligations and indebtedness of a person, whether direct or indirect, absolute or contingent, including all indebtedness for borrowed money, all obligations in respect of swap or hedging arrangements and all other liabilities which in accordance with GAAP would appear on the liability side of a balance sheet (other than items of capital, retained earnings and surplus or deferred tax reserves).

"**Letter of Credit**" means a standby or documentary letter of credit or letter of guarantee issued by the Lender on behalf of the Borrower.

"**Loan Parties**" means the Borrower and all Guarantors, other than any Guarantors that are natural persons, and "**Loan Party**" means any of them.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the financial condition of Borrower or of any Guarantor; or

(b) the ability of Borrower or any Guarantor to repay amounts owing hereunder or under its guarantee in respect hereof.

"**Permitted Encumbrances**" means, in respect of the Borrower and any Guarantor, the following:

(a) liens for taxes, assessments or governmental charges not yet due or delinquent or the validity of which is being contested in good faith;

(b) liens arising in connection with workers' compensation, unemployment insurance, pension, employment or other social benefits laws or regulations which are not yet due or delinquent or the validity of which is being contested in good faith;

(c) liens under or pursuant to any judgment rendered or claim filed which are or will be appealed in good faith provided any execution thereof has been stayed;

(d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law or which relate to obligations not due or delinquent;

(e) liens arising by operation of law such as builders' liens, carriers' liens, materialmens' liens and other liens of a similar nature which relate to obligations not due or delinquent;

(f) easements, rights-of-way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which singularly or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of Borrower or such Guarantor;

(g) security given to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of Borrower or such Guarantor, all in the ordinary course of its business which singularly or in the aggregate do not materially impair the operation of the business of Borrower or such Guarantor;

(h) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;

(i) liens created or arising in the ordinary course of the oil and gas business in respect of the joint operation of oil and gas properties and related production and processing facilities or arrangements for the processing, treating, transmission or transportation of hydrocarbon substances, provided such liens are not in respect of obligations which are due or delinquent and do not materially reduce the value of the oil and gas properties affected by such liens;

(j) penalties arising in the ordinary course of business under non-participation or independent operations provisions of operating agreements as a consequence of an election not to participate in drilling or other operations;

(k) the provisions of operating agreements, pooling agreements, unitization agreements and other similar arrangements entered into in the ordinary course of the oil and gas business which do not materially affect the value of the oil and gas properties which are subject thereto;

(l) royalties, net profits interests and similar encumbrances and rights to convert any of them to working interests which are created in the ordinary course of the oil and gas business; provided that if any of the foregoing relate to oil and gas properties, full disclosure thereof is made in any engineering reports required to be delivered to Lender from time to time in respect of such oil and gas properties;

(m) rights of first refusal and similar preferential rights created in the ordinary course of the oil and gas business;

(n) operating leases;

(o) capital lease transactions (according to GAAP) or sale-leaseback transactions where the indebtedness represented by all such transactions does not at any time exceed $100,000 in aggregate;

(p) security interests granted or assumed to finance the purchase of any property or asset (a "**Purchase Money Security Interest**") where:

i) the security interest is granted at the time of or within 60 days after the purchase,

ii) the security interest is limited to the property and assets acquired, and

iii) the indebtedness represented by all Purchase Money Security Interests does not at any time exceed $100,000 in aggregate;

(q) security interests or liens (other than those hereinbefore listed) of a specific nature (and excluding for greater certainty floating charges) on properties and assets having a fair market value not in excess of $100,000 in aggregate.

"**Prime**" means the prime lending rate per annum established by Lender from time to time for commercial loans denominated in Canadian dollars made by Lender in Canada.

"**Subsidiaries**" means

(a) a person of which another person alone or in conjunction with its other subsidiaries owns an aggregate number of voting shares sufficient to elect a majority of the directors regardless of the manner in which other voting shares are voted; and

(b) a partnership of which at least a majority of the outstanding income interests or capital interests are directly or indirectly owned or controlled by such person,

and includes a person in like relation to a Subsidiary.

"**Working Capital Ratio**" means, at any time, the ratio of (i) Current Assets plus any undrawn availability under the Facilities, to (ii) Current Liabilities less (to the extent included therein) any amount drawn under the Facilities.

SCHEDULE "A"

CONTAINING FORM OF COMPLIANCE CERTIFICATE

To: Alberta Treasury Branches
Corporate Financial Services
Suite 600, 585 – 8th Avenue SW
Calgary, AB T2P 1G1
Attention: Amy Bellomo

I, ____________________________ hereby certify as of the date of this certificate as follows:

(a) I am the ____________________ *[insert title]* of Traverse Energy Ltd. ("**Borrower**") and I am authorized to provide this certificate to you for and on behalf of Borrower.

(b) This certificate applies to the **[fiscal quarter/fiscal year]** ending ________________.

(c) I am familiar with and have examined the provisions of the letter agreement (the "**Agreement**") dated __________________________, 20______ between the Borrower and Alberta Treasury Branches ("**Lender**"), as lender, and have made reasonable investigations of corporate records and inquiries of other officers and senior personnel of Borrower and of any Guarantor. Terms defined in the Agreement have the same meanings when used in this certificate.

(d) No event or circumstance has occurred which constitutes or which, with the giving of notice, lapse of time, or both, would constitute a breach of any covenant or other term or condition of the Agreement and there is no reason to believe that during the next fiscal quarter of Borrower, any such event or circumstance will occur.

OR

We are or anticipate being in default of the following terms or conditions, and our proposed action to meet compliance is set out below:

Description of any breaches and proposed action to remedy: ______________________

(e) Our financial ratios are as follows:

i) the Working Capital Ratio is ____:1, being not less than the required ratio of 1.00:1.

(f) The detailed calculations of the foregoing ratios and covenants are set forth in the addendum annexed hereto and are true and correct in all respects.

This certificate is given by the undersigned officer in his/her capacity as an officer of the Borrower without any personal liability on the part of such officer.

This certificate may be executed electronically; this certificate may be delivered by email, facsimile or other functionally-equivalent electronic means.

Dated this _____ day of ____________, 20___.

____

Traverse Energy Ltd.

Per: ______________________________
Name: ______________________________
Title: ______________________________

Form 7530 (Rev. 06/16)

APPENDIX

(i) the **Working Capital Ratio** is ____:1, calculated as follows:

Current Assets:	$________
but excluding mark-to-market impact of hedging	+/-$________
+ undrawn availability under Facilities	+ $________
	= $________
divided by:	
Current Liabilities, excluding any amount drawn under Facilities:	$________
but excluding mark-to-market impact of hedging	+/-$________
	= $________

THIS IS EXHIBIT "**B**" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

Phone: (403) 663-3144
Fax: (403) 974-5784

April 3, 2018

Traverse Energy Ltd.
Suite 780, 839 - 5th Avenue SW
Calgary, AB T2P 3C8

Attn: Sharon Supple, Chief Financial Officer

Dear Madam:

We refer you to the commitment letter between Traverse Energy Ltd., as borrower ("**Borrower**"), and ATB Financial (formerly known as Alberta Treasury Branches), as lender ("**Lender**"), dated May 1, 2017 (the "**Commitment Letter**") and would like to confirm the amendments described below, subject to the following terms and conditions. Capitalized terms used herein shall have the meanings attributed thereto in the Commitment Letter.

1. AMENDMENTS

1.1 Increase to Authorized Principal Amount of Facility #1

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Commitment Letter is hereby amended as follows:

(a) The maximum principal amount of Facility #1 is hereby increased from Cdn. $7,000,000.00 to Cdn. $9,000,000.00, and Section 1 of the Commitment Letter is hereby amended by deleting the reference to "Facility #1 – Operating Loan Facility (Revolving) – Cdn. $7,000,000.00" and replacing it with "Facility #1 – Operating Loan Facility (Revolving) – Cdn. $9,000,000.00".

(b) Lender hereby confirms that the Borrowing Base on the date hereof is $9,000,000.00.

1.2 Effective Date of Amendments

The foregoing amendments shall become effective on the date on which the conditions precedent set forth in Section 4 hereof have been satisfied or waived by Lender.

2. FEES

Concurrent with its execution of this amending agreement, Borrower shall pay to Lender the following non-refundable fees: (a) a renewal fee in the amount of $10,500 (representing 0.15% of the existing maximum authorized principal amount of Facility #1 being renewed hereunder); and (b) a new money fee in the amount of $6,000 (representing 0.30% of the increased principal amount available under Facility #1 pursuant to this amending agreement). Lender is hereby authorized to debit Borrower's current account for any unpaid portion of such fees.

3. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Lender that:

(a) each of the representations and warranties contained in Section 6 of the Commitment Letter are true and correct as at the date hereof;

(b) the execution, delivery and performance by it of this amending agreement has been duly authorized by all necessary actions and does not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

(c) its obligations under the Commitment Letter, as amended hereby (as so amended, the "**Amended Commitment Letter**"), and the Security Documents delivered by it in connection therewith, are legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally;

(d) as of the date of acceptance of this amending agreement, no default has occurred under the Amended Commitment Letter or under any Security Document nor will such default occur as a result of Borrower's entering into this amending agreement or performing its obligations hereunder; and

(e) as at the date hereof, the assets of Borrower are located only in the Province of Alberta.

4. CONDITIONS PRECEDENT

This amending agreement shall become effective upon the satisfaction of the following conditions precedent:

(a) *Due Diligence*: satisfactory review and due diligence by Lender in respect of Borrower and its assets, including, without limitation, satisfactory review of all applicable due diligence search results;

(b) *Representations and Warranties True*: all representations and warranties contained in Section 3 hereof are true and correct in all material respects;

(c) *Receipt of Documentation*: Lender has received, in form and substance satisfactory to it:

i) a duly executed original of this amending agreement, executed by Borrower, confirming its acceptance of the amendments set forth herein, pursuant to Section 7 hereof; and

ii) an executed and completed Environmental Questionnaire and Disclosure Statement by Borrower;

iii) an officer's certificate re: title relating to Borrower's petroleum and natural gas interests;

iv) an officer's certificate of Borrower attaching thereto, among other things, certified true copies of Borrower's certificate and articles of amalgamation, bylaws, other organizational documents (if applicable), a certificate of incumbency and a resolution of the board of directors of Borrower approving, among other things, the increase in Facility #1 effected pursuant to this amending agreement; and

v) such other documents, consents, acknowledgements and agreements as may be reasonably requested by Lender or its counsel; and

(d) *Payment of Fees*: Lender has received all fees due from Borrower in respect of this amending agreement, including, without limitation, the fees set forth in Section 2 hereof.

The conditions precedent set forth above are inserted for Lender's sole benefit and may be waived only by Lender.

5. GENERAL

(a) Borrower agrees to pay all reasonable and documented fees (including reasonable legal fees), costs and expenses incurred by Lender in connection with the preparation, negotiation, documentation and enforcement of this amending agreement.

(b) The parties hereto shall, from time to time, do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this amending agreement.

(c) This amending agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and of Canada applicable therein.

(d) This amending agreement may be executed in counterpart, including by facsimile or other electronic means, all of which, when taken together, shall constitute one and the same instrument. The delivery of a facsimile or other electronic copy (including, without limitation, PDF format) of an executed counterpart of this amending agreement shall be deemed to be valid execution and delivery of this amending agreement.

(e) All terms and conditions of the Commitment Letter, except as amended hereby, remain in full force and effect. References in the Commitment Letter and the Security Documents to the "Letter Agreement" shall mean the Amended Commitment Letter.

6. NEXT REVIEW DATE

The terms and conditions of the Amended Commitment Letter are subject to review by Lender at any time in its sole discretion, and at least annually. The next review date has been set for May 31, 2019, but may be set at an earlier or later date at the sole discretion of Lender.

7. ACCEPTANCE

You may accept the terms and conditions of this amending agreement by returning the enclosed duplicate of this letter, signed as indicated below, by 4:00 p.m. on or before April 13, 2018 or our offer will automatically expire. We reserve the right to cancel our offer at any time prior to acceptance.

Yours truly,

ATB FINANCIAL

By: ________________________

Name: John Sullivan

Title: Senior Director

By: ________________________

Edi Qereshniku, Associate Director

8886136.1

Accepted effective as of the 5 day of April, 2018.

TRAVERSE ENERGY LTD.

By: ______________________
Name:
Title:

By: Sharon Supple
Name: Sharon Supple
Title: Chief Financial Officer

THIS IS EXHIBIT "**C**" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

Phone: (403) 663-3144
Fax: (403) 974-5784

May 30, 2019

Traverse Energy Ltd.
Suite 780, 839 - 5th Avenue SW
Calgary, AB T2P 3C8

Attn: Sharon Supple, Chief Financial Officer

Dear Madam:

We refer you to the commitment letter between Traverse Energy Ltd., as borrower ("**Borrower**"), and ATB Financial (formerly known as Alberta Treasury Branches), as lender ("**Lender**"), dated May 1, 2017, as amended by an amending agreement dated April 3, 2018 (as so amended, the "**Commitment Letter**") and would like to confirm the amendments described below, subject to the following terms and conditions.

Capitalized terms used herein shall have the meanings attributed thereto in the Commitment Letter.

1. AMENDMENTS

For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Commitment Letter is hereby amended as follows:

1.1 Decrease to Authorized Principal Amount of Facility #1

The maximum principal amount of Facility #1 is hereby decreased from Cdn. $9,000,000.00 to Cdn. $7,000,000.00, and Section 1 of the Commitment Letter is hereby amended by deleting the reference to "Facility #1 – Operating Loan Facility (Revolving) – Cdn. $9,000,000.00" and replacing it with "Facility #1 – Operating Loan Facility (Revolving) – Cdn. $7,000,000.00".

For greater certainty, as at the date hereof, the Borrowing Base has not been re-determined by Lender and remains under ongoing review.

1.2 Additional Positive Covenants

Section 7 of the Commitment Letter is hereby amended by: (i) deleting the "and" after subsection (n) thereof, (ii) deleting the "." after subsection (o) thereof and replacing it with "; and", and (iii) adding the following as new subsections (p), (q) and (r) thereof:

"(p) Borrower shall provide Lender with the following items relating to its anticipated disposition of its prospective Duvernay oil rights and available uphole rights located in the Buffalo Lake, Chigwell and Pigeon Lake areas of Alberta (the "**Duvernay Disposition**"):

(i) on or before June 7, 2019, copies of all bids, letters of intent, offers, expressions of interest or similar documents received by Borrower (or by Sayer Energy Advisors ("**Sayer**"), on its behalf); and

(ii) on or before June 14, 2019, copies of all binding letters of intent, accepted offers or similar documents received or entered into by Borrower (or by Sayer on its behalf);

(q) no later than one (1) Business Day following its receipt thereof, Borrower shall use 100% of the sale proceeds from the Duvernay Disposition (net of the Success Fee payable to Sayer (as defined in and calculated in accordance with the engagement letter agreement dated March 22, 2019 between Sayer and Borrower)) to permanently repay Borrowings under Facility #1. All amounts so repaid may not be re-borrowed; and

(r) Borrower shall provide Lender with the following in respect of its anticipated corporate sale process (the particulars of which have been previously disclosed to Lender) (the "**Corporate Sales Process**"):

(i) weekly written updates, commencing on June 17, 2019;

(ii) on or before July 2, 2019, copies of all bids, letters of intent, offers, expressions of interest or similar documents received by Borrower (or by GMP Securities L.P. (o/a GMP FirstEnergy) ("**GMP**") on its behalf); and

(iii) on or before July 15, 2019, copies of all binding letters of intent, accepted offers or similar documents received or entered into by Borrower (or by GMP on its behalf).".

1.3 Additional Reporting Covenants

Section 9 of the Commitment Letter is hereby amended by: (i) deleting the "." after subsection (d) thereof and replacing it with "; and", and (ii) adding the following as a new subsection (e) thereof:

"(e) within 15 days following the end of each month in each calendar year, a summary of actual cash flows for such month and the immediately preceding calendar month, together with a cash flow forecast for each subsequent month in such calendar year.".

1.4 Consent re: Third Party Communications

Borrower hereby consents to Lender or any of its directors, officers, employees, agents, consultants, representatives or advisors (each, a "**Lender's Representative**"), communicating directly with Sayer or GMP, or any of their respective directors, officers, employees, agents, consultants, representatives or advisors (each, an "**Agent Representative**"), regarding the Duvernay Disposition or the Corporate Sales Process (each as defined in Section 1.2 hereof), as the case may be, including, without limitation, to confirm or obtain any further information or particulars from any Agent Representative respecting the same or any of the information provided by Borrower pursuant to Section 7(p) or 7(r) of the Commitment Letter, as amended hereby (as so amended, the "**Amended Commitment Letter**").

1.5 Effective Date of Amendments

The foregoing amendments shall become effective on the date on which the conditions precedent set forth in Section 4 hereof have been satisfied or waived by Lender.

2. FEES

Concurrent with its execution of this amending agreement, Borrower shall pay to Lender an amendment fee in the amount of $15,000. Lender is hereby authorized to debit Borrower's current account for any unpaid portion of such fee.

3. REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants to Lender that:

(a) each of the representations and warranties contained in Section 6 of the Commitment Letter are true and correct as at the date hereof;

(b) the execution, delivery and performance by it of this amending agreement has been duly authorized by all necessary actions and does not violate its governing documents or any applicable laws or agreements to which it is subject or by which it is bound;

(c) its obligations under the Amended Commitment Letter and the Security Documents delivered by it in connection therewith, are legal, valid and binding obligations, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other similar laws affecting creditors' rights generally;

(d) as of the date of acceptance of this amending agreement, no default has occurred under the Amended Commitment Letter or under any Security Document nor will such default occur as a result of Borrower's entering into this amending agreement or performing its obligations hereunder; and

(e) as at the date hereof, the assets of Borrower are located only in the Province of Alberta.

4. CONDITIONS PRECEDENT

This amending agreement shall become effective upon the satisfaction of the following conditions precedent:

(a) *Due Diligence*: satisfactory review and due diligence by Lender in respect of Borrower and its assets, including, without limitation, satisfactory review of all applicable due diligence search results;

(b) *Representations and Warranties True*: all representations and warranties contained in Section 3 hereof are true and correct in all material respects;

(c) *Receipt of Documentation*: Lender has received, in form and substance satisfactory to it:

i) a duly executed original of this amending agreement, executed by Borrower, confirming its acceptance of the amendments set forth herein, pursuant to Section 7 hereof; and

ii) such other documents, consents, acknowledgements and agreements as may be reasonably requested by Lender or its counsel; and

(d) *Payment of Fees*: Lender has received all fees due from Borrower in respect of this amending agreement, including, without limitation, the fee set forth in Section 2 hereof.

The conditions precedent set forth above are inserted for Lender's sole benefit and may be waived only by Lender.

5. GENERAL

(a) Borrower agrees to pay all reasonable and documented fees (including reasonable legal fees), costs and expenses incurred by Lender in connection with the preparation, negotiation, documentation and enforcement of this amending agreement.

(b) The parties hereto shall, from time to time, do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this amending agreement.

(c) This amending agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and of Canada applicable therein.

(d) This amending agreement may be executed in counterpart, including by facsimile or other electronic means, all of which, when taken together, shall constitute one and the same instrument. The delivery of a facsimile or other electronic copy (including, without limitation, PDF format) of an executed counterpart of this amending agreement shall be deemed to be valid execution and delivery of this amending agreement.

(e) All terms and conditions of the Commitment Letter, except as amended hereby, remain in full force and effect. References in the Commitment Letter and the Security Documents to the "Letter Agreement" shall mean the Amended Commitment Letter.

6. NEXT REVIEW DATE

The terms and conditions of the Amended Commitment Letter are subject to review by Lender at any time in its sole discretion, and at least annually. The next review date has been set for July 31, 2019, but may be set at an earlier or later date at the sole discretion of Lender.

7. ACCEPTANCE

You may accept the terms and conditions of this amending agreement by returning the enclosed duplicate of this letter, signed as indicated below, by 4:00 p.m. on or before May 31, 2019 or our offer will automatically expire. We reserve the right to cancel our offer at any time prior to acceptance.

Yours truly,

ATB FINANCIAL

By: ______________________
Edi Qereshniku
Director

By: ______________________
Name: Yang Zhao
Title: Associate Director

9635846.2

Accepted effective as of the 31 day of May, 2019.

TRAVERSE ENERGY LTD.

By:
Name: David H. Erickson
Title: Vice President & COO

By: Sharon Supple
Name: Sharon Supple
Title: Chief Financial Officer

THIS IS EXHIBIT "D" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

THIRD AMENDING AGREEMENT

THIS THIRD AMENDING AGREEMENT made effective as of the 30th day of September, 2019

AMONG:

TRAVERSE ENERGY LTD. (the "**Borrower**")

-and-

ATB FINANCIAL, formerly Alberta Treasury Branches (the "**Lender**")

WHEREAS the Borrower and the Lender are party to an amended and restated Commitment Letter dated May 1, 2017, which was amended by a first amending agreement (the "**First AA**") dated April 3, 2018 and further amended by a second amending agreement (the "**Second AA**") dated May 30, 2019 (collectively, the "**Commitment Letter**");

AND WHEREAS as of September 9, 2019 the following facilities and amounts outstanding under the terms of the Commitment Letter:

Facilities	Loan	Interest Rate	Principal	Interest Per Diem	Total
Facility #1 – Operating Loan Facility (Revolver)	10124878200	P+1.3%	$6,659,202	$958	$6,660,160
Corporate Mastercard	XXX-0681	5.95%	$3,317	$0	$3,317
Total			$6,662,518	$958	

(the "**Facilities**")

AND WHEREAS the Lender holds the following security from the Borrower:

1. General Security Agreement dated August 10, 2009 between the Lender and the Borrower; and
2. ISDA Master Agreement between Lender and the Borrower dated November 8, 2012

(hereinafter collectively referred to as the "**Security**");

AND WHEREAS the Borrower has acknowledged the demand nature of the Commitment Letter;

AND WHEREAS the Commitment Letter remains in full force and effect, including, without limitation, the Lender's ability to demand repayment of the Obligations at any time, except as it is specifically amended herein, and the Lender continues to reserve all its rights under the Commitment Letter.

THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

1. All capitalized terms used in this Amending Agreement and not defined herein shall have the meanings ascribed to them in the Commitment Letter. In addition (a) "**Obligations**" means, collectively: (a) **$6,662,518** outstanding under the Facilities as at September 9, 2019 plus any accrued interest, any other debts liabilities and obligations and any other amounts payable under the terms of the Commitment Letter, the Security and this Amending Agreement and (b) all other debts, liabilities and obligations of the Borrower to the Lender (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid amounts thereof including, without limitation, all future amounts, and whether such indebtedness is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Borrower be bound alone or with another or others and whether as principal or surety.

2. Where the time for doing any act required pursuant to the terms of this Amending Agreement expires on a day that is not a Business Day, the act must be completed on the next regular Business Day.

3. The Borrower acknowledges and confirms the demand nature of the Commitment Letter.

4. The Borrower acknowledges, confirms and agrees that the Commitment Letter and the Security (collectively, the "**Documents**") are and shall continue to be in full force and effect and are valid, binding and enforceable against the Borrower, as applicable, and that neither the execution of this Amending Agreement nor any change to the Obligations or any other matter arising herefrom shall in any way affect the continuing effectiveness of the Documents, except as specifically amended by this Amending Agreement.

5. The Borrower acknowledges, confirms and agrees that all Security now or hereafter held by the Lender in respect of the Commitment Letter will continue to remain in full force and effect and that all such Security is valid and enforceable in accordance with its terms and shall continue to exist, apply to and secure all of the Obligations of the Borrower. This confirmation is in addition to and shall not limit or derogate from or otherwise affect any provisions of the Security.

6. The Borrower hereby agrees to and acknowledges the appointment of Ernst & Young Inc. ("**EY**") as monitor (the "**Monitor**") in accordance with the terms of the Monitor engagement letter dated September 2019. The Borrower hereby agrees to fully cooperate with the Monitor and provide all financial information requested by the Monitor on a timely basis. Any cost incurred by the Monitor shall be for the account of the Borrower and shall be added to the amount of the Obligations. The appointment of EY as Monitor shall not in anyway limit its ability to be appointed a receiver and manager over the assets, properties and undertakings of the Borrower or as trustee over the estate of the Borrower.

7. The Borrower acknowledges and agrees that it will continue to comply with the reporting requirements outlined in the Commitment Letter and as amended by this Amending Agreement. Further, the Borrower acknowledges and agrees that they will comply with the following additional reporting requirements:

   (a) The Borrower agrees to provide copies of any offers received for sale of some or all of its assets or for a corporate transaction involving a transfer or purchase of some or all of the shares of the Borrower, to the Lender and the Monitor within 2 days of receiving such offers.

8. The capital expenditures conducted by the Borrower on its assets as set out in the amended cashflow statement, a copy of which is attached hereto as Schedule "A", shall not exceed 10% of the Borrower's budget with such 10% threshold being tested on a monthly basis. The results of such tests shall be provided to the Lender within 5 days of the end of each month and commencing on Monday, October 7, 2019

9. The terms and conditions of the Commitment Letter are subject to review by the Lender at any time in its sole discretion and at least annually. The next review date (the "**Review Date**") of the Commitment Letter is hereby amended and extended from July 31, 2019 to November 29, 2019.

10. The Lender will not make a Borrowing Base determination until the Review Date or such other later date as the Lender determines in its sole discretion.

11. The Commitment Letter is hereby amended as follows:

    (a) The language under the second sub-bullet of the third bullet of section 1 after the words "and the new Borrowing Base within" is hereby amended by deleting "**30 days**" and replacing it with "**1 day**".

12. The Borrower shall not use the proceeds of any receipts (the "**Proceeds**") to (i) accumulate or (ii) maintain cash or cash equivalents, in either case, in one or more depository or investment accounts maintained by or on behalf of the Borrower (or otherwise accumulate and maintain the same in some other manner) if in either case, the aggregate amount of such cash and cash equivalents between all such parties would be greater than $20,000, but excluding therefrom cash or cash equivalents accumulated or maintained therein for a specified and legitimate business purpose (other than simply accumulating a cash reserve) agreed to by the Lender, and, for certainty, the Lender may refuse to make any requested

drawdown on the Facility which the Lender, acting reasonably, determines would result in a contravention of this Section 12.

13. Notwithstanding anything contained herein, the following constitute Events of Default under this Amending Agreement and the Commitment Letter:

(a) the Borrower fails to comply with its obligations under this Amending Agreement or a default or Event of Default under the Commitment Letter;

(b) a receiver, trustee, custodian or similar official is appointed in respect of the Borrower or its assets;

(c) legal or enforcement proceedings are commenced against the Borrower, including the filing of any liens, which the Lender determines, acting reasonably, to be materially adverse to the Security;

(d) any Material Adverse Effect, occurs after the date hereof in the financial condition of the Borrower, or if any step is taken or event should occur that would materially prejudice or jeopardize the Lender's Security, all as determined by the Lender acting reasonably; or

(e) any representation, warranty or statement made by or on behalf of the Borrower to the Lender as contained herein or otherwise, is untrue in any material respect at the time when it was made.

Upon the occurrence of a Event of Default, the Lender will immediately cancel or terminate the availability of the Facilities (and, for certainty, this provision shall satisfy the requirement section 13 of the Commitment Letter) and the Lender will be entitled to immediately proceed to take such steps as it may deem appropriate to enforce its rights under this Amending Agreement, the Commitment Letter, or the Security.

14. The Borrower acknowledges, confirms and agrees:

(a) notwithstanding anything contained herein, in the Commitment Letter, or the Security to the contrary, it is hereby acknowledged and agreed that the

Lender, by entering in this Amending Agreement, has not, and shall not be deemed to have, waived any Event of Default or default that now exists or may in the future occur under the Commitment Letter or the Security Documents. The Lender provides notice to the Borrower, that the Lender reserves all of its right at any time to exercise any rights, remedies, power and privileges afforded by law or under this Amending Agreement, the Commitment Letter and the Security with respect to any Event of Default or default that now exists or may in the future occur under the Commitment Letter or this Amending Agreement. The Lender hereby reserves all of its rights, remedies, powers and privileges afforded by law or under the Commitment Letter and the Security with respect to any default which may have occurred on or prior to the date hereof;

(b) no waiver by the Lender of any Event of Default or default, breach or non-compliance under this Amending Agreement will be effective unless in writing. No waiver will be inferred from or implied by any failure to act or delay in acting by the Lender in respect of any default, breach or non-observance or by anything done or omitted to be done by the Borrower. No waiver by the Lender will operate as a waiver of any right of the Lender under this Amending Agreement in respect of any subsequent default, breach or non-observance (whether of the same or any other nature);

(c) the Lender hereby provides notice to the Borrower that the Lender reserves its rights at any time to exercise any rights, remedies, power and privileges afforded by law or under the Commitment Letter with respect to any default, Event of Default or default; and

(d) Nothing whatsoever herein, in the Commitment Letter or the Security shall derogate from, limit or alter (i) the demand nature of the Facilities and all Obligations under or pursuant to the Facilities shall be immediately due and payable upon demand for payment by the Lender and (ii) the ability of the Lender to immediately proceed to take such steps as it may deem appropriate to enforce its rights under this Amending Agreement, the Commitment Letter or the Security in the event of a Event of Default.

15. As a condition precedent to the effectiveness of this Amending Agreement the Borrower must pay to the Lender an amendment fee of $15,000 which shall be fully earned on signing of this Amending Agreement and shall be paid by no later than September 30, 2019.

16. In consideration of the Lender agreeing to enter into this Amending Agreement, the Borrower, on its own behalf and on behalf of its respective successors and assigns, remise, release and forever discharge the Lender and its employees, agents, officers, directors, successors and assigns from any and all actions, causes of action, claims, demands, damages, costs and expenses whatsoever at law or in equity which they ever had, now have, or which they shall have against the Lender or its employees, agents, officers, directors, successors and assigns by reason of any manner, cause, or thing whatsoever existing up to the date hereof (the "**Claims**"), provided that this release will not release any person for criminal acts or wilful misconduct. The Borrower will not make any Claims or take any proceedings against any other person, firm, corporation or other legal entity who might claim contribution or indemnity against the Lender in respect of any cause, matter or thing whatsoever arising out of, related to, or in any manner connected with the Claims released herein.

17. This Amending Agreement represents the entire agreement among the parties in respect of the matters provided for in this Amending Agreement, and any changes or variations made to this agreement are only effective if made in writing and signed by all parties.

18. The Lender and the Borrower each acknowledge and agree that if any provision of the Commitment Letter, this Amending Agreement or any other agreement to which the Lender and the Borrower are parties, conflicts with any provision

herein contained, the provisions herein, to the extent of any such conflict shall prevail.

19. This Amending Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the parties hereto each hereby attorn and submit to the non-exclusive jurisdiction of the Courts of the Province of Alberta.

20. All notices required hereunder will be deemed properly provided if sent by facsimile transmission or by electronic mail as follows:

(a) if to the Borrower:

Traverse Energy Ltd.
Suite 780, 839-5th ave SW
Calgary, AB T2P 3C8

Attention: Sharon Supple
E-mail: ssupple@traverseenergy.com

with a copy to:

Attention: Daniel G. Kolibar
Facsimile:
E-mail : dkolibar@osler.com

(b) if to the Lender:

8th Ave Place,
Suite 600, 585 – 8th Ave SW (West Tower)
Calgary, AB T2P 1G1

Attention: Greg Steidl, Director Turnaround and Restructuring Group
E-mail: gsteidl@atb.com

with a copy to:

MLT Aikins LLP
Attention: Ryan Zahara
Email: rzahara@mltaikins.com
Facsimile: 403-508-4349

21. Words importing the singular number only, shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neutered genders and vice versa, and words importing person shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa.

22. The parties hereto will do, perform, execute and deliver all acts, deeds, documents and assurances as may be reasonably necessary from time to time to give full force and effect to the intent of this Amending Agreement.

23. Time is of the essence with respect to this Amending Agreement.

24. This Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and the successors and assigns of the parties hereto.

25. This Amending Agreement may be executed in any number of counterparts, by different parties in separate counterparts and by facsimile transmission or PDF, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

26. The Borrower represents, warrants and acknowledges to the Lender that it:

    (a) fully understands the terms of this Amending Agreement and the consequences of the execution and delivery of this Amending Agreement;

    (b) has been given the opportunity to have this Amending Agreement reviewed by such independent legal counsel as it may wish; and

    (c) has entered into this Amending Agreement and executed the same of its own free will and without threat, duress or other coercion of any kind by any person.

27. The Borrower shall from time to time do all such further acts and things and execute and deliver all such documents as are required in order to effect the full intent of and fully perform and carry out the terms of this Amending Agreement.

28. This Amending Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Amending Agreement to produce or account for more than one such counterpart. Such executed counterparts may be delivered by facsimile or other electronic transmission and, when so delivered, shall constitute a binding agreement of the parties hereto.

[remainder of the page left intentionally blank]

IN WITNESS WHEREOF the parties hereto have caused this Amending Agreement to be duly executed as of the 30th day of September, 2019.

ATB FINANCIAL

Per: ____________________________
Name:
Title:
I have the authority to bind the corporation.

Per: ____________________________
Name:
Title:
I have the authority to bind the corporation.

The Borrower:

TRAVERSE ENERGY LTD.

Per:
Name: LAURIE SMITH.
Title: PRESIDENT
I have the authority to bind the corporation.

Per:
Name: Sharon Supple
Title: Chief Financial Officer
I have the authority to bind the corporation.

IN WITNESS WHEREOF the parties hereto have caused this Amending Agreement to be duly executed as of the 30th day of September, 2019.

ATB FINANCIAL

Per: ______________________________
Name: Greg Steidl
Title: Director
I have the authority to bind the corporation.

Per: ______________________________
Name: Jenna Halwa
Title: Associate Director
I have the authority to bind the corporation.

The Borrower:

TRAVERSE ENERGY LTD.

Per: ______________________________
Name:
Title:
I have the authority to bind the corporation.

Per: ______________________________
Name:
Title:
I have the authority to bind the corporation.

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Schedule "A" – Amended Cash Flow Statement

	Q1 actual	Q2 actual	July	August	September	October	November	December
Days	90	91	31	31	30	31	30	31
Oil bbls/day	215	197	184	175	175	175	170	170
NGL bbls/day	22	15	15	15	15	15	15	15
Gas mcf/day	1,629	1,108	1,200	1,200	1,200	1,200	1,200	1,200
BOE/day	508	396	399	390	390	390	385	385
Oil $/bbl - Streamline forecast	58.04	68.51	62.03	63.20	55.88	64.53	63.00	60.99
NGL $/bbl	36.97	28.10	24.72	24.00	24.00	24.00	24.00	24.00
Gas $/mcf	2.63	1.21	1.39	0.89	0.36	1.83	2.08	2.49
Gas 5a $/GJ - Streamline forecast	-	-	1.23	0.79	0.32	1.63	1.85	2.21
Revenue	$ 1,582,384	$ 1,386,564	$ 417,157	$ 404,250	$ 374,630	$ 429,451	$ 407,025	$ 425,066
Royalties	25,367	67,978	21,043	18,249	17,888	19,488	18,208	18,662
Operating	835,291	742,477	228,964	221,152	224,610	246,597	215,610	230,047
Net production funds	$ 721,726	$ 576,109	$ 167,150	$ 164,849	$ 132,133	$ 163,366	$ 173,207	$ 176,357
G&A	255,386	258,866	77,500	85,000	80,000	80,000	85,000	84,000
Interest bank	87,432	86,811	29,675	30,000	30,000	30,000	30,000	29,000
Bank renewal	-	15,000	-	-	-	-	-	-
Standby	2,030	2,011	-	-	-	-	-	-
Interest lease liability	3,622	3,314	1,036	1,000	1,000	900	900	900
Corporate	348,470	366,002	108,211	116,000	111,000	110,900	115,900	113,900
Strategic process - GMP & Sayer	-	83,445	21,339	7,958	-	-	-	-
Cash flow	373,256	126,662	37,600	40,891	21,133	52,466	57,307	62,457
Capital								
Land purchases	58,781	47,228	-	-	-	-	-	-
Undeveloped rentals	66,319	37,072	22,512	13,904	7,392	21,302	17,904	17,920
Geology	85,926	50,882	-	-	-	-	-	-
Pre drill locations	12,560	6,564	-	-	-	-	-	-
Chigwell well	14,795	71,504	1,275	10,000	10,000	-	-	-
ARO	12,463	22,577	13,206	2,563	8,000	5,000	20,000	15,000
Capital total	250,844	235,827	36,993	26,467	25,392	26,302	37,904	32,920
Lease liability *(office base rent)*	23,378	23,686	7,964	8,000	8,000	8,100	8,100	8,100
Net funds available	99,034	(132,851)	(7,357)	6,424	(12,260)	18,064	11,303	21,437
W/C open	(6,673,385)	(6,670,985)						
Add lease liability current	(96,634)	(1,274)						
W/C end	(6,670,985)	(6,805,110)						

W/C includes $65,000 accrued A/P questionable

2019-09-15 A

THIS IS EXHIBIT "E" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta
SYDNEY L. THOMSON
STUDENT-AT-LAW

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

Date of Search: 2019/11/27
Time of Search: 11:59 AM
Search provided by: MLT AIKINS LLP (CALGARY)
Service Request Number: 32092818
Customer Reference Number: 114153.20

Corporate Access Number: 2017921574
Legal Entity Name: TRAVERSE ENERGY LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2014/01/01 YYYY/MM/DD

Registered Office:
Street: 2500, 450 - 1ST STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 5H1

Records Address:
Street: 2500, 450 - 1ST STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 5H1

Directors:

Last Name: ERICKSON
First Name: DAVID
Middle Name: H.
Street/Box Number: 780, 839 - 5TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3C8

Last Name: HUTCHINSON
First Name: J.
Middle Name: REID

Street/Box Number: 5075 NORRIS ROAD N.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2K 5R6

Last Name: LIBIN
First Name: ROBERT
Middle Name: M.
Street/Box Number: 3200, 255 - 5 AVENUE SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3G6

Last Name: SMITH
First Name: LAURIE
Middle Name: J.
Street/Box Number: 808 COUNTRY HILLS COURT N.W.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 3Z5

Last Name: VAN DER LEE
First Name: A.
Middle Name: DAVID
Street/Box Number: 3014 - 2ND STREET S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2S 1T3

Last Name: WELLS
First Name: ADAM
Middle Name: O.
Street/Box Number: 22 ROSELAWN CRESCENT NW
City: CALGARY
Province: ALBERTA
Postal Code: T2K 1K6

Transfer Agents:

Legal Entity Name: COMPUTERSHARE TRUST COMPANY OF CANADA
Corporate Access Number: 309229359
Street: 600, 530 - 8 AVENUE SW
City: CALGARY
Province: ALBERTA

Postal Code: T2P 3S8

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure:	SHARE STRUCTURE SCHEDULE ATTACHED
Share Transfers Restrictions:	NONE
Min Number Of Directors:	3
Max Number Of Directors:	7
Business Restricted To:	NONE
Business Restricted From:	NONE
Other Provisions:	OTHER PROVISIONS SCHEDULE ATTACHED

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
2012438699	DLS ENERGY LTD.
2015094861	TRAVERSE ENERGY LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2019	2019/01/28

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/01/01	Amalgamate Alberta Corporation
2015/04/27	Change Address
2019/01/28	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2019/05/24	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/01/01

Other Rules or Provisions	ELECTRONIC	2014/01/01
Statutory Declaration	10000306102606303	2014/01/01

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

THIS IS EXHIBIT "F" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

GENERAL SECURITY AGREEMENT

Non-Consumer

TO: Alberta Treasury Branches
("**ATB**")

BRANCH: 600, 444 - 7th Ave SW, Calgary, Alberta T2P 0X8

FROM: Traverse Energy Ltd., Suite 800, 839 - Fifth Avenue SW, Calgary, Alberta, T2P 3C8 (the "**Debtor**")

1. DEFINITIONS

All capitalized terms used in this Agreement and in any schedules attached hereto shall, except where defined herein, be interpreted pursuant to their respective meanings when used in the *Personal Property Security Act* (the "**PPSA**") of the province or territory referred to in the "Governing Law" section of this Agreement (the "**Province**") and any regulations issued thereunder.

2. SECURITY INTEREST AND CHARGE

(a) As general and continuing collateral security for the payment and performance of all debts, liabilities and obligations of the Debtor to ATB howsoever arising, both present and future, absolute and contingent, direct and indirect, matured or not, and whether the Debtor be bound alone or jointly or severally with others (the "**Indebtedness**"), the Debtor hereby assigns and grants a mortgage, pledge, charge and security interest (which, in the case of any real property and any other Collateral (as hereinafter defined) not subject to the PPSA, shall be a mortgage as and by way of a floating charge) to and in favour of ATB in all property, assets and undertaking of the Debtor referred to in Schedule "A" (including all such property, assets and undertaking owned or leased by or licensed to the Debtor and in which the Debtor at any time has an interest or to which the Debtor is or at any time may become entitled) and in all Proceeds and renewals thereof, Accessions thereto and substitutions therefor (herein collectively called the "**Collateral** ").

(b) The assignments, mortgages, pledges, charges, security interests and floating charges (if applicable) granted hereunder are hereinafter collectively called the "**Security Interests**". The Debtor warrants and acknowledges to and in favour of ATB that:

(i) the Debtor has rights in all existing Collateral and the parties intend the Security Interest hereby created in any of the Debtor's existing property which is subject to the PPSA to attach upon execution and delivery hereof;

(ii) the parties intend the Security Interest created in any of the Debtor's after-acquired property which is subject to the PPSA to attach at the same time as it acquires rights in the after-acquired property; and

(iii) value has been given.

(c) For greater certainty, where the Collateral includes all of the Debtor's present and after-acquired Personal Property, and any of such Collateral is or becomes located on lands or premises leased or subleased by the Debtor, the Collateral includes the Debtor's interest as tenant or lessee under any and all of such leases and subleases of the lands or premises.

(d) The last day of any term reserved by any lease or agreement to lease is excepted out of the Security Interest and does not form part of the Collateral, but the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

12. ACCELERATION

In the event of Default, ATB, in its sole discretion, may without demand or notice of any kind, declare all or any of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable. The provisions of this section are not intended in any way to affect any rights of ATB with respect to any Indebtedness which may now or hereafter be payable on demand.

13. NOTICE

Any notice or demand required or permitted to be made or given by ATB to the Debtor may be validly served by delivering the same or by mailing the same prepaid registered mail, addressed to the Debtor at the last known address of the Debtor or of any officer or director thereof, as shown on the records of ATB, and in the case of mailing, such notice or demand shall be deemed to have been received by the Debtor on the third business day following the date of mailing.

14. COSTS AND EXPENSES

The Debtor agrees to pay all reasonable costs, charges and expenses incurred by ATB or any Receiver appointed by it (including without restricting the generality of the foregoing, legal costs as between a solicitor and his own client on a full indemnity basis and also an allowance for the time, work and expenses of ATB or any agent, solicitor, or servant of ATB for any purpose herein provided at such rates as ATB may establish in its sole discretion from time to time) in preparing, registering or enforcing this Agreement, taking custody of, preserving, maintaining, repairing, processing, preparing for disposing of the Collateral and in enforcing or collecting the Indebtedness, and all such costs, charges and expenses shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.

15. REAL PROPERTY (ONLY APPLICABLE IF OPTION (b) IN SCHEDULE A HAS BEEN SELECTED OR DEEMED TO HAVE BEEN SELECTED)

(a) For all purposes, including for the purposes of any application to register a crystallized floating charge under the *Land Title Act* (British Columbia) against any real property, the floating charge created by this Agreement shall be crystallized and become a fixed charge against all of the property which is then subject to the floating charge upon the earliest of:

- (i) any one of the events described in Section 7 hereof occurring;
- (ii) a declaration by ATB pursuant to Section 12 or a demand for payment otherwise being made by ATB;
- (iii) ATB taking any action to appoint a Receiver or to enforce its Security Interest or to realize upon all or any part of the Collateral; or
- (iv) ATB taking any action to register the floating charge granted hereunder or any caveat, security notice or other instrument in respect thereof against all or any part of the property which was subject to the floating charge at any real property registry or other similar office.

(b) In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this Agreement.

16. REGISTRATION

The Debtor will ensure that this Agreement and all such supplementary and corrective instruments and any additional mortgage and security documents, and all documents, caveats, cautions, security notices and financing statements in respect thereof, are promptly filed and refiled, registered and re-registered and deposited and re-deposited, in such manner, in such offices and places, and at such times and as often as may be required by applicable law or as may be necessary or desirable to perfect and preserve the Security Interests as a first priority mortgage, charge and security interest and the rights conferred or intended to be conferred upon ATB by the Security Interests and will cause to be furnished promptly to ATB evidence satisfactory to ATB of such filing, registering and depositing.

17. MISCELLANEOUS

(a) Without limiting any other right of ATB, whenever the debts and liabilities of the Debtor to ATB are immediately due and payable, or ATB has the right to declare the debts and liabilities to be immediately due and payable, whether or not it has so declared, ATB may, in its sole discretion, set-off against the debts and liabilities any and all monies then owed to the Debtor by ATB in any capacity, whether due or not due, and ATB shall be deemed to have exercised such right of set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on ATB's records subsequent thereto.

(b) ATB may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as ATB may see fit without prejudice to the liability of the Debtor or to ATB's right to hold and realize the Security Interest. ATB may demand, collect and sue on the Collateral in either the Debtor's or ATB's name, at ATB's option, and may endorse the Debtor's name on any and all cheques, commercial paper and any other instruments pertaining to or constituting Collateral and for this purpose, the Debtor irrevocably authorizes and appoints ATB as its attorney and agent, with full power of substitution. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created by this Agreement are released.

(c) Upon the Debtor's failure to perform any of its obligations under this Agreement, ATB may, but shall not be required to, perform any such obligations, and the Debtor will pay to ATB, upon demand, an amount equal to the expense incurred by ATB in so doing with interest thereon from the date such expense is incurred at a rate equal to the highest rate of interest payable by the Debtor on any portion of the Indebtedness.

(d) This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of ATB. In any action brought by an assignee of this Agreement or the Security Interest created hereunder or any part thereof, the Debtor shall not assert against the assignee any claim or defense which the Debtor now has or hereafter may have against ATB.

(e) If more than one person executes this Agreement as the Debtor:

(i) the obligations of such persons hereunder shall be joint and several;

(ii) the Security Interests shall secure the Indebtedness of each Debtor, whether or not any other Debtor or any other person is also liable therefor; and

(iii) the Collateral shall include the interest of any Debtor in the property, assets and undertaking constituting Collateral owned or otherwise held by such Debtor, whether or not any other Debtor also has an interest therein.

(f) The Debtor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the Security Interests granted hereby:

(i) shall extend and attach to "Collateral" (as that term is herein defined) owned by each of the amalgamating corporations and the amalgamated corporation at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated corporation; and

(ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating corporations and the amalgamated corporation to ATB at the time of amalgamation and any "Indebtedness" of the amalgamated corporation to ATB thereafter arising.

(g) This Agreement is in addition to and not in substitution for any other security or securities now or hereafter held by ATB and all such other securities shall remain in full force and effect. ATB will not be obliged to exhaust its recourse against the Debtor or any other person or against any other security it may hold in respect of the Indebtedness before realizing upon or otherwise dealing with the Collateral in such manner as ATB may consider desirable.

(h) The Debtor further agrees to execute and deliver to ATB such further assurances and conveyances and supplemental deeds and instruments as may be necessary to properly carry out the intention of this Agreement, as determined by ATB, or as may be required by ATB from time to time, in each case acting reasonably.

(i) After Default, ATB may from time to time apply and re-apply, notwithstanding any previous application, in any such manner as it, in its sole discretion, sees fit, any monies received by it from the Debtor or as a result of any enforcement or recovery proceedings, in or toward payment of any portion of the Indebtedness. The Debtor will remain liable for any Indebtedness that is outstanding following realization of all or any part of the Collateral and the application of the proceeds thereof.

(j) In the event that the Debtor is a body corporate, it is hereby agreed that *The Limitation of Civil Rights Act* (Saskatchewan), or any provision thereof, shall have no application to this Agreement or any agreement or instrument renewing or extending or collateral to this Agreement. In the event that the Debtor is an agricultural corporation within the meaning of *The Saskatchewan Farm Security Act* (Saskatchewan), the Debtor agrees with ATB that all of Part IV (other than Section 46) of that Act shall not apply to the Debtor.

(k) In the event that the Debtor is a body corporate, the Debtor further agrees that *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to an action, as defined in that Act, with respect to this Agreement.

(l) For the purpose of assisting ATB in assessing the creditworthiness of the Debtor or the ownership or description of any of the Collateral, and for the purpose of collecting all or any portion of the Indebtedness owing by the Debtor to ATB, the Debtor consents to the disclosure and release to ATB of personal information, including without limitation, motor vehicle information from Alberta Registries (or any other provincial government department having jurisdiction in that area). This consent is effective from the effective date of this Agreement and shall remain in effect until all Indebtedness is fully satisfied.

18. INTERPRETATION

(a) If a portion of this Agreement is wholly or partially invalid, then this Agreement will be interpreted as if the invalid portion had not been a part of it.

(b) Where the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary depending upon the person referred to being male, female or body corporate.

19. GOVERNING LAW

This Agreement will be interpreted in accordance with the laws of the Province of Alberta, and the Debtor irrevocably agrees that any suit or proceeding with respect to any matters arising out of or in connection with this Agreement may be brought in the courts of such Province or in any court of competent jurisdiction, as ATB may elect, and the Debtor agrees to attorn to the same.

20. COPY OF AGREEMENT

The Debtor hereby acknowledges receipt of a copy of this Agreement, and waives any right it may have to receive a Financing Statement, Financing Change Statement or Verification Statement relating to it.

IN WITNESS WHEREOF the Debtor has executed this Agreement this 10 day of August, 2009.

WITNESS:

Traverse Energy Ltd.

By:
Name: LAURIE SMITH
Title: PRESIDENT & CEO

By:
Name: SHARON SUPPLE
Title: Chief Financial Officer

Full Address of Debtor:
Suite 800, 839 - Fifth Avenue SW
Calgary, Alberta
T2P 3C8

Full List of all prior names by which Debtor has been known (whether by way of name change, amalgamation or otherwise):
Firstland Energy Ltd.

SCHEDULE A

Description of Collateral:

Select appropriate box or boxes. **If no box is selected, the Debtor shall be deemed to have selected box (b).**

☐ (a) All of the Debtor's present and after-acquired Personal Property.

☒ (b) All of the Debtor's present and after-acquired property, assets and undertaking, including without limitation all present and after-acquired Personal Property, and all present and after-acquired real, immoveable and leasehold property.

☐ (c) All of the Debtor's present and after-acquired Personal Property except :

☐ (d) All of the Debtor's equipment of whatever kind and wherever situated including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatever nature.

☐ (e) All Accounts, Instruments, debts and Chattel Paper which are now due, owing or accruing due, or which may hereafter become due, owing or accruing due, to the Debtor, together with all records (whether in writing or not) and other documents of any kind which in any way evidence or relate to any or all of the Accounts, Instruments, debts or Chattel Paper.

☐ (f) All of the Debtor's present and after-acquired Inventory, wherever located.

☐ (g) The following described Personal Property of the Debtor:

☐ (h) All harvested and unharvested crops whether growing or matured, and whether grain, roots, seeds, leaves or otherwise howsoever, and any interest of the Debtor therein, wherever located.

☐ (i) All of the Debtor's , ma le or female, born or unborn, branded or unbranded, of whatever age or stage of growth, wherever located.

Listing of Serial Numbers:

The registration mark (for aircraft only) and the serial numbers or vehicle identification numbers of any motor vehicles, trailers, mobile homes, manufactured homes, boats, outboard motors for boats, or aircraft (other than those held as Inventory for sale or lease by the Debtor) constituting Collateral are as follows:

Make	Model	Year of Manufacture	Serial Number (and Registration Mark for aircraft only)

Locations of Collateral:

The Collateral is located at the following location(s):

SCHEDULE B
PERMITTED ENCUMBRANCES

THIS IS EXHIBIT "**G**" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

ISDA®

International Swaps and Derivatives Association, Inc.

2002 MASTER AGREEMENT

dated as of November 8, 2012

TRAVERSE ENERGY LTD. And ALBERTA TREASURY BRANCHES

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this 2002 Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties or otherwise effective for the purpose of confirming or evidencing those Transactions. This 2002 Master Agreement and the Schedule are together referred to as this "Master Agreement".

Accordingly, the parties agree as follows:

1. Interpretation

(a) ***Definitions.*** The terms defined in Section 14 and elsewhere in this Master Agreement will have the meanings therein specified for the purpose of this Master Agreement.

(b) ***Inconsistency.*** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement, such Confirmation will prevail for the purpose of the relevant Transaction.

(c) ***Single Agreement.*** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) ***General Conditions.***

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other condition specified in this Agreement to be a condition precedent for the purpose of this Section 2(a)(iii).

(b) ***Change of Account.*** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the Scheduled Settlement Date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) ***Netting of Payments.*** If on any date amounts would otherwise be payable:—

(i) in the same currency; and

(ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by which the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount and payment obligation will be determined in respect of all amounts payable on the same date in the same currency in respect of those Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or any Confirmation by specifying that "Multiple Transaction Payment Netting" applies to the Transactions identified as being subject to the election (in which case clause (ii) above will not apply to such Transactions). If Multiple Transaction Payment Netting is applicable to Transactions, it will apply to those Transactions with effect from the starting date specified in the Schedule or such Confirmation, or, if a starting date is not specified in the Schedule or such Confirmation, the starting date otherwise agreed by the parties in writing. This election may be made separately for different groups of Transactions and will apply separately to each pairing of Offices through which the parties make and receive payments or deliveries.

(d) ***Deduction or Withholding for Tax.***

(i) ***Gross-Up.*** All payments under this Agreement will be made without any deduction or withholding for or on account of any Tax unless such deduction or withholding is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, then in effect. If a party is so required to deduct or withhold, then that party ("X") will:—

(1) promptly notify the other party ("Y") of such requirement;

(2) pay to the relevant authorities the full amount required to be deducted or withheld (including the full amount required to be deducted or withheld from any additional amount paid by X to Y under this Section 2(d)) promptly upon the earlier of determining that such deduction or withholding is required or receiving notice that such amount has been assessed against Y;

(3) promptly forward to Y an official receipt (or a certified copy), or other documentation reasonably acceptable to Y, evidencing such payment to such authorities; and

(4) if such Tax is an Indemnifiable Tax, pay to Y, in addition to the payment to which Y is otherwise entitled under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by Y (free and clear of Indemnifiable Taxes, whether assessed against

X or Y) will equal the full amount Y would have received had no such deduction or withholding been required. However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:—

(A) the failure by Y to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d); or

(B) the failure of a representation made by Y pursuant to Section 3(f) to be accurate and true unless such failure would not have occurred but for (I) any action taken by a taxing authority, or brought in a court of competent jurisdiction, after a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (II) a Change in Tax Law.

(ii) ***Liability.*** If:—

(1) X is required by any applicable law, as modified by the practice of any relevant governmental revenue authority, to make any deduction or withholding in respect of which X would not be required to pay an additional amount to Y under Section 2(d)(i)(4);

(2) X does not so deduct or withhold; and

(3) a liability resulting from such Tax is assessed directly against X,

then, except to the extent Y has satisfied or then satisfies the liability resulting from such Tax, Y will promptly pay to X the amount of such liability (including any related liability for interest, but including any related liability for penalties only if Y has failed to comply with or perform any agreement contained in Section 4(a)(i), 4(a)(iii) or 4(d)).

3. Representations

Each party makes the representations contained in Sections 3(a), 3(b), 3(c), 3(d), 3(e) and 3(f) and, if specified in the Schedule as applying, 3(g) to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into and, in the case of the representations in Section 3(f), at all times until the termination of this Agreement). If any "Additional Representation" is specified in the Schedule or any Confirmation as applying, the party or parties specified for such Additional Representation will make and, if applicable, be deemed to repeat such Additional Representation at the time or times specified for such Additional Representation.

(a) ***Basic Representations.***

(i) ***Status.*** It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;

(ii) ***Powers.*** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;

(iii) ***No Violation or Conflict.*** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) ***Consents.*** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) ***Obligations Binding.*** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) ***Absence of Certain Events.*** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) ***Absence of Litigation.*** There is not pending or, to its knowledge, threatened against it, any of its Credit Support Providers or any of its applicable Specified Entities any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) ***Accuracy of Specified Information.*** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

(e) ***Payer Tax Representation.*** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(e) is accurate and true.

(f) ***Payee Tax Representations.*** Each representation specified in the Schedule as being made by it for the purpose of this Section 3(f) is accurate and true.

(g) ***No Agency.*** It is entering into this Agreement, including each Transaction, as principal and not as agent of any person or entity.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) ***Furnish Specified Information.*** It will deliver to the other party or, in certain cases under clause (iii) below, to such government or taxing authority as the other party reasonably directs:—

(i) any forms, documents or certificates relating to taxation specified in the Schedule or any Confirmation;

(ii) any other documents specified in the Schedule or any Confirmation; and

(iii) upon reasonable demand by such other party, any form or document that may be required or reasonably requested in writing in order to allow such other party or its Credit Support Provider to make a payment under this Agreement or any applicable Credit Support Document without any deduction or withholding for or on account of any Tax or with such deduction or withholding at a reduced rate (so long as the completion, execution or submission of such form or document would not materially prejudice the legal or commercial position of the party in receipt of such demand), with any such form or document to be accurate and completed in a manner reasonably satisfactory to such other party and to be executed and to be delivered with any reasonably required certification,

in each case by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) ***Maintain Authorisations.*** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) ***Comply With Laws.*** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

(d) ***Tax Agreement.*** It will give notice of any failure of a representation made by it under Section 3(f) to be accurate and true promptly upon learning of such failure.

(e) ***Payment of Stamp Tax.*** Subject to Section 11, it will pay any Stamp Tax levied or imposed upon it or in respect of its execution or performance of this Agreement by a jurisdiction in which it is incorporated, organised, managed and controlled or considered to have its seat, or where an Office through which it is acting for the purpose of this Agreement is located ("Stamp Tax Jurisdiction"), and will indemnify the other party against any Stamp Tax levied or imposed upon the other party or in respect of the other party's execution or performance of this Agreement by any such Stamp Tax Jurisdiction which is not also a Stamp Tax Jurisdiction with respect to the other party.

5. Events of Default and Termination Events

(a) ***Events of Default.*** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes (subject to Sections 5(c) and 6(e)(iv)) an event of default (an "Event of Default") with respect to such party:—

(i) ***Failure to Pay or Deliver.*** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 9(h)(i)(2) or (4) required to be made by it if such failure is not remedied on or before the first Local Business Day in the case of any such payment or the first Local Delivery Day in the case of any such delivery after, in each case, notice of such failure is given to the party;

(ii) ***Breach of Agreement; Repudiation of Agreement.***

(1) Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 9(h)(i)(2) or (4) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)(i), 4(a)(iii) or 4(d)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied within 30 days after notice of such failure is given to the party; or

(2) the party disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, this Master Agreement, any Confirmation executed and delivered by that party or any Transaction evidenced by such a Confirmation (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(iii) ***Credit Support Default.***

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with

any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document, or any security interest granted by such party or such Credit Support Provider to the other party pursuant to any such Credit Support Document, to be in full force and effect for the purpose of this Agreement (in each case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(iv) ***Misrepresentation.*** A representation (other than a representation under Section 3(e) or 3(f)) made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) ***Default Under Specified Transaction.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) defaults (other than by failing to make a delivery) under a Specified Transaction or any credit support arrangement relating to a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction;

(2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment due on the last payment or exchange date of, or any payment on early termination of, a Specified Transaction (or, if there is no applicable notice requirement or grace period, such default continues for at least one Local Business Day);

(3) defaults in making any delivery due under (including any delivery due on the last delivery or exchange date of) a Specified Transaction or any credit support arrangement relating to a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, such default results in a liquidation of, an acceleration of obligations under, or an early termination of, all transactions outstanding under the documentation applicable to that Specified Transaction; or

(4) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, a Specified Transaction or any credit support arrangement relating to a Specified Transaction that is, in either case, confirmed or evidenced by a document or other confirming evidence executed and delivered by that party, Credit Support Provider or Specified Entity (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) ***Cross-Default.*** If "Cross-Default" is specified in the Schedule as applying to the party, the occurrence or existence of:—

(1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) where the aggregate principal amount of such agreements or instruments, either alone or together with the amount, if any, referred to in clause (2) below, is not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments before it would otherwise have been due and payable; or

(2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments under such agreements or instruments on the due date for payment (after giving effect to any applicable notice requirement or grace period) in an aggregate amount, either alone or together with the amount, if any, referred to in clause (1) above, of not less than the applicable Threshold Amount;

(vii) ***Bankruptcy.*** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) *Merger Without Assumption.* The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, or reorganises, reincorporates or reconstitutes into or as, another entity and, at the time of such consolidation, amalgamation, merger, transfer, reorganisation, reincorporation or reconstitution:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) *Termination Events.* The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes (subject to Section 5(c)) an Illegality if the event is specified in clause (i) below, a Force Majeure Event if the event is specified in clause (ii) below, a Tax Event if the event is specified in clause (iii) below, a Tax Event Upon Merger if the event is specified in clause (iv) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to clause (v) below or an Additional Termination Event if the event is specified pursuant to clause (vi) below:—

(i) *Illegality.* After giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, the relevant Confirmation or elsewhere in this Agreement, due to an event or circumstance (other than any action taken by a party or, if applicable, any Credit Support Provider of such party) occurring after a Transaction is entered into, it becomes unlawful under any applicable law (including without limitation the laws of any country in which payment, delivery or compliance is required by either party or any Credit Support Provider, as the case may be), on any day, or it would be unlawful if the relevant payment, delivery or compliance were required on that day (in each case, other than as a result of a breach by the party of Section 4(b)):—

(1) for the Office through which such party (which will be the Affected Party) makes and receives payments or deliveries with respect to such Transaction to perform any absolute or contingent obligation to make a payment or delivery in respect of such Transaction, to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) for such party or any Credit Support Provider of such party (which will be the Affected Party) to perform any absolute or contingent obligation to make a payment or delivery which such party or Credit Support Provider has under any Credit Support Document relating to such Transaction, to receive a payment or delivery under such Credit Support Document or to comply with any other material provision of such Credit Support Document;

(ii) *Force Majeure Event.* After giving effect to any applicable provision, disruption fallback or remedy specified in, or pursuant to, the relevant Confirmation or elsewhere in this Agreement, by reason of force majeure or act of state occurring after a Transaction is entered into, on any day:—

(1) the Office through which such party (which will be the Affected Party) makes and receives payments or deliveries with respect to such Transaction is prevented from performing any absolute or contingent obligation to make a payment or delivery in respect of such Transaction, from receiving a payment or delivery in respect of such Transaction or from complying with any other material provision of this Agreement relating to such Transaction (or would be so prevented if such payment, delivery or compliance were required on that day), or it becomes impossible or impracticable for such Office so to perform, receive or comply (or it would be impossible or

impracticable for such Office so to perform, receive or comply if such payment, delivery or compliance were required on that day); or

(2) such party or any Credit Support Provider of such party (which will be the Affected Party) is prevented from performing any absolute or contingent obligation to make a payment or delivery which such party or Credit Support Provider has under any Credit Support Document relating to such Transaction, from receiving a payment or delivery under such Credit Support Document or from complying with any other material provision of such Credit Support Document (or would be so prevented if such payment, delivery or compliance were required on that day), or it becomes impossible or impracticable for such party or Credit Support Provider so to perform, receive or comply (or it would be impossible or impracticable for such party or Credit Support Provider so to perform, receive or comply if such payment, delivery or compliance were required on that day),

so long as the force majeure or act of state is beyond the control of such Office, such party or such Credit Support Provider, as appropriate, and such Office, party or Credit Support Provider could not, after using all reasonable efforts (which will not require such party or Credit Support Provider to incur a loss, other than immaterial, incidental expenses), overcome such prevention, impossibility or impracticability;

(iii) ***Tax Event.*** Due to (1) any action taken by a taxing authority, or brought in a court of competent jurisdiction, after a Transaction is entered into (regardless of whether such action is taken or brought with respect to a party to this Agreement) or (2) a Change in Tax Law, the party (which will be the Affected Party) will, or there is a substantial likelihood that it will, on the next succeeding Scheduled Settlement Date (A) be required to pay to the other party an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 9(h)) or (B) receive a payment from which an amount is required to be deducted or withheld for or on account of a Tax (except in respect of interest under Section 9(h)) and no additional amount is required to be paid in respect of such Tax under Section 2(d)(i)(4) (other than by reason of Section 2(d)(i)(4)(A) or (B));

(iv) ***Tax Event Upon Merger.*** The party (the "Burdened Party") on the next succeeding Scheduled Settlement Date will either (1) be required to pay an additional amount in respect of an Indemnifiable Tax under Section 2(d)(i)(4) (except in respect of interest under Section 9(h)) or (2) receive a payment from which an amount has been deducted or withheld for or on account of any Tax in respect of which the other party is not required to pay an additional amount (other than by reason of Section 2(d)(i)(4)(A) or (B)), in either case as a result of a party consolidating or amalgamating with, or merging with or into, or transferring all or substantially all its assets (or any substantial part of the assets comprising the business conducted by it as of the date of this Master Agreement) to, or reorganising, reincorporating or reconstituting into or as, another entity (which will be the Affected Party) where such action does not constitute a Merger Without Assumption;

(v) ***Credit Event Upon Merger.*** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, a Designated Event (as defined below) occurs with respect to such party, any Credit Support Provider of such party or any applicable Specified Entity of such party (in each case, "X") and such Designated Event does not constitute a Merger Without Assumption, and the creditworthiness of X or, if applicable, the successor, surviving or transferee entity of X, after taking into account any applicable Credit Support Document, is materially weaker immediately after the occurrence of such Designated Event than that of X immediately prior to the occurrence of such Designated Event (and, in any such event, such party or its successor, surviving or transferee entity, as appropriate, will be the Affected Party). A "Designated Event" with respect to X means that:—

(1) X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets (or any substantial part of the assets comprising the business conducted by X as of the date of this Master Agreement) to, or reorganises, reincorporates or reconstitutes into or as, another entity;

(2) any person, related group of persons or entity acquires directly or indirectly the beneficial ownership of (A) equity securities having the power to elect a majority of the board of directors (or its equivalent) of X or (B) any other ownership interest enabling it to exercise control of X; or

(3) X effects any substantial change in its capital structure by means of the issuance, incurrence or guarantee of debt or the issuance of (A) preferred stock or other securities convertible into or exchangeable for debt or preferred stock or (B) in the case of entities other than corporations, any other form of ownership interest; or

(vi) *Additional Termination Event.* If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties will be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) ***Hierarchy of Events.***

(i) An event or circumstance that constitutes or gives rise to an Illegality or a Force Majeure Event will not, for so long as that is the case, also constitute or give rise to an Event of Default under Section 5(a)(i), 5(a)(ii)(1) or 5(a)(iii)(1) insofar as such event or circumstance relates to the failure to make any payment or delivery or a failure to comply with any other material provision of this Agreement or a Credit Support Document, as the case may be.

(ii) Except in circumstances contemplated by clause (i) above, if an event or circumstance which would otherwise constitute or give rise to an Illegality or a Force Majeure Event also constitutes an Event of Default or any other Termination Event, it will be treated as an Event of Default or such other Termination Event, as the case may be, and will not constitute or give rise to an Illegality or a Force Majeure Event.

(iii) If an event or circumstance which would otherwise constitute or give rise to a Force Majeure Event also constitutes an Illegality, it will be treated as an Illegality, except as described in clause (ii) above, and not a Force Majeure Event.

(d) ***Deferral of Payments and Deliveries During Waiting Period.*** If an Illegality or a Force Majeure Event has occurred and is continuing with respect to a Transaction, each payment or delivery which would otherwise be required to be made under that Transaction will be deferred to, and will not be due until:—

(i) the first Local Business Day or, in the case of a delivery, the first Local Delivery Day (or the first day that would have been a Local Business Day or Local Delivery Day, as appropriate, but for the occurrence of the event or circumstance constituting or giving rise to that Illegality or Force Majeure Event) following the end of any applicable Waiting Period in respect of that Illegality or Force Majeure Event, as the case may be; or

(ii) if earlier, the date on which the event or circumstance constituting or giving rise to that Illegality or Force Majeure Event ceases to exist or, if such date is not a Local Business Day or, in the case of a delivery, a Local Delivery Day, the first following day that is a Local Business Day or Local Delivery Day, as appropriate.

(e) ***Inability of Head or Home Office to Perform Obligations of Branch.*** If (i) an Illegality or a Force Majeure Event occurs under Section 5(b)(i)(1) or 5(b)(ii)(1) and the relevant Office is not the Affected Party's head or home office, (ii) Section 10(a) applies, (iii) the other party seeks performance of the relevant obligation or compliance with the relevant provision by the Affected Party's head or home office and (iv) the Affected Party's head or home office fails so to perform or comply due to the occurrence of an event or circumstance which would, if that head or home office were the Office through which the Affected Party makes and receives payments and deliveries with respect to the relevant Transaction, constitute or give rise to an Illegality or a Force Majeure Event, and such failure would otherwise constitute an Event of Default under Section 5(a)(i) or 5(a)(iii)(1) with respect to such party, then, for so long as the relevant event or circumstance continues to exist with respect to both the Office referred to in Section 5(b)(i)(1) or 5(b)(ii)(1), as the case may be, and the Affected Party's head or home office, such failure will not constitute an Event of Default under Section 5(a)(i) or 5(a)(iii)(1).

6. Early Termination; Close-Out Netting

(a) ***Right to Terminate Following Event of Default.*** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) ***Right to Terminate Following Termination Event.***

(i) ***Notice.*** If a Termination Event other than a Force Majeure Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction, and will also give the other party such other information about that Termination Event as the other party may reasonably require. If a Force Majeure Event occurs, each party will, promptly upon becoming aware of it, use all reasonable efforts to notify the other party, specifying the nature of that Force Majeure Event, and will also give the other party such other information about that Force Majeure Event as the other party may reasonably require.

(ii) ***Transfer to Avoid Termination Event.*** If a Tax Event occurs and there is only one Affected Party, or if a Tax Event Upon Merger occurs and the Burdened Party is the Affected Party, the Affected Party will, as a condition to its right to designate an Early Termination Date under Section 6(b)(iv), use all reasonable efforts (which will not require such party to incur a loss, other than immaterial, incidental expenses) to transfer within 20 days after it gives notice under Section 6(b)(i) all its rights and obligations under this Agreement in respect of the Affected Transactions to another of its Offices or Affiliates so that such Termination Event ceases to exist.

If the Affected Party is not able to make such a transfer it will give notice to the other party to that effect within such 20 day period, whereupon the other party may effect such a transfer within 30 days after the notice is given under Section 6(b)(i).

Any such transfer by a party under this Section 6(b)(ii) will be subject to and conditional upon the prior written consent of the other party, which consent will not be withheld if such other party's policies in effect at such time would permit it to enter into transactions with the transferee on the terms proposed.

(iii) ***Two Affected Parties.*** If a Tax Event occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice of such occurrence is given under Section 6(b)(i) to avoid that Termination Event.

(iv) ***Right to Terminate.***

(1) If:—

(A) a transfer under Section 6(b)(ii) or an agreement under Section 6(b)(iii), as the case may be, has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(B) a Credit Event Upon Merger or an Additional Termination Event occurs, or a Tax Event Upon Merger occurs and the Burdened Party is not the Affected Party,

the Burdened Party in the case of a Tax Event Upon Merger, any Affected Party in the case of a Tax Event or an Additional Termination Event if there are two Affected Parties, or the Non-affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, if the relevant Termination Event is then continuing, by not more than 20 days notice to the other party, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(2) If at any time an Illegality or a Force Majeure Event has occurred and is then continuing and any applicable Waiting Period has expired:—

(A) Subject to clause (B) below, either party may, by not more than 20 days notice to the other party, designate (I) a day not earlier than the day on which such notice becomes effective as an Early Termination Date in respect of all Affected Transactions or (II) by specifying in that notice the Affected Transactions in respect of which it is designating the relevant day as an Early Termination Date, a day not earlier than two Local Business Days following the day on which such notice becomes effective as an Early Termination Date in respect of less than all Affected Transactions. Upon receipt of a notice designating an Early Termination Date in respect of less than all Affected Transactions, the other party may, by notice to the designating party, if such notice is effective on or before the day so designated, designate that same day as an Early Termination Date in respect of any or all other Affected Transactions.

(B) An Affected Party (if the Illegality or Force Majeure Event relates to performance by such party or any Credit Support Provider of such party of an obligation to make any payment or delivery under, or to compliance with any other material provision of, the relevant Credit Support Document) will only have the right to designate an Early Termination Date under Section 6(b)(iv)(2)(A) as a result of an Illegality under Section 5(b)(i)(2) or a Force Majeure Event under Section 5(b)(ii)(2) following the prior designation by the other party of an Early Termination Date, pursuant to Section 6(b)(iv)(2)(A), in respect of less than all Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or 6(b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 9(h)(i) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date will be determined pursuant to Sections 6(e) and 9(h)(ii).

(d) ***Calculations; Payment Date.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including any quotations, market data or information from internal sources used in making such calculations), (2) specifying (except where there are two Affected Parties) any Early Termination Amount payable and (3) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation or market data obtained in determining a Close-out Amount, the records of the party obtaining such quotation or market data will be conclusive evidence of the existence and accuracy of such quotation or market data.

(ii) ***Payment Date.*** An Early Termination Amount due in respect of any Early Termination Date will, together with any amount of interest payable pursuant to Section 9(h)(ii)(2), be payable (1) on the day on which notice of the amount payable is effective in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default and (2) on the day which is two Local Business Days after the day on which notice of the amount payable is effective (or, if there are two Affected Parties, after the day on which the statement provided pursuant to clause (i) above by the second party to provide such a statement is effective) in the case of an Early Termination Date which is designated as a result of a Termination Event.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the amount, if any, payable in respect of that Early Termination Date (the "Early Termination Amount") will be determined pursuant to this Section 6(e) and will be subject to Section 6(f).

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default, the Early Termination Amount will be an amount equal to (1) the sum of (A) the Termination Currency Equivalent of the Close-out Amount or Close-out Amounts (whether positive or negative) determined by the Non-defaulting Party for each Terminated Transaction or group of Terminated Transactions, as the case may be, and (B) the Termination Currency Equivalent of the Unpaid Amounts owing to the Non-defaulting Party less (2) the Termination Currency Equivalent of the Unpaid Amounts owing to the Defaulting Party. If the Early Termination Amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of the Early Termination Amount to the Defaulting Party.

(ii) ***Termination Events.*** If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* Subject to clause (3) below, if there is one Affected Party, the Early Termination Amount will be determined in accordance with Section 6(e)(i), except that references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and to the Non-affected Party, respectively.

(2) *Two Affected Parties.* Subject to clause (3) below, if there are two Affected Parties, each party will determine an amount equal to the Termination Currency Equivalent of the sum of the Close-out Amount or Close-out Amounts (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions, as the case may be, and the Early Termination Amount will be an amount equal to (A) the sum of (I) one-half of the difference between the higher amount so determined (by party "X") and the lower amount so determined (by party "Y") and (II) the Termination Currency Equivalent of the Unpaid Amounts owing to X less (B) the Termination Currency Equivalent of the Unpaid Amounts owing to Y. If the Early Termination Amount is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of the Early Termination Amount to Y.

(3) *Mid-Market Events.* If that Termination Event is an Illegality or a Force Majeure Event, then the Early Termination Amount will be determined in accordance with clause (1) or (2) above, as appropriate, except that, for the purpose of determining a Close-out Amount or Close-out Amounts, the Determining Party will:—

(A) if obtaining quotations from one or more third parties (or from any of the Determining Party's Affiliates), ask each third party or Affiliate (I) not to take account of the current creditworthiness of the Determining Party or any existing Credit Support Document and (II) to provide mid-market quotations; and

(B) in any other case, use mid-market values without regard to the creditworthiness of the Determining Party.

(iii) ***Adjustment for Bankruptcy.*** In circumstances where an Early Termination Date occurs because Automatic Early Termination applies in respect of a party, the Early Termination Amount will be subject to such adjustments as are appropriate and permitted by applicable law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) ***Adjustment for Illegality or Force Majeure Event.*** The failure by a party or any Credit Support Provider of such party to pay, when due, any Early Termination Amount will not constitute an Event of Default under Section 5(a)(i) or 5(a)(iii)(1) if such failure is due to the occurrence of an event or circumstance which would, if it occurred with respect to payment, delivery or compliance related to a Transaction, constitute or give rise to an Illegality or a Force Majeure Event. Such amount will (1) accrue interest and otherwise be treated as an Unpaid Amount owing to the other party if subsequently an Early Termination Date results from an Event of Default, a Credit Event Upon Merger or an Additional Termination Event in respect of which all outstanding Transactions are Affected Transactions and (2) otherwise accrue interest in accordance with Section 9(h)(ii)(2).

(v) ***Pre-Estimate.*** The parties agree that an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks, and, except as otherwise provided in this Agreement, neither party will be entitled to recover any additional damages as a consequence of the termination of the Terminated Transactions.

(f) ***Set-Off.*** Any Early Termination Amount payable to one party (the "Payee") by the other party (the "Payer"), in circumstances where there is a Defaulting Party or where there is one Affected Party in the case where either a Credit Event Upon Merger has occurred or any other Termination Event in respect of which all outstanding Transactions are Affected Transactions has occurred, will, at the option of the Non-defaulting Party or the Non-affected Party, as the case may be ("X") (and without prior notice to the Defaulting Party or the Affected Party, as the case may be), be reduced by its set-off against any other amounts ("Other Amounts") payable by the Payee to the Payer (whether or not arising under this Agreement, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation). To the extent that any Other Amounts are so set off, those Other Amounts will be discharged promptly and in all respects. X will give notice to the other party of any set-off effected under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Amounts (or the relevant portion of such amounts) may be converted by X into the currency in which the other is denominated at the rate of exchange at which such party would be able, in good faith and using commercially reasonable procedures, to purchase the relevant amount of such currency.

If an obligation is unascertained, X may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this Section 6(f) will be effective to create a charge or other security interest. This Section 6(f) will be without prejudice and in addition to any right of set-off, offset, combination of accounts, lien, right of retention or withholding or similar right or requirement to which any party is at any time otherwise entitled or subject (whether by operation of law, contract or otherwise).

7. Transfer

Subject to Section 6(b)(ii) and to the extent permitted by applicable law, neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any Early Termination Amount payable to it by a Defaulting Party, together with any amounts payable on or with respect to that interest and any other rights associated with that interest pursuant to Sections 8, 9(h) and 11.

Any purported transfer that is not in compliance with this Section 7 will be void.

8. Contractual Currency

(a) ***Payment in the Contractual Currency.*** Each payment under this Agreement will be made in the relevant currency specified in this Agreement for that payment (the "Contractual Currency"). To the extent permitted by applicable law, any obligation to make payments under this Agreement in the Contractual Currency will not be discharged or satisfied by any tender in any currency other than the Contractual Currency, except to the extent such tender results in the actual receipt by the party to which payment is owed, acting in good faith and using commercially reasonable procedures in converting the currency so tendered into the Contractual Currency, of the full amount in the Contractual Currency of all amounts payable in respect of this Agreement. If for any reason the amount in the Contractual Currency so received falls short of the amount in the Contractual Currency payable in respect of this Agreement, the party required to make the payment will, to the extent permitted by applicable law, immediately pay such additional amount in the Contractual Currency as may be necessary to compensate for the shortfall. If for any reason the amount in the Contractual Currency so received exceeds the amount in the Contractual Currency payable in respect of this Agreement, the party receiving the payment will refund promptly the amount of such excess.

(b) ***Judgments.*** To the extent permitted by applicable law, if any judgment or order expressed in a currency other than the Contractual Currency is rendered (i) for the payment of any amount owing in respect of this Agreement, (ii) for the payment of any amount relating to any early termination in respect of this Agreement or (iii) in respect of a judgment or order of another court for the payment of any amount described in clause (i) or (ii) above, the party seeking recovery, after recovery in full of the aggregate amount to which such party is entitled pursuant to the judgment or order, will be entitled to receive immediately from the other party the amount of any shortfall of the Contractual Currency received by such party as a consequence of sums paid in such other currency and will refund promptly to the other party any excess of the Contractual Currency received by such party as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between the rate of exchange at which the Contractual Currency is converted into the currency of the judgment or order for the purpose of such judgment or order and the rate of exchange at which such party is able, acting in good faith and using commercially reasonable procedures in converting the currency received into the Contractual Currency, to purchase the Contractual Currency with the amount of the currency of the judgment or order actually received by such party.

(c) ***Separate Indemnities.*** To the extent permitted by applicable law, the indemnities in this Section 8 constitute separate and independent obligations from the other obligations in this Agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the party to which any payment is owed and will not be affected by judgment being obtained or claim or proof being made for any other sums payable in respect of this Agreement.

(d) ***Evidence of Loss.*** For the purpose of this Section 8, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

9. Miscellaneous

(a) ***Entire Agreement.*** This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter. Each of the parties acknowledges that in entering into this Agreement it has not relied on any oral or written representation, warranty or other assurance (except as provided for or referred to in this Agreement) and waives all rights and remedies which might otherwise be available to it in respect thereof, except that nothing in this Agreement will limit or exclude any liability of a party for fraud.

(b) ***Amendments.*** An amendment, modification or waiver in respect of this Agreement will only be effective if in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system.

(c) ***Survival of Obligations.*** Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) ***Remedies Cumulative.*** Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) ***Counterparts and Confirmations.***

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission and by electronic messaging system), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation will be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes, by an exchange of electronic messages on an electronic messaging system or by an exchange of e-mails, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex, electronic message or e-mail constitutes a Confirmation.

(f) ***No Waiver of Rights.*** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) ***Headings.*** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

(h) ***Interest and Compensation.***

(i) ***Prior to Early Termination.*** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction:—

(1) *Interest on Defaulted Payments.* If a party defaults in the performance of any payment obligation, it will, to the extent permitted by applicable law and subject to Section 6(c), pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as the overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment (and excluding any period in respect of

which interest or compensation in respect of the overdue amount is due pursuant to clause (3)(B) or (C) below), at the Default Rate.

(2) *Compensation for Defaulted Deliveries.* If a party defaults in the performance of any obligation required to be settled by delivery, it will on demand (A) compensate the other party to the extent provided for in the relevant Confirmation or elsewhere in this Agreement and (B) unless otherwise provided in the relevant Confirmation or elsewhere in this Agreement, to the extent permitted by applicable law and subject to Section 6(c), pay to the other party interest (before as well as after judgment) on an amount equal to the fair market value of that which was required to be delivered in the same currency as that amount, for the period from (and including) the originally scheduled date for delivery to (but excluding) the date of actual delivery (and excluding any period in respect of which interest or compensation in respect of that amount is due pursuant to clause (4) below), at the Default Rate. The fair market value of any obligation referred to above will be determined as of the originally scheduled date for delivery, in good faith and using commercially reasonable procedures, by the party that was entitled to take delivery.

(3) *Interest on Deferred Payments.* If:—

(A) a party does not pay any amount that, but for Section 2(a)(iii), would have been payable, it will, to the extent permitted by applicable law and subject to Section 6(c) and clauses (B) and (C) below, pay interest (before as well as after judgment) on that amount to the other party on demand (after such amount becomes payable) in the same currency as that amount, for the period from (and including) the date the amount would, but for Section 2(a)(iii), have been payable to (but excluding) the date the amount actually becomes payable, at the Applicable Deferral Rate;

(B) a payment is deferred pursuant to Section 5(d), the party which would otherwise have been required to make that payment will, to the extent permitted by applicable law, subject to Section 6(c) and for so long as no Event of Default or Potential Event of Default with respect to that party has occurred and is continuing, pay interest (before as well as after judgment) on the amount of the deferred payment to the other party on demand (after such amount becomes payable) in the same currency as the deferred payment, for the period from (and including) the date the amount would, but for Section 5(d), have been payable to (but excluding) the earlier of the date the payment is no longer deferred pursuant to Section 5(d) and the date during the deferral period upon which an Event of Default or Potential Event of Default with respect to that party occurs, at the Applicable Deferral Rate; or

(C) a party fails to make any payment due to the occurrence of an Illegality or a Force Majeure Event (after giving effect to any deferral period contemplated by clause (B) above), it will, to the extent permitted by applicable law, subject to Section 6(c) and for so long as the event or circumstance giving rise to that Illegality or Force Majeure Event continues and no Event of Default or Potential Event of Default with respect to that party has occurred and is continuing, pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as the overdue amount, for the period from (and including) the date the party fails to make the payment due to the occurrence of the relevant Illegality or Force Majeure Event (or, if later, the date the payment is no longer deferred pursuant to Section 5(d)) to (but excluding) the earlier of the date the event or circumstance giving rise to that Illegality or Force Majeure Event ceases to exist and the date during the period upon which an Event of Default or Potential Event of Default with respect to that party occurs (and excluding any period in respect of which interest or compensation in respect of the overdue amount is due pursuant to clause (B) above), at the Applicable Deferral Rate.

(4) *Compensation for Deferred Deliveries.* If:—

(A) a party does not perform any obligation that, but for Section 2(a)(iii), would have been required to be settled by delivery;

(B) a delivery is deferred pursuant to Section 5(d); or

(C) a party fails to make a delivery due to the occurrence of an Illegality or a Force Majeure Event at a time when any applicable Waiting Period has expired,

the party required (or that would otherwise have been required) to make the delivery will, to the extent permitted by applicable law and subject to Section 6(c), compensate and pay interest to the other party on demand (after, in the case of clauses (A) and (B) above, such delivery is required) if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

(ii) ***Early Termination.*** Upon the occurrence or effective designation of an Early Termination Date in respect of a Transaction:—

(1) *Unpaid Amounts.* For the purpose of determining an Unpaid Amount in respect of the relevant Transaction, and to the extent permitted by applicable law, interest will accrue on the amount of any payment obligation or the amount equal to the fair market value of any obligation required to be settled by delivery included in such determination in the same currency as that amount, for the period from (and including) the date the relevant obligation was (or would have been but for Section 2(a)(iii) or 5(d)) required to have been performed to (but excluding) the relevant Early Termination Date, at the Applicable Close-out Rate.

(2) *Interest on Early Termination Amounts.* If an Early Termination Amount is due in respect of such Early Termination Date, that amount will, to the extent permitted by applicable law, be paid together with interest (before as well as after judgment) on that amount in the Termination Currency, for the period from (and including) such Early Termination Date to (but excluding) the date the amount is paid, at the Applicable Close-out Rate.

(iii) ***Interest Calculation.*** Any interest pursuant to this Section 9(h) will be calculated on the basis of daily compounding and the actual number of days elapsed.

10. Offices; Multibranch Parties

(a) If Section 10(a) is specified in the Schedule as applying, each party that enters into a Transaction through an Office other than its head or home office represents to and agrees with the other party that, notwithstanding the place of booking or its jurisdiction of incorporation or organisation, its obligations are the same in terms of recourse against it as if it had entered into the Transaction through its head or home office, except that a party will not have recourse to the head or home office of the other party in respect of any payment or delivery deferred pursuant to Section 5(d) for so long as the payment or delivery is so deferred. This representation and agreement will be deemed to be repeated by each party on each date on which the parties enter into a Transaction.

(b) If a party is specified as a Multibranch Party in the Schedule, such party may, subject to clause (c) below, enter into a Transaction through, book a Transaction in and make and receive payments and deliveries with respect to a Transaction through any Office listed in respect of that party in the Schedule (but not any other Office unless otherwise agreed by the parties in writing).

(c) The Office through which a party enters into a Transaction will be the Office specified for that party in the relevant Confirmation or as otherwise agreed by the parties in writing, and, if an Office for that party is not specified in the Confirmation or otherwise agreed by the parties in writing, its head or home office. Unless the parties otherwise agree in writing, the Office through which a party enters into a Transaction will also be the Office in which it books the Transaction and the Office through which it makes and receives payments and deliveries with respect to the Transaction. Subject to Section 6(b)(ii), neither party may change the Office in which it books the Transaction or the Office through which it makes and receives payments or deliveries with respect to a Transaction without the prior written consent of the other party.

11. Expenses

A Defaulting Party will on demand indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, execution fees and Stamp Tax, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

12. Notices

(a) ***Effectiveness.*** Any notice or other communication in respect of this Agreement may be given in any manner described below (except that a notice or other communication under Section 5 or 6 may not be given by electronic messaging system or e-mail) to the address or number or in accordance with the electronic messaging system or
e-mail details provided (see the Schedule) and will be deemed effective as indicated:—

(i) if in writing and delivered in person or by courier, on the date it is delivered;

(ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date it is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date it is delivered or its delivery is attempted;

(v) if sent by electronic messaging system, on the date it is received; or

(vi) if sent by e-mail, on the date it is delivered, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication will be deemed given and effective on the first following day that is a Local Business Day.

(b) *Change of Details.* Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system or e-mail details at which notices or other communications are to be given to it.

13. Governing Law and Jurisdiction

(a) *Governing Law.* This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) *Jurisdiction.* With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Agreement ("Proceedings"), each party irrevocably:—

(i) submits:—

(1) if this Agreement is expressed to be governed by English law, to (A) the non-exclusive jurisdiction of the English courts if the Proceedings do not involve a Convention Court and (B) the exclusive jurisdiction of the English courts if the Proceedings do involve a Convention Court; or

(2) if this Agreement is expressed to be governed by the laws of the State of New York, to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City;

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party; and

(iii) agrees, to the extent permitted by applicable law, that the bringing of Proceedings in any one or more jurisdictions will not preclude the bringing of Proceedings in any other jurisdiction.

(c) *Service of Process.* Each party irrevocably appoints the Process Agent, if any, specified opposite its name in the Schedule to receive, for it and on its behalf, service of process in any Proceedings. If for any reason any party's Process Agent is unable to act as such, such party will promptly notify the other party and within 30 days appoint a substitute process agent acceptable to the other party. The parties irrevocably consent to service of process given in the manner provided for notices in Section 12(a)(i), 12(a)(iii) or 12(a)(iv). Nothing in this Agreement will affect the right of either party to serve process in any other manner permitted by applicable law.

(d) *Waiver of Immunities.* Each party irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction or order for specific performance or recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

14. Definitions

As used in this Agreement:—

"Additional Representation" has the meaning specified in Section 3.

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, Force Majeure Event, Tax Event or Tax Event Upon Merger, all Transactions affected by the occurrence of such Termination Event (which, in the case of an Illegality under Section 5(b)(i)(2) or a Force Majeure Event under Section 5(b)(ii)(2), means all Transactions unless the relevant Credit Support Document references only certain Transactions, in which case those Transactions and, if the relevant Credit Support Document constitutes a Confirmation for a Transaction, that Transaction) and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Agreement" has the meaning specified in Section 1(c).

"Applicable Close-out Rate" means:—

(a) in respect of the determination of an Unpaid Amount:—

(i) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(ii) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate;

(iii) in respect of obligations deferred pursuant to Section 5(d), if there is no Defaulting Party and for so long as the deferral period continues, the Applicable Deferral Rate; and

(iv) in all other cases following the occurrence of a Termination Event (except where interest accrues pursuant to clause (iii) above), the Applicable Deferral Rate; and

(b) in respect of an Early Termination Amount:—

(i) for the period from (and including) the relevant Early Termination Date to (but excluding) the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable:—

(1) if the Early Termination Amount is payable by a Defaulting Party, the Default Rate;

(2) if the Early Termination Amount is payable by a Non-defaulting Party, the Non-default Rate; and

(3) in all other cases, the Applicable Deferral Rate; and

(ii) for the period from (and including) the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable to (but excluding) the date of actual payment:—

(1) if a party fails to pay the Early Termination Amount due to the occurrence of an event or circumstance which would, if it occurred with respect to a payment or delivery under a Transaction, constitute or give rise to an Illegality or a Force Majeure Event, and for so long as the

Early Termination Amount remains unpaid due to the continuing existence of such event or circumstance, the Applicable Deferral Rate;

(2) if the Early Termination Amount is payable by a Defaulting Party (but excluding any period in respect of which clause (1) above applies), the Default Rate;

(3) if the Early Termination Amount is payable by a Non-defaulting Party (but excluding any period in respect of which clause (1) above applies), the Non-default Rate; and

(4) in all other cases, the Termination Rate.

"Applicable Deferral Rate" means:—

(a) for the purpose of Section 9(h)(i)(3)(A), the rate certified by the relevant payer to be a rate offered to the payer by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by the payer for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in that relevant market;

(b) for purposes of Section 9(h)(i)(3)(B) and clause (a)(iii) of the definition of Applicable Close-out Rate, the rate certified by the relevant payer to be a rate offered to prime banks by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by the payer after consultation with the other party, if practicable, for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in that relevant market; and

(c) for purposes of Section 9(h)(i)(3)(C) and clauses (a)(iv), (b)(i)(3) and (b)(ii)(1) of the definition of Applicable Close-out Rate, a rate equal to the arithmetic mean of the rate determined pursuant to clause (a) above and a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount.

"Automatic Early Termination" has the meaning specified in Section 6(a).

"Burdened Party" has the meaning specified in Section 5(b)(iv).

"Change in Tax Law" means the enactment, promulgation, execution or ratification of, or any change in or amendment to, any law (or in the application or official interpretation of any law) that occurs after the parties enter into the relevant Transaction.

"Close-out Amount" means, with respect to each Terminated Transaction or each group of Terminated Transactions and a Determining Party, the amount of the losses or costs of the Determining Party that are or would be incurred under then prevailing circumstances (expressed as a positive number) or gains of the Determining Party that are or would be realised under then prevailing circumstances (expressed as a negative number) in replacing, or in providing for the Determining Party the economic equivalent of, (a) the material terms of that Terminated Transaction or group of Terminated Transactions, including the payments and deliveries by the parties under Section 2(a)(i) in respect of that Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date (assuming satisfaction of the conditions precedent in Section 2(a)(iii)) and (b) the option rights of the parties in respect of that Terminated Transaction or group of Terminated Transactions.

Any Close-out Amount will be determined by the Determining Party (or its agent), which will act in good faith and use commercially reasonable procedures in order to produce a commercially reasonable result. The Determining Party may determine a Close-out Amount for any group of Terminated Transactions or any individual Terminated Transaction but, in the aggregate, for not less than all Terminated Transactions. Each Close-out Amount will be determined as of the Early Termination Date or, if that would not be commercially reasonable, as of the date or dates following the Early Termination Date as would be commercially reasonable.

Unpaid Amounts in respect of a Terminated Transaction or group of Terminated Transactions and legal fees and out-of-pocket expenses referred to in Section 11 are to be excluded in all determinations of Close-out Amounts.

In determining a Close-out Amount, the Determining Party may consider any relevant information, including, without limitation, one or more of the following types of information:—

(i) quotations (either firm or indicative) for replacement transactions supplied by one or more third parties that may take into account the creditworthiness of the Determining Party at the time the quotation is provided and the terms of any relevant documentation, including credit support documentation, between the Determining Party and the third party providing the quotation;

(ii) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market; or

(iii) information of the types described in clause (i) or (ii) above from internal sources (including any of the Determining Party's Affiliates) if that information is of the same type used by the Determining Party in the regular course of its business for the valuation of similar transactions.

The Determining Party will consider, taking into account the standards and procedures described in this definition, quotations pursuant to clause (i) above or relevant market data pursuant to clause (ii) above unless the Determining Party reasonably believes in good faith that such quotations or relevant market data are not readily available or would produce a result that would not satisfy those standards. When considering information described in clause (i), (ii) or (iii) above, the Determining Party may include costs of funding, to the extent costs of funding are not and would not be a component of the other information being utilised. Third parties supplying quotations pursuant to clause (i) above or market data pursuant to clause (ii) above may include, without limitation, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other sources of market information.

Without duplication of amounts calculated based on information described in clause (i), (ii) or (iii) above, or other relevant information, and when it is commercially reasonable to do so, the Determining Party may in addition consider in calculating a Close-out Amount any loss or cost incurred in connection with its terminating, liquidating or re-establishing any hedge related to a Terminated Transaction or group of Terminated Transactions (or any gain resulting from any of them).

Commercially reasonable procedures used in determining a Close-out Amount may include the following:—

(1) application to relevant market data from third parties pursuant to clause (ii) above or information from internal sources pursuant to clause (iii) above of pricing or other valuation models that are, at the time of the determination of the Close-out Amount, used by the Determining Party in the regular course of its business in pricing or valuing transactions between the Determining Party and unrelated third parties that are similar to the Terminated Transaction or group of Terminated Transactions; and

(2) application of different valuation methods to Terminated Transactions or groups of Terminated Transactions depending on the type, complexity, size or number of the Terminated Transactions or group of Terminated Transactions.

"Confirmation" has the meaning specified in the preamble.

"consent" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"Contractual Currency" has the meaning specified in Section 8(a).

"Convention Court" means any court which is bound to apply to the Proceedings either Article 17 of the 1968 Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters or Article 17 of the 1988 Lugano Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Cross-Default" means the event specified in Section 5(a)(vi).

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Designated Event" has the meaning specified in Section 5(b)(v).

"Determining Party" means the party determining a Close-out Amount.

"Early Termination Amount" has the meaning specified in Section 6(e).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iv).

"electronic messages" does not include e-mails but does include documents expressed in markup languages, and ***"electronic messaging system"*** will be construed accordingly.

"English law" means the law of England and Wales, and ***"English"*** will be construed accordingly.

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Force Majeure Event" has the meaning specified in Section 5(b).

"General Business Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits).

"Illegality" has the meaning specified in Section 5(b).

"Indemnifiable Tax" means any Tax other than a Tax that would not be imposed in respect of a payment under this Agreement but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organised, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, this Agreement or a Credit Support Document).

"law" includes any treaty, law, rule or regulation (as modified, in the case of tax matters, by the practice of any relevant governmental revenue authority), and ***"unlawful"*** will be construed accordingly.

"Local Business Day" means (a) in relation to any obligation under Section 2(a)(i), a General Business Day in the place or places specified in the relevant Confirmation and a day on which a relevant settlement system is open or operating as specified in the relevant Confirmation or, if a place or a settlement system is not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) for the purpose of determining when a Waiting Period expires, a General Business Day in the place where the event or circumstance that constitutes or gives rise to the Illegality or Force Majeure Event, as the case may be, occurs, (c) in relation to any other payment, a General Business Day in the place where the relevant account is located and, if different, in the principal financial centre, if any, of the currency of such payment and, if that currency does not have a single recognised principal financial centre, a day on which the settlement system necessary to accomplish such payment is open, (d) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), a General Business Day (or a day that would have been a General Business Day but for the occurrence of an event or circumstance which would, if it occurred with respect to payment, delivery or compliance related to a Transaction, constitute or give rise to an Illegality or a Force Majeure Event) in the place specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (e) in relation to Section 5(a)(v)(2), a General Business Day in the relevant locations for performance with respect to such Specified Transaction.

"Local Delivery Day" means, for purposes of Sections 5(a)(i) and 5(d), a day on which settlement systems necessary to accomplish the relevant delivery are generally open for business so that the delivery is capable of being accomplished in accordance with customary market practice, in the place specified in the relevant Confirmation or, if not so specified, in a location as determined in accordance with customary market practice for the relevant delivery.

"Master Agreement" has the meaning specified in the preamble.

"Merger Without Assumption" means the event specified in Section 5(a)(viii).

"Multiple Transaction Payment Netting" has the meaning specified in Section 2(c).

"Non-affected Party" means, so long as there is only one Affected Party, the other party.

"Non-default Rate" means the rate certified by the Non-defaulting Party to be a rate offered to the Non-defaulting Party by a major bank in a relevant interbank market for overnight deposits in the applicable currency, such bank to be selected in good faith by the Non-defaulting Party for the purpose of obtaining a representative rate that will reasonably reflect conditions prevailing at the time in that relevant market.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Office" means a branch or office of a party, which may be such party's head or home office.

"Other Amounts" has the meaning specified in Section 6(f).

"Payee" has the meaning specified in Section 6(f).

"Payer" has the meaning specified in Section 6(f).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Proceedings" has the meaning specified in Section 13(b).

"Process Agent" has the meaning specified in the Schedule.

"rate of exchange" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Contractual Currency.

"Relevant Jurisdiction" means, with respect to a party, the jurisdictions (a) in which the party is incorporated, organised, managed and controlled or considered to have its seat, (b) where an Office through which the party is acting for purposes of this Agreement is located, (c) in which the party executes this Agreement and (d) in relation to any payment, from or through which such payment is made.

"Schedule" has the meaning specified in the preamble.

"Scheduled Settlement Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect to any such transaction) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is not a Transaction under this Agreement but (i) which is a rate swap transaction, swap option, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, credit protection transaction, credit swap, credit default swap, credit default option, total return swap, credit spread transaction, repurchase transaction, reverse repurchase transaction, buy/sell-back transaction, securities lending transaction, weather index transaction or forward purchase or sale of a security, commodity or other financial instrument or interest (including any option with respect to any of these transactions) or (ii) which is a type of transaction that is similar to any transaction referred to in clause (i) above that is currently, or in the future becomes, recurrently entered into in the financial markets (including terms and conditions incorporated by reference in such agreement) and which is a forward, swap, future, option or other derivative on one or more rates, currencies, commodities, equity securities or other equity instruments, debt securities or other debt instruments, economic indices or measures of economic risk or value, or other benchmarks against which payments or deliveries are to be made, (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Stamp Tax" means any stamp, registration, documentation or similar tax.

"Stamp Tax Jurisdiction" has the meaning specified in Section 4(e).

"Tax" means any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) that is imposed by any government or other taxing authority in respect of any payment under this Agreement other than a stamp, registration, documentation or similar tax.

"Tax Event" has the meaning specified in Section 5(b).

"Tax Event Upon Merger" has the meaning specified in Section 5(b).

"Terminated Transactions" means, with respect to any Early Termination Date, (a) if resulting from an Illegality or a Force Majeure Event, all Affected Transactions specified in the notice given pursuant to Section 6(b)(iv), (b) if resulting from any other Termination Event, all Affected Transactions and (c) if resulting from an Event of Default, all Transactions in effect either immediately before the effectiveness of the notice designating that Early Termination Date or, if Automatic Early Termination applies, immediately before that Early Termination Date.

"Termination Currency" means (a) if a Termination Currency is specified in the Schedule and that currency is freely available, that currency, and (b) otherwise, euro if this Agreement is expressed to be governed by English law or United States Dollars if this Agreement is expressed to be governed by the laws of the State of New York.

"Termination Currency Equivalent" means, in respect of any amount denominated in the Termination Currency, such Termination Currency amount and, in respect of any amount denominated in a currency other than the Termination Currency (the "Other Currency"), the amount in the Termination Currency determined by the party making the relevant determination as being required to purchase such amount of such Other Currency as at the relevant Early Termination Date, or, if the relevant Close-out Amount is determined as of a later date, that later date, with the Termination Currency at the rate equal to the spot exchange rate of the foreign exchange agent (selected as provided below) for the purchase of such Other Currency with the Termination Currency at or about 11:00 a.m. (in the city in which such foreign exchange agent is located) on such date as would be customary for the determination of such a rate for the purchase of such Other Currency for value on the relevant Early Termination Date or that later date. The foreign exchange agent will, if only one party is obliged to make a determination under Section 6(e), be selected in good faith by that party and otherwise will be agreed by the parties.

"Termination Event" means an Illegality, a Force Majeure Event, a Tax Event, a Tax Event Upon Merger or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Threshold Amount" means the amount, if any, specified as such in the Schedule.

"Transaction" has the meaning specified in the preamble.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii) or due but for Section 5(d)) to such party under Section 2(a)(i) or 2(d)(i)(4) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date, (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii) or 5(d)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered and (c) if the Early Termination Date results from an Event of Default, a Credit Event Upon Merger or an Additional Termination Event in respect of which all outstanding Transactions are Affected Transactions, any Early Termination Amount due prior to such Early Termination Date and which remains unpaid as of such Early Termination Date, in each case together with any amount of interest accrued or other compensation in respect of that obligation or deferred obligation, as the case may be, pursuant to Section 9(h)(ii)(1) or (2), as appropriate. The fair market value of any obligation referred to in clause (b) above will be determined as of the originally scheduled date for delivery, in good faith and using commercially reasonable procedures, by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it will be the average of the Termination Currency Equivalents of the fair market values so determined by both parties.

"Waiting Period" means:—

(a) in respect of an event or circumstance under Section 5(b)(i), other than in the case of Section 5(b)(i)(2) where the relevant payment, delivery or compliance is actually required on the relevant day (in which case no Waiting Period will apply), a period of three Local Business Days (or days that would have been Local Business Days but for the occurrence of that event or circumstance) following the occurrence of that event or circumstance; and

(b) in respect of an event or circumstance under Section 5(b)(ii), other than in the case of Section 5(b)(ii)(2) where the relevant payment, delivery or compliance is actually required on the relevant day (in which case no

Waiting Period will apply), a period of eight Local Business Days (or days that would have been Local Business Days but for the occurrence of that event or circumstance) following the occurrence of that event or circumstance.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

Approved for Execution

______

TRAVERSE ENERGY LTD.	ALBERTA TREASURY BRANCHES
By:	By: ....
Name: LAURIE SMITH.	Name:
Title: President & CEO	Title:
Date: NOV. 19, 2012	Date:
By: ______	
Name: SHARON SUPPLE	
Title: Chief Financial Officer	
Date: Nov 19, 2012	

Waiting Period will apply), a period of eight Local Business Days (or days that would have been Local Business Days but for the occurrence of that event or circumstance) following the occurrence of that event or circumstance.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

Approved for Execution
CG
e22204

TRAVERSE ENERGY LTD.	ALBERTA TREASURY BRANCHES
By:	By: SMcKellar ....
Name:	Name: STUART N. McKELLAR
Title:	Title: VICE PRESIDENT LEGAL & CORPORATE SECRETARY
Date:	Date: Nov 8, 2012

ISDA®

International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
2002 Master Agreement

dated as of November 8, 2012

between

TRAVERSE ENERGY LTD.	ALBERTA TREASURY BRANCHES
("Party A")	("Party B")
established as a corporation under the laws of the Province of Alberta	*established as a corporation under the laws of the Province of Alberta*

Part 1. Termination Provisions

(a) ***"Specified Entity"*** means in relation to Party A for the purpose of:

Section 5(a)(v)	Affiliates
Section 5(a)(vi)	Affiliates
Section 5(a)(vii)	Affiliates
Section 5(b)(v)	Affiliates

and in relation to Party B for the purpose of:

Section 5(a)(v)	Not Applicable
Section 5(a)(vi)	Not Applicable
Section 5(a)(vii)	Not Applicable
Section 5(b)(v)	Not Applicable

(b) ***"Specified Transaction"*** will have the meaning specified in Section 14 of this Agreement.

(c) The ***"Cross Default"*** provisions of Section 5(a)(vi) will apply to Party A and will apply to Party B but shall exclude any default that results solely from wire transfer difficulties or an error or omission of an administrative or operational nature (so long as sufficient funds are available to the relevant party on the relevant date), but only if payment is made within three Local Business Days after such transfer difficulties have been corrected or the error or omission has been discovered.

Document, as applicable, in reliance on, among other things, this waiver and this waiver is a material inducement to the other party's entering into this Agreement.

(i) **Equivalency Clause.** For the purpose of disclosure pursuant to the Interest Act (Canada), the yearly rate of interest to which any rate of interest payable under the Agreement that is calculated on any basis other than a full calendar year is equivalent may be determined by multiplying such rate by a fraction the numerator of which is the actual number of days in the calendar year in which such yearly rate of interest is to be ascertained and the denominator of which is the number of days comprising such other basis.

(j) **Recording of Conversations.** Each party (i) consents to the recording of telephone conversations between the trading, marketing and other relevant personnel of the parties in connection with this Agreement or any potential Transaction, (ii) agrees to obtain any necessary consent of, and give any necessary notice of such recording to, its relevant personnel and (iii) agrees, to the extent permitted by applicable law, that recordings may be submitted in evidence in any Proceedings.

(k) **Incorporation of 2002 Master Agreement Protocol Terms.** The parties agree that the definitions and provisions contained in Annexes 3, 5, 6, 7 and 14 and Section 6 of the 2002 Master Agreement Protocol published by the International Swaps and Derivatives Association, Inc. on 15th July, 2003 are incorporated into and apply to this Agreement.

(l) **Credit Agreement.** The parties agree that in addition to the representations and warranties and other terms contained in this Agreement, the terms and conditions including, without limitation, the representations and warranties, positive covenants, negative covenants, financial covenants and security contained in the Credit Agreement are incorporated by reference in, and will be deemed to be part of, this Agreement and each Confirmation as if set forth in full in this Agreement. It is agreed that any demand or breach of any condition or covenant by Party A under the Credit Agreement shall be an Event of Default under this Agreement, and Party A shall be the Defaulting Party. The parties further agree that the incorporation of the security, covenants, representations and warranties of the Credit Agreement shall survive the maturity or termination of, or breach of a provision under, the Credit Agreement.

(m) **Termination.** If there are no Transactions (or any present or future payment obligations, contingent or otherwise, thereunder) outstanding under this Agreement, either party may terminate this Agreement by giving notice to the other party and termination shall be effective not less than 10 Local Business Days after receipt of such notice. Such termination shall not prejudice any rights or obligations which may have accrued prior to the effective time of such termination.

(n) **Risks of OTC Derivatives.** Party A represents to Party B that it has read and understands the Risks of OTC Derivatives Statement provided to Party A by Party B.

(o) **Foreign Account Tax Compliance Act.**

(i) For purposes of any Payer Tax Representation, the words "any Tax from any payment" shall not include any tax imposed or collected under Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code (a"FATCA Withholding Tax");

(ii) For the avoidance of doubt the parties agree that for purposes of Section 2(d) any deduction or withholding of FATCA Witholding Tax is required by applicable law; and

(iii) The definition of "Indemnifiable Tax" shall not include any FATCA Withholding Tax.

Part 6. Foreign Exchange and Currency Option Provisions

(a) ISDA 1998 FX and Currency Option Definitions

In respect of any FX Transaction or Currency Option Transaction (for the purposes of this section, a "Currency Transaction"), this Agreement incorporates, and is subject to and governed by, unless otherwise specified in a Confirmation, the 1998 ISDA FX and Currency Option Definitions (the "FX Definitions"), published by the International Swaps and Derivatives Association, Inc. In the event of any inconsistency between the provisions of this Agreement and the FX Definitions, this Agreement will prevail. In the event of any inconsistency between the provisions of any Confirmation in respect of a Currency Transaction and any of this Agreement, the Definitions or the FX Definitions, such Confirmation shall prevail solely with regard to the calculation and determination of the amount of the parties' respective payment obligations under such Currency Transaction (and the due dates therefor) for purposes of Section 2(a)(i) and (ii) of the Agreement. In every other respect, in the event of any inconsistency or other conflict, the terms of this Agreement shall prevail.

(b) **Scope of Agreement.** Notwithstanding anything in this Agreement to the contrary, if the parties enter into any FX Transaction or Currency Option Transaction, such transaction shall be subject to, governed by and construed in accordance with the terms of this Agreement even where not so specified in the confirmation, and such confirmation shall constitute a "Confirmation" as referred to in this Agreement unless the confirmation relating thereto shall specifically state to the contrary. Each such FX Transaction or Currency Option Transaction shall be a Transaction for the purposes of this Agreement.

(c) **Terms Relating to Payment of Premium**

(i) Unless otherwise agreed in writing by the parties, the Premium related to a Currency Option Transaction shall be paid on its Premium Payment Date in immediately available funds.

(ii) If a Premium is not received on the Premium Payment Date, the Seller may elect: (i) to accept a late payment of such Premium; (ii) to give written notice of such non-payment and, if such payment shall not be received within two Local Business Days of such notice, treat the related Currency Option Transaction as void; or (iii) to give written notice of such non-payment and, if such payment shall not be received within two Local Business Days of such notice, treat such non-payment as an Event of Default under Section 5(a)(i). If the Seller elects to act under clause (i) of the preceding sentence, the Buyer shall pay interest on such Premium in the same currency as such Premium from the day such Premium was due until the day paid at the Default Rate, as determined in good faith by the Seller; if the Seller elects to act under clause (ii) of the preceding sentence, the Buyer shall pay all out-of-pocket costs and actual damages incurred in connection with such unpaid or late Premium or void Currency Option Transaction, including without limitation, interest on such Premium in the same currency as such Premium at the then prevailing market rate and any other costs or expenses incurred by the Seller in covering its obligations (including, without limitation, a delta hedge) with respect to such Currency Option Transaction.

(d) **Confirmations.** FX Transactions and Currency Option Transactions shall be promptly confirmed by the parties by Confirmations exchanged by mail, telex, facsimile or other electronic means. Unless either party objects to the terms of an FX Transaction or Currency Option Transaction contained in any Confirmation within five Local Business Days of receipt thereof, the terms of such Confirmation shall be deemed correct and accepted absent manifest error, unless a corrected Confirmation is sent by a party within such five day period, in which case the party receiving such corrected Confirmation shall have five Local Business Days after receipt thereof to object to the terms contained in such Confirmation. Where an FX Transaction or Currency Option Transaction is confirmed by means of mail or an electronic messaging system that the parties have elected to use to confirm such Transaction: (i) such confirmation will constitute a "Confirmation" as referred to in this Agreement even where not so specified in the confirmation, (ii) such Confirmation will supplement, form part of, and be subject to this Agreement and all provisions in this Agreement will govern the Confirmation, and (iii) the definitions and provisions contained in the FX Definitions and this Agreement will govern for the purposes of the relevant FX Transaction or Currency Option Transaction.

Part 7. Commodity Provisions

(a) **Commodity Definitions.** In respect of any Transaction described in Section 1.1 of the Commodity Definitions (for purposes of this sub-part, a "Commodity Transaction"), this Agreement incorporates, and is subject to and governed by, unless otherwise specified in a Confirmation, the 2005 ISDA Commodity Definitions published by ISDA (the "Commodity Definitions"). In the event of any inconsistency between the provisions of this Agreement and the Definitions and/or the Commodity Definitions, this Agreement will prevail. With respect to Commodity Transactions, in the event of any inconsistency between the provisions of the Definitions and the Commodity Definitions, the Commodity Definitions will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Agreement, the Definitions or the Commodity Definitions, such Confirmation will prevail for the purpose of the relevant Commodity Transaction.

(b) **"Market Disruption Event"**, except for Bullion Transactions, means the occurrence of any of the following events in the reasonable determination of the Calculation Agent:

(i) Price Source Disruption;

(ii) Trading Disruption;

(iii) Disappearance of Commodity Reference Price;

(iv) Material Change in Formula; and

(v) Material Change in Content.

(c) **Disruption Fallbacks relating to Commodity Transactions**

Except for Bullion Transactions, the following Disruption Fallbacks shall be applicable in each case in the order in which they appear:

(i) Fallback Reference Price (if the parties have specified an alternate Commodity Reference Price in the Confirmation);

(ii) "Delayed Publication or Announcement" and "Postponement";

(iii) Negotiated Fallback; and

(iv) No Fault Termination.

All determinations and calculations by the Calculation Agent shall be made in good faith, in the exercise of its commercially reasonable judgment and only after consultation with the other party.

TRAVERSE ENERGY LTD.	ALBERTA TREASURY BRANCHES	Approved for Execution
by:	by:	
Name: LAURIE SMITH.	Name:	
Title: President & CEO	Title:	
by:		
Name: SHARON SUPPLE		
Title: Chief Financial Officer		

(ii) "Delayed Publication or Announcement" and "Postponement";

(iii) Negotiated Fallback; and

(iv) No Fault Termination.

All determinations and calculations by the Calculation Agent shall be made in good faith, in the exercise of its commercially reasonable judgment and only after consultation with the other party.

TRAVERSE ENERGY LTD.	ALBERTA TREASURY BRANCHES
by: ______________________	by: S McKellar
Name:	Name:
Title:	Title: STUART N. McKELLAR VICE PRESIDENT LEGAL & CORPORATE SECRETARY

Approved for Execution
CB
e23204

THIS IS EXHIBIT "H" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

Government of Alberta ■

Personal Property Registry
Search Results Report

Search ID #: Z12173619

Transmitting Party

MLT AIKINS LLP

2100 – 222 3rd AVE SW
Calgary, AB T2P 0B4

Party Code: 60006660
Phone #: 403 693 4331
Reference #: 114153-20

Search ID #: Z12173619 **Date of Search:** 2019-Nov-27 **Time of Search:** 12:18:43

Business Debtor Search For:

TRAVERSE ENERGY LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

REGISTRAR OF PERSONAL PROPERTY

Business Debtor Search For:

TRAVERSE ENERGY LTD.

Search ID #: Z12173619 **Date of Search:** 2019-Nov-27 **Time of Search:** 12:18:43

Registration Number: 09082103284
Registration Date: 2009-Aug-21

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2024-Aug-21 23:59:59

Exact Match on: Debtor No: 2

Amendments to Registration

11052726285	Amendment	2011-May-27
11110703892	Amendment	2011-Nov-07
13111905473	Renewal	2013-Nov-19
18040325533	Amendment	2018-Apr-03

Debtor(s)

Block

1 TRAVERSE ENERGY LTD
800, 839 - 5TH AVE SW
CALGARY, AB T2P3C8

Status
Deleted by
11110703892

Block

2 TRAVERSE ENERGY LTD
#780, 839-5 AVENUE
CALGARY, AB T2P 3C8

Status
Current by
11110703892

Secured Party / Parties

Block

1 ALBERTA TREASURY BRANCHES-07609
239 8 AVENUE SW
CALGARY, AB T2P 1B9
Phone #: 403 974 5744 Fax #: 403 974 5191

Status
Deleted by
11052726285

Block		Status
3	ATB FINANCIAL 600, 585 - 8 AVENUE SW CALGARY, AB T2P 1G1	Current by 18040325561

Result Complete

THIS IS EXHIBIT "I" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

MLT AIKINS
WESTERN CANADA'S LAW FIRM

MLT Aikins LLP
2100 - 222 3rd Avenue SW
Calgary, Alberta T2P 0B4
T: (403) 693-4300
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Ryan Zahara
Direct Line: (403) 693-5420
E-mail: rzahara@mltaikins.com

Joy Mutuku
Legal Assistant
Direct Line: (403) 693-5403
E-mail: jmutuku@mltaikins.com

November 26, 2019

***VIA* COURIER**

Traverse Energy Ltd.
2500, 450 1st Street S.W.
Calgary, Alberta
T2P 5H1

Traverse Energy Ltd.
780, 839 5th Avenue S.W.
Calgary, Alberta
T2P 3C8

Attention: **David H. Erickson, Reid Hutchinson, Robert M. Libin, Laurie J. Smith, David Van Der Lee, and Adam O. Wells**

Re: Demand for Payment

As counsel to ATB Financial, formerly Alberta Treasury Branches (the "**Lender**"), we hereby advise Traverse Energy Ltd. (the "**Borrower**") as follows:

1. Reference is made to the following:

   (a) a Commitment Letter dated May 1, 2017 and executed by the Borrower and the Lender on May 2, 2017;

   (b) an Amended Commitment Letter dated April 3, 2018 and executed by the Borrower and the Lender on April 5, 2018;

   (c) an Amending Agreement dated May 30, 2019 and executed by the Borrower and the Lender on May 31, 2019; and

   (d) a Third Amending Agreement dated September 30, 2019 executed by the Borrower and the Lender;

The documents referred to in paragraph 2(a) through (d) above are collectively referred to collectively as the "**ATB Loan Documents**."

2. Pursuant to the ATB Loan Documents, all included credit facilities (the "**Credit Facilities**") are payable in full on demand by the Lender at any time. Accordingly, the Lender hereby demands from the Borrower payment of the Credit Facilities in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements, and expenses incurred by the Lender prior to the date of this demand and hereafter, and any other amounts whatsoever,

which may be claimed by the Lender under the ATB Loan Documents, or any other document relating thereto, including, without limitation, all legal costs incurred on a solicitor-client basis in respect of enforcing the Lender's rights under the ATB Loan Documents. For greater certainty, interest continues to accrue on the Credit Facilities and other indebtedness and costs, including as aforesaid, at the rates determined in accordance with the ATB Loan Documents (collectively, the "**Outstanding Indebtedness**").

3. If the Borrower fails to make payment of the Outstanding Indebtedness by way of certified cheque, bank draft, or other immediately payable funds by no later than 5:00 p.m. Calgary time on December 6, 2019, the Lender will take such lawful steps to recover the Outstanding Indebtedness owing to it as it considers appropriate, including, but not limited to, pursuing all of the Lender's rights and remedies against the Borrower under the ATB Loan Documents.

4. We enclose a Notice of Intention to Enforce Security delivered pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) together with a form to facilitate the Borrower's waiver of the notice period referred to therein if it chooses to permit the same.

Sincerely,

MLT AIKINS LLP

Per:

FOR: Ryan Zahara

Encl.

c. Daniel G. Kolibar, Osler, Hoskin, & Harcourt LLP (via email)

c. Sharon Supple, Traverse Energy Ltd. (via email)

Schedule "A" – Outstanding Indebtedness

Category	Amount in CAD$ (as at November 26, 2019)
Operating Loan Facility (Revolving)	$6,476,295.25
Business MasterCard	$4,375.00
TOTAL	**$6,480,670.25**

Plus all interest, legal, and professional fees, costs, charges, disbursements, and expenses incurred by the Lender prior to the date hereof.

20267021

Form 86

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the Bankruptcy and Insolvency Act)

TO: TRAVERSE ENERGY LTD., an insolvent person (the "**Debtor**")

Take notice that:

ATB Financial, formerly known as Alberta Treasury Branches (the "**Lender**"), pursuant to the following: (a) a Commitment Letter dated May 1, 2017 and executed by the Borrower and the Lender on May 2, 2017; (b) an Amended Commitment Letter dated April 3, 2018 and executed by the Borrower and the Lender on April 5, 2018; (c) an Amending Agreement dated May 30, 2019 and executed by the Borrower and the Lender on May 31, 2019; and (d) a Third Amending Agreement dated September 30, 2019 executed by the Borrower and the Lender (collectively, the "**Credit Agreements**"), between the Lender and the Debtor, intends to enforce its security on all of the Debtor's present and after-acquired personal property, as more particularly described in the Security (as defined below).

The security that is to be enforced is in the form of the following (the "**Security**"):

(a) General Security Agreement dated August 10, 2009, which is from the Debtor to the Lender; and

(b) A ISDA Master Agreement dated November 8, 2012, which is from the Debtor to the Lender.

The total amount of indebtedness secured by the Security is in the amounts set out in Schedule "**A**" hereto, plus all accrued interest and all legal and professional fees, costs, charges, disbursements, and expenses incurred by the Lender, and any other amounts whatsoever, which may be claimed by the Lender under the Credit Agreements, the Security, or any other document relating thereto, including without limitation all legal costs incurred on a solicitor-client basis in respect of enforcing the Lender's rights under the Credit Agreements and the Security.

The Lender will not have the right to enforce the Security until after the expiry of the 10-day period after this notice is sent unless the Debtor consents to an earlier enforcement.

DATED at Calgary, Alberta, this 26th day of November 2019.

MLT AIKINS LLP, Agents and Solicitors for the Lender

per:______________________________

FOR: Name: Ryan Zahara
Title: Barrister and Solicitor

20267021

Schedule A" – Outstanding Indebtedness

Category	Amount in CAD$ (as at November 26, 2019)
Operating Loan Facility (Revolving)	$6,476,295.25
Business MasterCard	$4,375.00
TOTAL	**$6,480,670.25**

Plus all interest, legal, and professional fees, costs, charges, disbursements, and expenses incurred by the Lender prior to the date hereof.

20267021

Schedule "B" – Waiver

Traverse Energy Ltd. hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and consents to the immediate enforcement by the Lender of the Security described above.

DATED at Calgary, Alberta this ___ day of _________________ 2019.

TRAVERSE ENERGY LTD.

By: ______________________________
Name:
Title:

THIS IS EXHIBIT "**J**" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta
SYDNEY L. THOMSON
STUDENT-AT-LAW

Traverse Energy Ltd.

Suite 780, 839 - Fifth Avenue SW
Calgary, Alberta
Canada T2P 3C8

Tel: 403.264.9223
Fax: 403.264.9558
Web: www.traverseenergy.com

NEWS RELEASE

TRAVERSE ANNOUNCES RECEIPT OF REPAYMENT DEMAND AND EXPECTED APPOINTMENT OF RECEIVER

Calgary, Alberta

November 26, 2019

Traverse Energy Ltd. (**"Traverse"** or **"the Company"**) (**TSX Venture: TVL**) announces that following discussions with ATB Financial (**"ATB"**), its lender under the Company's revolving operating loan facility, ATB has demanded repayment of all amounts owing thereunder, being approximately $6.5 million, and delivered a Notice of Intention to Enforce Security under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) whereby ATB sets forth its intention to enforce its security for repayment of the operating loan. In connection therewith, the Company has consented to the early enforcement by ATB of its security and to the appointment of a receiver. The receiver will be in charge of managing the day-to-day affairs of the Company. Upon the appointment of the receiver, it is expected that all of Traverse's directors and officers will resign.

As previously announced, ATB had extended the annual review date of the Company's revolving operating loan facility to November 29, 2019 in order to complete the annual borrowing base redetermination of the Company. In the early spring of 2019, Traverse had retained an advisor to pursue alternatives for development or disposition of its Duvernay lands. The results of the process did not result in any transactions. In May 2019, the Company had retained a financial advisor to explore potential strategic alternatives available to the Company. No acceptable transaction opportunities have arisen from that strategic review process to date. Although Traverse discussed possible transactions with various parties, the prolonged depression in commodity prices and resulting negative impact on the Company's operating results and equity markets resulted in its inability to secure a timely transaction on acceptable terms.

The Company has requested that the TSX Venture Exchange halt trading in the Company's shares and it is expected that the shares will remain halted until such time that the TSX Venture Exchange deems appropriate.

Forward-Looking Information

This news release contains forward-looking information which is not comprised of historical facts. Forward-looking information involves risks, uncertainties and other factors that could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes statements with respect to the anticipated appointment of a receiver and the resignation of all of the Company's directors and officers. Material assumptions have been made regarding, among other things, the appointment of a receiver which is subject to the approval of the Court of Queen's Bench. Although the Company believes that the material assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

For more information, please contact:

Traverse Energy Ltd.

Laurie Smith
President and Chief Executive Officer

THIS IS EXHIBIT "K" TO THE
AFFIDAVIT OF GREG STEIDL
SWORN BEFORE ME AT Calgary, Alberta
this 28 day of November, 2019

A Commissioner of Oaths in and for the Province of Alberta

SYDNEY L. THOMSON
STUDENT-AT-LAW

Schedule "B" – Waiver

Traverse Energy Ltd. hereby waives the notice period provided for under Section 244(2) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, and consents to the immediate enforcement by the Lender of the Security described above.

DATED at Calgary, Alberta this 26 day of NOVEMBER 2019.

TRAVERSE ENERGY LTD.

By:
Name: David H. Erickson
Title: Vice President & COO