

[REDACTED VERSION]

SECOND AMENDING AGREEMENT

THIS SECOND AMENDING AGREEMENT is made effective as of May 5, 2014,

BETWEEN:

SPYGLASS RESOURCES CORP.,
as Borrower

ON THE FIRST PART,

-and-

**NATIONAL BANK OF CANADA, THE TORONTO-DOMINION BANK,
CANADIAN IMPERIAL BANK OF COMMERCE, THE BANK OF NOVA
SCOTIA, HSBC BANK CANADA, WELLS FARGO BANK, N.A., CANADIAN
BRANCH, ALBERTA TREASURY BRANCHES and CANADIAN WESTERN
BANK,**

as Lenders,

ON THE SECOND PART,

-and-

NATIONAL BANK OF CANADA,
as Agent,

ON THE THIRD PART.

PREAMBLE:

- A. Pursuant to the credit agreement dated March 28, 2013 between Spyglass Resources Corp., as borrower (the "**Borrower**"), National Bank of Canada, The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, HSBC Bank Canada, Wells Fargo Bank, N.A., Canadian Branch, Alberta Treasury Branches, Union Bank, Canada Branch and Canadian Western Bank, as lenders (the "**Lenders**") and National Bank of Canada, as administrative agent for the Lenders (the "**Agent**") as amended by a first amending agreement dated November 22, 2013 (as amended, the "**Credit Agreement**"), the Lenders agreed to provide to the Borrower the Credit Facilities.
- B. The parties wish to amend the Credit Agreement on the terms and conditions herein provided.

AGREEMENT:

NOW THEREFORE in consideration of the premises, the covenants and the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged between the parties, the parties agree as follows:

1. **Definitions.** Capitalized terms used in this Second Amending Agreement will, unless otherwise defined herein, have the meanings attributed to such terms in the Credit Agreement as amended by this Second Amending Agreement.
2. **Second Amendment Date.** The amendments and extensions contained in Sections 3 and 4 herein shall be effective as of the date of this Second Amending Agreement (the "**Second Amendment Date**").
3. **Amendments and Supplements to the Definitions.** Effective as of the Second Amendment Date and upon the satisfaction of the conditions precedent set forth in paragraph 9 below, the definitions set forth in Schedule A to the Credit Agreement are amended and supplemented as follows:
 - (a) the following new definitions are hereby added in the appropriate alphabetical order:

""**Bank Product Documents**" means all agreements or arrangements (including guarantees) from time to time entered into or made by any one or more of the Borrower or any other Loan Party in connection with Bank Products."; and

""**Bank Products**" means any facilities or services related to cash management, including treasury, depository, credit or debit card, purchase card, electronic funds transfer, cash pooling and other cash management arrangements and commercial credit card and merchant card services provided to the Borrower or any other Loan Party by NBC.";
 - (b) the definition of "Documents" is hereby deleted in its entirety and replaced with the following:

""**Documents**" means this Agreement, the Bank Product Documents and any other instruments or agreements entered into by the Parties relating to the Credit Facilities and/or Bank Products, including the Security, and any document or agreement resulting from the operation of Section 4.1."; and
 - (c) the reference to "Cdn. \$375,000,000" in the definition of "Production Facility Commitment Amount" is hereby deleted and "Cdn. \$350,000,000" is substituted therefor.
4. **Extension of Revolving Period and Term Out Date.** Effective as of the Second Amendment Date, each of the Revolving Period and the Term Out Date are hereby extended to April 28, 2015.

5. **Amendments and Supplements to the Credit Agreement.** Effective as of the Second Amendment Date and upon the satisfaction of the conditions precedent set forth in paragraph 9 below, the Credit Agreement is amended and supplemented as follows:
- (a) Article 3 of the Credit Agreement is hereby amended by adding a new Section 3.12 immediately following Section 3.11 as follows:

"3.12 Bank Products. NBC has agreed to provide Bank Products to the Borrower and the other Loan Parties. Up to \$[REDACTED] of indebtedness for borrowed money along with any other Obligations of the Borrower and the other Loan Parties in respect of Bank Products is, along with all other Obligations, secured, equally and rateably, by the Security."; and
 - (b) Schedule B to the Credit Agreement is hereby deleted in its entirety and replaced with Exhibit 1 attached hereto.
6. **Amendment to the Availability of the Credit Facilities.** The parties hereby covenant and agree, notwithstanding anything contained in this Agreement, the Credit Agreement, as amended by this Second Amending Agreement, or any other Document to the contrary, and notwithstanding that pursuant to paragraph 7 hereof the Borrowing Base has been determined to be Cdn. \$350,000,000, that:
- (a) the amount of principal outstanding under the Production Facility shall not at any time exceed Cdn. \$325,000,000 nor, for certainty, shall the Borrower request or be entitled to make a Drawdown which results in the amount of principal outstanding under the Production Facility exceeding Cdn. \$325,000,000, in any case, without the prior written consent of all of the Lenders, unless and until the Borrowing Base is increased in accordance with Section 3.10 of the Credit Agreement; and
 - (b) the Borrower shall continue to pay to the Agent for the account of the relevant Lenders the standby fee required to be paid by it pursuant to Section 3.8 of the Credit Agreement, as amended by this Second Amending Agreement, based on the maximum principal amount of the Credit Facilities; that is, for certainty, a standby fee payable on Credit Facilities in the maximum principal amount of Cdn. \$375,000,000.
7. **Borrowing Base.** Effective on the Second Amendment Date, the Borrowing Base is Cdn. \$350,000,000.
8. **Fees.** The Borrower agrees to pay to the Agent and the Lenders: (a) an extension fee in the amount of Cdn. \$[REDACTED] (the "Extension Fee") and (b) a new money fee in the amount of Cdn. \$[REDACTED] (the "New Money Fee").
9. **Conditions Precedent to effectiveness of First Amending Agreement.** This Second Amending Agreement shall become effective upon the Borrower delivering to the Agent:
- (a) a fully executed copy of this Second Amending Agreement;

- (b) an officer's certificate in respect of the Borrower and each of the other Loan Parties in a form acceptable to the Agent, acting reasonably; and
 - (c) payment by the Borrower of all fees due and owing to the Agent and the Lenders including the Extension Fee and the New Money Fee.
10. **Confirmation of Security.** The Borrower agrees with and confirms to the Agent and the Lenders that as of the Second Amendment Date, the Security listed in Section 4.1 of the Credit Agreement is and shall remain in full force and effect in all respects and shall continue to exist and apply to all of the Obligations of the Borrower under, pursuant or relating to the Credit Agreement, as amended by this Second Amending Agreement. This confirmation of security is in addition to and shall not limit, derogate from or otherwise affect any provisions of the Security.
11. **Representations and Warranties.** The Borrower agrees with and confirms to the Agent and each of the Lenders that as of the Second Amendment Date each of the representations and warranties listed in the Credit Agreement, as amended by this Second Amending Agreement, is true and accurate. Further, the Borrower hereby represents and warrants to the Agent and each of the Lenders that:
- (a) the execution and delivery of this Second Amending Agreement and the performance by it of its obligations hereunder (i) are within its corporate powers, (ii) have been duly authorized by all necessary corporate action, (iii) have received all necessary governmental approval (if any required), and (iv) do not and will not contravene or conflict with any provision of any applicable law or of its constituting documents or by-laws; and
 - (b) this Second Amending Agreement is a legal, valid and binding obligation of the Borrower, enforceable in accordance with its terms except as such enforcement may be limited by applicable bankruptcy, insolvency, reorganization, winding-up, moratorium or similar applicable laws relating to the enforcement of creditors' rights generally and by general principles of equity.
12. - **Funding of Loans to Reflect Revised Commitments.** . In order to give effect to the foregoing, upon, and with effect from, the satisfaction of the conditions precedent set forth below, the Lenders hereby agree to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required by the Agent or any of the Lenders (including the assignment of interests in, or the purchase of participations in, existing Advances) to give effect to the foregoing decrease in the Commitment Amount and revised commitments from the Lenders and to ensure that the aggregate Obligations owing to each Lender under the Credit Facilities are outstanding in proportion to each Lender's Rateable Portion of all outstanding Obligations under the Credit Facilities after giving effect to such decrease and revised commitments; provided that, the foregoing provisions of this Section 12 shall not apply to Bankers' Acceptances outstanding on the date hereof, such Bankers' Acceptances being subject to and dealt with pursuant to paragraph 13 hereof.
13. **Risk Participation Adjustment.** In order to give effect to the new Individual Production Facility Commitment Amounts provided for herein, the Aggregate Principal Amount

outstanding under the Production Facility (the "**Production Facility Outstandings**") shall be adjusted (by the Agent in accordance with its normal practices) as follows:

- (a) on the Second Amendment Date, each Production Facility Lender, as the case may be, shall purchase from each other Production Facility Lender, such portion of the Production Facility Outstandings owed to each Production Facility Lender as is necessary to ensure that the Production Facility Outstandings owed to each Production Facility Lender are outstanding in accordance with such Lender's Rateable Portion based on the new Individual Production Facility Commitment Amounts of all such Lenders provided hereunder; save and except that:
 - (i) with respect to any portion of the Production Facility Outstandings that are outstanding by way of Bankers' Acceptances, no such purchase shall be made, and instead, each Production Facility Lender hereby, to the extent necessary, provides an indemnity to the other Production Facility Lenders in order to ensure such Bankers' Acceptances are outstanding in accordance with such Lender's new Rateable Portion of the Production Facility Commitment Amount;
 - (ii) the allocation of the BA Stamping Fees on the outstanding Bankers' Acceptances shall be adjusted in accordance with the Agent's normal practice for the period commencing on the Second Amendment Date until the maturity of such outstanding Bankers' Acceptance; each Production Facility Lender agrees to remit to the Agent any amounts owing by it to the other Production Facility Lenders as a result of the new allocations of the BA Stamping Fees; each of the Production Facility Lenders acknowledges and agrees that such revised allocations are reasonable having regard to the liabilities and obligations of each with respect to such outstanding Bankers' Acceptances;
 - (iii) for any exiting Production Facility Lender, an indemnity agreement will be provided to such person;
- (b) for certainty, if and to the extent any Bankers' Acceptances that are outstanding on the Second Amendment Date are subject to a Rollover or Conversion on or after the Second Amendment Date, each Production Facility Lender shall fund its Rateable Portion of such Rollover or Conversion based on its new Individual Production Facility Commitment Amount;
- (c) if and for so long as any Bankers' Acceptances are outstanding on the Second Amendment Date, no Production Facility Lender shall participate in any other Advances under the Production Facility to the extent that such participation would result in such Lender exceeding its new Individual Production Facility Commitment Amount or being owed more than its new Rateable Portion of the Production Facility Outstandings; and
- (d) if and for so long as the Production Facility Outstandings owed to the Production Facility Lenders do not match their respective new Rateable Portions as a result of the

foregoing provisions, the applicable provisions of the Credit Agreement, as amended by this Second Amending Agreement, relating to determination and payment of amounts owing to each Lender in accordance with its Rateable Portion shall be adjusted accordingly.

14. **Continuing Effect.** Each of the parties acknowledges and agrees that the Credit Agreement, as amended by this Second Amending Agreement, and all other documents executed and delivered pursuant thereto or in connection therewith, will be and continue in full force and effect and are hereby confirmed and the rights and obligations of all parties thereunder will not be effected or prejudiced in any manner except as specifically provided herein.
15. **Further Assurance.** The Borrower will from time to time forthwith at the Agent's request and at the Borrower's own cost and expense, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Agent and as are consistent with the intention of the parties as evidenced herein, with respect to all matters arising under this Second Amending Agreement.
16. **Expenses.** The Borrower will be liable for all expenses of the Agent and the Lenders, including, without limitation, reasonable legal fees (on a solicitor and his own client full indemnity basis) and other out-of-pocket expenses in connection with the negotiation, preparation, establishment, operation or enforcement of the Credit Facilities and of this Second Amending Agreement (whether or not consummated) by the Agent and the Lenders.
17. **Enurement** This Second Amending Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.
18. **Counterparts.** This Second Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but;_ all of which when taken together constitutes one and the same instrument. Any party may execute this Second Amending Agreement by signing any counterpart.

[Remainder of Page Intentionally Left Blank]

IN **WITNESS WHEREOF**, the parties have caused this Second Amending Agreement to be duly executed by their respective e authorized officers as of the date and year first written above.

**SPYGLASS RESOURCES CORP.,
as Borrower**

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title:

NATIONAL BANK OF CANADA, as Agent

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title:

NATIONAL BANK OF CANADA, as Lender

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title:

THE TORONTO-DOMINION BANK, as Lender

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title:

HSBC BANK CANADA, as Lender

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title:

**CANADIAN IMPERIAL BANK OF
COMMERCE, as Lender**

Per: “signed”
Name: [REDACTED]
Title:

Per: “signed”
Name: [REDACTED]
Title:

THE BANK OF NOVA SCOTIA, as Lender

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title:

**WELLS FARGO BANK, N.A., CANADIAN
BRANCH, as Lender**

Per: “signed”
Name: [REDACTED]
Title:

:

ALBERTA TREASURY BRANCHES, as Lender

Per: “signed”
Name: [REDACTED]
Title:

Per: “signed”
Name: [REDACTED]
Title:

CANADIAN WESTERN BANK, as Lender

Per: "signed"
Name: [REDACTED]
Title:

Per: "signed"
Name: [REDACTED]
Title: