

COURT FILE NUMBER **2001-**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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

AND IN THE MATTER OF CALGARY OIL & GAS SYNDICATE GROUP LTD., CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD. (IN ITS OWN CAPACITY AND IN ITS CAPACITY AS GENERAL PARTNER OF T5 SC OIL AND GAS LIMITED PARTNERSHIP), CALGARY OIL AND SYNDICATE PARTNERS LTD., and PETROWORLD ENERGY LTD.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
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AFFIDAVIT OF RYAN MARTIN

Sworn on February 5, 2021

I, Ryan Martin, of the City of Alberta, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the President, Secretary and sole director of the Applicants, Calgary Oil and Gas Intercontinental Group Ltd., formerly Triple Five Intercontinental Group Ltd. ("**Intercontinental**") and Petroworld Energy Ltd. ("**Petroworld**"). I have been the President of Intercontinental and Petroworld since September 4 and 10, 2020, respectively, and have been involved with the companies since their incorporation. Through my involvement with Intercontinental and Petroworld, I have also gained personal knowledge relating to their parent companies and related entities, Calgary Oil & Gas Syndicate Group Ltd., formerly Triple Five Energy Ltd. ("**Syndicate Group**"), Calgary Oil and Syndicate

Partners Ltd., formerly T5 Energy Partners Ltd. (“**Syndicate Partners**”, and all Applicants are collectively referred to herein as the “**Companies**”). As such, I have personal knowledge of the matters to which I depose in this Affidavit, except where such matters are stated to be based on information and belief, in which case I have stated the source of my information and, in all cases, I believe such information to be true.

2. In preparing this Affidavit, I consulted with the Companies’ management teams and advisors and reviewed relevant documents and information concerning the Companies’ operations, financial affairs and marketing activities.
3. I hold a Bachelor of Commerce degree in Marketing and Accounting from the University of Saskatchewan. I have 20 years of experience in management, business development and capital deployment in the oil and gas industry in Alberta. In my roles at Intercontinental and Petroworld, I am directly responsible for all facets of new development, strategic planning, acquisitions and contract negotiations for Intercontinental.
4. I have been authorized to swear this Affidavit as the corporate representative of the Companies.
5. I swear this Affidavit in support of an Application by the Applicants for an initial order (the “**Initial Order**”) in respect of the Companies under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “*CCAA*”), granting, among other things, the following relief:
 - (a) abridging the time for, and deeming service of, the within Originating Application and supporting materials to be good and sufficient;
 - (b) declaring each of the Applicants to be a company to which the *CCAA* applies;
 - (c) declaring that the Companies and the related T5 SC Oil and Gas Limited Partnership (the “**Partnership**”) shall enjoy the benefits and protections provided for, and shall be subject to the restrictions as set out in, the Initial Order and any amendments thereto;
 - (d) authorizing the Companies and the Partnership to remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the

- “**Property**”) and to continue to carry on business in a manner consistent with the preservation of their business (the “**Business**”) and the Property;
- (e) entitling the Companies and the Partnership to make payment of all obligations owing in respect of payments to their consultants for the operation of the Business;
 - (f) entitling the Companies and the Partnership to make reasonable expenses incurred by them in operating the Business in the ordinary course, including making payments of obligations owing in respect of goods and services supplied to the Companies or the Partnership prior to the date of the Initial Order, subject to the consent of the Monitor (as defined below);
 - (g) staying, for an initial period of no more than 10 days, all proceedings and remedies taken or that might be taken in respect of the Companies and the Partnership, the Business, or the Property, except as otherwise set forth in the Initial Order or otherwise permitted by law, and upon subsequent application, a further period of time to be determined;
 - (h) preventing any Person (as defined in the Initial Order) from accelerating performance of any rights in respect of the Companies and the Partnership, except with the written consent of the Companies (in their respective own capacities or in the capacity as general partner of the Partnership, as the case may be) and the Monitor, or with leave of the Court;
 - (i) restraining any Person from interfering with the supply of goods or services to the Companies and the Partnership;
 - (j) staying all proceedings and remedies taken or that might be taken in respect of claims against the directors or officers of the Companies that relate to liability of such Persons in their capacity as directors or officers of the Companies, except as otherwise set forth in the Initial Order or otherwise permitted by law;
 - (k) appointing BDO Canada Limited (“**BDO**”) as monitor (the “**Monitor**”) of the Companies in the within proceedings;
 - (l) authorizing the Companies to pay all reasonable fees and disbursements of its counsel, the Monitor, and the Monitor’s counsel;

- (m) declaring 2076273 Alberta Ltd., APT Energy Services Ltd., Klassen's Mechanical Oilfield Maintenance Ltd., and Ty-Co Industries Ltd. (collectively, the "**Critical Suppliers**") to be critical suppliers of the Companies and the Partnership pursuant to the *CCAA*;
 - (n) granting the following charges over the Property of the Companies in the following relative priorities:
 - (i) First, a charge in favour of the Monitor, its legal counsel, and the Companies' legal counsel to a maximum amount of \$350,000.00;
 - (ii) Second, a charge in favour of the Critical Suppliers to a maximum amount of \$100,000.00; and
 - (iii) Third, a charge in favour of the directors and officers of the Companies to a maximum amount of \$60,000.00;
 - (o) scheduling a comeback application for a hearing at a date and time to be set by the Court, but in any event, no later than February 19, 2021; and
 - (p) such further and other relief as the Applicants may request and this Honourable Court may deem just.
6. If the Initial Order is granted, I understand that the Applicants are required to return to the Court within 10 days of the date of the Initial Order to apply for a further extension of stay, in which case this Affidavit will also be relied upon by the Applicants in respect of such comeback application.
7. All monetary references in this Affidavit are in Canadian dollars, unless otherwise stated.

I. BACKGROUND REGARDING THE COMPANIES, THE PARTNERSHIP, AND THEIR BUSINESS

A. Organizational Structure

8. The Applicants are a group of affiliated privately-held companies that are engaged in energy production in Alberta, with expertise in the exploration, development and production of natural gas and liquefied natural gas. The Applicants' oil and gas portfolio

is primarily owned, managed and operated by Intercontinental. Intercontinental's office space, located in Edmonton, Alberta, is managed through Petroworld. With the exception of Intercontinental and Petroworld, the remaining Applicants are holding companies and do not actively engage in business activities, nor do they own any significant assets other than shares or limited partnership units (as applicable). As will be further particularized below, Intercontinental's business operations are further conducted through the Partnership. Attached hereto and marked as Exhibit "1" is a true copy of an organizational chart which depicts the present structure and integration of the Applicants and the Partnership.

i. Syndicate Group

9. Syndicate Group holds 100% of the voting shares in Syndicate Partners. Syndicate Group is a registered corporation in the Province of Alberta. Syndicate Group's registered office is located in Edmonton, Alberta. Attached hereto and marked as Exhibit "2" is a true copy of an Alberta Corporate Registry search result respecting Syndicate Group, dated February 2, 2021. The referenced search erroneously identifies Nader Ghermezian as a current shareholder. Rather, Syndicate Group is 100% owned by Alfam Properties Corp.

ii. Syndicate Partners

10. Syndicate Partners is a wholly-owned subsidiary of Syndicate Group. Syndicate Partners acts as a holding company, and holds 100% of the voting shares in Intercontinental and Petroworld. As will be further particularized below, Syndicate Partners is a limited partner in the Partnership, having made capital contributions thereto and is presently holding 99% of partnership interest therein. Syndicate Partners also holds shares in two corporate entities which had been set up in contemplation of other oil and gas projects; such projects did not ever materialize.
11. Syndicate Partners is a registered corporation in the Province of Alberta. Syndicate Partners' registered office is located in Edmonton, Alberta. Attached hereto and marked as Exhibit "3" is a true copy of an Alberta Corporate Registry search result respecting Syndicate Partners, dated January 29, 2021.

iii. Intercontinental

12. Intercontinental's assets are located in the Ferrier area of west central Alberta, on the Sunchild First Nation. Intercontinental has a 100% working interest and comprehensive 3D seismic coverage for the assets, which are part of the Spirit River Formation. As will be further characterized below, Intercontinental is a general partner in the Partnership and holds 1% of partnership interest therein. Intercontinental's sole business operations relate to the operation of the Ferrier assets, which are in turn conducted through the Partnership.
13. Intercontinental is a registered corporation in the Province of Alberta. Intercontinental's head office and principal office is located in Edmonton, Alberta. Attached hereto and marked as Exhibit "4" is a true copy of an Alberta Corporate Registry search result respecting Intercontinental, dated January 29, 2021. The referenced search erroneously identifies Nader Ghermezian as a current shareholder. Rather, as earlier noted, Intercontinental is 100% owned by Syndicate Partners.

iv. Petroworld

14. Petroworld is a wholly-owned subsidiary of Syndicate Partners. Petroworld's sole business operations are to provide office space and supplies and office management support to Intercontinental. When Petroworld was first incorporated in 2013, it was expected that Petroworld would provide office management support to additional oil and gas projects in other locations. However, the contemplated projects did not materialize and Petroworld only provided offices to Intercontinental.
15. Petroworld is a registered corporation in the Province of Alberta. Petroworld's registered office is located in Edmonton, Alberta. Attached hereto and marked as Exhibit "5" is a true copy of an Alberta Corporate Registry search result respecting Petroworld, dated February 2, 2021.

v. The Partnership

16. The Partnership was created by a limited partnership agreement dated May 4, 2014 between Intercontinental, as general partner with 1% interest, and Syndicate Partners, as

limited partner with 99% interest, to pursue oil and gas production through Intercontinental's assets in Ferrier.

17. The Partnership is a registered limited partnership in the Province of Alberta. Attached hereto and marked as Exhibit "6" is a true copy of an Alberta Corporate Registry search result respecting the Partnership, dated January 29, 2021.

B. The Business

i. Oil and Gas Production

18. The core focus of the Applicants' Business, facilitated through Intercontinental and the Partnership, is the production of natural gas and natural gas liquids from the Spirit River Formation in the Ferrier area. The scope of operations involves primary recovery through the drilling and tie-in of horizontal wells. The assets have total proved reserves of 15,887.4 mboe, which have been independently valued at approximately \$179.2 million net present value using a 10% discount rate effective December 31, 2020. As of February 1, 2021, total production from the Ferrier assets was 2,693 boe/d, 17% of which is comprised of liquefied natural gas production and the remaining 83% consists of natural gas production.
19. The Ferrier assets are comprised of the following properties:
 - (a) Falher A properties, with 4 wells on production and 9 additional locations identified and booked;
 - (b) Falher B properties, with 6 wells on production and 12 additional locations identified (6 booked);
 - (c) Ellerslie properties, with 12 locations identified but no wells drilled at this time; and
 - (d) Cardium properties, with 17 locations identified (5 booked) but no wells drilled at this time.
20. Given the total proved reserves of 15,887.4 mboe and the total proved developed producing reserves of 6,397.1 mboe, the Applicants expect the Ferrier assets to continue revenue generation over the next 50 years, with the presently producing wells to generate an expected revenue of \$177.4 million over the next 36 years.

ii. Employees

21. At present, the Applicants do not have any employees. As earlier noted, Syndicate Group and Syndicate Partners are holding companies with no active business operations; as such, they do not have any employees. Given Petroworld's limited business activities (all of which have been connected to supporting Intercontinental's business operations), it also does not employ any employees. On its part, Intercontinental has engaged the services of four consultants, located at Intercontinental's head office in Calgary, to manage and operate the oil and gas assets.
22. The roles and responsibilities of these four consultants variously encompass the following:
 - (a) attending to contract negotiation, business development, business operations and management;
 - (b) attending to financial matters, including corporate and financial reporting;
 - (c) attending to engineering and asset operations; and
 - (d) attending to regulatory and accounts payable and receivable matters.
23. The four consultants are paid on a monthly basis, totaling approximately \$50,000.00 per month. At present, there are no past due amounts owing to these consultants.
24. The proposed Initial Order authorizes the Applicants (namely, Intercontinental) to make payments in to these four consultants, payable on or after the date of the Initial Order (whether incurred prior to or after the date of the Initial Order), in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements, in order to maintain the operations of the Business.

iii. Cash Management System

25. The Applicants' cash management system (the "**Cash Management System**"), including the collection, transfer and disbursements of funds, is administered from Intercontinental's office through Edmonton, Alberta.
26. The Applicants hold the following bank accounts:
 - (a) Syndicate Partners holds a chequing account in Alberta with TD Canada Trust

- (“**TD**”). This chequing account is used for incidental administrative expenses that may arise from time to time. As of February 3, 2021, this account holds funds in the amount of \$512.41;
- (b) Intercontinental holds an account in Alberta with TD. This account is associated with a secured term deposit used as security for letters of credit issued to the production marketers, Nova Gas Transmission Ltd. and Keyera Partnership. The secured term deposit, in the amount of \$566,977.34, will mature on February 4, 2021 and is subject to renewal. As of February 3, 2021, this account holds funds in the amount of \$6,115.50;
 - (c) Intercontinental holds a chequing account in Alberta with the Bank of Montreal (“**BMO**”). This account is to pay operations expenses and presently holds funds in the amount of \$579,959.00. However, it is anticipated that once cheques clear in the ordinary course, there will be no funds available;
 - (d) As will be further described below, Intercontinental holds a lockbox account with BMO; and
 - (e) Petroworld holds a chequing account in Alberta with TD. This chequing account is used for incidental administrative expenses that may arise from time to time. As of February 3, 2021, this account holds funds in the amount of \$16,500.26.
27. Presently, the marketers of productions from the Ferrier assets pay into a lockbox account held in Alberta with the Bank of Montreal (the “**Blocked Account**”). The Blocked Account was created in accordance with the terms of the Forbearance Agreement with the Applicants’ main secured creditor, Crown Capital (both hereinafter defined). The Partnership, through Intercontinental, only has “view” access to the Blocked Account and must make a monthly request to transfer funds required for mandatory operations and general and administrative expenses to Intercontinental’s separate chequing account, and for minor payables from recent optimization work. The balance of the funds held in the Blocked Account are directed to Crown Capital for payments owing. As of February 2, 2021, the balance held in the Blocked Account is \$267,505.00.

28. In connection with the *CCAA* proceedings, the Applicants and the Partnership are seeking authority to continue to operate the Cash Management system; however, they wish to do so without the Blocked Account. The Blocked Account has significantly restrained Intercontinental's ability to access cash to further fund its operations and pay for other expenses. The continued operation of the Cash Management System, without the Blocked Account, will minimize disruption to the Partnership's operations caused by the *CCAA* proceedings and avoid the need to negotiate and implement alternative banking arrangements. The Cash Management System includes the necessary accounting controls to enable the Applicants, the Partnership and the Monitor to trace funds and ensure that all transactions are adequately documented and readily ascertainable.

II. OVERVIEW OF FINANCIAL DIFFICULTIES

29. As a junior energy producer, the viability of the Applicants' and the Partnership's business operations is highly dependent upon oil and gas commodity pricing. As will be further discussed below, the Applicants and the Partnership have been significantly impacted by challenging market conditions in the Canadian oil and gas industry, including the protracted depressed oil and gas pricing, as well as market volatility due to several factors such as the COVID-19 pandemic.
30. There are several benchmarks that may be used to contextualize the natural gas commodity pricing in the markets in which the Applicants and the Partnership operate:
- (a) the New York Mercantile Exchange Henry Hub in Louisiana ("**NYMEX**") for U.S. natural gas prices;
 - (b) the AECO Hub in Alberta for Canadian natural gas price points at the Niska Gas Storage in southern Alberta;
 - (c) the West Texas Intermediate at Cushing, Oklahoma ("**WTI**") for North America crude oil prices; and
 - (d) Canadian light, which represents adjustments to the WTI and is based on postings in Edmonton, Alberta.

31. In the third quarter of 2020, the NYMEX benchmark indicated a pricing decrease of 14% relative to the same quarter in 2019; the significance of the pricing decrease is greater, at 27%, when accounting for the first three quarters of 2020 compared to the same time period in 2019. The AECO prices, however, averaged \$2.27/mcf in the third quarter of 2020, a 127% increase as compared \$1.00 in the same quarter in 2019. The WTI prices decreased by 28% in the third quarter of 2020, from US \$56.47/bbl for the same period in 2019 to US \$40.93/bbl. Similarly, Canadian light benchmark prices decreased 29% in the same comparative period, from \$69.26/bbl to \$49.05/bbl.
32. The pricing volatility and reduction largely arose from an already declining natural gas demand, compounded by a further reduction in demand as a result of the COVID-19 pandemic.
33. Commodity pricing realized by the Applicants, through the Partnership, was affected by this volatility. In the third quarter of 2020, the Partnership realized an average of \$16.34/boe, representing a 55% increase compared to the third quarter of 2019. The realized natural gas prices of \$2.36/mcf were volatile, indicating an increase of 159% in the third quarter of 2020. For further comparison, the Partnership realized a 20% decrease in natural gas liquids price at \$26.21/bbl in the third quarter of 2020.
34. The Partnership, through Intercontinental, was party to two hedging contracts as on September 30, 2020. In 2020, the Partnership realized a loss of approximately \$800,000.00 attributable to natural gas prices being above the floor prices of the various contracts during the applicable terms. The hedging contracts were entered into pursuant to conditions set out under the Loan Agreement, and these contracts exacerbated losses experienced by the Business as the hedging contracts were dependent upon market pricing under gross overriding royalties held by Crown Capital (as defined below).
35. In the third quarter of 2020, the Partnership's oil and gas production revenues, net of royalties and derivative losses, was approximately \$3.705 million. During the third quarter of 2020, the Partnership realized a 36% increase in gross aggregate production revenues compared to the same quarter in 2019, 71% of which was attributable to natural gas production, while 29% was attributable to natural gas liquids production.

36. Net revenue generation in the third quarter of 2020 shows a decrease compared to net revenues of approximately \$4.12 million in the same quarter in 2019. The decrease is further magnified when considering the first three quarters of 2020, during which the Partnership generated net revenues of approximately \$11.077 million, as opposed to \$17.378 million for the same time period in 2019.
37. Despite a decrease in total expenses for the third quarter of 2020, the Partnership experienced a net loss of approximately \$729,000.00 during this time. As of September 30, 2020, the Partnership suffered a net loss of approximately \$2.633 million in 2020. In particular, the Partnership had a loss netback of \$3.11/boe for the first three quarters of 2020.
38. During the first three quarters of 2020, the Partnership's operating activities generated positive cash flow of approximately \$1.534 million. However, this reflects a decrease compared to cash flow of approximately \$6.780 million for the same time period in 2019. Although the Partnership retained a positive cash flow of approximately \$796,000.00 as of September 30, 2020, this figure constitutes a decrease of approximately \$945,000.00 from the beginning of 2020. The decrease in cash flow through operating activities was attributable largely to the decrease in natural gas liquids commodity pricing.
39. The Partnership submitted requests to its secured lender, Crown Capital (as hereinafter defined), to shut-in wells for a 6-month period in 2020 given losses associated with ongoing production in light of depressed pricing conditions and the need for flush production from new wells to pay down accounts payables. However, Crown Capital refused the Partnership's requests and required ongoing debt repayments (both capital and interest) while operating with maximized production
40. In addition to market conditions during the COVID-19 pandemic, the Partnership's operations have also been directly impacted by the self-isolation and social distancing restrictions imposed by the Government of Alberta respecting same, and the closure or reduced operations in and around Alberta and Canada.
41. The Applicants and the Partnership, with the assistance of legal and financial advisors, have continued efforts to manage their liquidity position and to review strategic options to address their financial position. While the Partnership presently maintains a positive cash

flow, it is insufficient to provide for the immediate payment of all due and owing obligations. The Applicants believe that the present financial structure of the Business is unsustainable in light of reduced operating revenues in the current market environment, and absent an increase in commodity prices and a restructuring of its current debt. However, given the total proved reserve values of the Ferrier assets and the potential end of the COVID-19 pandemic on the horizon following the roll-out of vaccines, the Applicants believe their constrained financial position is temporary and that the Business has a viable financial outlook in the long-term.

42. The Applicants believe that the commencement of the within *CCAA* proceedings is in the best interest of the Applicants and the Partnership and is necessary to provide the Applicants and the Partnership with stability for the Business to provide time to advance potential restructuring alternatives for the benefit of all its stakeholders.

III. ASSETS AND LIABILITIES

43. Attached hereto and marked as Exhibits “7”, “8” and “9” are the Partnership’s unaudited financial statements for the first three quarters of 2020. Attached hereto and marked as Exhibit “10” is the Partnership’s financial statement for the 2019 year-end. These are the last financial statements prepared by the Partnership. The financial statements of the Partnership are applicable to Intercontinental, which does not prepare separate financial statements and conducts the entirety of its business through the Partnership.
44. Attached hereto and marked as Exhibits “11”, “12”, and “13” are trial balances for Syndicate Group, Syndicate Partners, and Petroworld. Given the limited, or lack of, business operations conducted by these entities, there are no formal financial statements prepared for these entities. The trial balances, prepared internally by the management teams, identify the assets held by these entities (being shares or partnership units, as the case may be) and demonstrate the lack of revenue generation therefrom.

A. Assets

45. As at September 30, 2020, the date of the Partnership’s most recent unaudited financial statements, the Partnership had total assets with a book value of approximately \$66.853 million. This amount included (all amounts approximate):

- (a) cash of \$796,000.00,
- (b) accounts receivable of \$2.05 million,
- (c) property, plant and equipment of \$56.685 million,
- (d) administrative assets of \$9,000.00,
- (e) right-of-use assets (surface leases) of \$505,000.00, and
- (f) exploration and evaluation assets (the Partnership's exploration projects pending the determination of proven and probable reserves) of \$5.837 million.

B. Liabilities

46. As at September 30, 2020, the Partnership had total liabilities with a book value of approximately \$42.89 million. This amount included (all amounts approximate):
- (a) accounts payable and accrued liabilities of \$13.294 million,
 - (b) current secured debt of \$27 million,
 - (c) current lease liabilities of \$512,000.00,
 - (d) future lease liabilities of \$37,000.00, and
 - (e) decommissioning liabilities of \$2.047 million.

i. Secured Debt

47. Pursuant to a second amended and restated loan agreement dated October 31, 2019 between the Partnership, as borrower, and Crown Capital Partner Funding, LP, by its general partner Crown Capital LP Partner Funding Inc. (collectively, "**Crown Capital**"), as lender (the "**Loan Agreement**"), Crown Capital advanced a credit facility to the Partnership (the "**Credit Facility**"). Attached hereto and marked as Exhibit "**14**" is a true copy of the Loan Agreement.
48. Pursuant to a guarantee and indemnity agreement dated August 31, 2018 the "**Guarantee**"), Intercontinental is a guarantor of the obligations owing under the Loan Agreement and other related loan documents. Attached hereto and marked as Exhibit "**15**" is a true copy of the Guarantee.

49. Intercontinental's Guarantee is secured by a fixed and floating charge debenture in favour of Crown Capital dated August 31, 2018 (the "**Debenture**"), which created a first-priority charge over all present and after-acquired assets of Intercontinental and any subsidiaries of joint ventures. Attached hereto and marked as Exhibit "**16**" is a true copy of the Debenture.
50. Pursuant to a limited recourse guarantee and indemnity agreement dated August 31, 2018 (the "**LR Guarantee**"), Syndicate Partners is a limited recourse guarantor of the obligations owing under the Loan Agreements and other related loan documents. Attached hereto and marked as Exhibit "**17**" is a true copy of the LR Guarantee.
51. As at September 30, 2020, the principal amount owing under the Credit Facility was \$27 million, with interest accruing on the outstanding principal amount calculated at 10.5% per annum, and compounded and payable monthly on the last day of each month.
52. Beginning in or around March 2020, several events of default occurred under the terms of the Loan Agreement, as follows:
- (a) the Partnership was unable to maintain the requisite Current Ratio (as defined in the Loan Agreement) as at March 31, 2020 and June 30, 2020;
 - (b) the Partnership was unable to maintain the requisite Net Debt to TTM EBITDA Ratio (as defined in the Loan Agreement) as at March 31, 2020 and June 30, 2020;
 - (c) the Partnership failed to make repayment of \$725,000.00 on the principal amount of the Credit Facility on September 1, 2020; and
 - (d) the Partnership failed to make payment of production payments owing to Crown Capital for the month of July 2020, which was due on September 4, 2020.
53. The Partnership, Crown Capital, and the guarantors (including Intercontinental and Syndicate Partners) entered into a forbearance and amending agreement dated October 16, 2020 (the "**Forbearance Agreement**"), pursuant to which Crown Capital would forbear from enforcement of the Loan Agreement, the Guarantee and the LR Guarantee until April 15, 2021 on the terms and conditions set out therein. Those terms include a sales process for a potential sales transaction of the Property. As will be described later in this affidavit, that sales process no longer is likely to provide the best realization for the Applicants and the Partnership, and their stakeholders, in light of the evolving market conditions in 2021.

ii. Trade Creditors

54. The Applicants have ongoing supply and/or service arrangements with numerous vendors and service providers, including in respect of the operations and maintenance of its oil and gas assets, as well as certain general administrative support. As of February 1, 2021, the approximate amount owed to the trade creditors was approximately \$12,208,000, a significant portion of which would have been captured in the accounts payable and accrued liabilities of \$13.294 million estimated at September 30, 2020.
55. While the Applicants try to maintain good relationships with their suppliers, the financial conditions affecting the Applicants have created a crisis of confidence and have resulted in a number of the trade creditors having filed liens, initiated legal proceedings, obtained judgment, or delivered demand letters to the Applicants for amounts owing due to delays in the payment of invoices.
56. At present, the Applicants have identified five liens registered upon surface titles to lands on which the Ferrier assets are located, all of which are associated with claims against Intercontinental.

iii. Surface Leases

57. The Partnership, through Intercontinental, is required to make surface lease payments to certain parties for physical access to its assets. The Partnership's surface lease obligations are determined by provincial regulations for production from Crown lands and by contractual lease obligations negotiated with Indian Oil and Gas Canada ("IOGC") for production from the Sunchild First Nation's land.

iv. Royalties and Gross Overriding Royalties

58. The Partnership through Intercontinental, is required to make certain royalty payments in respect of its oil and gas production. Intercontinental's s royalty obligations are determined by provincial regulations for production from Crown lands and by contractual lease obligations negotiated with IOGC from the Sunchild First Nation's lands.

59. Further, the Sunchild First Nation, through Sunchild Oil & Gas Ltd., holds rights to a 3% gross overriding royalty (“GOR”) in respect of production on its lands for an indefinite term.
60. Maple Leaf Corporate Funds Ltd. also holds rights to a 0.75% GOR in respect of production from three of the Falher B wells.
61. As of the date of this Affidavit, the Partnership, through Intercontinental, has satisfied all current royalties and GOR obligations.

v. Equipment and Office Leases

62. As of the end of January 2021, Intercontinental (through the Partnership) owes approximately \$72,000.00 to Enerflex Ltd. for compressor rentals, and approximately \$34,000.00 to Black Iron Compression Ltd. for separator units and line heater rentals. As of September 30, 2020, the Partnership holds current equipment lease liabilities of approximately \$512,000.00 on account of lease payments due and payable in the following year. The remaining equipment lease liabilities of approximately \$37,000.00 account for lease payments due and payable after the following year. As of the date of this Affidavit, the Partnership owes approximately amount of \$13,000.00 for surface lease payments past due and anticipates payment of same in February 2021.
63. At present, Intercontinental’s office lease payments are approximately \$13,000.00 per month. The initial lease term has expired and the office is being leased on a month-to-month basis. Intercontinental has not sought to execute a long-term lease given the present financial conditions of the Applicants and the Partnership and uncertainty relating to office use due to the COVID-19 pandemic. The office lease is no longer being administered or paid for by Petroworld.

vi. Environmental Obligations and Decommissioning Liabilities

64. The Partnership’s decommissioning liabilities arise from Intercontinental’s ownership interests in the Ferrier assets. The Ferrier assets are subject to environmental regulation under a variety of Canadian laws and regulations. Among other things, these laws and regulations provide for standards relating to the operation, maintenance, suspension, abandonment, reclamation and remediation of the subject wells and facilities.

65. All of Intercontinental's horizontal wells in the Ferrier area were drilled in or after 2015. As a result, there is no legacy asset retirement obligation ("ARO") associated with the assets, and Intercontinental has a favourable LMR of approximately 37.5 as of January 2, 2021, as per the Alberta Energy Regulator's (the "AER") website, with deemed liabilities of less than \$2 million.
66. The Partnership's estimated undiscounted cash flows required to settle its decommissioning liabilities as at September 30, 2020 is approximately \$2.085 million, which will be incurred at various times after 2051. The present value of the decommissioning liabilities as at September 30, 2020 of \$2.047 million accounts for a risk free rate of 1.11% and an inflation factor of 2%. As of September 30, 2020, no funds have been set aside to settle the decommissioning obligations given Intercontinental's high LMR.

vii. Property Taxes and GST

67. As the assets are located on the Sunchild First Nation, the Partnership, through Intercontinental, only has limited municipal tax obligations in connection with Clearwater County for municipal property taxes. There are no municipal taxes owing at this time.
68. The Applicants do not have any GST amounts owing at this time.

viii. Litigation

69. The Applicants, or each or some of them, are parties to various ongoing litigation for outstanding payables, including the following:
- (a) *Essential Coil Well Service Limited Partnership v. Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2001-11025 for judgment in the amount \$172,789.43;
 - (b) *Bronco Slickline Services Ltd. v Triple Five Energy Ltd., T5 Energy Partners Ltd., and Triple Five Intercontinental Group Ltd.*, Provincial Court of Alberta (Civil) File No. P2002900483 for judgment in the amount of \$41,447.30;
 - (c) *Absolute Imaging Inc. v Petroworld Energy Ltd.*, Court of Queen's Bench of Alberta File No. 2001-14807 for judgment in the amount of \$78,840.85;

- (d) *Eclipse Crane & Rigging Ltd. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2004-00480 for judgment in the amount of \$92,205.00;
- (e) *Savanna Drilling Corp. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2001-10638 for judgment in the amount of \$589,792.42 and other relief;
- (f) *Advanced Safety Paramedics Inc v Triple Five Intercontinental Group Ltd. and Petroworld Energy Ltd.*, Court of Queen's Bench of Alberta File No. 2001-10155 for judgment in the amount of \$61,987.00;
- (g) *High Country Oilfield Transportation Inc. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2003-13458 for judgment in the amount of \$179,895.13;
- (h) *Tier 1 Energy Solutions, Inc. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2003-10111 for judgment in the amount of \$297,325.45;
- (i) *Core Completions Inc. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2001-12720 for judgment in the amount of \$54,579.00;
- (j) *Ace Energy Services Inc. v Triple Five Intercontinental Group Ltd.*, Provincial Court of Alberta (Civil) File No. P2002100298 for judgment in the amount of \$50,000.00;
- (k) *Prowler Energy Services Ltd. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2004-00651 for judgment in the amount of \$194,781.83;
- (l) *Halliburton Group Canada Inc. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2003-09627 for judgment in the amount of \$92,233.21 plus GST;
- (m) *Silver Springs Enterprises Ltd. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2010-01236 for judgment in the amount of \$137,061.35;

- (n) *Total Oilfield Rentals Ltd v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2001-13345 for judgment in the amount of \$30,545.55;
 - (o) *Versatile Energy Services Ltd. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta (Civil) File No. P2102900005 for judgment in the amount of \$39,662.18;
 - (p) *Isolation Equipment Services Inc. v Triple Five Intercontinental Group Ltd.*, Court of Queen's Bench of Alberta File No. 2110-00061 for judgment in the amount of \$163,713.80; and
 - (q) *Strata Innovations Ltd. operating as Blue Arrow Communications v Triple Five Intercontinental Group Ltd.*, Provincial Court of Alberta (Civil) File No. P2002900495 for judgment in the amount of \$17,865.75.
70. The foregoing list does not include matters in which judgments have already been obtained against any of the Applicants. As is evident in the foregoing list, most of the proceedings have been brought against Intercontinental. However, there is other litigation that has been brought against other entities in the overall corporate group, including Syndicate Group, Syndicate Partners and Petroworld. All of the referenced proceedings relate to the operation of the Ferrier assets.

ix. PPR Registrations

71. Upon review of registrations at the Alberta Personal Property Registry ("PPR") against the Applicants and the Partnership as of February 2, 2020, there are registrations as follows:
- (a) Syndicate Group: 2 writ registrations. Attached hereto and marked as Exhibit "18" is the PPR search result respecting Syndicate Group dated February 2, 2021;
 - (b) Syndicate Partners: 1 security registration by Crown Capital and 1 writ registration. Attached hereto and marked as Exhibit "19" is the PPR search result respecting Syndicate Partners dated February 2, 2021;
 - (c) Intercontinental: 4 security registrations, including a registration by Crown Capital, and 7 writ registrations. Attached hereto and marked as Exhibit "20" is the PPR

search result respecting Intercontinental dated February 2, 2021;

- (d) Petroworld: 1 security registration by Bull Moose Capital Ltd. respecting certain equipment, 1 security registration by 702856 Alberta Ltd., operating as Continental Imaging Products Ltd. respecting certain equipment, and 1 writ registration. Attached hereto and marked as Exhibit “21” is the PPR search result respecting Petroworld dated February 2, 2021; and
- (e) the Partnership: 1 security registration and 1 land charge by Crown Capital. Attached hereto and marked as Exhibit “22” is the PPR search result respecting the Partnership dated February 2, 2021.

C. Equity

- 72. As earlier noted, Intercontinental holds 1% interest in the Partnership as general partner, while Syndicate Partners holds 99% interest as limited partner. As of September 30, 2020, Syndicate Partners, as limited partner, has contributed nearly \$30 million in capital.
- 73. All of the shares of Applicants are held as common voting shares by their respective shareholders. No options or warrants have been issued for the Applicants. Given that the Applicants exist solely for the purpose of facilitating the operation of the Ferrier assets, the value of the Applicants’ equity is inextricably tied to the viability of ongoing business operations of Intercontinental and the Partnership. As the Applicants are presently insolvent, they have limited equity, except for the value of ongoing operations of the Ferrier assets.

IV. DEBT REDUCTION AND STRATEGIC EFFORTS TO DATE

- 74. The Applicants have instituted measures to address its reduced cash flow in the past several months, including as follows:
 - (a) limiting payment of expenses, invoices and commitments to amounts owing to critical suppliers and as necessary to maintain production targets;
 - (b) implemented decreases of office space and associated payments;
 - (c) renegotiated a gas processing agreement with 15% reduction to processing fees; and

(d) implemented pay decreases for monthly payments owing to consultants.

75. In addition, as a requirement of the Forbearance Agreement, the Applicants have engaged the services of Peters & Co. Limited as financial advisor (the “**Financial Advisor**”) for potential strategic sales transactions in connection with the Partnership’s Business. Attached hereto and marked as Exhibit “**23.**” is a true copy of an engagement agreement dated January 14, 2021 between the Applicants and the Financial Advisor.
76. As of the date of this Affidavit, the Financial Advisor has prepared and made available a data room in respect of the Ferrier assets. The due date for non-binding proposals is presently March 17, 2021 at noon. Should the Court grant the Initial Order, the sales process would be put on hold to provide time for the Applicants and the Partnership to explore strategic alternatives to restructure.

V. **CCAA PROCEEDINGS AND RELIEF SOUGHT**

A. **Need for CCAA Protection**

77. The Applicants and the Partnership urgently require the protection afforded by the *CCAA* to preserve value for the benefit of all stakeholders. The Applicants and the Partnership are unable to make full payment of financial obligations as they come due, including debt repayment and amounts owing to trade creditors. Notably, the Partnership is in default of its obligations pursuant to the Loan Agreement.
78. The Applicants and the Partnership have significant value beyond the debt owing to Crown Capital and its other creditors. In particular, the Ferrier assets have total proved reserves of 15,887.4 mboe, valued at approximately \$179.2 million net present value, with production expected to continue in 2021. The value of the Applicants and the Partnership have become more clear as the COVID-19 pandemic has progressed and the market has begun to stabilize in very early 2021, with the prospects of the Business having improved since 2020. Commodity prices in the oil and gas market have materially improved since the COVID-19 pandemic had its most significant impacts on those prices in 2020. A sale of the Property at this juncture no longer appears to be the best method of realization for the creditors, and there are potential strategic alternatives including solicitation of investment or refinancing that should be explored by the Applicants and the Partnership. The

Applicants seek protection under the *CCAA* in order to have sufficient time to continue to pursue current efforts of restructuring and refinancing the Applicants and the Partnership.

79. Based on the current strip pricing and reserve valuation, the Applicants expect that they would have sufficient cash flow to support Crown Capital's interest payments and GOR payments until the end of the term of the loan facility (March 2022) if the Applicants are able to obtain relief under the *CCAA*.
80. The challenges facing the Applicants and the Partnership are largely cash flow related due to depressed commodity prices. Without the structured protections provided by the *CCAA*, the Applicants and the Partnership cannot protect their assets and consider strategic options and alternatives to effect a restructuring and ensure ongoing operations for the benefit of their stakeholders.
81. The Financial Advisor for a potential sales process of the Property was imposed upon the Applicants and Partnership under the Forbearance Agreement and Crown Capital continues to request further measures be taken by the Applicants and the Partnership that are likely to have negative consequences on the Business and, further, for the stakeholders. The Blocked Account imposed upon the Applicants and the Partnership have interfered in their ability to pay trade creditors, impacting the Business.
82. The Blocked Account has resulted in significant administrative burden and operational delays as the Blocked Account involves cumbersome mechanics and Intercontinental is presently required to make requests to Crown Capital for release of funds from the Blocked Account in order to continue business operations in an effective manner. Among other things, Crown Capital has delayed funding for delivery and installation of tubing and compressor equipment. This delayed funding resulted in the delivery and installation of equipment which was originally scheduled for Fall 2020 to December 2020. This timing caused additional delays and production curtailments due to increased labour costs, weather-related down time and ice plugging of key equipment. These delays and production curtailments are still ongoing. As a result of the implementation of the Blocked Account, Crown Capital effectively holds a veto upon Intercontinental's decision to pay other creditors and holds final approval on the management of the business operations.

83. Further, Crown Capital has interfered in the Applicants' and the Partnership's ability to make critical business decisions to protect the value of the Business, including not allowing them to shut-in at the worst of the COVID-19 pandemic during near negative pricing on natural gas liquids, to the detriment of the Business. If the relief under the *CCAA* is granted, management decision-making will be restored to the Applicants, thereby allowing the Applicants to make decisions to the benefit of the Business and its stakeholders.
84. The Applicants are of the view that a sales process at this current time, when the oil and gas market is experiencing record lows, will not provide the best realization of the value of the Business. The industry is now experiencing a price recovery and the Applicants are of the view that the market valuation for the Business will be restored back to reasonable and healthy levels, so that the long-term value of this asset can be realized by the Applicants and the Partnership.
85. The Applicants are actively seeking refinancing and exploring a number of different options. Among other possibilities, the Applicants are engaged in discussions with the Sunchild First Nation to secure further financing through a potential equity arrangement with the First Nation.
86. The Applicants, specifically Intercontinental (and relatedly, the Partnership), are unable to satisfy obligations as they come due.
87. Intercontinental has actively managed its ongoing abandonment and reclamation and remediation obligations so as to ensure that the Ferrier assets are developed responsibly and in a manner which minimize ongoing environmental liabilities. Intercontinental will continue to cooperate with the AER in the management of its operations and licensed assets. Intercontinental intends to keep the AER apprised of any developments in respect of the operation of its licensed assets.
88. The Applicants and the Partnership are seeking the protection of the *CCAA* at this time to maintain stability for its business and to provide time to consider strategic options that may be available to assist with addressing their debt structure. In 2019, the Applicants explored with Crown Capital the possibility of a third-party financier taking over Crown Capital's interest under the Loan Agreement; however, Crown Capital sought to impose unreasonably high penalty fees in connection with the refinancing.

B. The Applicants Meet the Statutory Requirements under the CCAA

89. The Applicants are each companies to which the *CCAA* applies. Each of the Applicants and the Partnership has resolved to authorize the within *CCAA* proceedings.
90. Intercontinental has claims against it in excess of \$5 million. As of the date of this Affidavit, the aggregate secured and unsecured claims against Intercontinental totalled approximately \$40.3 million. While claims against the other Applicants are more limited, the integrated nature of the corporate group and its business operations means that all entities are reliant upon the financial performance of Intercontinental and the Partnership. With respect to Syndicate Group, Syndicate Partners and Petroworld, certain trade creditors have commenced litigation or issued demands against these entities related to the Property and the Business. Aggregate contingent claims relating to litigation against Petroworld are in excess of \$100,000.00.
91. The Applicants are insolvent and unable to meet their obligations as they generally become due. As above discussed, with estimated revenues, the Applicants' expected cash balances would be depleted immediately without the protections provided by the *CCAA*.
92. The Partnership is at the centre of the complicated corporate structure of the Applicants and carries active business operations forming the core of the Applicants' business. The Partnership is integral to any proposed restructuring efforts of the Applicants as the operations and capital contributions and debt financing for such operations flow through the Partnership.

C. Stay of Proceedings under the CCAA

93. In light of the financial circumstances of the Applicants and the Partnership, there will be an immediate and significant erosion of value to the detriment of all stakeholders without the benefit of *CCAA* protection. In particular, the Applicants are of the view that, without the relief sought under the *CCAA*:
- (a) suppliers or service and trade providers could cease to supply or provide services to the Applicants, or impose certain payment terms in a manner that further exacerbates the liquidity challenges facing the Applicants and the Partnership;
 - (b) continued defaults under the Loan Agreement could result in the imminent

commencement of related enforcement actions against the Syndicate Partners, Intercontinental, and the Partnership and is resulting in Crown Capital seeking further terms to the Forbearance Agreement that would negatively impact the Business, including further expenses for the Business and uncertainty for future operations as Crown Capital seeks sole discretion over any potential sales transaction such that it could terminate the Forbearance Agreement prior to its current termination date, without consideration of ongoing operations of the Business and other creditors;

- (c) further enforcement actions may be pursued by judgment creditors;
- (d) counterparties may terminate agreements that are critical to the operation of the Partnership's Business;
- (e) business disruption arising from a myriad of litigation proceedings commenced or threatened against the Applicants and the Partnership, and the resulting impact upon the operation of the assets;
- (f) the restraint on cash flow due to use of the Blocked Account impedes Intercontinental's and the Partnership's ability to continue ongoing operation of the assets and capital expenditure related thereto;
- (g) public knowledge of continued inability to satisfy payables is likely to result in an inability for the Applicants to obtain adequate credit or service for operations, creating the risk of inability to maintain production and the assets; and
- (h) financial uncertainty negatively impacts the management team's ability to make critical decisions for the benefit of all stakeholders, including efforts to secure alternate financing.

94. The Applicants have commenced these *CCAA* proceedings in an effort to stabilize the Business and ensure that the Ferrier asset operations can continue without disruption. The Applicants believe that the commencement of the *CCAA* proceedings and the stay of proceedings in respect of the Applicants and the Partnership are necessary to protect and preserve the value of the Business for the benefit of the Applicants and all of their

stakeholders, including Crown Capital, trade creditors, the Sunchild First Nation and energy regulators.

D. Cash Flow Forecast

95. Attached hereto and marked as Exhibit “24” is the consolidated 13-week cash flow forecast for the Applicants and the Partnership for the period commencing the week ending February 7, 2021 up to and including the week ending May 2, 2021.
96. Based on my knowledge of the financial position of the Applicants and the Partnership, and based on the assumptions set out in the cash flow forecasts, I believe the cash flow forecasts are fair and reasonable.
97. The Applicants have worked with the Monitor to create the cash flow forecasts for the Applicants and the Partnership. The Applicants are working towards arranging interim financing to address small payment arrangements in the near future.
98. I believe, based on the cash flow forecasts, that Intercontinental and the Partnership will be able to meet their post-filing obligations in the ordinary course, if the Blocked Account is no longer imposed upon the Applicants and the Partnership, such that there is full access to the revenues of the Business.
99. The Syndicate Group and Syndicate Partners do not indicate any significant financial activity because they are merely used as holdings companies. In the case of Petroworld, there is no significant financial activity as Petroworld had provided limited services to Intercontinental and is no longer doing so.
100. It is expected that the Applicants’ and the Partnership’s main use of cash during the *CCAA* proceedings will be to finance ongoing operating expenses in relation to the Ferrier assets, consultant compensation, royalty and surface lease payments if and when due, general administrative expenses, and payment of legal and financial advisors engaged to assist with the restructuring efforts.

E. Payments During the CCAA Proceedings

101. During the proposed *CCAA* proceedings, the Applicants intend to make payments for goods and services supplied to them and/or to the Partnership post-filing, as well as other post-

filing expenses and obligations related to the Business as set out in their respective cash flow forecasts (Exhibit “24”) and as permitted by the proposed Initial Order.

102. The Applicants are seeking authorization pursuant to the proposed Initial Order to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Initial Order, and to pay certain expenses, whether incurred prior to, on or after the date of the Initial Order, in respect of:
- (a) outstanding and future payments to the consultants (including, without limitation, premiums payable under any director and officer insurance policies, payroll and benefits processing and servicing expenses) payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
 - (b) the fees and disbursements of any consultants, agents, experts, accountants, counsel, and financial advisors and such other persons retained or employed by the Applicants, at their reasonable standard rates and charges; and
 - (c) with consent of the Monitor, amounts owing for goods and services supplied to the Applicants and the Partnership, including for periods prior to the date of the Initial Order if, in the opinion of the Applicants following consultation with the Monitor, the supplier or vendor of such goods or services is necessary for the operation or preservation of the Companies’ business.
103. The Applicants are seeking authorization from the Court to pay certain vendors and service providers for pre-filing goods and/or services provided to the Applicants and/or the Partnership in the ordinary course of its business. Such payments would be subject to review by the Monitor. These anticipated payments relate to parties whose services are essential to maintain the Applicants’ and the Partnership’s operations on an uninterrupted basis. The discontinuance of such services could adversely affect the Business operations, and thus the Applicants’ ability to complete a successful restructuring.
104. The ability of the Applicants to make the foregoing payments is necessary to maintain stability for the continued operation of the Business during the *CCAA* proceedings and to allow the Applicants to advance restructuring efforts for the benefit of all stakeholders.

F. Proposed Monitor

105. The Applicants seek the appointment of BDO as Monitor in these proceedings. BDO has consented to act as Monitor of the Applicants, subject to Court approval. Attached hereto and marked as Exhibit “25” is BDO’s Consent to Act as Monitor.

G. Charges and Priorities of Charges**i. Administration Charge**

106. As part of the relief sought, the Applicants are seeking a Court-ordered charge over their Property in favour of the Monitor, counsel to the Monitor, and counsel to the Applicants and the Partnership (the “**Administration Charge**”). The proposed Administration Charge is an aggregate amount of \$350,000.00. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the Applicants’ restructuring efforts.

ii. Critical Suppliers’ Charge

107. The Applicants (specifically, Intercontinental) have a number of critical suppliers whose services and products are essential to the ongoing operation of the Business. Interruption of these goods or services could seriously impact the Applicants’ oil and gas production.
108. For such critical suppliers, the Applicants seek this Court’s authorization to pay amounts owing for goods and services supplied to the Applicants both prior to and after the date of the Initial Order if the Monitor consents and, in the opinion of the Applicants following consultation with the Monitor, the supplier or vendor is necessary for the operation or preservation of the Applicants’ businesses or property.
109. Four of these suppliers are particularly essential as they supply products and services that are vital to the Business and for which no replacement is readily available, as further described below.
110. 2076273 Alberta Ltd. provides monthly contract operating services to Intercontinental for the Ferrier assets. This supplier has important know-how relating to, and is familiar with, the Ferrier assets and cannot be readily replaced without significant impact arising from a

loss of continuity. Monthly payments to this supplier are approximately \$8,500.00. Amounts owing to this supplier are presently \$73,263.75.

111. APT Energy Services Ltd. provides trucking services in respect of the produced water to Intercontinental for the Ferrier assets. This supplier has important know-how relating to, and is familiar with, the Ferrier assets and cannot be readily replaced without significant impact arising from a loss of continuity. Monthly payments to this supplier are approximately \$20,000.00. Amounts owing to this supplier are presently \$62,080.42.
112. Klassen's Mechanical Oilfield Maintenance Ltd. provides monthly compressor maintenance services for Intercontinental on all compressors, generators and pumps for the Ferrier assets. This supplier has important know-how relating to, and is familiar with, the Ferrier assets and cannot be readily replaced without significant impact arising from a loss of continuity. Monthly payments to this supplier are approximately \$20,000.00. Amounts owing to this supplier are presently \$56,743.63.
113. Ty-Co Industries Ltd. provides monthly contract operating services to Intercontinental for the Ferrier assets. This supplier has important know-how relating to, and is familiar with, the Ferrier assets and cannot be readily replaced without significant impact arising from a loss of continuity. Monthly payments to this supplier are approximately \$11,550.00. Amounts owing to this supplier are presently \$45,200.
114. Intercontinental is presently in the process of negotiating a lease with Colliers International. The expected monthly lease payments are approximately \$12,000.00. Intercontinental is presently in arrears in respect of rents due and owing for the month of January 2021. It is critical that office space be maintained for purposes of facilitating Intercontinental's business operations. Intercontinental seeks to maintain its current office space with Colliers International and will be required to be able to pay office lease fees if negotiation is successful.
115. I have worked with the proposed Monitor to calculate the charge needed to protect these Critical Suppliers at \$60,000.00 (the "**Critical Suppliers' Charge**"), being the amounts for which the Applicants are exposed at any given time over the proposed stay period.

iii. Directors' Charge

116. The directors and officers of the Applicants (collectively, the “**Directors and Officers**”) have been actively involved in the Applicants’ restructuring efforts to address the challenging financial circumstances, including through overseeing the Applicants’ liquidity management efforts, the Applicants’ review and exploration of strategic options and alternatives in connection with its financial challenges, communication with key creditors, and the preparation for and commencement of these *CCAA* proceedings. The Directors and Officers have been mindful of their duties with respect to their supervision and guidance of the Applicants in advance of these *CCAA* proceedings.
117. It is my understanding, based on advice from the Applicants’ counsel, that in certain circumstances directors and officers may be held personally liable for certain company obligations, including in connection with unremitted sales taxes and certain environmental obligations.
118. The Applicants maintain primary director and officer insurance policies which provide the Directors and Officers with \$3 million of coverage (the “**D&O Insurance Policies**”).
119. The D&O Insurance Policies insure the Directors and Officers for certain claims that may arise against them in their capacity as directors and/or officers. However, the D&O Insurance Policies contain certain exclusions and limitations to the coverage provided, and there is the potential for there to be insufficient coverage in respect of claims against the Directors and Officers.
120. The Directors and Officers have expressed their desire for certainty with respect to potential personal liability if they continue in their current capacities. The Applicants require the active and committed involvement of the Directors and Officers in order to carry on the Business during the *CCAA* proceedings and to pursue potential strategic options and alternatives, for the benefit of their stakeholders.
121. The Applicants are requesting a Court-ordered charge in the amount of \$100,000.00 over the Applicants’ Property (the “**Directors’ Charge**”) to secure the indemnity of the Directors and Officers in respect of obligations and liabilities that they may incur during the *CCAA* proceedings in their capacities as Directors and Officers. The amount of the Directors’ Charge has been calculated based on the estimated exposure of the Directors and Officers for potential payment of deductibles under the D&O Insurance Policies (in

the amount of \$25,000.00) and potential environmental obligations arising, which may be incurred by the Applicants during the *CCAA* proceedings, and has been reviewed with the proposed Monitor. The proposed Directors' Charge would apply only to the extent that the Directors and Officers do not have coverage under the D&O Insurance Policies, or there is insufficient coverage, such as for GST.

iv. Priorities of Charges

122. It is contemplated that the priorities of the proposed charges over the Property of the Applicants would be as follows:

- (a) First, the Administration Charge (to a maximum amount of \$350,000.00);
- (b) Second, the Critical Suppliers' Charge (to a maximum amount of \$100,000.00; and
- (c) Third, the Directors' Charge (to a maximum amount of \$60,000.00)

(together the "**Charges**").

123. The proposed Initial Order provides for the Charges to rank in priority to all other security interests, trusts, liens, charges, encumbrances and claims of secured creditors, statutory or otherwise (collectively, the "**Encumbrances**") in favour of any person. The proposed Initial Order also authorizes the Applicants to seek a further Order granting the priority of the Charges to any Encumbrances over which the Charges have not obtained priority pursuant to the Initial Order, on a subsequent motion on notice to those persons likely to be affected by such an Order.

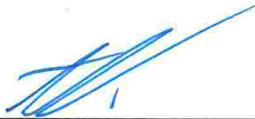
124. The Applicants believe the proposed amounts and priorities of the Charges are fair and reasonable in the circumstances.

VI. CONCLUSION

125. The Applicants and the Partnership urgently require the protection of the *CCAA* in order to ensure that their business operations can continue without disruption. The Applicants believe the commencement of the *CCAA* proceedings, and the stay of proceedings in respect of the Applicants and the Partnership, are necessary to protect and preserve the value of the Business for the benefit of all stakeholders.

126. I swear this Affidavit in support of an application for the relief set out above, and for no improper purpose.

SWORN BEFORE ME at Calgary, Alberta,)
this 5th day of February 2021)



A Commissioner for Oaths in and for Alberta)



RYAN MARTIN)

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

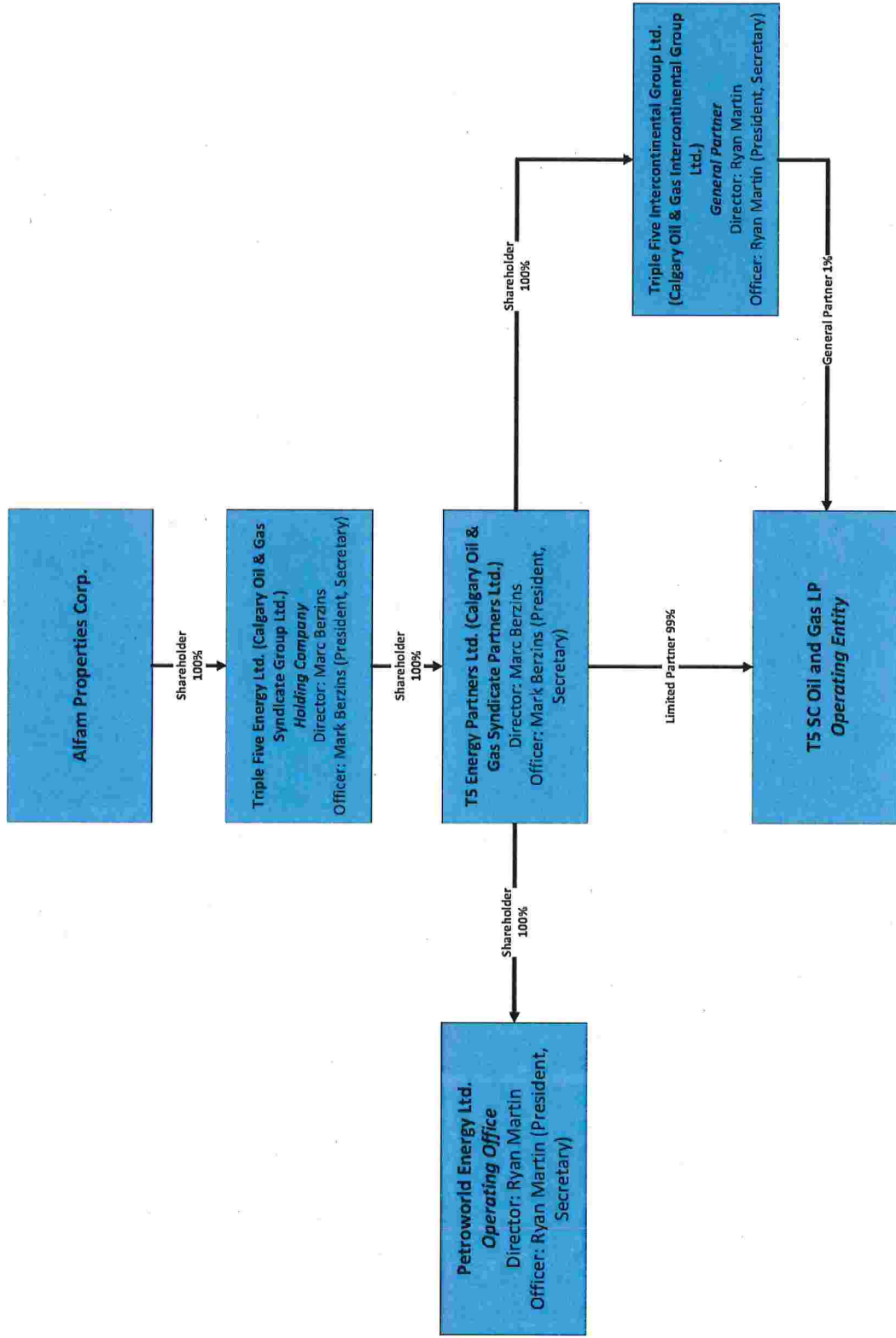
This is Exhibit "1"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



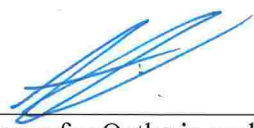
A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Calgary Oil & Gas Organizational Chart



This is Exhibit "2"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

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

Date of Search: 2021/02/02
Time of Search: 06:48 AM
Search provided by: BORDEN LADNER GERVAIS LLP
Service Request Number: 34790842
Customer Reference Number: 441112.17 TBennett

Corporate Access Number: 2013790122
Business Number: 811762210
Legal Entity Name: CALGARY OIL & GAS SYNDICATE GROUP LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
TRIPLE FIVE ENERGY LTD.	2021/01/05

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2008/02/04 YYYY/MM/DD
Date of Last Status Change: 2014/05/07 YYYY/MM/DD

Registered Office:
Street: SUITE 3000, 8882 170 ST
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2
Records Address:
Street: SUITE 3000, 8882 170 ST
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Directors:
Last Name: GHERMEZIAN
First Name: DAVID
Street/Box Number: #3000, 8882 - 170 STREET
City: EDMONTON
Province: ALBERTA

2/2/2021

Postal Code: T5T4M2
Last Name: GHERMEZIAN
First Name: NADER
Street/Box Number: 8882 170 ST
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Voting Shareholders:

Last Name: GHERMEZIAN
First Name: NADER
Street: 3000 - 8882 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: AS PER ATTACHED SCHEDULE "A"
Share Transfers Restrictions: AS PER ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: N/A
Business Restricted From: N/A
Other Provisions: AS PER ATTACHED SCHEDULE "C"

Holding Shares In:

Legal Entity Name
CALGARY OIL AND SYNDICATE PARTNERS LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
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2/2/2021

2020 2020/02/13

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2008/02/04	Incorporate Alberta Corporation
2014/04/02	Status Changed to Start for Failure to File Annual Returns
2020/02/13	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2020/02/19	Update BN
2021/01/05	Name Change Alberta Corporation

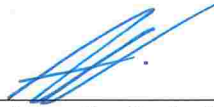
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2008/02/04
Other Rules or Provisions	ELECTRONIC	2008/02/04
Restrictions on Share Transfers	ELECTRONIC	2008/02/04

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 "3"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2021/01/29
 Time of Search: 01:36 PM
 Search provided by: BORDEN LADNER GERVAIS LLP
 Service Request Number: 34778476
 Customer Reference Number: 426418-000120

Corporate Access Number: 2018338703
Business Number: 813204567
Legal Entity Name: CALGARY OIL AND SYNDICATE PARTNERS LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
T5 ENERGY PARTNERS LTD.	2021/01/08

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2014/07/09 YYYY/MM/DD

Registered Office:

Street: 3000, 8882 170 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Records Address:

Street: 3000, 8882 170 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Directors:

Last Name: GHERMEZIAN
First Name: DAVID

Street/Box Number: 3000, 8882 170 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Voting Shareholders:

Legal Entity Name: TRIPLE FIVE ENERGY LTD.
Corporate Access Number: 2013790122
Street: #3000, 8882 - 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: AS PER ATTACHED SCHEDULE "A"
Share Transfers Restrictions: AS PER ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: AS PER ATTACHED SCHEDULE "C"

Holding Shares In:

Legal Entity Name
PETROWORLD ENERGY LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)

2020 2020/09/03

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2014/07/09	Incorporate Alberta Corporation
2020/02/21	Update BN
2020/09/03	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2021/01/08	Name Change Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2014/07/09
Restrictions on Share Transfers	ELECTRONIC	2014/07/09
Other Rules or Provisions	ELECTRONIC	2014/07/09

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 "4"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Government of Alberta ■ Corporation/Non-Profit Search

Corporate Registration System

Date of Search: 2021/01/29
 Time of Search: 01:35 PM
 Search provided by: BORDEN LADNER GERVAIS LLP
 Service Request Number: 34778439
 Customer Reference Number: 426418-000120

Corporate Access Number: 2013180100
Business Number: 858854953
Legal Entity Name: CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
TRIPLE FIVE INTERCONTINENTAL GROUP LTD.	2021/01/08

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2007/04/26 YYYY/MM/DD

Registered Office:

Street: 3000, 8882 - 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Records Address:

Street: 3000, 8882 - 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Email Address: DEBRA.GORDON@TRIPLEFIVE.COM

Directors:

Last Name: MARTIN

First Name: RYAN
Street/Box Number: 3000, 8882 - 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Voting Shareholders:

Last Name: GHERMEZIAN
First Name: NADER
Street: 3000 - 8882 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: AS PER ATTACHED SCHEDULE "A"
Share Transfers Restrictions: AS PER ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: N/A
Business Restricted From: N/A
Other Provisions: AS PER ATTACHED SCHEDULE "C"

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
T5 SC OIL AND GAS LIMITED PARTNERSHIP	LP18481366

Other Information:

Last Annual Return Filed:

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File Year	Date Filed (YYYY/MM/DD)
2020	2020/05/12

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2007/04/26	Incorporate Alberta Corporation
2020/02/19	Update BN
2020/05/12	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2020/11/09	Change Director / Shareholder
2021/01/08	Name Change Alberta Corporation

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2007/04/26
Restrictions on Share Transfers	ELECTRONIC	2007/04/26
Other Rules or Provisions	ELECTRONIC	2007/04/26

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 "5"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

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

Date of Search: 2021/02/02
Time of Search: 06:46 AM
Search provided by: BORDEN LADNER GERVAIS LLP
Service Request Number: 34790841
Customer Reference Number: 441112.17 TIBennett

Corporate Access Number: 2017670726
Business Number: 843447434
Legal Entity Name: PETROWORLD ENERGY LTD.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2013/08/19 YYYY/MM/DD

Registered Office:
Street: 3000 - 8882 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Records Address:
Street: 3000 - 8882 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Directors:

Last Name: HALLIDAY
First Name: MAVIS
Street/Box Number: 3000 - 8882 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2

Last Name: MARTIN
First Name: RYAN
Street/Box Number: 3000, 8882 - 170 STREET
City: EDMONTON

22/2021

Province: ALBERTA
Postal Code: T5T4M2

Voting Shareholders:

Legal Entity Name: T5 ENERGY PARTNERS LTD.
Corporate Access Number: 2018338703
Street: #3000, 8882 - 170 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5T4M2
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: AS PER ATTACHED SCHEDULE "A"
Share Transfers Restrictions: AS PER ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: AS PER ATTACHED SCHEDULE "C"

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2020	2020/09/22

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2013/08/19	Incorporate Alberta Corporation
2020/02/21	Update BN
2020/09/22	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2020/09/22	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2013/08/19
Restrictions on Share Transfers	ELECTRONIC	2013/08/19
Other Rules or Provisions	ELECTRONIC	2013/08/19

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 "6"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Government of Alberta ■ Trade Name / Partnership Search

Corporate Registration System

Date of Search: 2021/01/29
 Time of Search: 01:33 PM
 Search provided by: BORDEN LADNER GERVAIS LLP
 Service Request No: 34778409
 Customer Reference No: 426418-000120

Registration No: LP18481366
 Current Business Name: T5 SC OIL AND GAS LIMITED PARTNERSHIP
 Status of Business Name: Active
 Trade Name / Partnership Type: Limited Partnership
 Date of Registration: 2014/09/22 YYYY/MM/DD
 Home Jurisdiction: ALBERTA

Current General Partner:

Last/Legal Entity Name: TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
 Street: 3000, 8882 170 STREET
 City: EDMONTON
 Province: ALBERTA
 Postal Code: T5T4M2

Other Information:

Filing History:

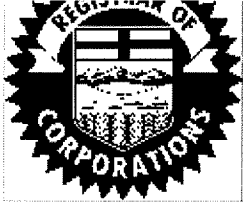
List Date	Type of Filing
2014/09/22	Register Limited Partnership
2017/05/25	Amend Limited Partnership

Attachments:

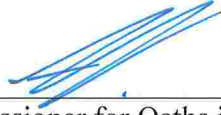
Attachment Type	Microfilm Barcode	Date Recorded (YYYY/MM/DD)
Certificate of Limited Partnership (AB)	10000507120743465	2014/09/22
Notice to Amend	10000707105772551	2017/05/25

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 "7"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Triple Five SC Oil and Gas Limited Partnership
Financial Statements
March 31, 2020

SC OIL & GAS LIMITED PARTNERSHIP

Balance Sheet

(in thousands of Canadian dollars) (unaudited)

	Notes	March 31, 2020	December 31, 2019
ASSETS			
CURRENT			
Cash		534	1,741
Accounts receivable		2,118	3,089
Prepaid expenses and deposits		1,064	1,190
Total current assets		3,716	6,020
Property, plant and equipment	6	57,896	50,576
Administrative assets	6	10	11
Right-of-use assets	7	620	756
Exploration and evaluation assets	8	5,837	5,831
Total assets		68,079	63,194
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		13,057	7,078
Current portion of bank debt	10	5,800	3,625
Current portion of lease liabilities	7	578	630
Total current liabilities		19,435	11,333
Bank debt	10	21,200	23,375
Lease liabilities	7	86	170
Decommissioning liabilities	9	1,724	1,719
Total liabilities		42,445	36,597
EQUITY			
Partner contributions		29,894	29,894
Retained earnings		(4,260)	(3,297)
Total partners' capital		25,634	26,597
Total liabilities and partners' capital		68,079	63,194
Commitments and contingencies	12		

APPROVED BY THE BOARD

"Signed"

Nader Ghermezian, Director

"Signed"

David Ghermezian, Director

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Comprehensive Income

For the three months ended March 31, 2020 and 2019

(in thousands of Canadian dollars)(unaudited)

	Notes	2020	2019
REVENUE			
Oil and natural gas revenues	13(c)	3,832	10,804
Royalties		(403)	(1,033)
Petroleum and natural gas revenues, net of royalties		3,429	9,771
Realized fair value gain (loss) on derivatives		(42)	(1,679)
Net revenues		3,387	8,092
EXPENSES			
Operating		1,703	2,844
Transportation		305	636
General and administrative		243	93
Depletion and depreciation	6,7	1,193	2,325
Finance expenses	11	906	573
Total expenses		4,350	6,471
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		(963)	1,621

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Changes in Partners' Capital

(in thousands of Canadian dollars) (unaudited)

	T5 Energy Partners Ltd. 99.99%	Triple 5 Intercontinental Group Ltd. 0.01%	Total Partners' Capital \$
Balance, December 31, 2018	24,748	-	24,748
Partners' contribution	1,850	-	1,850
Net loss and comprehensive loss	(1)	-	(1)
Balance, December 31, 2019	26,597	-	26,597
Partners' contribution	-	-	-
Net loss and comprehensive loss	(962)	(1)	(963)
Balance, March 31, 2020	25,635	(1)	25,634

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Cash Flows

For the three months ended March 31, 2020 & 2019

(in thousands of Canadian dollars) (unaudited)

	Notes	2020	2019
CASH FLOWS PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:			
OPERATING			
Net income and comprehensive income		(963)	1,621
Adjustments for:			
Depletion and depreciation	6,7	1,193	2,325
Lease interest expense	7	22	-
Accretion of decommissioning liabilities	9	6	8
Cash flow provided by operating activities		258	3,954
Changes in non-cash working capital	13a	621	(1,801)
Total cash flow provided by operating activities		879	2,153
FINANCING			
Proceeds from partner contributions		-	1,850
Lease payments		(157)	-
Changes in bank debt		-	5,000
Cash flow provided by financing activities		(157)	6,850
INVESTING			
Additions to petroleum and natural gas properties	6	(8,377)	(1,855)
Additions to exploration and evaluation assets	8	(5)	(961)
Changes in non-cash working capital	13a	6,453	(5,948)
Total cash flow used in investing activities		(1,929)	(8,764)
NET INCREASE (DECREASE) IN CASH		(1,207)	239
CASH , BEGINNING OF PERIOD		1,741	55
CASH, END OF PERIOD		534	294

Supplementary cash flow information (Note 13(a))

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP
Notes to the Financial Statements
For the three months ended March 31, 2020 and 2019
(thousands) (unaudited)

1. INCORPORATION AND NATURE OF BUSINESS

Triple Five SC Oil and Gas Limited Partnership (“Triple Five” or “the Partnership”) was incorporated in Canada on April 26, 2007 and commenced oil and gas operations on November 28, 2013. Triple Five is engaged in the exploration, development and production of natural gas and natural gas liquids in the province of Alberta. The registered address of Triple Five SC Oil and Gas Partnership is Suite 3600, 700- 2nd Street SW Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements are unaudited and have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). On June 5, 2020, the financial statements of the Partnership were authorized by the Board of Directors.

b) Basis of measurement

The financial statements have been prepared on the basis of historical cost, except as disclosed in the accounting policies in Note 3. These financial statements include only the assets, liabilities, revenues, and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the Partners or the liability of the Partners for income taxes on the earnings of the entity.

c) Functional and presentation currency

The financial statements are presented in Canadian Dollars, the Partnerships’s functional currency and all amounts are rounded to the nearest thousand (\$’000) except where otherwise indicated. The financial statements have, in management’s opinion, been prepared using careful judgment within the framework of the significant judgments, estimates and assumptions summarized in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

The Partnership principally generates revenue from the sale of commodities, which include natural gas and liquids. Revenue associated with the sale of commodities is recognized when control is transferred from the Partnership to its customers. The Partnership’s commodity sale contracts represent a series of distinct transactions. The Partnership considers its performance obligations to be satisfied and control to be transferred when all the following conditions are satisfied:

- The Partnership has transferred title and physical possession of the commodity to the buyer;
- The Partnership has transferred significant risks and rewards of ownership of the commodity to the buyer; and,
- The Partnership has the present right to payment.

Revenue is measured based on the consideration specified in a contract with the customer. Payment terms for the Partnership's commodity sales contracts are on the 25th of the month following delivery. Revenue represents the Partnership's share of commodity sales net of royalty obligations to governments and other mineral interest owners.

b) Oil and natural gas exploration, evaluation and development expenditures

i) Pre-exploration expenditures

Expenditures made by the Partnership during the geological and geophysical evaluation phase and before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Partnership as incurred.

ii) Exploration and evaluation expenditures ("E&E")

Costs incurred after obtaining the rights to explore are capitalized as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include, but are not limited to, exploration license expenditures, leasehold acquisition costs, evaluation costs including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centres by property and are not subject to depletion until technical feasibility and commercial viability has been determined. If no reserves are found, the exploration asset is tested for impairment and if necessary, an impairment charge recognized as exploration and evaluation expense in the statement of comprehensive income may be taken. If extractable hydrocarbons are found and likely to be commercially developed, the costs will continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. The technical feasibility and commercial viability of extracting a hydrocarbon is considered to be determinable when proven and probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and probable reserves have been discovered and to confirm the continued intent to develop or otherwise extract value from the discovery. Upon determination of proven and probable reserves, exploration and evaluation assets attributable to those reserves are tested for impairment and reclassified from exploration and evaluation assets to oil and natural gas interests within property, plant and equipment. Expired lease costs are expensed as part of exploration and evaluation expense as they occur.

iii) Development and production costs

Expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within oil and gas properties in property, plant and equipment, as long as the facts and circumstances indicate that the field has commercially viable reserves.

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depletion and any accumulated impairment losses. Development and production assets are grouped into Cash Generating Units ("CGU's") for impairment testing. A CGU's recoverable amount is the greater of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Gains or losses on the disposal of an item of property, plant and equipment, including oil and gas interests are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within the statement of comprehensive income as additional depletion and depreciation expense.

iv) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interest only when they increase future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statement of comprehensive income as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proven and or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

v) Depletion and depreciation

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of decommissioning obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

The depletion provision for oil and natural gas assets is calculated for each major area using the unit-of-production method based on the area's production for the period divided by the Partnership's estimated total proved and probable oil and natural gas reserve volumes (before royalties) for that area. Production and reserves for natural gas are converted at the energy equivalent of six thousand cubic feet of natural gas to one barrel of oil. Estimates of future development costs for developing the proved and probable reserves are included in each area's depletion base.

Depreciation of office furniture and equipment is provided for on a 20% declining balance basis while computers and ancillary equipment use a 30% declining balance basis.

vi) Dispositions

Gains or losses are recognized on dispositions of property, plant and equipment (PP&E) and certain exploration and evaluation assets (E&E) including asset swaps, farm-out transactions and complete dispositions. The gain or loss is measured as the difference between the fair value of the proceeds, net of costs to sell, and the carrying value of the assets disposed, including capitalized asset decommissioning costs, unless the transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up can be reliably measured. When fair value is not used, the carrying amount of the asset given up is used as the cost of the asset acquired.

c) Impairment

I. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if the evidence indicates that one or more events have had a negative impact on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss in the period that the impairment is determined to have occurred. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of comprehensive income when there is objective evidence (such as financial difficulty or the probability of default by the debtor) that the Partnership will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

II. Non-financial assets

Carrying values of E&E, oil and natural gas properties and administrative assets are reviewed regularly to determine if indicators of impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the greater of the fair value of the asset less costs of disposal and the asset's value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Partnership has organized its assets into CGU's, which are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If the carrying amount of the CGU exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive income so as to reduce the carrying amount of the CGU to its recoverable amount.

Recoverable amounts are determined annually based on the greater of its fair value less costs of disposal or the value in use. Fair value less costs of disposal of oil and gas assets is generally determined by estimating the discounted after-tax future net cash flows for the CGU's. Future net cash flows are based on forecasted commodity prices and costs over the expected economic life of the proved and probable reserves and then discounted using market-based rates to arrive at a net present value of the CGU. Consideration is given to acquisition metrics of recent transactions completed on similar assets to those contained within the relevant CGU. Value in use is determined by estimating the present value of future net cash flows expected to be derived from the continued use of the asset in its present form and its eventual disposal.

For financial and non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer

exist or may have decreased. If such indication exists, the Partnership makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if objective evidence exists to support that there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

d) Decommissioning liabilities

The Partnership's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

A decommissioning liability is recognized when the Partnership has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made as at the balance sheet date by management. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognized as a finance cost. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent that the provision was recognized.

e) Finance income and expenses

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance expense is comprised of: interest expense on borrowings, accretion of the discount rate on provisions, and impairment losses recognized on financial assets.

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease obligation is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date discounted using the rate implicit in each lease or, if that cannot be readily determined, the incremental borrowing rate. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the earlier of the useful life and term of the lease. Interest expense is recognized on the lease obligations using the effective interest rate method and payments are applied against the lease liability.

g) Financial instruments

The Partnership classifies its financial instruments in the following measurement categories:

- Subsequently measured at fair value (either through profit or loss ("FVPTL") or other comprehensive income ("FVOCI")); and
- Subsequently measured at amortized cost.

The classification depends on the Partnership's business model for managing the financial instruments and the contractual terms of the cash flows. There was no change in the categorization of the Partnership's financial instruments upon the adoption of IFRS 9 Financial Instruments ("IFRS 9").

Non-derivative financial instruments

Non-derivative financial instruments comprise cash, accounts receivables, accounts payable and accrued liabilities, and bank debt. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at FVTPL, any directly attributable transaction costs. Transaction costs of financial assets measured at FVPL are expensed in profit or loss. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value, and changes are recognized in profit or loss. A financial asset is classified at FVPL unless it is measured at amortized cost or classified as FVOCI. However an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVPL to present subsequent changes in FVOCI with no reclassification of realized gains or losses to profit or loss upon derecognition of the equity instruments.

Financial liabilities at FVTPL

A financial liability is initially classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. The classification of a financial liability is irrevocable.

Financial liabilities at FVTPL (other than financial liabilities designated at FVTPL) are measured at fair value with changes in fair value, along with any interest expense, recognized in net earnings. Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in net earnings. Any gain or loss on de-recognition is also recognized in net earnings.

A financial liability is derecognized when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially modified, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are considered non-substantial, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified it is considered to be extinguished and a gain or loss is recognized in net earnings based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is re-measured based on the new cash flows and a gain or loss is recorded in net earnings.

Financial assets at FVOCI

Financial assets at FVOCI are measured at fair value, and changes therein are recognized in other comprehensive income. A financial asset is classified as FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments at amortized costs

The Partnership classifies cash, accounts receivable, accounts payable and accrued liabilities and bank debt as financial instruments at amortized cost. These financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. Any gain or loss arising on de-recognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

The Partnership uses, from time to time, financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of petroleum and natural gas production and foreign exchange exposures. The Partnership does not enter into derivative financial instruments for trading or speculative purposes.

Triple Five has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Partnership considers all commodity contracts to be economic hedges. As a result, financial derivatives are classified as fair value through profit or loss and are recorded on the statement of financial position at fair value.

The Partnership accounts for any physical sales and purchase contracts as executory contracts and as such are not recorded at fair value on the statement of financial position. Settlements on these physical sales contracts are recognized in oil and natural gas sales.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract. Contracts are assessed for embedded derivatives when the Partnership becomes a party to them.

Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

Financial instruments measured at fair value on the balance sheet require classification into one of the following levels of the fair value hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The Partnership has categorized its financial instruments that are carried at fair value on the statement of financial position according to the fair value hierarchy above (Note 14).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can materially differ from these estimates.

In the process of applying the Partnership's accounting policies, management has made the following judgements, estimates, and assumptions which have the most significant effect on the amounts recognized in the financial statements:

I. Accounts receivable

Accounts receivable are recorded at the estimated recoverable amount which involves an estimate of uncollectible amounts.

II. Derivatives

The fair value of derivative contracts are based on published market prices as at the balance sheet date and may differ from what will eventually be realized. Changes in the fair value of the derivative contracts are recognized in statement of comprehensive income (loss). The actual gains and losses realized on eventual cash settlement can vary due to subsequent fluctuations in commodity prices.

III. Oil and natural gas reserves

Oil and natural gas development and production properties are depreciated on a unit of production basis at a rate calculated by reference to proved and probable reserves determined in accordance with the NI 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporating the estimated future cost of developing and extracting those reserves. Commercial reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. There are numerous uncertainties inherent in estimating oil and gas reserves. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

- i) Reserves- Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.
- ii) Oil and natural gas prices- Forward price estimates are used in the cash flow models. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather and economic and geopolitical factors.

Estimating reserves is very complex, requiring many judgements based on geological, geophysical, engineering and economic data. These estimates may change, having either a positive or negative impact on net earnings as further information becomes available and as the economic environment changes.

IV. Depletion and depreciation

Depletion of oil and gas properties is provided using the unit-of-production method and is based on production volumes (before royalties) in relation to total estimated proved and probable reserves as determined by internal reserve evaluations for the first three quarters of the year and then at year-end by the Partnership's independent engineers. Natural gas reserves and production are converted at the energy equivalent of six thousand cubic feet to one barrel of oil. Calculations for depletion of oil and natural gas properties including production equipment and facilities, are based on total capitalized costs plus estimated future development costs of proved and probable reserves less the estimated net realizable value of production equipment and facilities after the reserves are fully produced. Exploration and evaluation costs are excluded from depletion calculations.

The calculation of the unit-of-production rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

These factors could include:

- Changes in proved and probable reserves;
- Changes in estimates of future development costs;
- The effect on proved and probable reserves of differences between actual production as compared to forecasts as well as commodity price assumptions; and,
- Unforeseen operational issues.

V. Exploration and evaluation assets

The decision to transfer assets from E&E to PP&E is based on the estimated proved and probable reserves which are in part used to determine a project's technical feasibility and commercial viability.

VI. Impairment

The recoverable amounts of CGU's and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs. Key assumptions in the determination of cash flows from reserves include reserves estimated by the Partnership's independent qualified reserve evaluators. It is possible that oil and gas price assumptions may change which may then impact the estimated life of fields and may then require a material adjustment to the carrying value of E&E assets and PP&E. The Partnership monitors internal and external indicators of impairment relating to its tangible and intangible assets.

VII. Cash Generating Unit definition

The determination of CGU's requires judgement in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGU's are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risk and materiality. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

VIII. Decommissioning costs

Decommissioning costs will be incurred by the Partnership at the end of the operating life of certain facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant regulatory requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. In addition, the Partnership determines the appropriate discount rate at the end of each reporting period. The Partnership uses the risk-free discount rate to determine the present value of the estimated future cash outflows to settle the obligation and may change in response to numerous market factors. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

5. CHANGES IN ACCOUNTING STANDARDS

There were no new IFRS accounting standards adopted in 2020.

6. PROPERTY, PLANT AND EQUIPMENT

	Oil and natural gas properties	Administrative	Total
Balance, December 31, 2018	62,218	55	62,273
Additions	8,434	-	8,434
Capitalized decommissioning costs	-	-	-
Transfer from E&E	-	-	-
Balance, December 31, 2019	70,652	55	70,707
Additions	8,377	-	8,377
Capitalized decommissioning costs (note 8)	-	-	-
Transfer from E&E	-	-	-
Balance, March 31, 2020	79,029	55	79,084

	Oil and natural gas properties	Administrative	Total
Accumulated Depletion, Depreciation and Impairment losses			
Balance, December 31, 2018	(13,162)	(39)	(13,201)
Provision for the year	(6,914)	(5)	(6,919)
Balance, December 31, 2019	(20,076)	(44)	(20,120)
Provision for the period	(1,057)	(1)	(1,058)
Balance, March 31, 2020	(21,133)	(45)	(21,178)

	Oil and natural gas properties	Administrative	Total
Carrying Amounts			
December 31, 2018	49,056	16	49,072
December 31, 2019	50,576	11	50,587
March 31, 2020	57,896	10	57,906

Future development costs on proved plus probable undeveloped reserves of \$61,976 (December 31, 2019 - \$70,353) were included in the depletion calculation. Salvage values excluded from the depletion calculation as at March 31, 2019 were \$2,138 (December 31, 2018 - \$2,138).

7. LEASES

Right-of-use assets		\$
Balance, January 1, 2019		1,137
Additions		144
Depreciation		(525)
Balance, December 31, 2019		756
Additions		-
Depreciation		(136)
Balance, March 31, 2020		620
Lease liabilities		\$
Balance, January 1, 2019		1,137
Additions		144
Lease interest expense		116
Lease payments		(597)
Balance, December 31, 2019		800
Additions		-
Lease interest expense		21
Lease payments		(157)
Balance, March 31, 2020		664

8. EXPLORATION AND EVALUATION ASSETS

	\$
Balance, January 1, 2019	4,870
Additions	961
Transfer to oil and natural gas properties	-
Balance, December 31, 2019	5,831
Additions	6
Transfer to oil and natural gas properties	-

Balance, March 31, 2020	5,837
--------------------------------	--------------

Exploration and evaluation assets consist of the Partnership's exploration projects which are pending the determination of proven and probable reserves. For the period ended March 31, 2020, \$nil (December 31, 2019 - \$nil) was transferred to property, plant and equipment following the successful discovery of proven and probable reserves.

9. DECOMMISSIONING LIABILITIES

The Partnership's decommissioning liabilities result from the net ownership interests it has in petroleum and natural gas assets, which include: well sites, gathering systems, batteries and processing facilities. The Partnership estimates the total undiscounted amount of cash flows required to settle its decommissioning liabilities at March 31, 2020 to be \$1,765 (December 31, 2019 - \$1,765), which will be incurred at various times after 2051. The present value of the decommissioning liabilities as at March 31, 2020 was calculated using a risk free rate of 1.36% (December 31, 2019 - 1.67%) and an inflation factor of 2.0% (December 31, 2019 - 2.0%). Settlement of the liabilities will be funded from general corporate funds at the time of retirement or removal. As at March 31, 2020, no funds have been set aside to settle these obligations. Changes to decommissioning liabilities during the periods were as follows:

	March 31, 2020	December 31, 2019
Balance, at beginning of year	1,719	1,690
Liabilities disposed of during the period	-	-
Incurred on development activities during the period	-	-
Liabilities settled during the period	-	-
Revisions to estimates	-	-
Accretion	5	29
Balance, at end of period	1,724	1,719

10. BANK DEBT

As at March 31, 2020, Triple Five had a \$27 million (March 31, 2019 - \$20.0 million) credit facility with Crown Capital Partners. This facility has a maturity date of August 31, 2021. Interest on the outstanding principal amount is calculated at 10.5% per annum and is compounded and payable monthly on the last day of each month.

The credit facility is secured by a fixed and floating charge over all present and after acquired assets of Triple Five and any subsidiaries of joint ventures, providing a first lien on all assets. The facility is subject to a periodic review, at which time the lender may re-determine the borrowing base. There are certain standard financial and non-financial covenants in its credit facility agreement.

11. FINANCE EXPENSES

	Three months ended March 31, 2020	Three Months Ended March 31, 2019

Interest and stand-by charges	879	565
Interest on leases	22	-
Accretion on decommissioning liabilities	5	8
Balance at end of period	906	573

12. COMMITMENTS

In addition to the commitments listed below, the Partnership has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Partnership's financial statements.

a) Office lease costs

The Partnership has committed to future minimum payments under an operating lease that covers the rental of office space and a proportionate share of operating costs as follows. The office lease has an expiry date of September 30, 2020.

	Total
Office lease- gross commitment	87

b) Indemnifications

From time to time, the Partnership may become involved in litigation or have claims sought against it in the normal course of business operations. Management of the Partnership is not currently aware of any claims or actions that would materially affect the entity's reported financial position or results from operations.

13. SUPPLEMENTARY CASH FLOW INFORMATION

a) Changes in non-cash working-capital

	Three months ended March 31, 2020	Three months ended March 31, 2019
Accounts receivable	971	(3,553)
Accounts payable and accrued liabilities	5,978	(4,140)
Prepaid Expenses and Deposits	125	(56)
Net change in non-cash working capital	7,074	(7,749)
Relating to:		
Operating activities	621	(1,801)
Investing activities	6,453	(5,948)
	7,074	(7,749)

b) Supplementary cash flow information

	Three months ended March 31, 2020	Three months ended March 31, 2019
Interest paid	879	565

c) Sales by product type

	Three months ended March 31, 2020	Three months ended March 31, 2019
Natural gas	2,606	6,169
Condensate	1,053	3,380
Natural gas liquids	173	1,255
Total	3,832	10,804

14. FINANCIAL INSTRUMENTS

The Partnership holds various forms of financial assets and liabilities. The fair values of financial assets and liabilities and a discussion of the risks associated with these assets and liabilities are presented as follows:

a) Fair Value of Financial Assets and Liabilities

The carrying value of financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities and bank debt approximates amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties.

The carrying and fair values of the Partnership's financial instruments as at March 31, 2020 and December 31, 2019 were as follows:

	Level	March 31, 2020		December 31, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at amortized costs					
Loans and receivables:					
Accounts receivable	1	2,118	2,118	3,089	3,089
Cash	1	534	534	1,741	1,741
Financial Liabilities at amortized costs					
Other financial liabilities					
Accounts payable and accrued liabilities	1	13,057	13,057	7,078	7,078
Bank debt	2	27,000	27,000	27,000	27,000

b) Risks Associated with Financial Assets and Liabilities

The nature of these instruments and the Partnership's operations expose the entity to commodity price, credit and interest rate risks. The Partnership manages its exposure to these risks by operating in a manner that minimizes this exposure.

Market risk

Market risks are generally those risks that are outside of the control of the Partnership. These are: commodity prices, foreign exchange rates and interest rates. The objective of the Partnership is to mitigate exposure to these risks, while maximizing returns to the entity.

Commodity price risk

Due to the volatility of commodity prices the Partnership is exposed to adverse consequences of declining prices. The Partnership may enter into future related oil and natural gas contracts in order to protect its cash flow on future sales from the potential adverse impact of declining prices. The contracts reduce the fluctuation in sales revenue by locking in prices with respect to future deliveries of oil and natural gas. The use of these derivative contracts is governed by a formal policy and is subject to maximum limits established by the Board of Directors. From time to time, the Partnership may enter into a variety of derivative contracts. As at March 31, 2019, the Partnership had commodity based derivative contracts outstanding.

Triple Five entered into the following derivative contracts to mitigate its exposure to fluctuations in natural gas prices.

Natural Gas Contract	Volume Gigajoules/day	Pricing Point	Strike Price per GJ	Term
Fixed price	4,000	AECO-NIT	CDN\$ 1.80	Jan. 1, 2020 to Dec. 31, 2020
Fixed price	8,000	AECO-NIT	CDN\$1.75	Apr. 1, 2020 to Oct. 31, 2020

The gain (loss) on commodity derivative contracts for the periods ended March 31, 2020 and 2019 were as follows:

	2020	2019
Realized	(42)	(1,679)

Credit risk

Credit risk arises from the potential loss resulting from a counterparty failing to meet its obligations in accordance with the agreed terms. Substantially all of the accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Partnership generally extends unsecured credit to these customers and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by entering into transactions with long-standing, reputable, counterparties and partners. Wherever possible, the Partnership requires cash calls be paid from its partners on capital projects before they commence. Receivables related to the sale of the Partnership's oil and natural gas production are mainly from major marketing companies who have solid credit ratings. The majority of Triple Five's sales revenues are normally collected on the 25th day

of the month following delivery. Also, all of the Partnership's projects are controlled and operated 100% by the entity thereby reducing credit risk of joint venture partners and allowing for the control and timing of all capital expenditures.

The counter-party with which the Partnership maintains its derivative contracts is a major Canadian chartered bank, which has an investment grade rating or a large market cap energy marketer and producer. The carrying amounts of accounts receivable plus the loans receivable represent the Partnership's maximum credit exposure.

As at March 31, 2020, accounts receivable and their respective aging were comprised of the following:

	Not past due			Past due	Total
	Less than 30 days	31 – 60 days	61 – 90 days	More than 90 days	
Accounts receivable	1,658	364	-	96	2,118

The carrying amount for accounts receivable represents the maximum credit exposure. Accounts payable due to the same partners are amounts which may be available for offset, or are being held for future offset with certain joint venture receivables. No amounts in the greater than ninety day category are considered to be uncollectible and consequently no allowance has been recorded in respect of those receivables.

Liquidity risk

Liquidity risk would occur if the Partnership is not able to meet its financial obligations as they come due. The Partnership has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As our industry is very capital intensive, the majority of our spending is related to our capital programs. The Partnership monitors its capital structure and short-term financing requirements using a non-GAAP financial metric of net debt to annualized, most recent quarters' cash flow from operations. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (cash flow from operating activities before changes in non-cash working capital and deductions for abandonment and reclamation) for the most recent quarter.

The Partnership's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. All of the financial liabilities of the entity are estimated to be settled within one year of the balance sheet date.

As at March 31, 2020 the timing of cash outflows relating to financial liabilities are outlined in the table below:

	Less than 1 Year	1-3 Years	4-5 Years	There-after	Total
Accounts payable and accrued liabilities	13,057	-	-	-	13,057
Bank debt	5,800	21,200	-	-	27,000

Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the future cash flows from the Partnership's financial assets or liabilities. The Partnership currently does not have a floating interest loan.

Foreign currency exchange risk

Although all of Triple Five's oil and natural gas sales are denominated in Canadian dollars, the underlying market prices for these commodities are impacted by the exchange rate between Canada and the United States. In addition, the fair value of our derivative contracts will fluctuate as a result of changes in foreign exchange rates as most derivative contracts are traded in US dollars and then converted to the Canadian dollar equivalent for settlement purposes on a monthly basis. As the effects of foreign exchange fluctuations are embedded in the Company's results from operations, the aggregate effect of foreign exchange rate fluctuations are not separately identifiable. As at March 31, 2020, the Partnership had no forward, foreign exchange contracts in place.

15. CAPITAL MANAGEMENT

Maintaining a strong capital structure is paramount to Triple Five so as to ensure that investor and creditor confidence in the Partnership is at a high level. The Partnership considers its capital structure to include shareholders' equity, bank debt and working capital. The Partnership will adjust its capital structure to manage its current and projected debt through the injection of liquidity, increasing its bank line of credit and/or adjusting its capital spending. Triple Five continually monitors its capital structure and makes adjustments to it with respect to, drilling successes, general economic conditions in the petroleum industry and global events that may affect commodity prices.

Triple Five's objectives in managing its capital structure are to:

- a) create and maintain flexibility to enable the Partnership to meet its financial obligations; and,
- b) finance growth either through internally generated projects, joint venture relationships or asset/corporate acquisitions.

The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including acquisitions, financing arrangements, and transactions with related parties if any.

The Partnership monitors its capital structure using primarily the non-GAAP financial metric of net debt to annualized, most recent quarters' funds flow from operations. Triple Five's objective is to achieve or maintain a net debt to funds flow from operations ratio of one and one half times to two times. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (excluding bank debt, derivative contract assets and liabilities and deferred tax liabilities), divided by funds flow from operations (cash flow from operating activities before changes in non-cash working capital and deductions for decommissioning costs) for the most recent calendar quarter, annualized (multiplied by four). This ratio may temporarily increase as a result of an acquisition or as a result of negative commodity price movements.

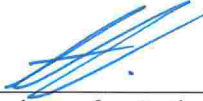
To facilitate the management of this ratio, the Partnership prepares an annual budget, which is updated monthly for any significant acquisitions, changes in economic circumstances outside the control of the Company; and the success or failure of recently deployed capital. Each of the annual budget and quarterly updates used for Board meetings are approved by the Board of Directors and capital spending adjusted accordingly. As at March 31, 2020, the net debt to adjusted funds flow (annualized) was 35.2x (2019 –1.55x) times calculated as follows:

	2020	2019
Current assets	3,716	6,777
Accounts payable and accrued liabilities	(13,057)	(11,294)
Bank debt	(27,000)	(20,000)
Net debt	(36,341)	(24,517)
Net income (loss)	(963)	1,621
Add (deduct):		

Depletion and depreciation	1,193	2,325
Lease interest expense	22	-
Accretion on decommissioning liabilities	6	8
Cash flow from operations	258	3,954
Net debt to annualized funds flow	35.2x	1.55x
Net debt to annualized funds flow- excluding bank debt	9.1x	0.29x

The Partnership's capital is not subject to any external restrictions as to how it is deployed.

This is Exhibit "8"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Triple Five SC Oil and Gas Limited Partnership
Financial Statements
June 30, 2020

T5 SC OIL & GAS LIMITED PARTNERSHIP

Balance Sheet

(in thousands of Canadian dollars) (unaudited)

	Notes	June 30, 2020	December 31, 2019
ASSETS			
CURRENT			
Cash		615	1,741
Accounts receivable		2,026	3,089
Prepaid expenses and deposits		1,066	1,190
Total current assets		3,707	6,020
Property, plant and equipment	6	57,810	50,576
Administrative assets	6	10	11
Right-of-use assets	7	669	756
Exploration and evaluation assets	8	5,837	4,870
Total assets		68,033	63,194
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		13,581	7,078
Current portion of bank debt	10	7,975	3,625
Lease liabilities	7	610	630
Total current liabilities		22,166	11,333
Bank debt	10	19,025	23,375
Lease liabilities	7	108	170
Decommissioning liabilities	9	2,041	1,719
Total liabilities		43,340	36,597
EQUITY			
Partner contributions		29,894	29,894
Retained earnings		(5,201)	(3,297)
Total partners' capital		24,693	26,597
Total liabilities and partners' capital		68,033	63,194
Commitments and contingencies	12		

APPROVED BY THE BOARD

"Signed" Nader Ghermezian, Director

"Signed" David Ghermezian, Director

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Comprehensive Income (Loss)

For the three and six months ended June 30, 2020 and 2019

(in thousands of Canadian dollars)(unaudited)

		Three months Ended June 30	Three months Ended June 30	Six months Ended June 30	Six months Ended June 30
	Notes	2020	2019	2020	2019
REVENUE					
Oil and natural gas revenues	13(c)	4,453	4,825	8,285	15,629
Royalties		(385)	(407)	(787)	(1,440)
Oil and natural gas revenues, net of royalties		4,068	4,418	7,498	14,189
Realized fair value gain (loss) on derivatives		(83)	748	(126)	(930)
Net revenues		3,985	5,166	7,372	13,259
EXPENSES					
Operating		1,852	2,228	3,555	5,072
Transportation		378	373	683	1,009
General and administrative		183	113	426	206
Depletion and depreciation	6,7	1,538	2,140	2,731	4,465
Finance expenses	11	975	704	1,881	1,278
Total expenses		4,926	5,558	9,276	12,030
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		(941)	(392)	(1,904)	1,229

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	T5 Energy Partners Ltd. 99.99%	Triple 5 Intercontinental Group Ltd. 0.01%	Total Partners' Capital \$
Balance, December 31, 2018	24,748	-	24,748
Partners' contribution	1,850	-	1,850
Net loss and comprehensive loss	(1)	-	(1)
Balance, December 31, 2019	26,597	-	26,597
Partners' contribution	-	-	-
Net income and comprehensive income	(1,902)	(2)	(1,904)
Balance, June 30, 2020	24,695	(2)	24,693

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Cash Flows

For the three and six months ended June 30, 2020 & 2019

(in thousands of Canadian dollars) (unaudited)

		Three months Ended June 30	Three months Ended June 30	Six months Ended June 30	Six months Ended June 30
	Notes	2020	2019	2020	2019
CASH FLOWS PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:					
OPERATING					
Net income and comprehensive income (loss)		(941)	(392)	(1,904)	1,229
Adjustments for:					
Depletion and depreciation	6,7	1,538	2,140	2,731	4,465
Lease interest expense	7	26	62	48	62
Accretion of decommissioning liabilities	9	5	7	11	15
Cash flow provided by operating activities		628	1,817	886	5,771
Changes in non-cash working capital	13a	742	1,571	1,360	(240)
Total cash flow provided by operating activities		1,370	3,388	2,246	5,531
FINANCING					
Proceeds from partner contributions		-	-	-	1,850
Lease payments	7	(185)	(282)	(342)	(282)
Changes in bank debt		-	-	-	5,000
Cash flow provided by financing activities		(185)	(282)	(342)	6,568
INVESTING					
Additions to petroleum and natural gas properties	6	(977)	(525)	(9,354)	(2,380)
Additions to exploration and evaluation assets	8	-	-	(5)	(961)
Changes in non-cash working capital	13a	(127)	(2,320)	6,329	(8,259)
Total cash flow used in investing activities		(1,104)	(2,845)	(3,030)	(11,600)
NET INCREASE (DECREASE) IN CASH		81	261	(1,126)	499
CASH, BEGINNING OF PERIOD		534	293	1,741	55
CASH, END OF PERIOD		615	554	615	554

Supplementary cash flow information (Note 13(a))

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP
Notes to the Financial Statements
For the three and six months ended June 30, 2020 and 2019
(thousands) (unaudited)

1. INCORPORATION AND NATURE OF BUSINESS

Triple Five SC Oil and Gas Limited Partnership (“Triple Five” or “the Partnership”) was incorporated in Canada on April 26, 2007 and commenced oil and gas operations on November 28, 2013. Triple Five is engaged in the exploration, development and production of natural gas and natural gas liquids in the province of Alberta. The registered address of Triple Five SC Oil and Gas Partnership is Suite 3600, 700- 2nd Street SW Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements are unaudited and have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). On August 15, 2020, the financial statements of the Partnership were authorized by the Board of Directors.

b) Basis of measurement

The financial statements have been prepared on the basis of historical cost, except as disclosed in the accounting policies in Note 3. These financial statements include only the assets, liabilities, revenues, and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the Partners or the liability of the Partners for income taxes on the earnings of the entity.

c) Functional and presentation currency

The financial statements are presented in Canadian Dollars, the Partnership’s functional currency and all amounts are rounded to the nearest thousand (\$’000) except where otherwise indicated. The financial statements have, in management’s opinion, been prepared using careful judgment within the framework of the significant judgments, estimates and assumptions summarized in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of natural gas and oil products in the ordinary course of the Partnership’s activities and is recognized when the amount can be reliably measured, and it is probable that future economic benefits will flow to the entity.

b) Oil and natural gas exploration, evaluation and development expenditures

i) Pre-exploration expenditures

Expenditures made by the Partnership during the geological and geophysical evaluation phase and before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Partnership as incurred.

ii) Exploration and evaluation expenditures (“E&E”)

Costs incurred after obtaining the rights to explore are capitalized as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include, but are not limited to, exploration license expenditures, leasehold acquisition costs, evaluation costs including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centres by property and are not subject to depletion until technical feasibility and commercial viability has been determined. If no reserves are found, the exploration asset is tested for impairment and if necessary, an impairment charge recognized as exploration and evaluation expense in the statement of comprehensive income may be taken. If extractable hydrocarbons are found and likely to be commercially developed, the costs will continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. The technical feasibility and commercial viability of extracting a hydrocarbon is considered to be determinable when proven and probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and probable reserves have been discovered and to confirm the continued intent to develop or otherwise extract value from the discovery. Upon determination of proven and probable reserves, exploration and evaluation assets attributable to those reserves are tested for impairment and reclassified from exploration and evaluation assets to oil and natural gas interests within property, plant and equipment. Expired lease costs are expensed as part of exploration and evaluation expense as they occur.

iii) Development and production costs

Expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within oil and gas properties in property, plant and equipment, as long as the facts and circumstances indicate that the field has commercially viable reserves.

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depletion and any accumulated impairment losses. Development and production assets are grouped into Cash Generating Units (“CGU’s”) for impairment testing. A CGU’s recoverable amount is the greater of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Gains or losses on the disposal of an item of property, plant and equipment, including oil and gas interests are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within the statement of comprehensive income as additional depletion and depreciation expense.

iv) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interest only when they increase future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statement of comprehensive income as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proven and or probable reserves and bringing in or

enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

v) Depletion and depreciation

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of decommissioning obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

The depletion provision for oil and natural gas assets is calculated for each major area using the unit-of-production method based on the area's production for the period divided by the Partnership's estimated total proved and probable oil and natural gas reserve volumes (before royalties) for that area. Production and reserves for natural gas are converted at the energy equivalent of six thousand cubic feet of natural gas to one barrel of oil. Estimates of future development costs for developing the proved and probable reserves are included in each area's depletion base.

Depreciation of office furniture and equipment is provided for on a 20% declining balance basis while computers and ancillary equipment use a 30% declining balance basis.

vi) Dispositions

Gains or losses are recognized on dispositions of property, plant and equipment (PP&E) and certain exploration and evaluation assets (E&E) including asset swaps, farm-out transactions and complete dispositions. The gain or loss is measured as the difference between the fair value of the proceeds, net of costs to sell, and the carrying value of the assets disposed, including capitalized asset decommissioning costs, unless the transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up can be reliably measured. When fair value is not used, the carrying amount of the asset given up is used as the cost of the asset acquired.

c) Impairment

I. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if the evidence indicates that one or more events have had a negative impact on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss in the period that the impairment is determined to have occurred. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial

assets measured at amortized cost the reversal is recognized in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of comprehensive income when there is objective evidence (such as financial difficulty or the probability of default by the debtor) that the Partnership will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

II. Non-financial assets

Carrying values of E&E, oil and natural gas properties and administrative assets are reviewed regularly to determine if indicators of impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the greater of the fair value of the asset less costs of disposal and the asset's value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Partnership has organized its assets into CGU's, which are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If the carrying amount of the CGU exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive income so as to reduce the carrying amount of the CGU to its recoverable amount.

Recoverable amounts are determined annually based on the greater of its fair value less costs of disposal or the value in use. Fair value less costs of disposal of oil and gas assets is generally determined by estimating the discounted after-tax future net cash flows for the CGU's. Future net cash flows are based on forecasted commodity prices and costs over the expected economic life of the proved and probable reserves and then discounted using market-based rates to arrive at a net present value of the CGU. Consideration is given to acquisition metrics of recent transactions completed on similar assets to those contained within the relevant CGU. Value in use is determined by estimating the present value of future net cash flows expected to be derived from the continued use of the asset in its present form and its eventual disposal.

For financial and non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Partnership makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if objective evidence exists to support that there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

d) Provisions

Provisions are recognized when the Partnership has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Partnership expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

The Partnership's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

A decommissioning liability is recognized when the Partnership has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made as at the balance sheet date by management. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognized as a finance cost. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent that the provision was recognized.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset or project under construction are capitalized and added to the asset or project cost during construction until such time as the asset or project is substantially ready for its intended use. Where funds are specifically borrowed to finance an asset or project, the amount capitalized represents the actual amount of borrowing costs incurred. Where funds used to finance an asset or project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Partnership during the period. All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

f) Finance income and expenses

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance expense is comprised of: interest expense on borrowings, accretion of the discount rate on provisions, and impairment losses recognized on financial assets.

g) Obligations under lease

Per IFRS 16 guidelines, material lease obligations are recognized as both an asset and liability at inception. The assets form part of property, plant and equipment and are depreciated over the

remaining life of the lease. The lease liability is drawn down as cash payments are made and non-cash interest expense is also recorded as part of the lease liability.

h) Financial instruments

Financial assets and financial liabilities are recognized on the Partnership's balance sheet when the Partnership becomes party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred to a third party. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. All financial instruments, including all derivatives, are recognized on the balance sheet initially at fair value.

Financial instruments at fair value through profit or loss

Financial instruments at "fair value through profit or loss" includes financial instruments held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Financial instruments are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on financial instruments held for trading are recognized in the statement of comprehensive profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains or losses are recognized in the statement of comprehensive income or loss when the loans and receivables are derecognized or impaired.

Financial liabilities at amortized cost

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income or loss when the liabilities are derecognized.

The Partnership uses the following classifications for its financial instruments:

Financial asset or liability	Category	Subsequent Measurement
Accounts receivable	Loans and receivables	Amortized cost
Derivative contracts	Fair value through profit or loss	Fair value through profit or loss
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	Amortized cost

Bank debt	Financial liabilities at amortized cost	Amortized cost
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The Partnership uses, from time to time, financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of petroleum and natural gas production and foreign exchange exposures. The Partnership does not enter into derivative financial instruments for trading or speculative purposes. Triple Five has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Partnership considers all commodity contracts to be economic hedges. As a result, financial derivatives are classified as fair value through profit or loss and are recorded on the balance sheet at fair value.

The Partnership accounts for any physical sales and purchase contracts as executory contracts and as such are not recorded at fair value on the balance sheet. Settlements on these physical sales contracts are recognized in oil and natural gas sales.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract. Contracts are assessed for embedded derivatives when the Partnership becomes a party to them.

Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

Financial instruments measured at fair value on the balance sheet require classification into one of the following levels of the fair value hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement of its entirety. The Partnership has categorized its financial instruments that are fair valued on the balance sheet according to the fair value hierarchy above (Note 14).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can materially differ from these estimates.

In the process of applying the Partnership's accounting policies, management has made the following judgements, estimates, and assumptions which have the most significant effect on the amounts recognized in the financial statements:

I. Accounts receivable

Accounts receivable are recorded at the estimated recoverable amount which involves an estimate of uncollectible amounts.

II. Derivatives

The fair value of derivative contracts are based on published market prices as at the balance sheet date and may differ from what will eventually be realized. Changes in the fair value of the derivative contracts are recognized in statement of comprehensive income (loss). The actual gains and losses realized on eventual cash settlement can vary due to subsequent fluctuations in commodity prices.

III. Oil and natural gas reserves

Oil and natural gas development and production properties are depreciated on a unit of production basis at a rate calculated by reference to proved and probable reserves determined in accordance with the NI 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporating the estimated future cost of developing and extracting those reserves. Commercial reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. There are numerous uncertainties inherent in estimating oil and gas reserves. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

- i) Reserves- Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.
- ii) Oil and natural gas prices- Forward price estimates are used in the cash flow models. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather and economic and geopolitical factors.

Estimating reserves is very complex, requiring many judgements based on geological, geophysical, engineering and economic data. These estimates may change, having either a positive or negative impact on net earnings as further information becomes available and as the economic environment changes.

IV. Depletion and depreciation

Depletion of oil and gas properties is provided using the unit-of-production method and is based on production volumes (before royalties) in relation to total estimated proved and probable reserves as determined by internal reserve evaluations for the first three quarters of the year and then at year-end by the Partnership's independent engineers. Natural gas reserves and production are converted at the energy equivalent of six thousand cubic feet to one barrel of oil. Calculations for depletion of oil and natural gas properties including production equipment and facilities, are based on total capitalized costs plus estimated future development costs of proved and probable reserves less the estimated net realizable value of production equipment and facilities after the reserves are fully produced. Exploration and evaluation costs are excluded from depletion calculations.

The calculation of the unit-of-production rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

These factors could include:

- Changes in proved and probable reserves;
- Changes in estimates of future development costs;
- The effect on proved and probable reserves of differences between actual production as compared to forecasts as well as commodity price assumptions; and,
- Unforeseen operational issues.

V. Exploration and evaluation assets

The decision to transfer assets from E&E to PP&E is based on the estimated proved and probable reserves which are in part used to determine a project's technical feasibility and commercial viability.

VI. Impairment

The recoverable amounts of CGU's and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs. Key assumptions in the determination of cash flows from reserves include reserves estimated by the Partnership's independent qualified reserve evaluators. It is possible that oil and gas price assumptions may change which may then impact the estimated life of fields and may then require a material adjustment to the carrying value of E&E assets and PP&E. The Partnership monitors internal and external indicators of impairment relating to its tangible and intangible assets.

VII. Cash Generating Unit definition

The determination of CGU's requires judgement in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGU's are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risk and materiality. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

VIII. Decommissioning costs

Decommissioning costs will be incurred by the Partnership at the end of the operating life of certain facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant regulatory requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. In addition, the Partnership determines the appropriate discount rate at the end of each reporting period. The Partnership uses the risk-free discount rate to determine the present value of the estimated future cash outflows to settle the obligation and may change in response to numerous market factors. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

5. SIGNIFICANT ACCOUNTING POLICIES

There were no new IFRS accounting standards adopted in 2020.

6. PROPERTY, PLANT AND EQUIPMENT

	Oil and natural gas properties	Administrative	Total
Balance, December 31, 2018	62,218	55	62,273
Additions	8,434	-	8,434
Capitalized decommissioning costs (note 8)	-	-	-
Transfer from E&E	-	-	-
Balance, December 31, 2019	70,652	55	70,707
Additions	9,354	-	9,354
Capitalized decommissioning costs (note 8)	311	-	311
Transfer from E&E	-	-	-
Balance, June 30, 2020	80,317	55	80,372

	Oil and natural gas properties	Administrative	Total
Accumulated Depletion, Depreciation and Impairment losses			
Balance, December 31, 2018	(13,162)	(39)	(13,201)
Provision for the year	(6,914)	(5)	(6,919)
Balance, December 31, 2019	(20,076)	(44)	(20,120)
Provision for the period	(2,431)	(1)	(2,432)
Balance, June 30, 2020	(22,507)	(45)	(22,552)

	Oil and natural gas properties	Administrative	Total
Carrying Amounts			
December 31, 2018	49,056	16	49,072
December 31, 2019	50,576	11	50,587
June 30, 2020	57,810	10	57,820

Future development costs on proved plus probable undeveloped reserves of \$60,689 (December 31, 2019 - \$70,353) were included in the depletion calculation. Salvage values excluded from the depletion calculation as at June 30, 2020 were \$2,138 (December 31, 2019 - \$2,138).

7. LEASES

Right-of-use assets

	\$
As at January 1, 2019	1,137
Additions	144
Depreciation	(525)
Balance, December 31, 2019	756
Additions	213
Depreciation	(300)
Balance, June 30, 2020	669

Lease liabilities

	\$
As at January 1, 2019	1,137
Additions	144
Lease interest expense	116
Lease payments	(597)
Balance, December 31, 2019	800
Additions	213
Lease interest expense	48
Lease payments	(343)
Balance, June 30, 2020	718

8. EXPLORATION AND EVALUATION ASSETS

	\$
Balance, January 1, 2019	4,870
Additions	961
Transfer to oil and natural gas properties	-
Balance, December 31, 2019	5,831
Additions	6
Transfer to oil and natural gas properties	-
Balance, June 30, 2020	5,837

Exploration and evaluation assets consist of the Partnership's exploration projects which are pending the determination of proven and probable reserves. For the period ended June 30, 2020, \$nil (December 31, 2019 - \$nil) was transferred to property, plant and equipment following the successful discovery of proven and probable reserves.

9. DECOMMISSIONING LIABILITIES

The Partnership's decommissioning liabilities result from the net ownership interests it has in petroleum and natural gas assets, which include: well sites, gathering systems, batteries and processing facilities. The Partnership estimates the total undiscounted amount of cash flows required to settle its decommissioning liabilities at June 30, 2020 to be \$1,969 (December 31, 2019 - \$1,765), which will be incurred at various times after 2051. The present value of the decommissioning liabilities as at June 30, 2020 was calculated using a risk free rate of 1.02% (December 31, 2019 - 1.67%) and an inflation factor of 2% (December 31, 2019 - 2.0%). Settlement of the liabilities will be funded from general corporate funds at the time of retirement or removal. As at June 30, 2020, no funds have been set aside to settle these obligations. Changes to decommissioning liabilities during the periods were as follows:

	June 30, 2020	December 31, 2019
Balance, at beginning of year	1,719	1,690
Liabilities disposed of during the period	-	-
Incurred on development activities during the period	537	-
Revisions to estimates	(227)	-
Accretion	12	29
Balance, at end of period	2,041	1,719

10. BANK DEBT

As at June 30, 2019, Triple Five had a \$27 million (June 30, 2019 - \$20.0 million) credit facility with Crown Capital Partners. This facility has a maturity date of August 31, 2021. Interest on the outstanding principal amount is calculated at 10.5% per annum and is compounded and payable monthly on the last day of each month.

The credit facility is secured by a fixed and floating charge debenture over all present and acquired assets of Triple Five and any subsidiaries of joint ventures, providing a first lien on all assets. The facility is subject to a periodic review, at which time the lender may re-determine the borrowing base.

In addition, there are certain standard financial and non-financial covenants in this credit facility agreement.

As at June 30, 2020 there is \$27.0 million drawn on the facility.

11. FINANCE EXPENSES

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six Months Ended June 30, 2019
Interest and stand-by charges	943	635	1,822	1,201
Gains (losses) on derivative interest rate contracts	-	-	-	-
Interest on leases-non cash	26	62	47	62
Accretion on decommissioning liabilities	6	7	12	15
Balance at end of period	975	704	1,881	1,278

12. COMMITMENTS

In addition to the commitments listed below, the Partnership has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Partnership's financial statements.

a) Office lease costs

The Partnership has committed to future minimum payments under an operating lease that covers the rental of office space and a proportionate share of operating costs as follows. The office lease has an expiry date of September 30, 2019.

	Total
Office lease- gross commitment	19

c) Indemnifications

From time to time, the Partnership may become involved in litigation or have claims sought against it in the normal course of business operations. Management of the Partnership is not currently aware of any claims or actions that would materially affect the Partnership's reported financial position or results from operations.

d) Drilling commitments

As at June 30, 2020 Triple Five is committed to drill and complete a total of nil gross (nil net) December 31, 2019 – nil gross (nil- net)) wells.

13. SUPPLEMENTARY CASH FLOW INFORMATION

a) Changes in non-cash working-capital

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Accounts receivable	93	3,180	1,063	(373)
Accounts payable and accrued liabilities	524	(3,803)	6,503	(7,944)
Prepaid Expenses and Deposits	(2)	(126)	124	(182)
Net change in non-cash working capital	615	(749)	7,689	(8,499)
Relating to:				
Operating activities	742	1,571	1,360	(240)
Investing activities	(127)	(2,320)	6,329	(8,259)
	615	(749)	7,689	(8,499)

b) Supplementary cash flow information

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Interest paid	943	635	1,822	1,201

c) Sales by product type

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Natural gas	3,461	2,004	6,067	8,173
Natural gas liquids	992	2,821	2,218	7,456
Total	4,453	4,825	8,285	15,629

14. FINANCIAL INSTRUMENTS

The Partnership holds various forms of financial assets and liabilities. The fair values of financial assets and liabilities and a discussion of the risks associated with these assets and liabilities are presented as follows:

A) Fair Value of Financial Assets and Liabilities

The carrying value of financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities and bank debt approximates amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties.

The carrying and fair values of the Partnership's financial instruments as at June 30, 2020 and December 31, 2019 were as follows:

	June 30, 2020			December 31, 2019	
	Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Loans and receivables:					
Accounts receivable	3	2,026	2,026	3,089	3,089
Cash	2	615	615	1,741	1,741
Financial Liabilities					
Other financial liabilities					
Accounts payable and accrued liabilities	3	13,581	13,581	7,078	7,078
Bank debt	2	27,000	27,000	27,000	27,000

B) Risks Associated with Financial Assets and Liabilities

The nature of these instruments and the Partnership's operations expose the Partnership to commodity price, credit and interest rate risks. The Partnership manages its exposure to these risks by operating in a manner that minimizes this exposure.

Market risk

Market risks are generally those risks that are outside of the control of the Partnership. These are: commodity prices, foreign exchange rates and interest rates. The objective of the Partnership is to mitigate exposure to these risks, while maximizing returns to the Partnership.

Commodity price risk

Due to the volatility of commodity prices the Partnership is exposed to adverse consequences of declining prices. The Partnership may enter into future related oil and natural gas contracts in order to protect its cash flow on future sales from the potential adverse impact of declining prices. The contracts reduce the fluctuation in sales revenue by locking in prices with respect to future deliveries of oil and natural gas. The use of these derivative contracts is governed by a formal policy and is subject to maximum limits established by the Board of Directors. From time to time, the Partnership may enter into a variety of derivative contracts. As at June 30, 2020, the Partnership had commodity based derivative contracts outstanding.

Triple Five entered into the following derivative contract to mitigate its exposure to fluctuations in natural gas prices.

Natural Gas Contract	Volume Gigajoules/day	Pricing Point	Strike Price per GJ	Term
Fixed price	4,000	AECO-NIT	CDN \$1.80	Jan. 1, 2020 to Dec. 31, 2020
Fixed price	8,000	AECO-NIT	CDN \$1.75	Apr. 1, 2020 to Oct. 31, 2020

The gain (loss) on commodity derivative contracts for the periods ended June 30, 2020 and 2019 were as follows:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Realized	(83)	748	(126)	(930)

Credit risk

Credit risk arises from the potential loss resulting from a counterparty failing to meet its obligations in accordance with the agreed terms. Substantially all of the accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Partnership generally extends unsecured credit to these customers and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by entering into transactions with long-standing, reputable, counterparties and partners. Wherever possible, the Partnership requires cash calls be paid from its partners on capital projects before they commence. Receivables related to the sale of the Partnership's oil and natural gas production are mainly from major marketing companies who have solid credit ratings. The majority of Triple Five's sales revenues are normally collected on the 25th day of the month following delivery. Also, all of the Partnership's projects are controlled and operated 100% by the entity thereby reducing credit risk of joint venture partners and allowing for the control and timing of all capital expenditures.

The counter-party with which the Partnership maintains its derivative contracts is a major Canadian chartered bank, which has an investment grade rating or a large market cap energy marketer and producer. The carrying amounts of accounts receivable plus the loans receivable represent the Partnership's maximum credit exposure.

As at June 30, 2020, accounts receivable and their respective aging were comprised of the following:

	Not past due			Past due	Total
	Less than 30 days	31 – 60 days	61 – 90 days	More than 90 days	
Sales and accrued revenue receivables	1,640	-	-	-	1,640
Other receivables	6	-	11	369	386
Total accounts receivable	1,646	-	11	369	2,026

The carrying amount for accounts receivable represents the maximum credit exposure. Accounts payable due to the same partners are amounts which may be available for offset, or are being held for future offset with certain joint venture receivables. No amounts in the greater than ninety day category are considered to be uncollectible and consequently no allowance has been recorded in respect of those receivables.

Liquidity risk

Liquidity risk would occur if the Partnership is not able to meet its financial obligations as they come due. The Partnership has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As our industry is very capital intensive, the majority of our spending is related to our capital programs. The Partnership monitors its capital structure and short-term financing requirements using a non-GAAP financial metric of net debt to annualized, most recent

quarters' cash flow from operations. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (cash flow from operating activities before changes in non-cash working capital and deductions for abandonment and reclamation) for the most recent quarter.

The Partnership's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. All of the financial liabilities of the Partnership are estimated to be settled within one year of the balance sheet date.

As at June 30, 2020 the timing of cash outflows relating to financial liabilities are outlined in the table below:

	Less than 1 Year	1-3 Years	4-5 Years	There- after	Total
Accounts payable and accrued liabilities	13,581	-	-	-	13,581
Bank debt	7,975	19,025	-	-	27,000

Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the future cash flows from the Partnership's financial assets or liabilities. The Partnership currently does not have a floating interest loan.

Foreign currency exchange risk

Although all of Triple Five's oil and natural gas sales are denominated in Canadian dollars, the underlying market prices for these commodities are impacted by the exchange rate between Canada and the United States. In addition, the fair value of our derivative contracts will fluctuate as a result of changes in foreign exchange rates as most derivative contracts are traded in US dollars and then converted to the Canadian dollar equivalent for settlement purposes on a monthly basis. As the effects of foreign exchange fluctuations are embedded in the Partnership's results from operations, the aggregate effect of foreign exchange rate fluctuations are not separately identifiable. As at June 30, 2020, the Partnership had no forward, foreign exchange contracts in place.

15. CAPITAL MANAGEMENT

Maintaining a strong capital structure is paramount to Triple Five so as to ensure that investor and creditor confidence in the Partnership is at a high level. The Partnership considers its capital structure to include shareholders' equity, bank debt and working capital. The Partnership will adjust its capital structure to manage its current and projected debt through the injection of liquidity, increasing its bank line of credit and/or adjusting its capital spending. Triple Five continually monitors its capital structure and makes adjustments to it with respect to, drilling successes, general economic conditions in the petroleum industry and global events that may affect commodity prices.

Triple Five's objectives in managing its capital structure are to:

- a) create and maintain flexibility to enable the Partnership to meet its financial obligations; and,
- b) finance growth either through internally generated projects, joint venture relationships or asset/corporate acquisitions.

The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including acquisitions, financing arrangements, and transactions with related parties if any.

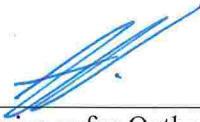
The Partnership monitors its capital structure using primarily the non-GAAP financial metric of net debt to annualized, most recent quarters' funds flow from operations. Triple Five's objective is to achieve or maintain a net debt to funds flow from operations ratio of one and one half times to two times. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (excluding bank debt, derivative contract assets and liabilities and deferred tax liabilities), divided by funds flow from operations (cash flow from operating activities before changes in non-cash working capital and deductions for decommissioning costs) for the most recent calendar quarter, annualized (multiplied by four). This ratio may temporarily increase as a result of an acquisition or as a result of negative commodity price movements.

To facilitate the management of this ratio, the Partnership prepares an annual budget, which is updated monthly for any significant acquisitions, changes in economic circumstances outside the control of the Partnership; and the success or failure of recently deployed capital. Each of the annual budget and quarterly updates used for Board meetings are approved by the Board of Directors and capital spending adjusted accordingly. As at June 30, 2020, the total net debt to adjusted funds flow (annualized) was 21.1x (Dec. 31, 2019 –3.80x) times calculated as follows:

	June 30, 2020	Dec. 31, 2019
Current assets	3,707	6,020
Accounts payable and accrued liabilities	(13,581)	(7,078)
Lease liabilities (current only)	(610)	(630)
Bank debt	(27,000)	(27,000)
Net debt	(37,484)	(28,688)
Net income (loss)	(1,904)	(1)
Add (deduct):		
Depletion and depreciation	2,731	7,444
Lease interest expense	48	116
Accretion on decommissioning liabilities	11	29
Cash flow from operations	886	7,588
Net debt to annualized funds flow	21.1x	3.80x
Net debt to annualized funds flow- excluding bank debt	5.9x	0.20x

The Partnership's capital is not subject to any external restrictions as to how it is deployed.

This is Exhibit "9"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Triple Five SC Oil and Gas Limited Partnership
Financial Statements
September 30, 2020

T5 SC OIL & GAS LIMITED PARTNERSHIP

Balance Sheet

(in thousands of Canadian dollars) (unaudited)

	Notes	September 30, 2020	December 31, 2019
ASSETS			
CURRENT			
Cash		796	1,741
Accounts receivable		2,050	3,089
Prepaid expenses and deposits		971	1,190
Total current assets		3,817	6,020
Property, plant and equipment	6	56,685	50,576
Administrative assets	6	9	11
Right-of-use assets	7	505	756
Exploration and evaluation assets	8	5,837	5,831
Total assets		66,853	63,194
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		13,294	7,078
Current portion of bank debt	10	27,000	3,625
Lease liabilities	7	512	630
Total current liabilities		40,806	11,333
Bank debt	10	-	23,375
Lease liabilities	7	37	170
Decommissioning liabilities	9	2,047	1,719
Total liabilities		42,890	36,597
EQUITY			
Partner contributions		29,894	29,894
Retained earnings		(5,931)	(3,297)
Total equity		23,963	26,597
Total liabilities and equity		66,853	63,194
Commitments and contingencies	12		

APPROVED BY THE BOARD

"Signed" Nader Ghermezian, Director

"Signed" Ryan Martin, Director

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Comprehensive Income (Loss)

For the three and nine months ended September 30, 2020 and 2019

(in thousands of Canadian dollars)(unaudited)

		Three months Ended Sept. 30	Three months Ended Sept. 30	Nine months Ended Sept. 30	Nine months Ended Sept. 30
	Notes	2020	2019	2020	2019
REVENUE					
Oil and natural gas revenues	13(c)	4,529	3,325	12,814	18,954
Royalties		(465)	(275)	(1,252)	(1,715)
Oil and natural gas revenues, net of royalties		4,064	3,050	11,562	17,239
Realized fair value gain (loss) on derivatives		(359)	1,070	(485)	139
Net revenues		3,705	4,120	11,077	17,378
EXPENSES					
Operating		1,541	1,864	5,095	6,936
Transportation		345	363	1,028	1,372
General and administrative		227	160	654	366
Depletion and depreciation	6	1,350	1,720	4,081	6,184
Finance expenses	10	971	759	2,852	2,037
Total expenses		4,434	4,866	13,710	16,895
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)		(729)	(746)	(2,633)	483

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	T5 Energy Partners Ltd. 99.99%	Triple 5 Intercontinental Group Ltd. 0.01%	Total Partners' Capital \$
Balance, December 31, 2018	24,748	-	24,748
Partners' contribution	1,850	-	1,850
Triple 5 Intercontinental Group Ltd.	(1)	-	(1)
Balance, December 31, 2019	26,597	-	26,597
Partners' contribution	-	-	-
Net loss and comprehensive loss	(2,630)	(3)	(2,633)
Balance, September 30, 2020	23,967	(3)	23,963

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Statement of Cash Flows

For the three and nine months ended September 30, 2020 & 2019

(in thousands of Canadian dollars) (unaudited)

	Notes	Three months Ended Sept. 30 2020	Three months Ended Sept. 30 2019	Nine months Ended Sept. 30 2020	Nine months Ended Sept. 30 2019
CASH FLOWS PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:					
OPERATING					
Net income and comprehensive income (loss)		(729)	(746)	(2,633)	483
Adjustments for:					
Depletion and depreciation	6,7	1,350	1,720	4,081	6,184
Lease interest expense	7	21	28	69	91
Accretion of decommissioning liabilities	9	6	7	17	22
Cash flow provided by operating activities		648	1,009	1,534	6,780
Changes in non-cash working capital	13a	533	327	1,896	190
Total cash flow provided by operating activities		1,181	1,336	3,430	6,970
FINANCING					
Proceeds from partner contributions		-	-	-	1,850
Lease payments	7	(190)	(157)	(533)	(439)
Changes in bank debt		-	-	-	5,000
Cash flow provided by financing activities		(190)	(157)	(533)	6,411
INVESTING					
Additions to petroleum and natural gas properties	6	(60)	(146)	(9,413)	(2,526)
Additions to exploration and evaluation assets	8	(1)	-	(6)	(961)
Changes in non-cash working capital	13a	(749)	(1,545)	5,577	(9,907)
Total cash flow used in investing activities		(810)	(1,691)	(3,842)	(13,394)
NET INCREASE (DECREASE) IN CASH		181	(512)	(945)	(13)
CASH, BEGINNING OF PERIOD		615	554	1,741	55
CASH, END OF PERIOD		796	42	796	42

Supplementary cash flow information (Note 13(a))

See accompanying notes to the financial statements

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the three and nine months ended September 30, 2020 and 2019

(thousands) (unaudited)

1. INCORPORATION AND NATURE OF BUSINESS

Triple Five SC Oil and Gas Limited Partnership ("Triple Five" or "the Partnership") was incorporated in Canada on April 26, 2007 and commenced oil and gas operations on November 28, 2013. Triple Five is engaged in the exploration, development and production of natural gas and natural gas liquids in the province of Alberta. The registered address of Triple Five SC Oil and Gas Partnership is Suite 3600, 700- 2nd Street SW Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements are unaudited and have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). On November 14, 2020, the financial statements of the Partnership were authorized by the Board of Directors.

b) Basis of measurement

The financial statements have been prepared on the basis of historical cost, except as disclosed in the accounting policies in Note 3. These financial statements include only the assets, liabilities, revenues, and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the Partners or the liability of the Partners for income taxes on the earnings of the entity.

c) Functional and presentation currency

The financial statements are presented in Canadian Dollars, the Partnership's functional currency and all amounts are rounded to the nearest thousand (\$'000) except where otherwise indicated. The financial statements have, in management's opinion, been prepared using careful judgment within the framework of the significant judgments, estimates and assumptions summarized in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of natural gas and oil products in the ordinary course of the Partnership's activities and is recognized when the amount can be reliably measured, and it is probable that future economic benefits will flow to the entity.

b) Oil and natural gas exploration, evaluation and development expenditures

i) Pre-exploration expenditures

Expenditures made by the Partnership during the geological and geophysical evaluation phase and before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Partnership as incurred.

ii) Exploration and evaluation expenditures (“E&E”)

Costs incurred after obtaining the rights to explore are capitalized as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include, but are not limited to, exploration license expenditures, leasehold acquisition costs, evaluation costs including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centres by property and are not subject to depletion until technical feasibility and commercial viability has been determined. If no reserves are found, the exploration asset is tested for impairment and if necessary, an impairment charge recognized as exploration and evaluation expense in the statement of comprehensive income may be taken. If extractable hydrocarbons are found and likely to be commercially developed, the costs will continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. The technical feasibility and commercial viability of extracting a hydrocarbon is considered to be determinable when proven and probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and probable reserves have been discovered and to confirm the continued intent to develop or otherwise extract value from the discovery. Upon determination of proven and probable reserves, exploration and evaluation assets attributable to those reserves are tested for impairment and reclassified from exploration and evaluation assets to oil and natural gas interests within property, plant and equipment. Expired lease costs are expensed as part of exploration and evaluation expense as they occur.

iii) Development and production costs

Expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within oil and gas properties in property, plant and equipment, as long as the facts and circumstances indicate that the field has commercially viable reserves.

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depletion and any accumulated impairment losses. Development and production assets are grouped into Cash Generating Units (“CGU’s”) for impairment testing. A CGU’s recoverable amount is the greater of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Gains or losses on the disposal of an item of property, plant and equipment, including oil and gas interests are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized within the statement of comprehensive income as additional depletion and depreciation expense.

iv) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interest only when they increase future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statement of comprehensive income as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proven and or probable reserves and bringing in or

enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of comprehensive income as incurred.

v) Depletion and depreciation

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of decommissioning obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

The depletion provision for oil and natural gas assets is calculated for each major area using the unit-of-production method based on the area's production for the period divided by the Partnership's estimated total proved and probable oil and natural gas reserve volumes (before royalties) for that area. Production and reserves for natural gas are converted at the energy equivalent of six thousand cubic feet of natural gas to one barrel of oil. Estimates of future development costs for developing the proved and probable reserves are included in each area's depletion base.

Depreciation of office furniture and equipment is provided for on a 20% declining balance basis while computers and ancillary equipment use a 30% declining balance basis.

vi) Dispositions

Gains or losses are recognized on dispositions of property, plant and equipment (PP&E) and certain exploration and evaluation assets (E&E) including asset swaps, farm-out transactions and complete dispositions. The gain or loss is measured as the difference between the fair value of the proceeds, net of costs to sell, and the carrying value of the assets disposed, including capitalized asset decommissioning costs, unless the transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up can be reliably measured. When fair value is not used, the carrying amount of the asset given up is used as the cost of the asset acquired.

c) Impairment

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if the evidence indicates that one or more events have had a negative impact on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss in the period that the impairment is determined to have occurred. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial

assets measured at amortized cost the reversal is recognized in the statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of comprehensive income when there is objective evidence (such as financial difficulty or the probability of default by the debtor) that the Partnership will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

II. Non-financial assets

Carrying values of E&E, oil and natural gas properties and administrative assets are reviewed regularly to determine if indicators of impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the greater of the fair value of the asset less costs of disposal and the asset's value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Partnership has organized its assets into CGU's, which are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If the carrying amount of the CGU exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive income so as to reduce the carrying amount of the CGU to its recoverable amount.

Recoverable amounts are determined annually based on the greater of its fair value less costs of disposal or the value in use. Fair value less costs of disposal of oil and gas assets is generally determined by estimating the discounted after-tax future net cash flows for the CGU's. Future net cash flows are based on forecasted commodity prices and costs over the expected economic life of the proved and probable reserves and then discounted using market-based rates to arrive at a net present value of the CGU. Consideration is given to acquisition metrics of recent transactions completed on similar assets to those contained within the relevant CGU. Value in use is determined by estimating the present value of future net cash flows expected to be derived from the continued use of the asset in its present form and its eventual disposal.

For financial and non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Partnership makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if objective evidence exists to support that there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income. Impairment losses recognized in relation to goodwill are not reversed for subsequent increases in its recoverable amount.

d) Provisions

Provisions are recognized when the Partnership has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Partnership expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning liability

The Partnership's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

A decommissioning liability is recognized when the Partnership has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made as at the balance sheet date by management. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognized as a finance cost. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent that the provision was recognized.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset or project under construction are capitalized and added to the asset or project cost during construction until such time as the asset or project is substantially ready for its intended use. Where funds are specifically borrowed to finance an asset or project, the amount capitalized represents the actual amount of borrowing costs incurred. Where funds used to finance an asset or project form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to relevant general borrowings of the Partnership during the period. All other borrowing costs are recognized in the statement of comprehensive income in the period in which they are incurred.

f) Finance income and expenses

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance expense is comprised of: interest expense on borrowings, accretion of the discount rate on provisions, and impairment losses recognized on financial assets.

g) Obligations under lease

Per IFRS 16 guidelines, material lease obligations are recognized as both an asset and liability at inception. The assets form part of property, plant and equipment and are depreciated over the

remaining life of the lease. The lease liability is drawn down as cash payments are made and non-cash interest expense is also recorded as part of the lease liability.

h) Financial instruments

Financial assets and financial liabilities are recognized on the Partnership's balance sheet when the Partnership becomes party to the contractual provisions of the instrument. Financial assets are de-recognized when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred to a third party. Financial liabilities are de-recognized when the obligation specified in the contract is discharged, cancelled or expired. All financial instruments, including all derivatives, are recognized on the balance sheet initially at fair value.

Financial instruments at fair value through profit or loss

Financial instruments at "fair value through profit or loss" includes financial instruments held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Financial instruments are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives, including separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on financial instruments held for trading are recognized in the statement of comprehensive profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, loans and receivables are subsequently carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains or losses are recognized in the statement of comprehensive income or loss when the loans and receivables are derecognized or impaired.

Financial liabilities at amortized cost

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income or loss when the liabilities are derecognized.

The Partnership uses the following classifications for its financial instruments:

Financial asset or liability	Category	Subsequent Measurement
Accounts receivable	Loans and receivables	Amortized cost
Derivative contracts	Fair value through profit or loss	Fair value through profit or loss
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	Amortized cost

Bank debt	Financial liabilities	Amortized cost
	at amortized cost	

The Partnership uses, from time to time, financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of petroleum and natural gas production and foreign exchange exposures. The Partnership does not enter into derivative financial instruments for trading or speculative purposes. Triple Five has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Partnership considers all commodity contracts to be economic hedges. As a result, financial derivatives are classified as fair value through profit or loss and are recorded on the balance sheet at fair value.

The Partnership accounts for any physical sales and purchase contracts as executory contracts and as such are not recorded at fair value on the balance sheet. Settlements on these physical sales contracts are recognized in oil and natural gas sales.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract. Contracts are assessed for embedded derivatives when the Partnership becomes a party to them.

Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the balance sheet date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

Financial instruments measured at fair value on the balance sheet require classification into one of the following levels of the fair value hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Inputs for the asset or liability that are not based on observable market data.

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement of its entirety. The Partnership has categorized its financial instruments that are fair valued on the balance sheet according to the fair value hierarchy above (Note 14).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can materially differ from these estimates.

In the process of applying the Partnership's accounting policies, management has made the following judgements, estimates, and assumptions which have the most significant effect on the amounts recognized in the financial statements:

I. Accounts receivable

Accounts receivable are recorded at the estimated recoverable amount which involves an estimate of uncollectible amounts.

II. Derivatives

The fair value of derivative contracts are based on published market prices as at the balance sheet date and may differ from what will eventually be realized. Changes in the fair value of the derivative contracts are recognized in statement of comprehensive income (loss). The actual gains and losses realized on eventual cash settlement can vary due to subsequent fluctuations in commodity prices.

III. Oil and natural gas reserves

Oil and natural gas development and production properties are depreciated on a unit of production basis at a rate calculated by reference to proved and probable reserves determined in accordance with the NI 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporating the estimated future cost of developing and extracting those reserves. Commercial reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. There are numerous uncertainties inherent in estimating oil and gas reserves. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

- i) Reserves- Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.
- ii) Oil and natural gas prices- Forward price estimates are used in the cash flow models. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather and economic and geopolitical factors.

Estimating reserves is very complex, requiring many judgements based on geological, geophysical, engineering and economic data. These estimates may change, having either a positive or negative impact on net earnings as further information becomes available and as the economic environment changes.

IV. Depletion and depreciation

Depletion of oil and gas properties is provided using the unit-of-production method and is based on production volumes (before royalties) in relation to total estimated proved and probable reserves as determined by internal reserve evaluations for the first three quarters of the year and then at year-end by the Partnership's independent engineers. Natural gas reserves and production are converted at the energy equivalent of six thousand cubic feet to one barrel of oil. Calculations for depletion of oil and natural gas properties including production equipment and facilities, are based on total capitalized costs plus estimated future development costs of proved and probable reserves less the estimated net realizable value of production equipment and facilities after the reserves are fully produced. Exploration and evaluation costs are excluded from depletion calculations.

The calculation of the unit-of-production rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

These factors could include:

- Changes in proved and probable reserves;
- Changes in estimates of future development costs;
- The effect on proved and probable reserves of differences between actual production as compared to forecasts as well as commodity price assumptions; and,
- Unforeseen operational issues.

V. Exploration and evaluation assets

The decision to transfer assets from E&E to PP&E is based on the estimated proved and probable reserves which are in part used to determine a project's technical feasibility and commercial viability.

VI. Impairment

The recoverable amounts of CGU's and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs. Key assumptions in the determination of cash flows from reserves include reserves estimated by the Partnership's independent qualified reserve evaluators. It is possible that oil and gas price assumptions may change which may then impact the estimated life of fields and may then require a material adjustment to the carrying value of E&E assets and PP&E. The Partnership monitors internal and external indicators of impairment relating to its tangible and intangible assets.

VII. Cash Generating Unit definition

The determination of CGU's requires judgement in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGU's are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risk and materiality. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

VIII. Decommissioning costs

Decommissioning costs will be incurred by the Partnership at the end of the operating life of certain facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant regulatory requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. In addition, the Partnership determines the appropriate discount rate at the end of each reporting period. The Partnership uses the risk-free discount rate to determine the present value of the estimated future cash outflows to settle the obligation and may change in response to numerous market factors. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

5. SIGNIFICANT ACCOUNTING POLICIES

There were no new IFRS accounting standards adopted in 2020.

6. PROPERTY, PLANT AND EQUIPMENT

	Oil and natural gas properties	Administrative	Total
Balance, December 31, 2018	62,218	55	62,273
Additions	8,434	-	8,434
Capitalized decommissioning costs (note 8)	-	-	-
Transfer from E&E	-	-	-
Balance, December 31, 2019	70,652	55	70,707
Additions	9,413	-	9,413
Capitalized decommissioning costs (note 8)	311	-	311
Transfer from E&E	-	-	-
Balance, September 30, 2020	80,376	55	80,431

	Oil and natural gas properties	Administrative	Total
Accumulated Depletion, Depreciation and Impairment losses			
Balance, December 31, 2018	(13,162)	(39)	(13,201)
Provision for the year	(6,914)	(5)	(6,919)
Balance, December 31, 2019	(20,076)	(44)	(20,120)
Provision for the period	(3,615)	(2)	(3,617)
Balance, September 30, 2020	(23,691)	(46)	(23,737)

	Oil and natural gas properties	Administrative	Total
Carrying Amounts			
December 31, 2018	49,056	16	49,072
December 31, 2019	50,576	11	50,587
September 30, 2020	56,685	9	56,694

Future development costs on proved plus probable undeveloped reserves of \$60,629 (December 31, 2019 - \$70,353) were included in the depletion calculation. Salvage values excluded from the depletion calculation as at September 30, 2020 were \$2,138 (December 31, 2019 - \$2,138).

7. LEASES

Right-of-use

	\$
As at January 1, 2019	1,137
Additions	144
Depreciation	(525)
Balance, December 31, 2019	756
Additions	213
Depreciation	(464)
Balance, September 30, 2020	505

Lease liabilities

	\$
As at January 1, 2019	1,137
Additions	144
Lease interest expense	116
Lease payments	(597)
Balance, December 31, 2019	800
Additions	213
Lease interest expense	69
Lease payments	(533)
Balance, September 30, 2020	549

8. EXPLORATION AND EVALUATION ASSETS

	\$
Balance, January 1, 2019	4,870
Additions	961
Transfer to oil and natural gas properties	-
Balance, December 31, 2019	5,831
Additions	6
Transfer to oil and natural gas properties	-
Balance, September 30, 2020	5,837

Exploration and evaluation assets consist of the Partnership's exploration projects which are pending the determination of proven and probable reserves. For the period ended September 30, 2020, \$nil (December 31, 2019 - \$nil) was transferred to property, plant and equipment following the successful discovery of proven and probable reserves.

9. DECOMMISSIONING LIABILITIES

The Partnership's decommissioning liabilities result from the net ownership interests it has in petroleum and natural gas assets, which include: well sites, gathering systems, batteries and processing facilities. The Partnership estimates the total undiscounted amount of cash flows required to settle its decommissioning liabilities at September 30, 2020 to be \$2,085 (December 31, 2019 - \$1,969), which will be incurred at various times after 2051. The present value of the decommissioning liabilities as at September 30, 2020 was calculated using a risk free rate of 1.11% (December 31, 2019 - 1.67%) and an inflation factor of 2.0% (December 31, 2019 - 2.0%). Settlement of the liabilities will be funded from general corporate funds at the time of retirement or removal. As at September 30, 2020, no funds have been set aside to settle these obligations. Changes to decommissioning liabilities during the periods were as follows:

	September 30, 2020	December 31, 2019
Balance, at beginning of year	1,719	1,690
Liabilities disposed of during the period	-	-
Incurred on development activities during the period	537	-
Revisions to estimates	(226)	-
Accretion	17	29
Balance, at end of period	2,047	1,719

10. BANK DEBT

As at September 30, 2020, Triple Five had a \$27 million (Sept 30, 2019 - \$20.0 million) credit facility with Crown Capital Partners. Interest on the outstanding principal amount is calculated at 10.5% per annum and is compounded and payable monthly on the last day of each month.

The credit facility is secured by a fixed and floating charge debenture over all present and acquired assets of Triple Five and any subsidiaries of joint ventures, providing a first lien on all assets. The facility is subject to a periodic review, at which time the lender may re-determine the borrowing base. In addition, there are certain standard financial and non-financial covenants in this credit facility agreement.

11. FINANCE EXPENSES

	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2019	Nine months ended Sept. 30, 2020	Nine Months Ended Sept. 30, 2019
Interest and stand-by charges	944	724	2,766	1,924
Interest on leases- non cash	21	29	69	91
Accretion on decommissioning liabilities	6	6	17	22

Balance at end of period	971	759	2,852	2,037
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12. COMMITMENTS

In addition to the commitments listed below, the Partnership has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Partnership's financial statements.

a) Office lease costs

The office lease expired September 30, 2020 and no renewal has been executed.

b) Indemnifications

From time to time, the Partnership may become involved in litigation or have claims sought against it in the normal course of business operations. Management of the Partnership is not currently aware of any claims or actions that would materially affect the Partnership's reported financial position or results from operations.

c) Drilling commitments

As at September 30, 2020 Triple Five is committed to drill and complete a total of nil gross (nil net) December 31, 2019 – nil gross (nil- net)) wells.

13. SUPPLEMENTARY CASH FLOW INFORMATION

a) Changes in non-cash working-capital

	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2019	Nine months ended Sept. 30, 2020	Nine months ended Sept. 30, 2019
Accounts receivable	(24)	46	1,039	(327)
Accounts payable and accrued liabilities	(287)	(1,434)	6,216	(9,378)
Prepaid Expenses and Deposits	95	170	218	(12)
Net change in non-cash working capital	(216)	(1,218)	7,473	(9,717)
Relating to:				
Operating activities	533	328	1,896	190
Investing activities	(749)	(1,546)	5,577	(9,907)
	(216)	(1,218)	7,473	(9,717)

b) Supplementary cash flow information

	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2019	Nine months ended Sept. 30, 2020	Nine months ended Sept. 30, 2019
Interest paid	944	724	2,766	1,924

c) Sales by product type

	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2019	Nine months ended Sept. 30, 2020	Nine months ended Sept. 30, 2019
Natural gas	3,215	1,398	9,282	9,572
Natural gas liquids	1,314	1,927	3,532	9,382
Total	4,529	3,325	12,814	18,954

14. FINANCIAL INSTRUMENTS

The Partnership holds various forms of financial assets and liabilities. The fair values of financial assets and liabilities and a discussion of the risks associated with these assets and liabilities are presented as follows:

A) Fair Value of Financial Assets and Liabilities

The carrying value of financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities and bank debt approximates amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties.

The carrying and fair values of the Partnership's financial instruments as at September 30, 2020 and December 31, 2019 were as follows:

	September 30, 2020			December 31, 2019	
	Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial Assets</u>					
Loans and receivables:					
Accounts receivable	3	2,050	2,050	3,089	3,089
Cash	2	796	796	1,741	1,741
<u>Financial Liabilities</u>					
Other financial liabilities					
Accounts payable and accrued liabilities	3	13,294	13,294	7,078	7,078
Bank debt	2	27,000	27,000	27,000	27,000

B) Risks Associated with Financial Assets and Liabilities

The nature of these instruments and the Partnership's operations expose the Partnership to commodity price, credit and interest rate risks. The Partnership manages its exposure to these risks by operating in a manner that minimizes this exposure.

Market risk

Market risks are generally those risks that are outside of the control of the Partnership. These are: commodity prices, foreign exchange rates and interest rates. The objective of the Partnership is to mitigate exposure to these risks, while maximizing returns to the Partnership.

Commodity price risk

Due to the volatility of commodity prices the Partnership is exposed to adverse consequences of declining prices. The Partnership may enter into future related oil and natural gas contracts in order to protect its cash flow on future sales from the potential adverse impact of declining prices. The contracts reduce the fluctuation in sales revenue by locking in prices with respect to future deliveries of oil and natural gas. The use of these derivative contracts is governed by a formal policy and is subject to maximum limits established by the Board of Directors. From time to time, the Partnership may enter into a variety of derivative contracts. As at September 30, 2020, the Partnership had commodity based derivative contracts outstanding.

The gain (loss) on commodity derivative contracts for the periods ended September 30, 2020 and 2019 were as follows:

	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2019	Nine months ended Sept. 30, 2020	Nine months ended Sept. 30, 2019
Realized	(359)	1,070	(485)	139

Credit risk

Credit risk arises from the potential loss resulting from a counterparty failing to meet its obligations in accordance with the agreed terms. Substantially all of the accounts receivable are with customers and joint venture partners in the oil and gas industry and are subject to normal industry credit risks. The Partnership generally extends unsecured credit to these customers and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by entering into transactions with long-standing, reputable, counterparties and partners. Wherever possible, the Partnership requires cash calls be paid from its partners on capital projects before they commence. Receivables related to the sale of the Partnership's oil and natural gas production are mainly from major marketing companies who have solid credit ratings. The majority of Triple Five's sales revenues are normally collected on the 25th day of the month following delivery. Also, all of the Partnership's projects are controlled and operated 100% by the entity thereby reducing credit risk of joint venture partners and allowing for the control and timing of all capital expenditures.

The counter-party with which the Partnership maintains its derivative contracts is a major Canadian chartered bank, which has an investment grade rating or a large market cap energy marketer and producer. The carrying amounts of accounts receivable plus the loans receivable represent the Partnership's maximum credit exposure.

As at September 30, 2020, accounts receivable and their respective aging were comprised of the following:

	Not past due			Past due	
	Less than 30 days	31 – 60 days	61 – 90 days	More than 90 days	Total

Sales and accrued revenue receivables	1,654	-	-	-	1,654
Other receivables	-	11	-	385	396
Total accounts receivable	1,654	11	-	385	2,050

The carrying amount for accounts receivable represents the maximum credit exposure. Accounts payable due to the same partners are amounts which may be available for offset, or are being held for future offset with certain joint venture receivables. No amounts in the greater than ninety day category are considered to be uncollectible and consequently no allowance has been recorded in respect of those receivables.

Liquidity risk

Liquidity risk would occur if the Partnership is not able to meet its financial obligations as they come due. The Partnership has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As our industry is very capital intensive, the majority of our spending is related to our capital programs. The Partnership monitors its capital structure and short-term financing requirements using a non-GAAP financial metric of net debt to annualized, most recent quarters' cash flow from operations. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (cash flow from operating activities before changes in non-cash working capital and deductions for abandonment and reclamation) for the most recent quarter.

The Partnership's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. All of the financial liabilities of the Partnership are estimated to be settled within one year of the balance sheet date.

As at September 30, 2020 the timing of cash outflows relating to financial liabilities are outlined in the table below:

	Less than 1 Year	1-3 Years	4-5 Years	There- after	Total
Accounts payable and accrued liabilities	13,294	-	-	-	13,294
Bank debt	27,000	-	-	-	27,000

Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the future cash flows from the Partnership's financial assets or liabilities. The Partnership currently does not have a floating interest loan.

Foreign currency exchange risk

Although all of Triple Five's oil and natural gas sales are denominated in Canadian dollars, the underlying market prices for these commodities are impacted by the exchange rate between Canada and the United States. In addition, the fair value of our derivative contracts will fluctuate as a result of changes in foreign exchange rates as most derivative contracts are traded in US dollars and then converted to the Canadian dollar equivalent for settlement purposes on a monthly basis. As the effects of foreign exchange fluctuations are embedded in the Partnership's results from operations, the aggregate effect of foreign exchange rate fluctuations are not separately identifiable. As at September 30, 2020, the Partnership had no forward, foreign exchange contracts in place.

15. CAPITAL MANAGEMENT

Maintaining a strong capital structure is paramount to Triple Five so as to ensure that investor and creditor confidence in the Partnership is at a high level. The Partnership considers its capital structure to include shareholders' equity, bank debt and working capital. The Partnership will adjust its capital structure to manage its current and projected debt through the injection of liquidity, increasing its bank line of credit and/or adjusting its capital spending. Triple Five continually monitors its capital structure and makes adjustments to it with respect to, drilling successes, general economic conditions in the petroleum industry and global events that may affect commodity prices.

Triple Five's objectives in managing its capital structure are to:

- a) create and maintain flexibility to enable the Partnership to meet its financial obligations; and,
- b) finance growth either through internally generated projects, joint venture relationships or asset/corporate acquisitions.

The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including acquisitions, financing arrangements, and transactions with related parties if any.

The Partnership monitors its capital structure using primarily the non-GAAP financial metric of net debt to annualized, most recent quarters' funds flow from operations. Triple Five's objective is to achieve or maintain a net debt to funds flow from operations ratio of one and one half times to two times. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (excluding bank debt, derivative contract assets and liabilities and deferred tax liabilities), divided by funds flow from operations (cash flow from operating activities before changes in non-cash working capital and deductions for decommissioning costs) for the most recent calendar quarter, annualized (multiplied by four). This ratio may temporarily increase as a result of an acquisition or as a result of negative commodity price movements.

To facilitate the management of this ratio, the Partnership prepares an annual budget, which is updated monthly for any significant acquisitions, changes in economic circumstances outside the control of the Partnership; and the success or failure of recently deployed capital. Each of the annual budget and quarterly updates used for Board meetings are approved by the Board of Directors and capital spending adjusted accordingly. As at September 30, 2020, the total net debt to adjusted funds flow (annualized) was 18.08x (Dec. 31, 2019 –3.x) times calculated as follows:

	Sept. 30, 2020	Dec. 31, 2019
Current assets	3,817	6,020
Accounts payable and accrued liabilities	(13,294)	(7,078)
Lease liabilities (current)	(512)	(630)
Bank debt	(27,000)	(27,000)
Net debt	(36,989)	(28,688)
Net income (loss)	(2,633)	(1)
Add (deduct):		
Depletion and depreciation	4,081	7,444
Lease interest expense	69	116
Accretion on decommissioning liabilities	17	29
Cash flow from operations	1,534	7,588
Net debt to annualized funds flow	18.08x	3.78x
Net debt to annualized funds flow- excluding bank debt	4.88x	0.22x


The Partnership's capital is not subject to any external restrictions as to how it is deployed.

16. SUBSEQUENT EVENTS

On October 16, 2020, Triple Five executed a forbearance and amending agreement with Crown Capital Partners. Key strategic parameters are:

- a) Triple Five will engage a sale advisor acceptable to the Lender to commence a sales process for the assets or a business combination of the assets by no later than December 15, 2020
- b) The Sale Process will have the following milestones:
 - data room, confidential information memorandum and teaser shall be prepared and issued by the Sale Advisor no later than January 15, 2021;
 - deadline for non-binding letters of intent from prospective purchasers to be submitted by no later than February 21, 2021;
 - definitive purchase and sale agreement to be executed by March 31, 2021; and
 - closing of the Sale Process and the full repayment of the Obligations under the Loan Documents shall be completed prior to the end of the Forbearance Term, which is April 15, 2021

This is Exhibit "10"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Triple Five SC Oil and Gas Limited Partnership
Financial Statements
December 31, 2019

Independent Auditor's Report

To the Partners of Triple Five SC Oil and Gas Limited Partnership:

Opinion

We have audited the financial statements of Triple Five SC Oil and Gas Limited Partnership (the "Partnership"), which comprise the statement of financial position as at December 31, 2019, and the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Calgary, Alberta

May 7, 2020

MNP LLP

Chartered Professional Accountants

TRIPLE FIVE SC OIL & GAS LIMITED PARTNERSHIP**Statement of Financial Position***(in thousands of Canadian dollars)*

	Notes	December 31, 2019	December 31, 2018
ASSETS			
CURRENT			
Cash		1,741	55
Accounts receivable		3,089	2,326
Prepaid expenses and deposits		1,190	549
Total current assets		6,020	2,930
Property, plant and equipment	6	50,576	49,056
Administrative assets	6	11	16
Right-of-use assets	7	756	-
Exploration and evaluation assets	8	5,831	4,870
Total assets		63,194	56,872
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		7,078	15,434
Current portion of bank debt	10	3,625	3,850
Current portion of Lease liabilities	7	630	-
Total current liabilities		11,333	19,284
Bank debt	10	23,375	11,150
Lease liabilities	7	170	-
Decommissioning liabilities	9	1,719	1,690
Total liabilities		36,597	32,124
PARTNERS' CAPITAL			
Partners contributions		29,894	28,044
Deficit		(3,297)	(3,296)
Total partners' capital		26,597	24,748
Total liabilities and partners' capital		63,194	56,872
Commitments and contingencies	12		
Subsequent events	17		

APPROVED BY THE BOARD*"Signed"*

Nader Ghermezian, Director*"Signed"*

David Ghermezian, Director*See accompanying notes to the financial statements.*

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Statement of Loss and Comprehensive Loss****For the years ended December 31, 2019 and 2018***(in thousands of Canadian dollars)*

	Notes	2019	2018
REVENUE			
Oil and natural gas revenues	13(b)	23,698	16,608
Royalties		(2,196)	(1,812)
<hr/>			
Petroleum and natural gas revenues, net of royalties		21,502	14,796
Other income		-	1
Realized fair value gain (loss) on derivatives		(246)	258
<hr/>			
Net revenues		21,256	15,055
 EXPENSES			
Operating		8,588	6,188
Transportation		1,754	1,929
General and administrative		542	400
Depletion and depreciation	6,7	7,444	6,379
Finance expenses	11	2,929	1,677
<hr/>			
Total expenses		21,257	16,573
 <hr/>			
NET LOSS AND COMPREHENSIVE LOSS		(1)	(1,518)

See accompanying notes to the financial statements

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Statement of Changes in Partners' Capital***(in thousands of Canadian dollars)*

	T5 Energy Partners Ltd. 99.99%	Triple 5 Intercontinental Group Ltd. 0.01%	Total partners' capital \$
Balance, December 31, 2017	25,945	1	25,946
Partners' contribution	320	-	320
Net loss and comprehensive loss	(1,517)	(1)	(1,518)
Balance, December 31, 2018	24,748	-	24,748
Partners' contribution	1,850	-	1,850
Net loss and comprehensive loss	(1)	-	(1)
Balance, December 31, 2019	26,597	-	26,597

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Statement of Cash Flows****For the years ended December 31, 2019 and 2018***(in thousands of Canadian dollars)*

	Notes	2019	2018
CASH FLOWS PROVIDED BY (USED IN) THE FOLLOWING ACTIVITIES:			
OPERATING			
Net loss and comprehensive loss		(1)	(1,518)
Adjustments for:			
Depletion and depreciation	6,7	7,444	6,379
Lease interest expense	7	116	
Accretion of decommissioning liabilities	9	29	34
Cash flow provided by operating activities		7,588	4,895
Changes in non-cash working capital	13a	(787)	(140)
Total cash flow provided by operating activities		6,801	4,755
FINANCING			
Proceeds from partner contributions		1,850	320
Lease payments	7	(597)	-
Proceeds from bank debt		12,000	5,200
Cash flow provided by financing activities		13,253	5,520
INVESTING			
Additions to petroleum and natural gas properties	6	(8,434)	(20,429)
Additions to exploration and evaluation assets	8	(961)	(527)
Changes in non-cash working capital	13a	(8,973)	10,205
Total cash flow used in investing activities		(18,368)	(10,751)
NET INCREASE (DECREASE) IN CASH		1,686	(476)
CASH, BEGINNING OF YEAR		55	531
CASH, END OF YEAR		1,741	55

Supplementary cash flow information (Note 13(a))

See accompanying notes to the financial statements

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

1. INCORPORATION AND NATURE OF BUSINESS

Triple Five SC Oil and Gas Limited Partnership ("Triple Five" or the "Partnership") was incorporated in Canada on April 26, 2007 and commenced oil and gas operations on November 28, 2013. Triple Five is engaged in the exploration, development and production of natural gas and natural gas liquids in the province of Alberta. The registered address of Triple Five SC Oil and Gas Partnership is Suite 3600, 700- 2nd Street SW Calgary, Alberta, Canada.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). On May 7, 2020, the financial statements of the Partnership were authorized by the Board of Directors.

b) Basis of measurement

The financial statements have been prepared on the basis of historical cost, except as disclosed in the accounting policies in Note 3. These financial statements include only the assets, liabilities, revenues, and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the Partners or the liability of the Partners for income taxes on the earnings of the entity.

c) Functional and presentation currency

The financial statements are presented in Canadian Dollars, the Partnership's functional currency and all amounts are rounded to the nearest thousand (\$'000) except where otherwise indicated. The financial statements have, in management's opinion, been prepared using judgment within the framework of the significant judgements, estimates and assumptions summarized in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Revenue recognition

The Partnership principally generates revenue from the sale of commodities, which include natural gas and liquids. Revenue associated with the sale of commodities is recognized when control is transferred from the Partnership to its customers. The Partnership's commodity sale contracts represent a series of distinct transactions. The Partnership considers its performance obligations to be satisfied and control to be transferred when all the following conditions are satisfied:

- The Partnership has transferred title and physical possession of the commodity to the buyer;
- The Partnership has transferred significant risks and rewards of ownership of the commodity to the buyer; and,
- The Partnership has the present right to payment.

Revenue is measured based on the consideration specified in a contract with the customer. Payment terms for the Partnership's commodity sales contracts are on the 25th of the month following delivery. Revenue represents the Partnership's share of commodity sales net of royalty obligations to governments and other mineral interest owners.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

b) Oil and natural gas properties, evaluation and development expenditures

i) Pre-exploration expenditures

Expenditures made by the Partnership during the geological and geophysical evaluation phase and before acquiring the legal right to explore in a specific area do not meet the definition of an asset and therefore are expensed by the Partnership as incurred.

ii) Exploration and evaluation expenditures ("E&E")

Costs incurred after obtaining the rights to explore are capitalized as E&E intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include, but are not limited to, exploration license expenditures, leasehold acquisition costs, evaluation costs including drilling costs directly attributable to an identifiable well and directly attributable general and administrative costs. These costs are accumulated in cost centres by property and are not subject to depletion until technical feasibility and commercial viability has been determined. If no reserves are found, the exploration asset is tested for impairment and if necessary, an impairment charge recognized as exploration and evaluation expense in the statement of comprehensive income may be taken. If extractable hydrocarbons are found and likely to be commercially developed, the costs will continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. The technical feasibility and commercial viability of extracting a hydrocarbon is considered to be determinable when proven and probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and probable reserves have been discovered and to confirm the continued intent to develop or otherwise extract value from the discovery. Upon determination of proven and probable reserves, exploration and evaluation assets attributable to those reserves are tested for impairment and reclassified from exploration and evaluation assets to oil and natural gas interests within property, plant and equipment. Expired lease costs are expensed as part of exploration and evaluation expense as they occur.

iii) Development and production costs

Expenditures on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalized within oil and gas properties in property, plant and equipment, as long as the facts and circumstances indicate that the field has commercially viable reserves.

Oil and gas properties and other property, plant and equipment are stated at cost, less accumulated depletion and depreciation and any accumulated impairment losses. Development and production assets are grouped into cash generating units ("CGU") for impairment testing. A CGU's recoverable amount is the greater of its fair value less costs of disposal and its value in use. Where the carrying amount of a CGU exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount.

Gains or losses on the disposal of an item of property, plant and equipment, including oil and gas interests are determined by comparing the proceeds from disposal with the carrying

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

amount of property, plant and equipment and are recognized within the statement of loss and comprehensive loss as additional depletion and depreciation expense.

iv) Subsequent costs

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interest only when they increase future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the statement of comprehensive loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proven and or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized as expense in the statement of loss and comprehensive loss as incurred.

v) Depletion and depreciation

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of decommissioning obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

The depletion provision for oil and natural gas assets is calculated for each major area using the unit-of-production method based on the area's production for the period divided by the Partnership's estimated total proved and probable oil and natural gas reserve volumes (before royalties) for that area. Estimates of future development costs for developing the proved and probable reserves are included in each area's depletion base.

Depreciation of administrative assets consisting of office furniture and equipment is provided for on a 20% declining balance basis while computers and ancillary equipment use a 30% declining balance basis.

vi) Dispositions

Gains or losses are recognized on dispositions of property plant and equipment (PP&E) and certain exploration and evaluation assets (E&E) including asset swaps, farm-out transactions and complete dispositions. The gain or loss is measured as the difference between the fair value of the proceeds, net of costs to sell, and the carrying value of the assets disposed, including capitalized asset decommissioning costs, unless the transaction lacks commercial substance or the fair value of neither the asset received nor the asset given up can be reliably measured. When fair value is not used, the carrying amount of the asset given up is used as the cost of the asset acquired.

c) Impairment

i. Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if the evidence indicates that one or more events have had a negative impact on the estimated future cash flow of that asset.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

c) Impairment *(continued from previous page)*

I. Financial assets *(continued from previous page)*

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognized in profit or loss in the period that the impairment is determined to have occurred. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in the statement of comprehensive loss.

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in the statement of comprehensive loss when there is objective evidence (such as financial difficulty or the probability of default by the debtor) that the Partnership will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through the use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

II. Non-financial assets

Carrying values of E&E, oil and natural gas properties and administrative assets are reviewed regularly to determine if indicators of impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the greater of the fair value of the asset less costs of disposal and the asset's value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The Partnership has organized its assets into CGU, which are the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

If the carrying amount of the CGU exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the statement of comprehensive loss so as to reduce the carrying amount of the CGU to its recoverable amount.

Recoverable amounts are determined annually based on the greater of its fair value less costs of disposal or the value in use. Fair value less costs of disposal of oil and natural gas assets is generally determined by estimating the discounted before-tax future net cash flows for the CGU. Future net cash flows are based on forecasted commodity prices and costs over the expected economic life of the proved and probable reserves and then discounted using market-based rates to arrive at a net present value of the CGU. Consideration is given to acquisition metrics of recent transactions completed on similar assets to those contained within the relevant CGU. Value in use is determined by estimating the present value of future net cash flows expected to be derived from the continued use of the asset in its present form and its eventual disposal.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

c) Impairment *(continued from previous page)*

ii. Non-financial assets *(continued from previous page)*

For financial and non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Partnership makes an estimate of the recoverable amount. A previously recognized impairment loss is reversed only if objective evidence exists to support that there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive loss.

d) Decommissioning liabilities

The Partnership's activities give rise to dismantling, decommissioning and site disturbance remediation activities. A provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

A decommissioning liability is recognized when the Partnership has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made as at the balance sheet date by management. A corresponding amount equivalent to the provision is also recognized as part of the cost of the related property, plant and equipment. The amount recognized is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is recognized as a finance cost. Actual costs incurred upon settlement of the decommissioning liabilities are charged against the provision to the extent that the provision was recognized.

e) Finance income and expenses

Finance income is recognized as it accrues in profit or loss, using the effective interest method. Finance expense is comprised of interest expense on borrowings, accretion of the discount rate on provisions, and impairment losses recognized on financial assets.

f) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A lease obligation is recognized at the commencement of the lease term at the present value of the lease payments that are not paid at that date discounted using the rate implicit in each lease or, if that cannot be readily determined, the incremental borrowing rate. At the commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability, adjusted for retirement costs and initial direct costs. Depreciation is recognized on the right-of-use asset over the earlier of the useful life and term of the lease. Interest expense is recognized on the lease obligations using the effective interest rate method and payments are applied against the lease liability.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued from previous page)

g) Financial instruments

The Partnership classifies its financial instruments in the following measurement categories:

- Subsequently measured at fair value (either through profit or loss ("FVPTL") or other comprehensive income ("FVOCI")); and
- Subsequently measured at amortized cost.

The classification depends on the Partnership's business model for managing the financial instruments and the contractual terms of the cash flows. There was no change in the categorization of the Partnership's financial instruments upon the adoption of IFRS 9 Financial Instruments ("IFRS 9").

Non-derivative financial instruments

Non-derivative financial instruments comprise cash, accounts receivables, accounts payable and accrued liabilities, and bank debt. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at FVTPL, any directly attributable transaction costs. Transaction costs of financial assets measured at FVTPL are expensed in profit or loss. Subsequent to initial recognition, non-derivative financial instruments are measured as described below:

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value, and changes are recognized in profit or loss. A financial asset is classified at FVTPL unless it is measured at amortized cost or classified as FVOCI. However an entity may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in FVOCI with no reclassification of realized gains or losses to profit or loss upon derecognition of the equity instruments.

Financial assets at FVOCI

Financial assets at FVOCI are measured at fair value, and changes therein are recognized in other comprehensive income. A financial asset is classified as FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities at FVTPL

A financial liability is initially classified as measured at amortized cost or FVTPL. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition. The classification of a financial liability is irrevocable.

Financial liabilities at FVTPL (other than financial liabilities designated at FVTPL) are measured at fair value with changes in fair value, along with any interest expense, recognized in net earnings. Other financial liabilities are initially measured at fair value less directly attributable transaction costs and are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in net earnings. Any gain or loss on de-recognition is also recognized in net earnings.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

g) Financial instruments *(continued from previous page)*

A financial liability is derecognized when the obligation is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same counterparty with substantially different terms, or the terms of an existing liability are substantially modified, it is treated as a derecognition of the original liability and the recognition of a new liability. When the terms of an existing financial liability are altered, but the changes are considered non-substantial, it is accounted for as a modification to the existing financial liability. Where a liability is substantially modified it is considered to be extinguished and a gain or loss is recognized in net earnings based on the difference between the carrying amount of the liability derecognized and the fair value of the revised liability. Where a liability is modified in a non-substantial way, the amortized cost of the liability is remeasured based on the new cash flows and a gain or loss is recorded in net earnings.

Financial instruments at amortized costs

The Partnership classifies cash, accounts receivable, accounts payable and accrued liabilities and bank debt as financial instruments at amortized cost. These financial instruments are measured at amortized cost using the effective interest method, less any impairment losses. Any gain or loss arising on de-recognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

The Partnership uses, from time to time, financial derivatives and non-financial derivatives, such as commodity sales contracts requiring physical delivery, to manage the price risk attributable to anticipated sale of petroleum and natural gas production and foreign exchange exposures. The Partnership does not enter into derivative financial instruments for trading or speculative purposes.

Triple Five has not designated its financial derivative contracts as effective accounting hedges, and thus has not applied hedge accounting, even though the Partnership considers all commodity contracts to be economic hedges. As a result, financial derivatives are classified as fair value through profit or loss and are recorded on the statement of financial position at fair value.

The Partnership accounts for any physical sales and purchase contracts as executory contracts and as such are not recorded at fair value on the statement of financial position. Settlements on these physical sales contracts are recognized in oil and natural gas sales.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract. Contracts are assessed for embedded derivatives when the Partnership becomes a party to them.

Fair value

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis or other valuation models.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued from previous page)*

g) Financial instruments *(continued from previous page)*

Financial instruments measured at fair value require classification into one of the following levels of the fair value hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Inputs for the asset or liability that are not based on observable market data. The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement of in its entirety.

The Partnership has categorized its financial instruments that are carried at fair value on the statement of financial position according to the fair value hierarchy above (Note 14).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be material. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can materially differ from these estimates.

In the process of applying the Partnership's accounting policies, management has made the following judgments, estimates, and assumptions which have the most significant effect on the amounts recognized in the financial statements:

Estimates

I. Accounts receivable

Accounts receivable are recorded at the estimated recoverable amount which involves an estimate of uncollectible amounts.

II. Derivatives

The fair value of derivative contracts are based on published market prices as at the balance sheet date and may differ from what will eventually be realized. Changes in the fair value of the derivative contracts are recognized in statement of loss and comprehensive loss. The actual gains or losses realized on eventual cash settlement can vary due to subsequent fluctuations in commodity prices.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(continued from previous page)*

III. Oil and natural gas reserves

Oil and natural gas development and production properties are depleted on a unit of production basis at a rate calculated by reference to proved and probable reserves determined in accordance with the NI 51-101 "Standards of Disclosure for Oil and Gas Activities" and incorporating the estimated future cost of developing and extracting those reserves. Commercial reserves are determined using estimates of oil and natural gas in place, recovery factors and future prices. Future development costs are estimated using assumptions as to the number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. There are numerous uncertainties inherent in estimating oil and gas reserves. The key estimates used in the determination of cash flows from oil and natural gas reserves include the following:

- i) Reserves - Assumptions that are valid at the time of reserve estimation may change significantly when new information becomes available. Changes in forward price estimates, production costs or recovery rates may change the economic status of reserves and may ultimately result in reserves being restated.
- ii) Oil and natural gas prices - Forward price estimates are used in the cash flow models. Commodity prices can fluctuate for a variety of reasons including supply and demand fundamentals, inventory levels, exchange rates, weather and economic and geopolitical factors.

Estimating reserves is very complex, requiring many judgments based on geological, geophysical, engineering and economic data. These estimates may change, having either a positive or negative impact on net earnings as further information becomes available and as the economic environment changes.

IV. Depletion and depreciation

Depletion of oil and natural gas properties is provided using the unit-of-production method and is based on production volumes (before royalties) in relation to total estimated proved and probable reserves as determined by internal reserve evaluations for the first three quarters of the year and then at year-end by the Partnership's independent engineers. Calculations for depletion of oil and natural gas properties including production equipment and facilities are based on total capitalized costs plus estimated future development costs of proved and probable reserves less the estimated net realizable value of production equipment and facilities after the reserves are fully produced. Exploration and evaluation costs are excluded from depletion calculations.

The calculation of the unit-of-production rate of depletion could be impacted to the extent that actual production in the future is different from current forecast production. This would generally result from significant changes in any of the factors or assumptions used in estimating reserves.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(continued from previous page)*

IV. Depletion and depreciation *(continued from previous page)*

These factors could include:

- Changes in proved and probable reserves;
- Changes in estimates of future development costs;
- The effect on proved and probable reserves of differences between actual production as compared to forecasts as well as commodity price assumptions; and,
- Unforeseen operational issues.

V. Impairment

The recoverable amounts of CGU's and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs of disposal. These calculations require the use of estimates and assumptions including information on future commodity prices, expected production volumes, quantity of reserves, discount rates, as well as future development and operating costs. Key assumptions in the determination of cash flows from reserves include reserves estimated by the Partnership's independent qualified reserve evaluators. It is possible that oil and gas price assumptions may change which may then impact the estimated life of fields and may then require a material adjustment to the carrying value of E&E assets and PP&E. The Partnership monitors internal and external indicators of impairment relating to its tangible and intangible assets.

VI. Decommissioning costs

Decommissioning costs will be incurred by the Partnership at the end of the operating life of certain facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors including changes to relevant regulatory requirements, the emergence of new restoration techniques or experience at other production sites. The expected timing and amount of expenditure can also change, for example in response to changes in reserves or changes in laws and regulations or their interpretation. In addition, the Partnership determines the appropriate discount rate at the end of each reporting period. The Partnership uses the risk-free discount rate to determine the present value of the estimated future cash outflows to settle the obligation and may change in response to numerous market factors. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

Judgements

I. Exploration and evaluation assets

The decision to transfer assets from E&E to PP&E is based on the estimated proved and probable reserves which are in part used to determine a project's technical feasibility and commercial viability.

II. Cash Generating Unit definition

The determination of CGU requires judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGU are determined by similar geological structure, shared infrastructure, geographical proximity, commodity type, similar exposure to market risk and materiality. The asset composition of a CGU can directly impact the recoverability of the assets included therein.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Notes to the Financial Statements****For the years ended December 31, 2019 and 2018***(all amounts in thousands of Canadian dollars, unless otherwise stated)*

5. CHANGES IN ACCOUNTING STANDARDS*Accounting Standards adopted in 2019- IFRS 16 "Leases"*

On January 1, 2019, Triple Five adopted IFRS 16 and selected the modified retrospective approach. The modified retrospective approach does not require a restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively. The entity elected to exempt short-term leases and leases of low value assets. An examination of lease contracts was conducted on items that were significant in nature and therefore not exempt.

On adoption, the Partnership recognized lease obligation liabilities, in relation to leases under principles of the new standard measured at their present value of the remaining lease payments discounted using the entity's incremental borrowing rate as of January 1, 2019 of approximately 10.5%. At adoption, Triple Five also recognized an equivalent amount of Right of Use ("ROU") assets that are included in property, plant and equipment. The ROU assets and lease obligations recognized are primarily related to compression and generation assets. The ROU assets are depreciated over the remaining life of the leases.

6. PROPERTY, PLANT AND EQUIPMENT

	Oil and natural gas properties	Administrative	Total
Balance, December 31, 2017	40,551	55	40,606
Additions	20,429	-	20,429
Capitalized decommissioning costs	194	-	194
Transfer from exploration and evaluation assets	1,044	-	1,044
Balance, December 31, 2018	62,218	55	62,273
Additions	8,434	-	8,434
Capitalized decommissioning costs (note 8)	-	-	-
Balance, December 31, 2019	70,652	55	70,707

	Oil and natural gas properties	Administrative	Total
Accumulated Depletion, Depreciation and Impairment losses			
Balance, December 31, 2017	(6,790)	(32)	(6,822)
Provision for the year	(6,372)	(7)	(6,379)
Balance, December 31, 2018	(13,162)	(39)	(13,201)
Provision for the year	(6,914)	(5)	(6,919)
Balance, December 31, 2019	(20,076)	(44)	(20,120)

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

6. PROPERTY, PLANT AND EQUIPMENT (continued from previous page)

	Oil and natural gas properties	Administrative	Total
Carrying Amounts			
December 31, 2018	49,056	16	49,072
December 31, 2019	50,576	11	50,587

Future development costs on proved plus probable undeveloped reserves of \$70,353 (2018 - \$61,920) were included in the depletion calculation. Salvage values excluded from the depletion calculation for the year ended December 31, 2019 were \$2,138 (2018 - \$2,318).

The Partnership did an impairment test at December 31, 2019 due to lower forecasted commodity prices, primarily natural gas. Based on the impairment test, no impairment was required at December 31, 2019 (2018 – no impairment). It was determined that the carrying amounts of its CGU did not exceed the recoverable amount. Recoverable amount was calculated as the fair value of the assets less costs of disposal. The fair value less costs to dispose was determined with a discounted cash flow approach based on the year-end proved plus probable reserves discounted at 15% (2018 - 15%). A 5% increase in the assumed discount rate would not trigger any impairment.

The table below summarizes the benchmark prices for the next eleven years used by the independent reserve evaluators in preparing the Partnership's reserve report. The annual escalation rate used after 2030 is 2.0%.

	WTI Cushing Oklahoma (\$US/bbl)	Edmonton Par 40 API (\$Cdn/bbl)	Alberta AECO-spot (\$Cdn/mmbtu)	Foreign Exchange (\$US/\$CDN)
2020	61.00	73.84	2.04	0.76
2021	65.00	78.51	2.27	0.77
2022	67.00	78.73	2.81	0.80
2023	68.34	80.30	2.89	0.80
2024	69.71	81.91	2.98	0.80
2025	71.10	83.54	3.06	0.80
2026	72.52	85.21	3.15	0.80
2027	73.97	86.92	3.24	0.80
2028	75.45	88.66	3.33	0.80
2029	76.96	90.43	3.42	0.80
2030	78.50	92.24	3.51	0.80

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Notes to the Financial Statements****For the years ended December 31, 2019 and 2018***(all amounts in thousands of Canadian dollars, unless otherwise stated)*

7. LEASES

On transition to IFRS 16, the Partnership recognized additional right-of-use assets and lease liabilities. The impact on the transition and activity in the period is summarized below.

Right-of-use assets

Balance, January 1, 2019	1,137
Additions	144
Depreciation	(525)
Balance, December 31, 2019	756

Lease liabilities

Balance, January 1, 2019	1,137
Additions	144
Lease interest expense	116
Lease payments	(597)
Balance, December 31, 2019	800

8. EXPLORATION AND EVALUATION ASSETS

Balance, January 1, 2018	5,387
Additions	527
Transfer to oil and natural gas properties	(1,044)
Balance, December 31, 2018	4,870
Additions	961
Balance, December 31, 2019	5,831

E&E assets consist of the Partnership's undeveloped land which is pending the determination of proven and probable reserves. For the year ended December 31, 2019, \$nil (2018 - \$1,044) was transferred to property, plant and equipment following the successful discovery of proven and probable reserves.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

9. DECOMMISSIONING LIABILITIES

The Partnership's decommissioning liabilities result from the net ownership interests it has in oil and natural gas assets, which include: well sites, gathering systems, batteries and processing facilities. The Partnership estimates the total undiscounted amount of cash flows required to settle its decommissioning liabilities at December 31, 2019 to be \$1,765 (2018 - \$1,765), which will be incurred at various times after 2051. The present value of the decommissioning liabilities as at December 31, 2019 was calculated using a risk free rate of 1.67% (2018 - 2.15%) and an inflation factor of 2.0% (2018 - 2.0%). Settlement of the liabilities will be funded from general corporate funds at the time of retirement or removal. As at December 31, 2019, no funds have been set aside to settle these obligations. Changes to decommissioning liabilities during the periods were as follows:

	2019	2018
Balance, at beginning of year	1,690	1,461
Incurred on development activities during the year	-	371
Revisions to estimates	-	(177)
Accretion	29	35
Balance, at end of year	1,719	1,690

10. BANK DEBT

As at December 31, 2019, Triple Five had a \$27 million (Dec. 31, 2018 - \$15.0 million) credit facility with Crown Capital Partners.

Key parameters of the facility are:

Amount

\$27,000,000

Fixed Interest

10.5% per annum on outstanding amounts, compounded and payable monthly

Maturity

March 13, 2022

Repayment

Principal repayment of \$725,000 per month beginning August 31, 2020, with a balloon payment of the remaining principal balance at Maturity.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

10. BANK DEBT (continued from previous page)

Prepayment

After 12 months following Closing, Triple Five has the right to prepay the Term Loan subject to a prepayment fee of 6% on the amount being prepaid (months 1-7), 4% (months 8-19) or 2% (months 20-29)

Participating Royalty

As consideration for the Term Loan, Triple Five will grant Crown Capital a participating royalty equal to 3% of gross sales from all existing wells, and 6% on volumes associated with any future drilling. The royalty will be calculated and payable monthly beginning on the first day of every month.

Triple Five have an option to purchase participating royalty upon full prepayment of the term loan and will remain exercisable for the following 12 months. The value of the participating royalty at the time of exercise will be determined using the following formula:

(Average monthly production payment for the six months prior to the exercise date) x (Months remaining until maturity).

Security

- a) Fixed and floating charge over all present and after acquired assets of Triple Five and any subsidiaries of joint ventures, providing a first lien on all assets;
- b) Appropriate title representation on the major petroleum and natural gas reserves of Triple Five and or Guarantor; and
- c) Such other security, documents and agreements Crown Capital or its' legal counsel may reasonably request

The facility is subject to a periodic review, at which time the lender may re-determine the borrowing base. In addition, there are certain standard financial and non-financial covenants in its credit facility agreement.

Financial covenants

Triple Five will be in compliance with certain covenants at each fiscal quarter end effective on March 31, 2020. Some of the financial covenants are as follows:

- a) Maintain current ratio in excess of 1.0:1
- b) Maintain a net debt to EBITDA ratio not exceeding 2.5:1

As at December 31, 2019, there is \$27.0 million drawn on the facility.

11. FINANCE EXPENSES

	2019	2018
Interest and financing charges	2,784	1,642
Interest on leases	116	-
Accretion on decommissioning liabilities (note 9)	29	35
	<u>2,929</u>	<u>1,677</u>

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

12. COMMITMENTS AND CONTINGENCIES

In addition to the commitments listed below, the Partnership has various indemnifications in place in the ordinary course of business, none of which, as assessed by management, are expected to have a significant impact on the Partnership's financial statements.

a) Office lease costs

The Partnership has committed to future minimum payments under an operating lease that covers the rental of office space and a proportionate share of operating costs as follows. The office lease has an expiry date of September 30, 2020.

	2020	Total
Office lease - gross commitment	130	130

b) Indemnifications

From time to time, the Partnership may become involved in litigation or have claims sought against it in the normal course of business operations. Management of the Partnership is not currently aware of any claims or actions that would materially affect the Partnership's reported financial position or results from operations.

13. SUPPLEMENTARY CASH FLOW INFORMATION

a) Changes in non-cash working-capital

	2019	2018
Accounts receivable	(763)	(327)
Accounts payable and accrued liabilities	(8,356)	10,702
Prepaid Expenses and Deposits	(641)	(311)
Net change in non-cash working capital	(9,760)	10,065
Relating to:		
Operating activities	(787)	(140)
Investing activities	(8,973)	10,205
	(9,760)	10,065

b) Sales by product type

	2019	2018
Natural gas	13,110	8,955
Natural gas liquids	10,588	7,653
Total	23,698	16,608

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

14. FINANCIAL INSTRUMENTS

The Partnership holds various forms of financial assets and liabilities. The fair values of financial assets and liabilities and a discussion of the risks associated with these assets and liabilities are presented as follows:

a) Fair Value of Financial Assets and Liabilities

The carrying value of financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities, and bank debt approximates amounts at which these instruments could be exchanged in a transaction between knowledgeable and willing parties.

The carrying and fair values of the Partnership's financial instruments as at December 31, 2019 and December 31, 2018 were as follows:

		December 31, 2019		December 31, 2018	
	Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Financial Assets at amortized costs</u>					
Accounts receivable	1	3,089	3,089	2,326	2,326
Cash	1	1,741	1,741	55	55
<u>Financial Liabilities at amortized costs</u>					
Accounts payable and accrued liabilities	1	7,078	7,078	15,434	15,434
Bank debt	2	27,000	27,000	15,000	15,000

b) Risks Associated with Financial Assets and Liabilities

The nature of these instruments and the Partnership's operations expose the Partnership to commodity price, credit and interest rate risks. The Partnership manages its exposure to these risks by operating in a manner that minimizes this exposure.

Market risk

Market risks are generally those risks that are outside of the control of the Partnership. These are: commodity prices, foreign exchange rates and interest rates. The objective of the Partnership is to mitigate exposure to these risks, while maximizing returns to the Partnership.

Commodity price risk

Due to the volatility of commodity prices the Partnership is exposed to adverse consequences of declining prices. The Partnership may enter into future related oil and natural gas contracts in order to protect its cash flow on future sales from the potential adverse impact of declining prices. The contracts reduce the fluctuation in sales revenue by locking in prices with respect to future deliveries of oil and natural gas. The use of these derivative contracts is governed by a formal policy and is subject to maximum limits established by the Board of Directors. From time to time, the Partnership may enter into a variety of derivative contracts. As at December 31, 2019, the Partnership one commodity based derivative contract outstanding.

The gain or (loss) on commodity derivative contracts for the years ended December 31, 2019 and 2018 were as follows:

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Notes to the Financial Statements****For the years ended December 31, 2019 and 2018***(all amounts in thousands of Canadian dollars, unless otherwise stated)*

14. FINANCIAL INSTRUMENTS *(continued from previous page)*

	2019	2018
Realized	(246)	258

Credit risk

Credit risk arises from the potential loss resulting from a counterparty failing to meet its obligations in accordance with the agreed terms. Substantially all of the accounts receivable are with marketers in the oil and gas industry and are subject to normal industry credit risks. The Partnership generally extends unsecured credit to these customers and therefore, the collection of accounts receivable may be affected by changes in economic or other conditions. Management believes the risk is mitigated by entering into transactions with long-standing, reputable, counterparties. Receivables related to the sale of the Partnership's oil and natural gas production are mainly from major marketing companies who have solid credit ratings. The majority of Triple Five's sales revenues are normally collected on the 25th day of the month following delivery. Also, all of the Partnership's projects are controlled and operated 100% by the entity thereby reducing credit risk of joint venture partners.

The counter-party with which the Partnership maintains its derivative contracts is a major Canadian chartered bank, which has an investment grade rating or a large market cap energy producer. The carrying amounts of accounts receivable plus the loans receivable represent the Partnership's maximum credit exposure.

As at December 31, 2019, accounts receivable and their respective aging were comprised of the following:

	Not past due			Past due	
	Less than 30 days	31 – 60 days	61 – 90 days	More than 90 days	Total
Accounts receivable	2,966	82	-	41	3,089

As at December 31, 2018, accounts receivable and their respective aging were comprised of the following:

	Not past due			Past due	
	Less than 30 days	31 – 60 days	61 – 90 days	More than 90 days	Total
Accounts receivable	2,114	212	-	-	2,326
Total accounts receivable	2,114	212	-	-	2,326

The carrying amount for accounts receivable and cash represents the maximum credit exposure. Accounts payable due to the same partners are amounts which may be available for offset, or are being held for future offset with certain joint venture receivables. No amounts in the greater than ninety day category are considered to be uncollectible and consequently no allowance has been recorded in respect of those receivables.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Notes to the Financial Statements****For the years ended December 31, 2019 and 2018***(all amounts in thousands of Canadian dollars, unless otherwise stated)*

14. FINANCIAL INSTRUMENTS *(continued from previous page)**Liquidity risk*

Liquidity risk would occur if the Partnership is not able to meet its financial obligations as they come due. The Partnership has established a standard of ensuring that it has enough resources available to withstand any downturn in the industry. As our industry is very capital intensive, the majority of our spending is related to our capital programs. The Partnership monitors its capital structure and short-term financing requirements using a non-GAAP financial metric of net debt to annualized, most recent quarters' cash flow from operations. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (cash flow from operating activities before changes in non-cash working capital and deductions for abandonment and reclamation) for the most recent quarter.

The Partnership's goal is to prudently spend its capital while maintaining its credit reputation amongst its suppliers. All of the financial liabilities of the Partnership are estimated to be settled within one year of the balance sheet date.

As at December 31, 2019 the timing of cash outflows relating to financial liabilities are outlined in the table below:

	Less than 1 Year	1-3 Years	4-5 Years	There-after	Total
Accounts payable	7,078	-	-	-	7,078
Bank debt	3,625	23,375	-	-	27,000

As at December 31, 2018 the timing of cash outflows relating to financial liabilities are outlined in the table below:

	Less than 1 Year	1-3 Years	4-5 Years	There-after	Total
Accounts payable	15,434	-	-	-	15,434
Bank debt	3,850	11,150	-	-	15,000

Interest rate risk

Interest rate risk arises from changes in market interest rates that may affect the future cash flows from the Partnership's financial assets or liabilities. The Partnership currently does not have floating interest loan.

Foreign currency exchange risk

Although all of Triple Five's oil and natural gas sales being denominated in Canadian dollars, the underlying market prices for these commodities are impacted by the exchange rate between Canada and the United States. In addition, the fair value of our derivative contracts will fluctuate as a result of changes in foreign exchange rates as most derivative contracts are traded in US dollars and then converted to the Canadian dollar equivalent for settlement purposes on a monthly basis. As the effects of foreign exchange fluctuations are embedded in the Partnership's results from operations, the aggregate effect of foreign exchange rate fluctuations are not separately identifiable. As at December 31, 2019 and 2018, the Partnership had no forward, foreign exchange contracts in place.

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP

Notes to the Financial Statements

For the years ended December 31, 2019 and 2018

(all amounts in thousands of Canadian dollars, unless otherwise stated)

15. CAPITAL MANAGEMENT

Maintaining a strong capital structure is paramount to Triple Five so as to ensure that investor and creditor confidence in the Partnership is at a high level. The Partnership considers its capital structure to include partners' equity, bank debt and working capital. The Partnership will adjust its capital structure to manage its current and projected debt through the injection of liquidity, increasing its bank line of credit and/or adjusting its capital spending. Triple Five continually monitors its capital structure and makes adjustments to it with respect to, drilling successes, general economic conditions in the petroleum industry and global events that may affect commodity prices.

Triple Five's objectives in managing its capital structure are to:

- a) create and maintain flexibility to enable the Partnership to meet its financial obligations; and,
- b) finance growth either through internally generated projects, joint venture relationships or asset/corporate acquisitions.

The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including acquisitions, financing arrangements, and transactions with related parties if any.

The Partnership monitors its capital structure using primarily the non-GAAP financial metric of net debt to annualized, most recent quarters' funds flow from operations. Triple Five's objective is to achieve or maintain a net debt to funds flow from operations ratio of one and one half times to two times. This ratio is calculated as total net debt, defined as outstanding bank debt, plus or minus working capital (excluding bank debt, derivative contract assets and liabilities and deferred tax liabilities), divided by funds flow from operations (cash flow from operating activities before changes in non-cash working capital and deductions for decommissioning costs) for the most recent calendar quarter, annualized (multiplied by four). This ratio may temporarily increase as a result of an acquisition or as a result of negative commodity price movements.

To facilitate the management of this ratio, the Partnership prepares an annual budget, which is updated monthly for any significant acquisitions, changes in economic circumstances outside the control of the Partnership; and the success or failure of recently deployed capital. Each of the annual budget and quarterly updates used for Board meetings are approved by the Board of Directors and capital spending adjusted accordingly. As at December 31, 2019, the net debt to adjusted funds flow (annualized) was 3.8x (2018 – 5.6x) whereas exclusive of bank debt, the annualized funds flow ratio for the year ended December 31, 2019 was 0.2x (2018 - 2.5x) calculated as follows:

	2019	2018
Current assets	6,020	2,930
Accounts payable and accrued liabilities	(7,078)	(15,434)
Lease liabilities (current)	(630)	-
Bank debt	(27,000)	(15,000)
Net debt	(28,688)	(27,504)
Net loss	(1)	(1,518)
Add (deduct):		
Depletion and depreciation	7,444	6,379
Lease interest expense	116	-
Accretion on decommissioning liabilities	29	34
Cash flow from operations	7,588	4,895
Net debt to annualized funds flow	3.8x	5.6x
Net debt to annualized funds flow-excluding bank debt	0.2x	2.5x

TRIPLE FIVE SC OIL AND GAS LIMITED PARTNERSHIP**Notes to the Financial Statements****For the years ended December 31, 2019 and 2018***(all amounts in thousands of Canadian dollars, unless otherwise stated)*

15. CAPITAL MANAGEMENT *(continued from previous page)*

The Partnership's capital is not subject to any external restrictions as to how it is deployed.

16. RELATED PARTY TRANSACTIONS

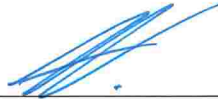
Triple Five had the following related to it's key management personnel during the year:

	2019	2018
Salaries and wages	454	414

17. SUBSEQUENT EVENTS*Covid-19*

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on Triple Five as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Partnership's business and financial condition.

This is Exhibit "11"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



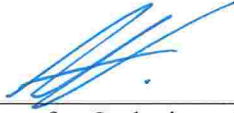
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**Calgary Oil & Gas Syndicate Group Ltd.
Trial Balances**

Account	Description	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20 Notes
170-448	Investments - Calgary Oil and Syndicate	25,589,300	25,589,300	25,589,300	25,594,050
540-020	Share Capital	(25,589,300)	(25,589,300)	(25,589,300)	(25,594,050)
	Balance	-	-	-	-

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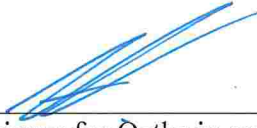
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**Calgary Oil and Syndicate Partners Ltd.
Trial Balances**

Account	Description	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20	Notes
136-062	TDB - T5 Energy Partners Ltd.	2,168	3,066	1,066	512	Bank Account balance
150-060	Term Deposits - TD	552,700	552,700	552,700	552,700	Term Deposit held on behalf of the Limited Partnership, renewals occur in Limited Partnership
170-440	Investments - Triple Five Ventures XI Ltd	100	100	100	100	Investment in company that never commenced any activity, intent was to be another exploration location
170-442	Investments - Triple Five Ventures XXIX Ltd	100	100	100	100	Investment in company that never commenced any activity, intent was to be another exploration location
170-444	Investments-Calgary Oil and Gas Intercontinental Group Ltd.	100	100	100	100	Investment in General Partner
170-446	Investments-T5 SC Oil and Gas Limited Partnership	20,604,740	20,604,740	20,604,740	20,604,740	Capital Investment in Limited Partnership
170-449	Investments - Petroworld Energy Ltd.	100	100	100	100	Capital Investment in office operating company
200-120	A/R - General	60,000	60,000	60,000	60,000	Due from Quill Power Inc.
200-550	G.S.T. - Recoverable (Input Tax Credit)	900	250	250	250	
250-790	Oil & Gas Agency Fees	(10)	(10)	(10)	(10)	
300-204	Intercompany - Petroworld Energy Ltd	1,200,710	1,200,710	1,200,710	1,200,710	Advances to support office/admin costs of operations in Petroworld
300-220	Intercompany - Triple Five	(25,000)	(25,000)	(25,000)	(25,000)	Payable to indirect parent company
300-223	Intercompany - Triple Five Ventures XI Ltd.	(100)	(100)	(2,100)	(2,100)	Payable to inactive subsidiary
300-224	Intercompany - Calgary Oil and Gas Intercontinental Group Ltd.	(100)	(100)	(100)	(100)	Payable to General partner
300-245	Intercompany - Triple Five Ventures XXIX Ltd.	6,600	6,600	7,450	7,450	Receivable from inactive subsidiary
400-020	Accounts Payable Control	(3,150)	(3,150)	(5,250)	-	Professional fee accrual
540-020	Share Capital	(25,589,300)	(25,589,300)	(25,589,300)	(25,589,050)	
590-000	Retained Earnings	3,189,443	3,189,443	3,189,443	3,189,443	
840-100	Bank Charges	-	1	1	5	
840-600	Professional & Consulting	-	-	5,000	5,050	
		0	0	0	0	

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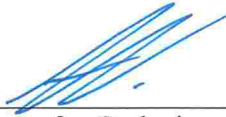
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**Petroworld Energy Ltd.
Trial Balances**

Account	Description	31-Mar-20	30-Jun-20	30-Sep-20	31-Dec-20
136-073	TDB - Petro World Energy Ltd	49,779	37,945	30,176	17,698
200-120	A/R - General	15,366	34,108	34,108	43,480
200-550	G.S.T. - Recoverable (Input Tax Credit)	10,697	3,750	1,913	2,021
250-080	Computer Hardware	35,311	35,311	35,311	35,311
250-100	Computer Software	7,500	7,500	7,500	7,500
250-280	Leasehold Improvements	22,070	22,070	22,070	22,070
250-790	Oil & Gas Agency Fees	10	10	10	10
260-080	Accum.Deprec.-Computer Hardware	(31,528)	(31,528)	(31,528)	(31,528)
260-100	Accum.Deprec.-Computer Software	(7,500)	(7,500)	(7,500)	(7,500)
260-280	Accum.Deprec.-Leasehold Improvements	(17,656)	(17,656)	(17,656)	(17,656)
300-220	Intercompany - Triple Five	(360,000)	(360,000)	(360,000)	(360,000)
300-246	Intercompany - Calgary Oil and Syndicate Partners Ltd.	(1,200,710)	(1,200,710)	(1,200,710)	(1,200,710)
400-020	Accounts Payable Control	(1,654)	(2,337)	(16,065)	(45,286)
400-220	G.S.T. Payable (Charged)	(2,030)	(1,785)	(893)	(446)
400-240	G.S.T. Clearing	-	-	81	-
520-010	Deposit - Security (FMR/LMR)	(11,900)	(11,900)	(11,900)	(11,900)
540-010	Shareholders Loan	100	100	100	100
540-040	Share Capital - Common Stock	(100)	(100)	(100)	(100)
590-000	Retained Earnings	1,450,894	1,450,894	1,450,894	1,450,894
760-297	Rental Revenue	(17,850)	(35,700)	(35,700)	(44,625)
840-100	Bank Charges	36	58	78	103
840-140	Computer - Maintenance & Expense	2,540	2,713	2,713	2,713
840-220	Delivery Charges	236	382	440	556
840-600	Professional & Consulting	10,000	10,000	10,750	10,750
840-610	Rent Expense	41,339	55,643	73,493	110,452
850-190	Materials & Supplies	728	728	1,039	1,104
850-240	Office Supplies	1,869	3,458	5,206	6,984
935-300	Repairs & Maintenance	280	280	280	280
945-060	Utilities - Telephone	2,173	4,266	5,882	7,718
950-020	Interest	-	-	4	4
950-165	Penalties	-	-	4	4
	Balance	0	0	0	0

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SECOND AMENDED AND RESTATED LOAN AGREEMENT

Dated as of October 31, 2019

between

**CROWN CAPITAL PARTNER FUNDING, LP, by its general partner, CROWN CAPITAL LP
PARTNER FUNDING INC.**

as Lender

– and –

**T5 SC OIL AND GAS LIMITED PARTNERSHIP, by its general partner, TRIPLE FIVE
INTERCONTINENTAL GROUP LTD.**

as Borrower

– and –

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

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SECOND AMENDED AND RESTATED LOAN AGREEMENT

THIS SECOND AMENDED AND RESTATED LOAN AGREEMENT is made with effect as of the 31st day of October, 2019, by and between **T5 SC OIL AND GAS LIMITED PARTNERSHIP**, by its general partner, **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.**, **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** and **CROWN CAPITAL PARTNER FUNDING, LP**, by its general partner, **CROWN CAPITAL LP PARTNER FUNDING INC.**, and one or more Persons to whom the foregoing lender or its permitted assigns may from time to time assign an interest in the Loan Documents;

RECITALS:

WHEREAS the Borrower, the General Partner and the Lender are party to an amended and restated loan agreement dated March 13, 2019 (the "**Existing Loan Agreement**");

AND WHEREAS the Borrower, the General Partner and the Lender have agreed to amend and restate the terms and conditions of the Existing Loan Agreement in accordance with the terms and conditions set forth in this Agreement;

AND WHEREAS it is the intention of the Borrower, the General Partner and the Lender that upon execution of this Agreement, the Existing Loan Agreement, shall be amended and restated in its entirety by this Agreement; provided, however, the Obligations arising under the Existing Loan Agreement shall continue in full force and effect and the Security granted in connection therewith shall be continuing but shall now be governed by the terms of this Agreement and the other Loan Documents which remain in full force and effect;

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree to amend and restate the Existing Loan Agreement as follows:

ARTICLE 1 - DEFINITIONS

1.1 General Definitions.

In this Agreement the following terms shall have the following meanings:

- (a) "**Accounting Change**" shall have the meaning ascribed to it in Section 1.3.
- (b) "**Accounting Change Notice**" shall have the meaning ascribed to it in Section 1.3.
- (c) "**Acquisition**" means, with respect to any Person, any purchase or other acquisition by such Person, regardless of how accomplished or effected (including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization or by way of purchase, lease or other acquisition arrangements), of (i) an Equity Interest in any other Person which represents more than 49.9% of all Equity Interests of such Person, or (ii) all or substantially all of the Property of any division, business, operation or undertaking of any other Person, or (iii) an Equity Interest in any other Person (other than a Subsidiary) with an acquisition cost of more than \$200,000, or

- (iv) any division, business, operation or undertaking of any other Person with an acquisition cost of more than \$200,000.
- (d) "**Action Request**" means any request from any Governmental Authority under any Environmental Law whereby such body or agency requests that the Person requested takes action or steps or does acts or things in respect of any Property in its charge, management or control to remediate a matter which is not or is alleged not to be in compliance with all Environmental Laws, except where such non-compliance would not reasonably be expected to have a Material Adverse Effect.
- (e) "**AER**" means the Alberta Energy Regulator.
- (f) "**Affiliate**" has the meaning attributed to it in the *Securities Act* (Alberta).
- (g) "**After-Acquired Property**" shall have the meaning ascribed to it in Section 6.3.
- (h) "**Agreement**" means this second amended and restated loan agreement and all schedules attached hereto; the expressions "**hereof**", "**herein**", "**hereto**", "**hereunder**", "**hereby**" and similar expressions refer to this Agreement, as amended, restated or supplemented from time to time, as a whole and not to any particular Article, Section, Schedule, or other portion hereof or thereof.
- (i) "**Amended and Restated Production Payment Agreement**" shall have the meaning ascribed to it in Section 3.3.
- (j) "**Annual Business Plan**" means the annual business plan of the Borrower, prepared on a Consolidated basis, with detailed financial projections and budgets on a quarter to quarter basis for the following one (1) Fiscal Year, in each case consisting of a proposed balance sheet, statement of income, retained earnings, statement of cash flows, proposed Capital Expenditures and a list of assumptions upon which such projections are based.
- (k) "**Applicable Law**" means: (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (ii) any judgement, order, writ, injunction, decision, ruling, decree or award; (iii) any regulatory policy, practice, guideline or directive; or (iv) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law and, without limiting the generality of the foregoing, shall include Environmental Laws.
- (l) "**Approved Marketing Contract**" has the meaning ascribed to in Section 7.1(ss).
- (m) "**Arm's Length**" has the meaning specified in the definition of "**Non-Arm's Length**".
- (n) "**ASPE**" means Accounting Standard for Private Enterprises as in effect from time to time.

- (o) "**Associate**" means an "**associate**" as defined in the *Business Corporations Act* (Alberta).
- (p) "**Audited Financial Statements**" means the audited Consolidated statement of financial position of the Borrower, including, without limitation, balance sheet, statement of income and retained earnings and statements of cash flows for the applicable Fiscal Year prepared in accordance with GAAP.
- (q) "**Auditor**" means MNP LLP, and includes their successors and, with the consent of the Lender, not to be unreasonably withheld, any replacement auditor of recognized national standing from time to time.
- (r) "**Borrower**" means, collectively, T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd. and their respective permitted successors and assigns.
- (s) "**Business**" means, collectively, the Obligors' business of acquiring interests in petroleum and natural gas rights, and the exploration, development, production and sale of petroleum and natural gas.
- (t) "**Business Day**" means a day, other than Saturday or Sunday or a statutory holiday on which banks are generally open for business in Calgary, Alberta.
- (u) "**Canadian Pension Plan**" means any "pension plan" or "plan" that is subject to the funding requirements of the *Employment Pension Plans Act* (Alberta) or applicable pension benefits legislation in any other Canadian jurisdiction and is applicable to employees resident in Canada of an Obligor.
- (v) "**Capital Expenditures**" means, for any period, any expenditure made by any Person for the purchase, lease, acquisition, licence, erection, development, improvement, construction, repair or replacement of capital assets (which shall include the exercise of any right of first refusal or similar option would which result in any of the foregoing), and any expenditure related to a Capital Lease or any other expenditure required to be capitalized, all as determined in accordance with GAAP.
- (w) "**Capital Lease**" means, with respect to any Person, any lease of (or other agreement conveying the right to use) any real or personal property by such Person that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person.
- (x) "**Cash Fee**" shall have the meaning ascribed to it in Section 4.6 hereof.
- (y) "**Cash Management Obligations**" means any arrangement entered into or to be entered into by the Borrower or any other Obligor with a financial institution for or in respect of cash management services for the Borrower or such Obligor, including centralized operating accounts, automated clearing house transactions, controlled disbursement services, treasury, depository, overdraft and electronic funds transfer services, foreign exchange facilities, currency exchange transactions or agreements and options with respect thereto, credit card processing services, credit or debit cards, purchase cards and any indemnity given in connection with any of the foregoing.

- (z) **"Change of Control"** means, if with respect to the Obligors (as applicable):
- (i) if Nader Ghermezian and T5 Energy Partners Ltd., collectively, cease to hold legal and beneficial ownership or control of voting shares in the capital of the General Partner which have or represent more than 50.1% of all of the votes entitled to be cast by shareholders for an election of the board of directors of the General Partner (unless such interest of Nader Ghermezian is assigned to an Affiliate of the General Partner with the prior written consent of the Lender); or
 - (ii) if T5 Energy Partners Ltd. ceases to hold directly or indirectly, beneficial ownership or control of limited partnership units of the Borrower which have or represent more than 50.1% of all of the votes of partners entitled to be cast by limited partners of the Borrower at a duly convened meeting of the partners thereof or are otherwise entitled to be voted on a resolution of the partners of the Borrower (unless such interest of T5 Energy Partners Ltd. is assigned to an Affiliate of the Borrower with the prior written consent of the Lender); or
 - (iii) if the General Partner ceases to be the general partner of the Borrower.
- (aa) **"Closing Date"** means October 31, 2019, or such other date as may be agreed to by the Lender and the Borrower.
- (bb) **"Collateral"** means all of the undertaking and Property, present and future, real, immovable, personal and immovable, of each Obligor, now or hereafter pledged, hypothecated, granted or assigned to the Lender to secure, either directly or indirectly, repayment on account of payment of any of the Obligations.
- (cc) **"Compliance Certificate"** means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 8.2 and signed by any of the Chief Financial Officer of the General Partner, in its capacity as general partner of the Borrower, Ryan Martin or Jerry McLellan (for so long as the latter two individuals hold senior management positions with the Borrower).
- (dd) **"Consolidated"** means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and when used in respect of the Borrower shall include all of the Obligors.
- (ee) **"Contingent Obligation"** means, as to any Person, any obligation, whether secured or unsecured, of such Person guaranteeing or indemnifying, or in effect guaranteeing or indemnifying, any indebtedness, leases, dividends, letters of credit or other monetary obligations (the **"primary obligations"**) of any other Person (the **"primary obligor"**) in any manner, whether directly or indirectly, including any obligation of such Person as an account party in respect of a letter of credit or letter of guarantee issued to assure payment by the primary obligor of any such primary obligation and any obligations of such Person, whether or not contingent, (i) to purchase any such primary obligation or any Property constituting direct or indirect security therefor, (ii) to advance or supply funds for the purchase or payment of any

such primary obligation or to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase Property, Equity Interests or services primarily for the purpose of assuring the obligee under any such primary obligation of the ability of the primary obligor to make payment of such primary obligation, or (iv) otherwise to assure or hold harmless the obligee under such primary obligation against loss in respect of such primary obligation; provided, however, that the term "**Contingent Obligation**" shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

- (ff) "**Current Assets**" means, for any day, the amount of current assets of the Borrower as determined in accordance with GAAP on a Consolidated basis, but excluding the impact of any Unrealized Hedging Gains.
- (gg) "**Current Liabilities**" means, for any day, the amount of current liabilities of the Borrower as determined in accordance with GAAP on a Consolidated basis, but excluding the impact of any Unrealized Hedging Losses.
- (hh) "**Current Ratio**" means, at any time, the ratio of (i) Current Assets to (ii) Current Liabilities.
- (ii) "**Debt**" means, with respect to any Person, without duplication, the aggregate of the following amounts, at the date of determination: (i) all indebtedness of such Person for borrowed money; (ii) all obligations of such Person for the deferred purchase price of Property or services which constitute indebtedness; (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments; (iv) all obligations of such Person created or arising under any conditional sale or other title retention agreement with respect to Property acquired by such Person (whether or not the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Property); (v) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as Capital Leases; (vi) all reimbursement obligations, contingent or otherwise, of such Person under acceptance, letter of credit and similar facilities; (vii) all obligations of such Person to purchase, redeem, retire, defease or otherwise acquire for value any partnership or shareholder or other Equity Interests of such Person (for greater certainty, not including obligations with respect to unexercised options and rights of first refusal and where conditions precedent to the purchase, redemption, retirement, defeasance or other acquisition of such obligations have not occurred); (viii) all Contingent Obligations of such Person in respect of Debt of another Person; (ix) all obligations of such Person under any Hedge Arrangements; and (x) any other obligation arising under arrangements or agreements that, in substance, provide financing to such Person.
- (jj) "**Deemed Interest Rate**" means the interest rate applicable to the Loan as set out in Section 4.1 or 4.3, as the case may be, from time to time.
- (kk) "**Depreciation Expense**" means, for any period with respect to any Person, depreciation, amortization, depletion and other like reductions to income of such Person for such period not involving any outlay of cash, determined, without duplication and determined on a Consolidated basis, in accordance with GAAP.

- (ll) "**Disposition**" means any sale, assignment, transfer, conveyance, lease or other disposition of any Property, or any interest in and to any Property, of any Obligor in a single transaction or a series of related transactions and shall include, without limiting the generality of the foregoing, any disposition by an Obligor of any interests in or to the Oil and Gas Properties, and the word "**Dispose**" or "**Disposed**" shall have a correlative meaning.
- (mm) "**Distribution**" shall mean, with respect to any Person, any payment, directly or indirectly, by such Person: (i) of any dividends on any shares of its capital, other than dividends payable in shares; (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any Equity Interests; (iii) of any other distribution in respect of any Equity Interests; (iv) of any principal, interest, premium or fees on, or related to, other indebtedness or liability of such Person whether ranking, at law or by contract, in right of payment subordinate to any liability of such Person under the Loan Documents or otherwise; or (v) of any management, consulting or similar fee or compensation or any bonus payment or comparable payment, or by way of gift or other gratuity, to any Affiliate of such Person or to any director, officer or member of the management of such Person or an Affiliate of such Person or to any Person not dealing at Arm's Length with such first Person (for greater certainty, reasonable compensation (including bonuses) paid by an Obligor in the course of its business and consistent past practices to directors, officers and members of management of Obligors shall not constitute Distributions hereunder).
- (nn) "**Drilling Program**" means, collectively, the drilling program as outlined in the IOGC Lease as the same may be amended or modified from time to time.
- (oo) "**EBITDA**" means, for any period, Net Income for the Borrower earned during such period plus, to the extent deducted in calculating Net Income (without duplication):
- (i) Interest Expense for such period;
 - (ii) Income Tax Expense for such period;
 - (iii) Depreciation Expense and amortization expense for such period;
 - (iv) Unrealized Hedging Losses for such period;
 - (v) other non-cash expenses/losses for such period;
 - (vi) extraordinary, unusual or non-recurring items for such period;
- decreased by the sum (without duplication) of:
- (vii) extraordinary, unusual or non-recurring items for such period;
 - (viii) dividend and interest income earned or received for such period;
 - (ix) non-cash income/gains for such period; and

- (x) Unrealized Hedging Gains for such period;
all determined in accordance with GAAP on a Consolidated basis.
- (pp) "**Environment**" means all components of the earth, including all layers of the atmosphere, air, land (including all underground spaces and cavities and all lands submerged under water), soil, water (including surface and underground water), organic and inorganic matter and living organisms, and the interacting natural systems that include the components referred to in this definition.
- (qq) "**Environmental Certificate**" means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 1.1(qq) and signed by an authorized officer of the General Partner, in its capacity as general partner of the Borrower.
- (rr) "**Environmental Laws**" means all Applicable Laws relating to the Environment, Materials of Environmental Concern, pollution or protection of health, safety or the Environment, including without limitation, laws and regulations relating to emissions, discharges, releases, threatened releases, remediation or reclamation of Materials of Environmental Concern, or otherwise relating to the manufacturing, processing, distribution, use, treatment, storage, disposal or transport of Materials of Environmental Concern.
- (ss) "**Equipment**" means all machinery, apparatus, equipment, fittings, furniture, fixtures, motor vehicles and other tangible personal or movable Property (other than Inventory) of every kind and description used in a Person's operations or owned by such Person or in which such Person has an interest, whether now owned or hereafter acquired by such Person and wherever located, and all parts, accessories and tools and all increases and accessories thereto and substitutions and replacements therefor.
- (tt) "**Equity Interests**" means (i) in the case of any corporation or company, all shares or capital stock and any securities exchangeable for or convertible into shares or capital stock, (ii) in the case of an association or business entity, any and all shares, interests, participation rights or other equivalents of corporate stock (however designated) in or to such association or entity, (iii) in the case of a partnership, limited liability company or unlimited liability company, partnership units, partnership or membership interests (whether general or limited), as applicable, and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distribution of assets of, the issuing Person (including without limitation a participating interest in a joint venture), and including, in all of the foregoing cases described in clauses (i), (ii), (iii) or (iv), any warrants, rights or other options to purchase or otherwise acquire any of the interests described in any of the foregoing cases.
- (uu) "**Event of Default**" shall have the meaning ascribed to it in Article 11 hereof.
- (vv) "**Existing Indebtedness**" has the meaning ascribed to it in Section 2.1 hereof.
- (ww) "**Existing Loan Agreement**" has the meaning ascribed to it in the recitals hereto.
- (xx) "**Existing Swaps**" means the Hedge Arrangements listed in Schedule 1.1(xx).

- (yy) "**Farmout and JV Agreement**" means the Farmout and Joint Venture Agreement dated May 5, 2014, as between Sunchild Oil & Gas Ltd., Triple Five Intercontinental Group Ltd. and Sunchild First Nation, as may be amended, restated, supplemented or modified from time to time.
- (zz) "**Financial Assistance**" means, without duplication and with respect to any Person, all loans granted by that Person and guarantees or Contingent Obligations incurred by that Person for the purpose of or having the effect of providing financial assistance to another Person or Persons, including, without limitation, letters of guarantee, letters of credit, legally binding comfort letters or indemnities issued in connection therewith, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business), obligations to purchase assets regardless of the delivery or non-delivery thereof and obligations to make advances or otherwise provide financial assistance to any other entity and for greater certainty "**Financial Assistance**" shall include any guarantee of any third party lease obligations.
- (aaa) "**Financial Statements**" means the financial statements of the Borrower which shall include, without limitation, the balance sheet, statement of income and retained earnings and statement of cash flows of the Borrower all prepared on a Consolidated basis in accordance with GAAP and consistent with the approach used by the Borrower in its Audited Financial Statements.
- (bbb) "**Fiscal Quarter**" means any of the fiscal quarterly accounting periods of the Borrower which currently end on March 31, June 30, September 30, and December 31 of each year.
- (ccc) "**Fiscal Quarter End**" means the last day of a Fiscal Quarter.
- (ddd) "**Fiscal Year**" means the fiscal year of the Borrower which is currently ending on December 31 of each year.
- (eee) "**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 including, for certainty, IFRS as applied in Canada.
- (fff) "**General Partner**" means Triple Five Intercontinental Group Ltd. and its permitted successors and assigns.
- (ggg) "**Governmental Authority**" means the government of Canada, the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any First Nation, band council or supranational bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency and, for greater certainty, includes the Alberta Energy Regulator or any successor thereof.

- (hhh) "**Hedge Arrangements**" means, for any period, for any Person, any arrangement or transaction between such Person and any other Person which is a (i) contract for the sale, purchase, exchange or future delivery of foreign currency (whether or not the subject currency is to be delivered or exchanged) or any hedging contract, forward contract, swap agreement, futures contract, or other foreign exchange protection agreement or option with respect to any such transaction, in each case designed to hedge against fluctuations in foreign exchange rates; (ii) contract for a rate swap, rate cap, rate floor, rate collar, forward rate agreement, futures or other rate protection agreement or option with respect to any such transaction, designed to hedge against fluctuations in interest rates; or (iii) contract for a commodity swap or other production agreement or option designed to protect against fluctuations in commodity prices (which, for greater certainty, includes both physically and financially settled hedges), and any other derivative agreement or other similar agreement or arrangements designed to protect or mitigate against risks in interest or currency exchange rates, or fluctuations in commodity prices.
- (iii) "**Hedging Strategy**" has the meaning ascribed to it in Section 9.1(ff) hereof.
- (jjj) "**Income Tax Expense**" means, with respect to the Borrower, for any period, the aggregate, without duplication, of all current Taxes on the income of the Borrower for such period, determined in accordance with GAAP.
- (kkk) "**IFRS**" means International Financial Reporting Standards as in effect from time to time.
- (lll) "**Independent Engineer**" means Sproule Associates Limited or any firm of independent petroleum engineers of recognized North American standing retained by the Borrower to evaluate, audit or review its and the other Obligor's Proved Reserve Value, who are acceptable to the Lender.
- (mmm) "**Independent Engineering Report**" means an independent economic and reserve evaluation report covering the P&NG Leases and Petroleum Substances of the Borrower (and if applicable, the Obligors) prepared by the Independent Engineer, with an effective date no earlier than December 31 of the immediately preceding calendar year.
- (nnn) "**Initial Loan**" has the meaning ascribed to it in Section 2.1 hereof.
- (ooo) "**Intellectual Property**" means the intellectual property in patents, patent applications, trade-marks, trade-mark applications, trade names, service marks, copyrights, copyright registrations and trade secrets including, without limitation, customer lists and information and business opportunities, industrial designs, proprietary software, technology, recipes and formulae and other similar intellectual property rights.
- (ppp) "**Interest Expense**" of the Borrower means, for any period, without duplication, the aggregate amount of interest and other financing charges paid or payable by the Borrower, on account of such period with respect to Debt including interest, amortization of discount and financing fees, commissions, discounts, the interest or time value of money component of costs related to factoring or securitizing receivables or monetizing inventory and other fees and charges payable with respect

to letters of credit, letters of guarantee and bankers' acceptance financing, standby fees, the interest component of Capital Leases and net payments (if any) pursuant to Hedge Arrangements involving interest, all as determined in accordance with GAAP.

- (qqq) "**Interest Payment Date**" means the first Business Day in each calendar month following the date of the Closing Date.
- (rrr) "**Inventory**" means, with respect to any Person, all inventory of such Person, whether now owned or hereafter acquired including, but not limited to, all goods intended for sale or lease by such Person, or for display or demonstration; all work in process; all raw materials and other materials and supplies of every nature and description used or which might be used in connection with the manufacture, printing, packing, shipping, advertising, selling, leasing or furnishing of such goods or otherwise used or consumed in such Person's business.
- (sss) "**Investment**" in any Person means any direct or indirect (i) acquisition of any Equity Interest in such Person, (ii) loan or advance made to such Person, or (iii) contribution of capital to such Person. In determining the amount of any Investment involving a transfer of any Property other than cash, such Property shall be valued at its fair market value at the time of such transfer. For greater certainty, an Acquisition shall not be treated as an Investment.
- (ttt) "**IOGC**" means Indian Oil and Gas Canada.
- (uuu) "**IOGC Lease**" means lease no. OL-6448 dated May 1, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC, Aboriginal Affairs and Northern Development Canada; Sunchild Oil & Gas Ltd. and Sunchild First Nation, as assigned by Sunchild Oil & Gas Ltd. to the Triple Five Intercontinental Group Ltd. pursuant to the IOGC Lease Assignment, as amended by an amending agreement to oil and gas lease OL-6448 effective January 1, 2019, as may be further amended, restated, supplemented or modified from time to time.
- (vvv) "**IOGC Lease Assignment**" means the assignment of contract rights and approval pursuant to Section 49 of the IOGR with respect to the IOGC Lease effective June 10, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC, Sunchild Oil & Gas Ltd. and Triple Five Intercontinental Group Ltd.
- (www) "**IOGC Right of Way**" means right of way no. RW-4779 dated February 26, 2015, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC; Sunchild First Nation and Triple Five Intercontinental Group Ltd., as may be amended, restated, supplemented or modified from time to time.
- (xxx) "**IOGC Surface Leases**" means, collectively, (i) surface lease no. OS-7116 dated December 11, 2014, as between Her Majesty the Queen in Right of Canada, represented by the Executive Director of IOGC; Sunchild First Nation and Triple Five Intercontinental Group Ltd., as may be amended, restated, supplemented or modified from time to time; and (ii) surface lease no. OS-7181 dated effective January 29, 2018, as between Her Majesty the Queen in Right of Canada,

represented by the Executive Director of IOGC and Triple Five Intercontinental Group Ltd., and approved by Sunchild First Nation, as may be amended, restated, supplemented or modified from time to time.

- (yyy) "**IOGR**" means the *Indian Oil and Gas Regulations* (Canada), as amended or replaced from time to time.
- (zzz) "**Lender**" means Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. and their respective successors and permitted assigns.
- (aaaa) "**Lien**" means: (i) any interest in Property securing an obligation owed to, or a claim by, a Person, whether such interest is based on the common law, civil law, statute, or contract, and including, without limitation, a security interest, charge, claim, hypothec or lien arising from a mortgage, deed of trust, hypothec, encumbrance, pledge, hypothecation, assignment, deposit arrangement, agreement, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes; and (ii) to the extent not included under clause (i) of this definition, (A) any rights of repossession or similar rights of unpaid suppliers, (B) any reservation, exception, encroachment, easement, right-of-way, covenant, condition, restriction, lease or other title exception or encumbrance affecting Property, and (C) any other lien, hypothec, charge, privilege, secured claim, title retention, garnishment right, deemed trust, encumbrance or other right affecting Property, choate or inchoate, whether or not crystallized or fixed, whether or not for amounts due or accruing due, arising by any statute or law of any jurisdiction, at law, in equity or by any agreement.
- (bbbb) "**Limited Partnership Agreement**" means the limited partnership agreement with respect to the Borrower dated May 4, 2014, as between the General Partner, as general partner, and T5 Energy Partners Ltd., as limited partner, as amended, supplemented, restated and modified from time to time.
- (cccc) "**LLR/LMR**" means the licensee liability rating and liability management rating or similar program adopted and assessed by the AER pursuant to Directive 006 – Licensee Liability Rating (LLR) Program and Licence Transfer Process, as the same may be amended from time-time; and related regulations, directives, orders, bulletins or guidelines enacted or adopted by any of the foregoing or any Governmental Authority in addition thereto having jurisdiction.
- (dddd) "**Loan**" shall have the meaning ascribed to it in Section 2.1 hereof.
- (eeee) "**Loan Documents**" means (i) this Agreement, the Security and any other document, certificate, agreement or instrument delivered by any Obligor (including by any officer of an Obligor in his or her capacity as such) pursuant to this Agreement or the Existing Loan Agreement including, for greater certainty, the Amended and Restated Production Payment Agreement; and (ii) all present and future security, agreements, documents, certificates and instruments delivered by any Obligor to the Lender pursuant to, or in respect of this Agreement and the agreements and documents referred to in clause (i), in each case as the same may from time to time be supplemented, amended or restated, and "**Loan Document**" shall mean any one of the Loan Documents.

- (ffff) "**Losses**" shall have the meaning ascribed to it in Section 12.1 hereof.
- (gggg) "**LR Guarantors**" means, collectively, Nader Ghermezian and T5 Energy Partners Ltd. and "**LR Guarantor**" means any one of them.
- (hhhh) "**Material Adverse Effect**" shall mean (i) a material adverse effect on the Business, prospects, operations, properties, assets or condition (financial or otherwise) of the Obligors on a Consolidated basis, (ii) an adverse effect on the legality, validity or enforceability of any of the Loan Documents which could reasonably be considered material having regard to the Loan Documents considered as a whole, including the validity, enforceability, perfection or priority of any Lien created under any of the Security which could reasonably be considered material having regard to the Security considered as a whole, (iii) a material adverse effect on the ability of an Obligor, to pay or perform any of its debts, liabilities or obligations under any of the Loan Documents, which could reasonably be considered material having regard to the Obligors, taken as a whole, or (iv) an adverse effect on the right, entitlement or ability of the Lender to enforce its rights or remedies under any of the Loan Documents which could reasonably be considered material having regard to the Loan Documents taken as a whole.
- (iiii) "**Material Contracts**" means, collectively, each written agreement (or multiple agreements with the same Person), arrangement or understanding entered into by an Obligor which if not complied with, or expires, or is terminated, could reasonably be expected to have a Material Adverse Effect and includes, without limitation, the agreements listed in Schedule 7.1(j) and any "contracts" of the Obligors as that term is defined under the IOGR.
- (jjjj) "**Material Licences**" means, collectively, each licence, permit or approval issued by any Governmental Authority or any applicable stock exchange or securities commission to any Obligor, the breach or default of which, or termination of, could reasonably be expected to result in a Material Adverse Effect and includes, without limitation, the licences, permits and approvals listed in Schedule 7.1(j).
- (kkkk) "**Materials of Environmental Concern**" means any chemicals, pollutants, contaminants, wastes, toxic substances, petroleum, petroleum products, together with any hazardous, toxic or dangerous substances, materials and wastes, including, without limitation, hydrocarbons (including naturally occurring or man-made petroleum and hydrocarbons), flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, biological substances, polychlorinated biphenyls, pesticides, herbicides and any other kind and/or type of pollutants or contaminants (including, without limitation, materials which include hazardous constituents), sewage, sludge, industrial slag, solvents and/or any other similar substances, materials or wastes and including any other substances, materials or wastes that are or become regulated under any laws relating to the protection of the Environment or maintenance of occupational safety (including, without limitation, any that are or become classified as hazardous or toxic under any Applicable Law).
- (llll) "**Maturity Date**" means March 13, 2022.
- (mmmm) "**Miscellaneous Interests**" means, in respect of any P&NG Leases or Tangibles, all interests, property and rights at such time, whether contingent or absolute, legal or

beneficial, present or future which affect or are related to or are associated with such P&NG Leases or Tangibles, including, without limitation, the following property, rights, and assets:

- (i) all present and future contracts, agreements and documents relating to any of such P&NG Leases or Tangibles or any rights in relation thereto;
 - (ii) all present and future surface rights which are used or useful in connection with any of such P&NG Leases or Tangibles;
 - (iii) all present and future permits, licenses, authorizations and deposits relating to any of such P&NG Leases or Tangibles, including in respect of facilities, wells and pipelines, or the export, removal, transportation, purchase or sale of Petroleum Substances;
 - (iv) all Petroleum Substances in the course of production from any of such P&NG Leases;
 - (v) books, maps, records, documents, seismic, geological, engineering, data processing, well, plant and other reports, data, information, computer programs or other records which relate to or are used or useful in connection with any of such P&NG Leases or Tangibles; and
 - (vi) all extensions, renewals, amendments or replacements of or to any of the foregoing items described in paragraphs (i) through (v) of this definition;
- (nnnn) "**Net Debt**" means, as of any date of determination, (i) Consolidated Debt of the Borrower outstanding on such date minus (ii) the aggregate amount of cash and cash equivalents included in the cash accounts listed on the statement of financial position of the Borrower as of such date, to the extent the use thereof for application to payment of Debt is not prohibited by law or contract.
- (oooo) "**Net Debt to Proved Reserve Value Ratio**" means, on any date, determined on a Consolidated basis, the ratio of (i) the Net Debt of the Borrower on such date to (ii) Proved Reserve Value on such date.
- (pppp) "**Net Debt to TTM EBITDA Ratio**" means, on any date, determined on a Consolidated basis, the ratio of (i) the Net Debt of the Borrower on such date to (ii) TTM EBITDA on such date.
- (qqqq) "**Net Income**" means, in respect of any period for which it is being determined, the net income of the Obligors determined on a Consolidated basis in accordance with GAAP.
- (rrrr) "**Non-Arm's Length**" and similar phrases have the meaning attributed thereto for the purposes of the *Income Tax Act* (Canada), and "**Arm's Length**" shall have the opposite meaning.
- (ssss) "**Obligations**" means all present and future obligations and indebtedness, liabilities and obligations of any and every kind and nature, of the Obligors to the Lender arising under this Agreement (including as incurred under the Existing Loan

Agreement) or the Loan Documents, whether now or hereafter existing, whether now due or to become due, whether primary, secondary, direct, indirect, absolute, contingent or otherwise (including without limitation, obligations of performance), whether several or joint or joint and several.

- (tttt) "**Obligors**" means, collectively, the Borrower and the General Partner, on its own behalf and on behalf of the Borrower, and "**Obligor**" means any one of them.
- (uuuu) "**Oil and Gas Ownership Certificate**" means the certificate required pursuant to Section 8.2, substantially in the form annexed as Schedule 1.1(uuuu) and signed by an authorized officer of the General Partner, in its capacity as general partner of the Borrower.
- (vvvv) "**Oil and Gas Properties**" means all of the interest, right, title and estate of the Obligors, now owned or hereafter acquired, in and to:
- (i) all lands and other real and immovable property interests of the Obligors (including leasehold lands and licenses held by the Obligors relating thereto) owned, held or used, from time to time, in connection with the exploration for and development (including, without limitation, such interests in respect of which no proved reserves are attributed), production, processing, transportation and marketing of Petroleum Substances;
 - (ii) the Petroleum Substances within, upon or under all lands, real and immovable property interests referred to in subclause (i) of this definition;
 - (iii) royalty, production, profits and other interests or payments out of, referable to, or payable in respect of, Petroleum Substances or the value thereof produced from or allocable to the lands, real and immovable property interests and off-shore interests referred to in subclause (i) of this definition;
 - (iv) the P&NG Leases;
 - (v) the Tangibles;
 - (vi) the Miscellaneous Interests;
 - (vii) any and all rights and interests in the foregoing substantially replacing, extending or renewing any of the foregoing in the event of termination, surrender, negotiation or renegotiation thereof; and
 - (viii) any and all rights to acquire any of the foregoing.
- (wwww) "**Organizational Documents**" means, with respect to any applicable Person, such Person's articles or other charter or constitutional documents, by-laws, shareholder agreement, partnership agreement, joint venture agreement, limited liability company agreement or trust agreement, as applicable, and any and all other similar agreements, documents and instruments relative to such Person.
- (xxxx) "**Original Loan Agreement**" means the loan agreement dated August 31, 2018, among the Borrower, the General Partner and Lender.

- (yyyy) "**P&NG Leases**" means, collectively, any and all present and future documents of title including all leases, licenses, reservations, permits, unit agreements, assignments, trust declarations, participation, exploration, farmout, farming, royalty, purchase, or other agreements by virtue of which the any Obligor entitled to:
- (i) explore for, drill for, recover, take or win Petroleum Substances and the present and future interests of any Obligor therein, and the rights of any Obligor thereunder; or
 - (ii) share in the production or proceeds of production or any part thereof or proceeds of royalty, production, profits, or other interests out of, referable to, payable in respect of or any amounts calculable by reference to the volume or value of Petroleum Substances and the present and future interests of any Obligor therein and the rights of any Obligor thereunder.
- (zzzz) "**Pending Event of Default**" means any event or condition which, with the giving of notice, lapse of time or both, or upon a declaration or determination being made in accordance with Article 11 (or any combination thereof) would constitute an "**Event of Default**".
- (aaaaa) "**Pension Plan**" means (i) a "pension plan" or "plan" which is subject to the funding requirements of applicable pension benefit legislation in any jurisdiction as is applicable to the employees of any Obligor; or (ii) any pension benefit plan or similar agreement applicable to employees of any Obligor (other than a plan sponsored by a Governmental Authority) which, for greater certainty, includes a Canadian Pension Plan.
- (bbbbb) "**Performance Notice**" has the meaning ascribed to it in the Farmout and JV Agreement.
- (ccccc) "**Permitted Acquisition**" means an Acquisition of: (i) real property (or interests relating thereto) of any Person with an acquisition cost of less than \$1,000,000; and (ii) Equity Interests in any other Person(s) provided the acquisition cost(s) of all Equity Interests acquired over any twelve month period do not exceed \$1,000,000 in aggregate.
- (dddd) "**Permitted Cash Investments**" means an investment in any of the following:
- (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the Government of Canada or the United States or of any province or state thereof, as applicable (or by any agency or instrumentality of any of the foregoing to the extent such obligations are backed by the full faith and credit of the Government of Canada or the United States or of such province or state, as applicable);
 - (ii) investments in certificates of deposit, bankers' acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of Canada or the United States or of any Canadian province or federal state in the United States having combined

capital and surplus of not less than \$300,000,000 or the equivalent in any other currency; and

- (iii) commercial paper of an issuer rated at least A-1+ or the equivalent thereof by a rating agency satisfactory to the Lender, and in each case maturing within six (6) months from the date of acquisition.

(eeee) **"Permitted Contest"** means any action taken by or on behalf of the Borrower or any other Obligor in good faith to contest a Tax, claim or Lien, provided that such contest involves no risk of loss that would reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with GAAP has been established by the Borrower.

(ffff) **"Permitted Debt"** means:

- (i) Debt under this Agreement;
- (ii) Debt set forth on Schedule 1.1(ffff)(ii); and
- (iii) Debt consented to in writing by the Lender from time to time, subject to the terms imposed by the Lender in connection with such consent.

(gggg) **"Permitted Disposition"** means any:

- (i) Disposition of Oil and Gas Properties (and related tangibles) resulting from any pooling or unitization entered into in the ordinary course of business and in accordance with sound industry practice when, in the reasonable judgment of the Borrower, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such Oil and Gas Properties;
- (ii) Disposition in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;
- (iii) Disposition by any Obligor of its interest in machinery, equipment or other tangible personal property for which obligations were incurred in connection with a Purchase Money Security Interest and such obligations are fully repaid concurrently with such Disposition;
- (iv) Disposition of assets (including shares or ownership interests) by an Obligor to another Obligor;
- (v) abandonment of rights in Oil and Gas Properties in the ordinary course of business;
- (vi) Disposition of current production from Oil and Gas Properties made in the ordinary course of business; or

- (vii) Disposition of Oil and Gas Properties and related tangibles made in the ordinary course of business for fair market value to third parties provided that the aggregate fair market value of such Disposition does not exceed \$200,000.

(hhhhh) **"Permitted Liens"** means, with respect to any Person, the following:

- (i) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (ii) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;
- (iii) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower or other Obligor, which the Borrower or such other Obligor (as applicable) shall be contesting at the time by a Permitted Contest;
- (iv) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Applicable Law against any Obligor or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, the validity of which is being contested by a Permitted Contest;
- (v) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the exploration, development or operation of petroleum or natural gas interests or related production or processing facilities as security in favour of any other Person conducting the exploration, development, production, processing, operation or transmission of the property to which such Liens relate, for any Obligor's portion of the costs and expenses of such exploration, development, production, processing, operation or transmission, provided such costs or expenses are not due or delinquent or if due or delinquent, the validity of which is being contested by a Permitted Contest;
- (vi) any encumbrance or agreement relating to farmout, joint ownership, pooling or a plan of unitization affecting the property of an Obligor, or any part thereof;
- (vii) royalties, net profits and other interests and obligations arising in accordance with standard industry practice and in the ordinary course of business, under P&NG Leases in which an Obligor has any interest;
- (viii) Liens for penalties arising under non-participation provisions of operating agreements in respect of any Obligor's P&NG Leases,

Tangibles or related facilities, if such Liens would not reasonably be expected to have a Material Adverse Effect;

- (ix) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by any Obligor (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, would not reasonably be expected to have a Material Adverse Effect;
- (x) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by an Obligor, or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (xi) rights of general application reserved to or vested in any Governmental Authority to levy taxes on any of the assets or the income therefrom, or to limit, control or regulate any of the assets, or operations pertaining thereto, in any manner;
- (xii) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
- (xiii) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to the Oil and Gas Properties or related facilities of an Obligor, the exercise of which would not reasonably be expected to have a Material Adverse Effect;
- (xiv) public and statutory Liens not yet due and similar Liens arising by operation of Applicable Law;
- (xv) the Security;
- (xvi) the interest of any Person under any Purchase Money Security Interest, or Capital Lease to the extent the underlying obligation in respect thereof is otherwise permitted hereunder;
- (xvii) bankers' liens, rights of set-off and other similar liens existing solely with respect to cash and Permitted Cash Investments on deposit in one or more accounts maintained by the Borrower or any other Obligor, in each case, granted in the ordinary course of business in favour of the financial institution with which such accounts are maintained, securing amounts owing to such financial institution with respect to Cash Management Obligations, including those involving pooled accounts and netting arrangements;

- (xviii) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property (other than P&NG Leases) entered into in the ordinary course of business, in each case, to which an Obligor is a party;
 - (xix) Liens resulting from the deposit of cash or Permitted Cash Investments as security when an Obligor is required to do so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by Applicable Law;
 - (xx) minor defects of title which, individually and in the aggregate, do not materially affect the right of ownership of an Obligor in the Oil and Gas Properties or the right of an Obligor to utilize the Oil and Gas Properties and to conduct its business;
 - (xxi) Liens existing as at the Closing Date with the particulars identified in Schedule 1.1(hhhhh) attached hereto;
 - (xxii) Liens which are not otherwise Permitted Liens; provided that (i) the aggregate amount of obligations secured thereby does not at any time exceed \$250,000 and (ii) such Liens do not attach generally to all or substantially all of the undertaking, assets and property of the Obligors;
 - (xxiii) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens referred to above in this definition, so long as any such extension, renewal or replacement of such Lien is limited to all or any part of the same property that secured the Lien extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased; and
 - (xxiv) such other Liens as agreed to in writing by the Lender in accordance with this Agreement.
- (iiii) "**Person**" means any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or foreign or local government (whether federal, provincial, state, county, city, municipal or otherwise), including, without limitation, any instrumentality, division, agency, body or department thereof.
- (jjjj) "**Petroleum Substances**" means petroleum, crude oil, crude bitumen, synthetic crude oil, oilsands, bituminous sands, natural gas, natural gas liquids, bitumen, condensate, related hydrocarbons and any and all other substances, whether liquid, solid or gaseous, whether hydrocarbons or not, produced or producible in association with or derived from any of the foregoing, including hydrogen sulphide, sulphur and coke.

- (kkkkk) "**PPSA**" shall mean the *Personal Property Security Act* (Alberta), or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder, in each case as in effect from time to time.
- (lllll) "**Prepayment Fee**" shall have the meaning ascribed to it in Section 3.2(a) hereof.
- (mmmmm) "**Principal Amount**" shall have the meaning ascribed to in Section 2.1.
- (nnnnn) "**Production Payment**" shall have the meaning ascribed to it in the Amended and Restated Production Payment Agreement.
- (ooooo) "**Production Payment Agreement**" means the production payment agreement as between the Lender and the Obligors dated August 31, 2018, as amended by a production payment agreement amending agreement dated March 13, 2019, as the same may have been further amended, restated, supplemented or modified from time to time prior to the date hereof.
- (ppppp) "**Property**" means, with respect to any Person, all or any portion of its undertaking, property or asset, whether real, immovable, personal, movable, or mixed, tangible or intangible, including for greater certainty the Oil and Gas Properties and any Equity Interests of a corporation or ownership interest in any other Person, and "**Properties**" has a correlative meaning.
- (qqqqq) "**Proved Reserve Value**" means, with respect to the Oil and Gas Properties, the total net present value, as specified in the Independent Engineering Report, of those oil and gas reserves which have been identified and quantified as Total Proved Reserves in the Independent Engineering Report, after applying a ten (10%) discount rate.
- (rrrrr) "**Purchase Money Security Interest**" means a Lien created or assumed by an Obligor securing Debt incurred to finance the unpaid acquisition price of personal Property provided that (i) such Lien is created concurrently with or prior to the acquisition of such personal Property, (ii) such Lien does not at any time encumber any Property other than the Property financed or refinanced (to the extent the principal amount is not increased) by such Debt, (iii) the principal amount of Debt secured thereby is not increased subsequent to such acquisition, and (iv) the principal amount of Debt secured by any such Lien at no time exceeds 100% of the original purchase price of such personal Property at the time it was acquired, and for the purposes of this definition the term "**acquisition**" shall include a Capital Lease and the term "**acquire**" shall have a corresponding meaning.
- (sssss) "**Release**" includes releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing or dumping.
- (ttttt) "**Requirements of Law**" means, as to any Person, the Organizational Documents of such Person and any Applicable Law, or determination of a Governmental Authority, in each case, applicable to or binding upon such Person or any of its business or Property or to which such Person or any of its business or Property is subject.

- (uuuuu) "**Sales Proceeds**" shall have the meaning ascribed to it in the Amended and Restated Production Payment Agreement.
- (vvvvv) "**Schedule I Canadian Bank**" means a bank which is a Canadian chartered bank listed on Schedule I to the *Bank Act* (Canada).
- (wwwww) "**Securities Account**" means any "securities account" as such term is defined in the STA.
- (xxxxx) "**Security**" means all Liens, guarantees, indemnities, agreements and security documents (including confirmation(s) of security) granted by each of the Obligors, Nader Ghermezian and T5 Energy Partners Ltd. to the Lender securing or intended to secure repayment of the Obligations, and includes, without limitation, all guarantees, indemnities, agreements and security documents previously granted to the Lender pursuant to the Existing Loan Agreement and those guarantees, indemnities, agreements and security documents described in Article 6 of this Agreement, in each case, as the same may be amended, restated or supplemented from time to time.
- (yyyyy) "**STA**" means the *Securities Transfer Act* (Alberta), or any other applicable Canadian federal or provincial statute pertaining to the granting, perfecting, priority or ranking of security interests on securities, investment property or other financial investments or instruments, and any successor statutes.
- (zzzzz) "**Subsidiary**" means, with respect to a Person, any corporation of which more than fifty (50%) percent of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time stock of any other class of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, owned by the Person or by any partnership, joint venture or other entity of which more than fifty percent (50%) of the outstanding equity interests are at the time, directly or indirectly, owned by the Person.
- (aaaaa) "**Tangibles**" means, in respect of the Obligors at any time, all right, title, estate and interest, whether absolute or contingent, legal or beneficial, present or future, vested or not, of such Obligor at such time in and to any tangible property, apparatus, plants, equipment, machinery and fixtures, fixed or non-fixed, real or personal, used or capable of use in exploiting any Petroleum Substances including:
- (i) systems, plants and facilities used or useful in producing, gathering, compressing, processing, treating, refining, storing, transporting or shipping Petroleum Substances, including for greater certainty those wells listed in Part II of Schedule 7.1(q);
 - (ii) tangible property and assets used or intended for use in exploration, producing, storing, injecting or removing Petroleum Substances; and
 - (iii) all extensions, additions and accretions to any item described in items (i) or (ii) above;
- (bbbbbb) "**Taxes**" shall have the meaning ascribed to it in Section 12.2 hereof.

- (ccccc) "**Third Advance**" shall have the meaning ascribed to it in Section 2.1 hereof.
- (dddddd) "**TTM EBITDA**" means, at any date, EBITDA for the twelve (12) months immediately preceding such date.
- (eeeeee) "**Unrealized Hedging Gains**" means mark to market unrealized gains in respect of Hedge Arrangements or other risk management products recorded in accordance with GAAP.
- (ffffff) "**Unrealized Hedging Losses**" means mark to market unrealized losses in respect of Hedge Arrangements or other risk management products recorded in accordance with GAAP.
- (gggggg) "**Violation Notice**" means any notice received by a Person, from any Governmental Authority under any Applicable Law that such Person or any of its Property is not in compliance with the requirements of any Applicable Law, if such non-compliance would reasonably be expected to have a Material Adverse Effect.
- (hhhhhh) "**Welfare Plan**" means any medical, health hospitalization, insurance or other employee benefit or welfare plan or arrangement application to employees resident in Canada of an Obligor.

1.2 Schedules and Exhibits.

The following are the Schedules and Exhibits to this Agreement, which are deemed to be a part of this Agreement:

Schedule 1.1(qq)	Form of Environmental Certificate
Schedule 1.1(xx)	Existing Swaps
Schedule 1.1(uuuu)	Form of Oil and Gas Ownership Certificate
Schedule 1.1(ffff)(ii)	Permitted Debt
Schedule 1.1(hhhhh)	Permitted Liens
Schedule 7.1(f)	Intellectual Property
Schedule 7.1(g)	Obligors' Names
Schedule 7.1(h)	Corporate Structure, Subsidiaries, Affiliates, Joint Ventures and Partnerships
Schedule 7.1(i)	Judgments and Litigation
Schedule 7.1(j)	Material Contracts and Material Licenses
Schedule 7.1(o)	Royalties
Schedule 7.1(q)	Drilling Program
Schedule 7.1(t)	Taxes
Schedule 7.1(w)	Non-Arm's Length Transactions
Schedule 7.1(x)	Location of Collateral
Schedule 7.1(y)	Owned Real Property and Oil and Gas Properties
Schedule 7.1(z)	Leased Real Property
Schedule 7.1(ee)	Labour Matters
Schedule 7.1(ff)	Pension Plans
Schedule 7.1(hh)	Insurance
Schedule 7.1(kk)	Bank Accounts and Security Accounts
Schedule 7.1(pp)	Farmout Agreements
Schedule 7.1(qq)	Operating Agreements

Schedule 7.1(ss)
Schedule 8.2

Approved Marketing Contracts
Form of Officer's Compliance Certificate

1.3 Accounting Terms and Definitions and Change to LLR/LMR.

- (a) Unless otherwise provided herein, all financial terms used in this Agreement shall be determined in accordance with GAAP in effect at the date of such determination and where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other computation is required to be made for the purpose of this Agreement, such determination or calculation shall be made in accordance with GAAP applied on a consistent basis unless otherwise indicated.
- (b) If:
- (i) there occurs a material change in GAAP, including as a result of a conversion to IFRS or ASPE; or
 - (ii) the Borrower or any of its Subsidiaries adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements;

and the above change would require disclosure under GAAP in the Consolidated Financial Statements of the Borrower and would cause an amount required to be determined for the purposes of any financial covenant contained in Section 9.1(y) to be materially different than the amount that would be determined without giving effect to such change, the Borrower shall notify the Lender of such change (an "**Accounting Change**"). Such notice (an "**Accounting Change Notice**") shall describe the nature of the Accounting Change, its effect on the current and immediately prior year's financial statements in accordance with GAAP and state whether the Borrower desires to revise the method of calculating one or more of the financial covenants (including the revision of any of the defined terms used in the determination of such financial covenants) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such financial covenant will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such financial covenant. The Accounting Change Notice shall be delivered to the Lender, together with written confirmation from the Auditor supporting such Accounting Change, within thirty (30) days after the end of the month in which the Accounting Change is implemented or, if such Accounting Change is implemented in the last month of a Fiscal Year or in respect of an entire Fiscal Year, within ninety (90) days after the end of such period.

- (c) If the Borrower indicates that it wishes to revise the method of calculating one or more of the financial covenants, the Borrower and the Lender shall in good faith attempt to agree on a revised method of calculating such financial covenants. If, however, within thirty (30) days thereafter, the Borrower and the Lender have not reached agreement in writing on such revised method of calculation, such method of calculation shall not be revised and all amounts to be determined thereunder shall be determined without giving effect to the Accounting Change.

- (d) If a compliance certificate is delivered pursuant to Section 8.2 in which an Accounting Change is implemented without giving effect to any revised method of calculating any of the financial covenants, and subsequently, as provided above, the method of calculating one or more of the financial covenants is revised in response to such Accounting Change, or the amounts to be determined pursuant to any of the financial covenants are to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised compliance certificate.
- (e) Nothing contained in this Section 1.3 shall obligate the Lender to approve of any Accounting Change or any revisions to the method of calculating any of the financial covenants, including receipt by the Lender of any such written confirmation from the Auditor, and any such Accounting Changes or revisions to the method of calculating any of the financial covenants shall only be effective upon the prior written consent of the Lender.
- (f) If the AER revises its methodology relating to the LLR/LMR, the Borrower and the Lender shall in good faith attempt to agree on a revised LLR/LMR financial covenant set forth in Section 9.1(y) taking into account such revised methodology of the AER.

1.4 Independent Engineering Report.

The parties acknowledge, agree and confirm that it is their mutual intent that the calculation and determination of the Proved Reserve Value is to be performed in a manner consistent with the Independent Engineering Report prepared by Sproule Associates Limited and effective December 31, 2017 (the "**Base Report**"). In the event that the Independent Engineer or any other Person retained by the Borrower to prepare the Independent Engineering Report (subject to the consent of the Lender), calculates or determines the Proved Reserve Value in a manner inconsistent with the determination and/or calculation employed in the Base Report, the parties covenant to negotiate in good faith to amend this Agreement such that the definition attributable to the Proved Reserve Value, and ratio determined with reference thereto, remain consistent with the manner in which they are defined, calculated and determined with reference to the Base Report.

1.5 Supplements, Re-enactments, Etc.

References herein to any document or legislation are, unless otherwise stated, to be construed as references to such document or legislation as amended, restated or supplemented from time to time and references to any enactment include re-enactments, amendments and extensions thereof.

1.6 Headings of Subdivisions.

The headings of subdivisions in this Agreement are for convenience of reference only, and shall not govern the interpretation of any of the provisions of this Agreement.

1.7 Gender and Number.

Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.8 Monetary References.

Any reference in this Agreement to "**Dollars**", "**dollars**" or the sign "\$" shall be deemed to be a reference to lawful money of Canada, unless otherwise expressly stated.

1.9 Actions on Days Other Than Business Days.

Except as otherwise specifically provided herein, where any payment is required to be made or any other action is required to be taken on a particular day and such day is not a Business Day and, as a result, such payment cannot be made or action cannot be taken on such day, then this Agreement shall be deemed to provide that such payment shall be made or such action shall be taken on the first Business Day after such day.

1.10 Permitted Liens.

The inclusion of reference to Permitted Liens in any Loan Document is not intended to subordinate and shall not subordinate, and shall not be interpreted as subordinating any Lien created by any of the Security to any Permitted Lien unless the Lender agrees. However, to the extent any of such Permitted Liens are registered on title or pursuant to the PPSA prior to any of the Loan Documents that are registered subsequently, such Permitted Liens shall have priority.

1.11 Interpretation

Wherever the Existing Loan Agreement is referenced herein, such references shall be deemed to include and incorporate the Original Loan Agreement where the context so requires including, without limitation, whenever a document is referenced as having been delivered in connection with the Existing Loan Agreement.

ARTICLE 2 - TERMS OF THE LOAN

2.1 The Loan.

The Borrower acknowledges, agrees and confirms that: (a) the principal sum of \$15,000,000 was advanced to the Borrower by the Lender on August 31, 2018, and (b) the principal sum of \$5,000,000 was advanced to the Borrower by the Lender on March 13, 2019 (collectively, the "**Initial Loan**"), which Initial Loan, together with all accrued but unpaid interest thereon (collectively, the "**Existing Indebtedness**"), remains an outstanding Obligation of the Borrower to the Lender as of the date hereof; and the Borrower further acknowledges, agrees and confirms that the Existing Indebtedness is hereby continued as principal indebtedness of the Borrower as of the date hereof under and subject to the terms and conditions of this Agreement.

Subject to the terms and conditions of this Agreement and the other Loan Documents, the Lender agrees to loan to the Borrower in lawful money of Canada, in addition to the Existing Indebtedness, the principal amount of \$7,000,000 (the "**Third Advance**") to or for the account of the Borrower (together with the Existing Indebtedness, the "**Loan**", and the outstanding principal amount of the Loan from time to time is herein referred to as the "**Principal Amount**").

2.2 Single Advance.

Subject to the terms and conditions hereof, the Third Advance will be made available to the Borrower by way of a single advance on the Closing Date and the Borrower hereby irrevocably authorizes the Lender to make the Third Advance on the Closing Date.

2.3 Use of Proceeds.

Provided the Obligors have performed the terms and conditions set forth in this Agreement to the satisfaction of the Lender, the Lender shall advance the Third Advance on the Closing Date as follows:

- (a) the Lender may deduct an amount from the advance equal to the costs and expenses incurred by it in accordance with Section 4.7;
- (b) the Lender may deduct an amount from the advance equal to \$140,000, in accordance with Section 4.6 hereof;
- (c) the Lender may deduct an amount from the advance equal to \$[◆], being the accrued and unpaid interest on the Principal Amount up to Closing Date; and
- (d) the balance of the Third Advance, after the deduction of the amounts set forth in Sections 2.3(a), 2.3(b) and 2.3(c), shall be advanced to the Borrower to be used for the development and completion of the Drilling Program and for general working capital purposes.

ARTICLE 3 - PAYMENT

3.1 Payments on Principal.

- (a) Commencing on September 1, 2020, and on the first Business Day of each month thereafter until the Principal Amount has been fully and indefeasibly repaid to the Lender by the Borrower, the Borrower shall make repayments in the amount of \$725,000 per month to be applied as follows:
 - (i) firstly, against any fees, costs or other amounts due and payable by any Obligor under this Agreement or the Loan Documents; and
 - (ii) secondly, against any and all interest accrued on the Principal Amount which has not otherwise been paid in accordance with Section 4.2 hereof; and
 - (iii) thirdly, as to the Principal Amount.
- (b) Except as otherwise set forth herein, the Principal Amount shall be repaid to the Lender by the Borrower and shall become due and payable on the Maturity Date together with all accrued and unpaid interest thereon and all fees, if any, and other amounts payable hereunder.
- (c) All payments to be made by the Borrower to the Lender hereunder shall be made to the Lender by wire transfer in accordance with the wire instructions given by the Lender to the Borrower in writing from time to time.

3.2 Optional Prepayment.

- (a) Subject to the terms hereof, and provided that no Pending Event of Default or Event of Default has occurred or is continuing either prior to or after giving effect to any contemplated prepayment, the Borrower shall have the option to prepay all or a portion of the outstanding Principal Amount at any date after the Closing Date, subject to the concurrent payment to the Lender of a prepayment fee calculated on the principal amount repaid in accordance with Section 3.2(b) (the "**Prepayment Fee**"), provided that (i) each prepayment is of a minimum amount of \$5,000,000, plus all accrued and unpaid interest owing on the Principal Amount; (ii) the remaining amount of the Loan shall not be less than \$5,000,000 subsequent to such prepayment (unless the Loan is being prepaid in full); and (iii) the Lender receives thirty (30) days' prior written notice of such prepayment. In the event that the outstanding Principal Amount becomes due and payable as a result of the acceleration of the Obligations by the Lender pursuant to Section 11.2 hereof, the Borrower shall be required to pay to the Lender the Prepayment Fee on the full Principal Amount in accordance with Section 3.2(b), which Prepayment Fee shall become part of and be included in the Obligations and shall be due and payable in accordance with Section 11.2.
- (b) The Prepayment Fee shall be equal to the percentage (set forth in Column B below and shown opposite of the relevant repayment date set forth in Column A below) of the amount of the Principal Amount being prepaid or otherwise becoming due and payable, as applicable, in accordance with Section 3.2(a):

Column A	Column B
<u>Repayment Date</u>	<u>Prepayment Fee</u>
Between November 1, 2019 and May 31, 2020	6%
Between June 1, 2020 and May 31, 2021	4%
Between June 1, 2021 and March 12, 2022	2%

- (c) The Obligors agree that, for the purposes of this Section 3.2, the Prepayment Fee represents a genuine estimate of the damages that the Lender will suffer due to the early repayment of the Principal Amount (or a portion thereof) and constitutes liquidated damages due to the Lender as a result of the early repayment of the Principal Amount (or a portion thereof) and is not a penalty.

3.3 Amendment to Production Payment Agreement.

As additional consideration for the Third Advance, the Borrower agrees to amend and restate the Production Payment Agreement in accordance with the amended and restated production payment agreement entered into by the Lender, the General Partner and Borrower on the date hereof (the "**Amended and Restated Production Payment Agreement**").

3.4 General Matters and Account of Record.

All payments made by the Borrower shall be made without set-off, recoupment or counterclaim. The Lender shall open and maintain books of account or electronic records evidencing the Loan and all other amounts owing by the Borrower to the Lender hereunder. The Lender shall enter in the foregoing accounts or records, as the case may be, details of all amounts from time to time owing, paid or repaid by the Borrower hereunder and the information entered into the foregoing accounts or records constitute conclusive evidence of the obligations owing by the Borrower to the Lender in the absence of manifest error. After a request by the Borrower, the Lender shall advise the Borrower of such entries made in the Lender's books of account or other electronic records.

ARTICLE 4 - INTEREST, FEES AND CHARGES

4.1 Rate of Interest.

Subject to Section 4.3, the Principal Amount of the Loan and other outstanding Obligations shall bear interest from the Closing Date to the date paid, and at a per annum rate equal to ten and one-half (10.5%) percent, payable in accordance with Section 4.2 and calculated in accordance with Section 4.4.

4.2 Payment of Interest.

The Borrower shall pay the Lender all accrued and unpaid interest on the Principal Amount of the Loan and the outstanding amount of the other Obligations monthly in arrears in cash on each Interest Payment Date.

4.3 Default Rate of Interest.

Upon and after the occurrence of an Event of Default under Section 11.1, and during the continuation thereof, the Principal Amount of the Loan and the other Obligations shall bear interest at a rate per annum equal to the interest rate otherwise payable pursuant to Section 4.1 plus two (2%) percent and such interest shall be calculated in accordance with Section 4.4 and shall be payable on demand by the Lender.

4.4 Computation of Interest and Fees.

Interest hereunder shall be determined daily and compounded monthly not in advance, both before and after demand, default and judgment and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be. For the purpose of the *Interest Act* (Canada) only, the yearly rates of interest to which the rates applicable to the Loan are equivalent are the rates so determined, multiplied by the actual number of days in the year divided by three hundred and sixty-five (365) or three hundred and sixty-six (366), as the case may be.

4.5 Maximum Interest.

- (a) It is the intent of the parties that the rate of interest and the other charges to the Borrower under this Agreement shall be lawful; therefore, if for any reason the interest or other charges payable under this Agreement are found by a court of competent jurisdiction, in a final determination, to exceed the limit which the Lender may lawfully charge the Borrower, then the obligation to pay interest and other charges shall automatically be reduced with retroactive effect to such limit and, if

any amount in excess of such limit shall have been paid, then such amount shall be refunded to the Borrower.

- (b) Any amount or rate of interest referred to in this Section 4.5 shall be determined in accordance with generally accepted actuarial practices and principles over the maximum term of this Agreement (or over such shorter term as may be required by Section 347 of the *Criminal Code* (Canada) or any other Applicable Law) and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive for the purposes of such determination, absent manifest error.

4.6 Cash Fee.

The Borrower shall pay to the Lender a financing fee equal to \$140,000 in cash (the "**Cash Fee**") which fee shall be fully earned, non-refundable and payable in full on the Closing Date. The Borrower hereby irrevocably authorizes the Lender to deduct the Cash Fee from the advance of the Third Advance on the Closing Date.

4.7 Lender's Expenses.

The Borrower shall reimburse the Lender for all reasonable costs and expenses (including without limitation, reasonable consultant's fees and expenses and reasonable legal fees and expenses in each applicable jurisdiction) incurred by the Lender in connection with: (a) the documentation and consummation of this transaction (whether or not this transaction is consummated) including, without limitation, security and other public record searches, lien filings, express mail or similar express or messenger deliveries and, due diligence costs and expenses; and (b) in seeking to collect, protect or enforce any rights in or to the Collateral or incurred by the Lender in seeking to collect any Obligations and to administer and enforce any of its rights under this Agreement and the other Loan Documents. All such costs, expenses and charges shall constitute Obligations hereunder, and the Borrower hereby irrevocably authorizes the Lender to deduct the above described costs, expenses and charges from the advance of the Third Advance, any such costs, expenses and charges not deducted from the Third Advance of the Loan shall otherwise be payable by the Borrower to the Lender on demand and, if overdue by thirty (30) days or more, until paid, shall bear interest at the Deemed Interest Rate.

4.8 Increased Costs.

Notwithstanding any other provision herein, in the event that the introduction of or any change in any Applicable Law or in the interpretation or application thereof, or compliance by the Lender with any request or directive from any Governmental Authority:

- (a) subjects the Lender to any new Tax of any kind whatsoever with respect to this Agreement, the other Loan Documents or the Loan, or changes the basis of taxation of payments to the Lender of principal, interest or any other amount payable hereunder (except for changes in the rate of Tax imposed on the overall net income of the Lender); or
- (b) imposes, modifies, holds applicable any reserve, special deposit, compulsory loan or similar requirement against Property held by, or deposits or other obligations in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lender;

and the result of any of the foregoing is to materially increase the cost to the Lender of agreeing to make, making, continuing or maintaining or participating in the Loan, or to materially reduce any amount receivable thereunder or to materially increase the withholding Taxes payable then, in any such case, the Borrower shall pay the Lender, after demand by the Lender, any additional amounts necessary to compensate the Lender on an after-Tax basis for such additional cost or reduced amount receivable or increased withholding Taxes payable with respect to any Loan Document or the Loan.

4.9 Illegality.

If any Applicable Law coming into force after the Closing Date, or if any change in any existing Applicable Law or in the interpretation or application thereof by any court or Governmental Authority, now or hereafter makes it unlawful for the Lender to have advanced or acquired interest in the Loan or to give effect to its obligations in respect thereof, the Lender may, by written notice thereof to the Borrower, declare its obligations under this Agreement to be terminated, and the Borrower shall prepay, within the time required by such law, the Principal Amount of the Loan together with accrued interest thereon and any other amounts owing under this Agreement as may be applicable to the date of such payment (excluding for the avoidance of doubt, any amount of the Prepayment Fee). If any such event shall, in the opinion of the Lender, acting reasonably, only affect part of its obligations under this Agreement, the remainder of this Agreement shall be unaffected and the obligations of the Borrower under the Loan Documents shall continue.

ARTICLE 5 - TERMINATION

5.1 Termination.

This Agreement shall be in effect from the date hereof until the indefeasible repayment and performance in full of the Obligations. For greater certainty, if the due date of the Obligations is accelerated pursuant to Article 11 hereof or if the Borrower prepays the Loan in accordance with the terms and conditions hereof, this Agreement shall terminate on the date that all such Obligations are indefeasibly paid and performed in full. At such time as the Borrower has repaid and performed in full all of the Obligations and this Agreement has terminated, upon the Borrower's request, the Lender shall, at the Borrower's cost and expense, deliver to the Borrower a termination, discharge and release of all Security in form and substance reasonably satisfactory to the Borrower and such other documents and instruments as the Borrower may reasonably request in order to effect or evidence the termination of this Agreement and the Security.

5.2 Continuing Obligations.

Nothing in Section 5.1 shall affect any liabilities and obligations of any Obligor or the Lender set out in this Agreement or in any other Loan Document which are stated to survive payment of the Obligations and termination of this Agreement or the Loan Documents, as the case may be.

ARTICLE 6 - SECURITY AND COLLATERAL

6.1 Security Delivered on the Closing Date.

On the Closing Date, as continuing collateral security for the payment and satisfaction of all Obligations (in addition to all existing Security delivered in connection with the Existing Loan Agreement), the

Obligors shall deliver or cause to be delivered to the Lender the following Security, all of which shall be in form and substance satisfactory to the Lender:

- (a) confirmations of all Security held by the Lender pursuant to or in connection with the Existing Loan Agreement; and
- (b) such other agreements and documents as the Lender may reasonably require from time to time to give effect to the existing Security and the foregoing Security including, without limitation, any agreements or documents requested by the Lender pursuant to this Article 6.

6.2 Form of Security.

The Security will be in such form or forms as will be required by the Lender, acting reasonably, and will be registered in such offices in all jurisdictions reasonably required by the Lender to protect the Liens created thereby. Should the Lender determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the Lender with the Liens and priority to which it is entitled hereunder, the Obligors will forthwith execute and deliver or cause to be executed and delivered to the Lender, at the Borrower's expense, such amendments to the Security or provide such new security as the Lender may reasonably request.

6.3 After-Acquired Property.

All Property acquired by or on behalf of any Obligor who has provided a demand debenture to the Lender pursuant to Section 6.1 or otherwise after the date of execution of the Security which forms part of the property of any Obligor (collectively, the "**After-Acquired Property**"), will be subject to the Security without any further conveyance, mortgage, pledge, charge, assignment or other act on the part of the parties. Without limiting the effect of the preceding sentence, the Obligors will, or will cause such Subsidiaries of the Obligors to, from time to time execute and deliver and the Lender will register, all at the Borrower's expense, such instruments supplemental to the Security, in form and substance satisfactory to the Lender, acting reasonably, as may be necessary or desirable to ensure that the Security, as amended and supplemented, constitutes in favour of the Lender an effective first-ranking Lien to the extent created by the Security over such After-Acquired Property as required hereunder, subject only to Permitted Liens which under Applicable Law rank in priority thereto.

6.4 Security Effective Notwithstanding Date of Advances.

The Security shall be effective and the undertakings in this Agreement and the other Loan Documents with respect thereto shall be continuing, whether the monies hereby or thereby secured or any part thereof shall be advanced before or after or at the same time as the creation of any such Security or before or after or upon the date of execution of this Agreement. The Security shall not be affected by any payments on this Agreement or any of the other Loan Documents, but shall constitute continuing security to and in favour of the Lender for the Obligations from time to time.

6.5 No Merger.

The Security shall not merge in any other security. No judgment obtained by or on behalf of the Lender shall in any way affect any of the provisions of this Agreement, the other Loan Documents or the Security. For greater certainty, no judgment obtained by or on behalf of the Lender shall in any way affect the obligation of the Borrower to pay interest or other amounts at the rates, times and in the manner provided in this Agreement.

6.6 Further Assurances.

Without in any way limiting the foregoing, each Obligor shall take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the Lender such agreements, documents and instruments as the Lender shall reasonably request, and register, file or record the same (or a notice or financing statement in respect thereof) in all offices where such registration, filing or recording is, in the opinion of the Lender or Lender's counsel, necessary or advisable to constitute, perfect and maintain the Security as Liens of the Obligor or the Person granting such Liens, subject only to the Permitted Liens, in all jurisdictions reasonably required by the Lender, in each case within a reasonable time after the request therefor by the Lender or Lender's counsel, and in each case in form and substance satisfactory to the Lenders and Lender's counsel, acting reasonably.

6.7 Release of Security.

Following the indefeasible repayment and performance in full of all Obligations, the Lender will, at the cost and expense of the Borrower, release and discharge the right and interest of the Lender in the Collateral in accordance with Section 5.1.

If any Property of the Obligors is Disposed of as permitted by this Agreement or is otherwise released from the Security at the direction or with the consent of the Lender, at the request, cost and expense of the Borrower (on satisfaction, or on being assured of concurrent satisfaction, of any condition to or obligation imposed with respect to such Disposition), the Lender shall discharge such Property from the Security and deliver and re-assign to the relevant Obligor (without any representation or warranty) any of such Property as is then in the possession of the Lender.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Obligors.

To induce the Lender to enter into this Agreement and advance the Third Advance, the Obligors hereby jointly and severally make the following representations, warranties and covenants:

- (a) **Existence and Qualification.** Each Obligor (i) has been duly incorporated, amalgamated, formed, merged or continued, as the case may be, and is validly subsisting and in good standing as a corporation, company or partnership, under the laws of its jurisdiction of incorporation, amalgamation, merger, formation or continuance, as the case may be (or in the case of Obligors which are not corporations, has been duly created or established as a partnership or other applicable entity and validly exists under and is governed by the laws of the jurisdiction in which it has been created or established), (ii) is duly qualified to carry on its business in each jurisdiction in which it carries on business except for non-qualification which has no Material Adverse Effect on the Business, and (iii) has all required Material Licences. Without in any way limiting the foregoing, the Obligors confirm that they do not carry on business own any Property in any jurisdiction other than the Province of Alberta.
- (b) **Power and Authority.** Each Obligor has the corporate, company or partnership power, capacity and authority, as the case may be, (i) to enter into, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the

Loan Documents and (ii) to own its Property and carry on its business as currently conducted.

- (c) **Execution, Delivery, Performance and Enforceability of Documents.** The execution, delivery and performance of each of the Loan Documents to which any Obligor is a party has been duly authorized by all corporate, partnership or limited liability company, as the case may be, actions required, and each of such documents has been duly executed and delivered by it. Each Loan Document to which any Obligor is a party, constitutes a legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity, or any statutory approvals required pursuant to Section 49 of the IOGR).
- (d) **Compliance with Applicable Laws, Organizational Documents and Contractual Obligations.** None of the execution or delivery of, the consummation of the transactions contemplated in, or the compliance with the terms, conditions and provisions of any of the Loan Documents by any Obligor, conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Requirement of Law in any material respect, any Obligor's Organizational Documents or any Material Contract or Material Licence (except to the extent that such conflict, breach, default, or contravention, as the case may be, would not have and would not reasonably be expected to have a Material Adverse Effect), or results or will result in the creation or imposition of any Liens upon any of its Property except for Permitted Liens.
- (e) **Consent Respecting Loan Documents.** Each Obligor has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required (except for registrations or filings which may be required in respect of the Security) to enable it to execute and deliver each of the Loan Documents to which it is a party and to consummate the transactions contemplated in the Loan Documents.
- (f) **Intellectual Property.**
 - (i) Each Obligor possesses, and shall continue to possess, adequate Intellectual Property to continue to conduct its Business as heretofore conducted by it (except to the extent that the failure to have or maintain the same would not have or reasonably be expected to have a Material Adverse Effect), details of all of which as of the Closing Date are described in Schedule 7.1(f).
 - (ii) Except as disclosed in Schedule 7.1(f):
 - (A) the Obligors have the right to use the Intellectual Property;
 - (B) to the knowledge of the Obligors, the Intellectual Property and the conduct of the Business by the Obligors does not infringe upon or breach the intellectual property rights of any other Person;

- (C) to the knowledge of the Obligors, there has been no unauthorized use or improper use by the Obligors (or any Person granted rights to the Intellectual Property by the Obligors) of the trademarks held by the Obligors which has affected or will affect the distinctiveness thereof or rights therein;
 - (D) to the knowledge of the Obligors, no Person is infringing or breaching any of the trademarks held by the Obligors; and
 - (E) no Obligor has received any written notice challenging an Obligor, or threatening to challenge an Obligor, respecting the validity of, use of or ownership of the Intellectual Property, and to the knowledge of the Obligors, there are no facts upon which such a challenge could be made.
- (g) **Current and Prior Names.** Each Obligor's current and prior names, trade-names and division names are described on Schedule 7.1(g).
- (h) **Corporate Structure.** The corporate structure of each Obligor and all of its Subsidiaries, partnerships and joint ventures is as set out on Schedule 7.1(h). With respect thereto, as of the Closing Date, (i) the authorized share capital and partnership units of the Obligors (as applicable) is as provided in Schedule 7.1(h), of which the number of issued and outstanding Equity Interests and the beneficial owners thereof at such time is provided for in Schedule 7.1(h), and (ii) no Person has an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued Equity Interests in the capital of any Obligor. Except as disclosed on Schedule 7.1(h), no Obligor is engaged in any joint venture or partnership with any other Person, and Schedule 7.1(h) provides a correct description of all such partnerships and joint ventures.
- (i) **Judgments and Litigation.** Except as described in (i) Part I of Schedule 7.1(i), there are no actions, suits, counterclaims or proceedings which are pending or, to the knowledge of the Obligors, threatened against any Obligor which if adversely determined (A) could be expected to result in potential liability in excess of \$200,000, or (B) would have a Material Adverse Effect, and (ii) Part II of Schedule 7.1(i), no Obligor is subject to any material judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed or of which enforcement has not been suspended which (A) could be expected to result in potential liability in excess of \$200,000, or (B) could reasonably be expected to have a Material Adverse Effect. The statement of claim filed on September 11, 2019 by Total Oilfield Rentals Ltd. against the General Partner has been discontinued as of October 22, 2019. The General Partner has no further liability to Total Oilfield Rentals Ltd., other than current liabilities which are not past due and Total Oilfield Rentals Ltd. continues to provide services to the Borrower and General Partner on an ongoing basis.

- (j) **Material Contracts and Licences.** Schedule 7.1(j) (as amended from time to time and updated in accordance with delivery of a Compliance Certificate pursuant to Section 8.2), accurately sets out all Material Contracts and Material Licences. A true and complete certified copy of each Material Contract and Material Licence existing at the Closing Date has been delivered to the Lender and each Material Contract and Material Licence is in full force and effect. No event has occurred and is continuing which would constitute a breach of or a default under any Material Contract or Material Licence. Each Material Contract to which an Obligor is a party is binding upon such Obligor and, to its knowledge, is a binding agreement of each other Person who is a party to the Material Contract. Without in any way limiting the foregoing:
- (i) any and all Material Contracts and Material Licences entered into by, or granted in favour of, the General Partner have been entered into by, or granted in favour of, the General Partner in its capacity as general partner to the Borrower and all rights, privileges, entitlements or benefits thereunder are held by the General Partner in its capacity as general partner of the Borrower; and
 - (ii) to the knowledge of the Obligors, the IOGC Lease, IOGC Surface Leases and IOGC Right of Way were duly and validly authorized and approved by the Band Council of the Sunchild First Nation in accordance with all Applicable Law; and
 - (iii) to the knowledge of the Obligors, the IOGC Lease was duly and validly assigned by Sunchild Oil & Gas Ltd. to the Borrower pursuant to the IOGC Lease Assignment in accordance with all Applicable Law; and
 - (iv) any and all amendments, supplements and modifications to the IOGC Lease, IOGC Surface Leases and IOGC Right of Way have been duly authorized and approved by the General Partner in accordance with all Applicable Law and, to the knowledge of the Obligors, by the other parties thereto in accordance with all Applicable Law; and
 - (v) the Borrower has not at any time received a Direction to Comply under the IOGC Lease, IOGC Surface Leases or the IOGC Right of Way pursuant to section 46 of the IOGR.
- (k) **No Liens.** No security agreement, financing statement or analogous instrument exists as at the Closing Date with respect to any of the Collateral other than any security agreement, financing statement or analogous instrument evidencing Permitted Liens.
- (l) **Security.** The Security constitutes a valid and perfected security interest and floating charge on the Property of the Obligors subject only to Permitted Liens.
- (m) **Title to Collateral.** Each Obligor is the lawful owner of all Collateral (including, without limitation, the Oil and Gas Properties) now purportedly owned or hereafter purportedly acquired by it, free from all Liens, whether voluntarily or involuntarily created and whether or not perfected, other than Permitted Liens and, as of the

Closing Date, no Person has any agreement or right to acquire an interest in such assets other than pursuant to a Permitted Disposition.

- (n) **P&NG Leases.** To the best of the Obligor's knowledge, after due inquiry, all P&NG Leases, processing contracts, franchises, licenses and other agreements described as part of the Collateral are valid and subsisting and are in full force and effect and all of the express or implied terms or provisions of such rights, contracts, franchises, licenses and other agreements, and all Applicable Laws, rules and regulations applicable thereto have been complied with.
- (o) **Royalties.** All rents, royalties and other payments due and payable with respect to the Oil and Gas Properties, under any of the P&NG Leases or any contracts or other instruments constituting a part of the Collateral (collectively "**Royalties**"), have been duly paid. All Royalties and the material terms thereof are listed in Schedule 7.1(o) hereto.
- (p) **Surface Leases and Rights of Way.** Any and all surface leases or rights of way necessary for the proper conduct of the Obligor's operations on the Oil and Gas Properties have been validly obtained in accordance with the IOGC Lease, the Farmout and JV Agreement and Applicable Law and all payments or other consideration due thereunder have been paid and satisfied in full in accordance with the IOGC Lease, the Farmout and JV Agreement and Applicable Law. No surface lease or right of way necessary for the proper conduct of the Obligor's operations on the Oil and Gas Properties is currently in default and there exists no circumstances whereby with the passage of time such surface lease or right of way would be in default or prematurely terminated.
- (q) **Drilling Program and Continuance.** As at the date hereof the Obligors (as applicable): (i) are in compliance with their obligations under the Drilling Program; (ii) have completed eight (8) of the thirteen (13) test wells required under the current Drilling Program; and (iii) to the knowledge of the Obligors, there exists no state of facts or circumstances which would reasonably be viewed to prevent the Obligors from completing the Drilling Program in accordance with the terms and conditions of the IOGC Lease and Farmout and JV Agreement. A current and accurate description of the Drilling Program, as well as the Obligors' progress in relation thereto, is appended hereto as Part I of Schedule 7.1(q). Part II of Schedule 7.1(q) lists those wells completed in connection with the Drilling Program which are producing, or capable of producing, oil or gas, in paying quantities for the purposes of section 24 of the IOGR and the IOGC Lease. The Obligors have no other business or operations, presently or contemplated, other than as comprised within the Drilling Program.
- (r) **Financial Information.** All of the monthly, quarterly and annual Financial Statements (including Audited Financial Statements) which have been furnished to the Lender, or any of them, in connection with this Agreement are complete in all material respects and such Financial Statements fairly present the results of operations and financial position of the Borrower and the other Obligors as of the dates referred to therein and have been prepared in accordance with GAAP. All other financial information (including, without limitation, the Annual Business Plan) provided to the Lender are complete in all material respects and based on reasonable assumptions and expectations and prepared in good faith. None of the Obligors

have any liabilities (contingent or otherwise) or other obligations of the type required to be disclosed in accordance with GAAP which are not fully disclosed on its Audited Financial Statements provided to the Lender for the fiscal period ended June 30, 2019, other than liabilities and obligations incurred in the ordinary course of its business and in connection with the Obligations.

- (s) **Permitted Debt.** As of the Closing Date, no Obligor is obligated, whether directly or indirectly, for any Debt other than the Permitted Debt.
- (t) **Taxes.** Except as disclosed in Schedule 7.1(t), each Obligor has duly and timely filed all Tax returns required to be filed by it and has paid or made adequate provision for the payment of all Taxes levied on its Property or income which are showing therein as due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except in each case for Taxes which are not material in amount or which are not delinquent or if delinquent are being contested, and there is no material action (except, after the date of this Agreement, as is disclosed to the Lender in writing), suit, proceeding, investigation, audit or claim now pending, or to its knowledge, threatened by any Governmental Authority regarding any Taxes nor has it or any other Obligor agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.
- (u) **Full Disclosure.** All information provided or to be provided to the Lender by or on behalf of each Obligor in connection with the Loan is, to each Obligor's knowledge, true and correct in all material respects and none of the documentation furnished to the Lender by or on behalf of it, to the best of each Obligor's knowledge, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds (and any other Person who furnished such material on behalf of it).
- (v) **Insolvency.** No Obligor nor any of their predecessors where applicable (i) has committed any act of bankruptcy, (ii) is insolvent, or has proposed, or given notice of its intention to propose, a compromise or arrangement to its creditors generally, or (iii) has any petition for a receiving order in bankruptcy filed against it, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its Property.
- (w) **Non-Arm's Length Transactions.** All agreements, arrangements or transactions between any Obligor, on the one hand, and any Associate of, Affiliate of or other Person not dealing at Arm's Length with such Obligor, on the other hand, in an amount exceeding \$100,000 in the aggregate in existence at the Closing Date are set forth on Schedule 7.1(w).
- (x) **Location of Collateral.** The offices where each Obligor keeps its books, records and accounts (or copies thereof) concerning the Collateral, the Obligor's principal place of business and all of the Obligor's other places of business generating gross revenue in any Fiscal Year in excess of \$250,000 and locations storing Collateral

with a fair market value in excess of \$250,000 in the aggregate are as set forth in Schedule 7.1(x).

- (y) **Owned Real Property and Oil and Gas Properties.** A list of each Obligor's owned real property and Oil and Gas Properties is as set forth in Schedule 7.1(y).
- (z) **Leased Real Property.** Other than the P&NG Leases, a list of each Obligor's leased real property is as set forth in Schedule 7.1(z).
- (aa) **Title to Properties.** Each Obligor has good and valid title to its Oil and Gas Properties and the owned real property listed in Schedule 7.1(y) hereto, subject only to Permitted Liens and to minor defects of title which in the aggregate do not materially affect its rights of ownership therein or the value thereof or to which the Lender has consented to in writing. Each Obligor is entitled to charge its interests in the Oil and Gas Properties and the owned real property listed in Schedule 7.1(y) hereto in favour of the Lender as provided in this Agreement without the need to obtain any consent of or release from any other Person which has not been obtained and such Oil and Gas Properties and the owned real property listed in Schedule 7.1(y) hereto are not held in trust by any Obligor for any other Person.
- (bb) **Operation of Properties.** All of the oil, gas and other wells of each Obligor have been drilled, completed, operated, shut-in and abandoned, as applicable, (and they have abandoned such wells if they were required by Applicable Law to have been abandoned), in accordance with Applicable Law and the IOGC Lease. Each Obligor's Properties (including the P&NG Leases and Tangibles) have been operated in accordance with Applicable Law and the IOGC Lease and the facilities, plants and Equipment in respect of all of each Obligor's Properties (including the P&NG Leases and Tangibles) have been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all Applicable Law and the IOGC Lease, except, in each case, to the extent that the failure to do any of the foregoing would not be reasonably expected to have a Material Adverse Effect.
- (cc) **Environmental Laws.** Each Obligor is compliant with all Environmental Laws applicable to its Properties and the operation of its business, except where any non-compliance would not reasonably be expected to have a Material Adverse Effect; to the knowledge of the Obligors, no Obligor has any material contingent liability with respect to non-compliance with Environmental Laws or the generation, handling, use, storage, or disposal of Materials of Environmental Concern; and, without limiting the generality of the foregoing, except as would not reasonably be expected to have a Material Adverse Effect:
 - (i) no Obligor has received any Action Request, Violation Notice, summons, complaint, order or other notice that it is not in compliance with, or that any Governmental Authority is investigating its compliance with, Environmental Laws;
 - (ii) no Obligor has knowledge or reason to believe that its operations or any Property of or occupied by such Obligor or in such Obligor's charge, management or control are not in compliance with all applicable Environmental Laws and each of its Properties is free:

- (A) from contamination by, and there has not been thereon a Release of, any Materials of Environmental Concern in breach of any Environmental Law; and
 - (B) of underground storage tanks, landfills, land disposals and dumps;
 - (iii) no Obligor and, to the knowledge of the Obligors, no predecessor of an Obligor, have filed any notice, or received notice, under any Applicable Law, including any Environmental Law, indicating past or present treatment, storage or disposal of a Material of Environmental Concern or reporting any spill or release of a Material of Environmental Concern into the environment;
 - (iv) no Obligor has any contingent liability of which such Obligor has knowledge or reasonably should have knowledge in connection with any release of any Material of Environmental Concern;
 - (v) no Obligor generates, transports, treats or disposes of any Material of Environmental Concern in any manner which is not in compliance with all applicable Environmental Laws; and
 - (vi) to the best of the knowledge of the Obligors, no Person has disposed of any Material of Environmental Concern by placing it in or on the ground of any Obligor's real properties or premises leased by any Obligor.
- (dd) **No Breach of Orders, Licences or Laws.** None of the Obligors is in breach of:
- (i) any order, approval or mandatory requirement or directive of any Governmental Authority;
 - (ii) any governmental licence or permit; or
 - (iii) any Applicable Law,
- the breach of which could reasonably be expected to have a Material Adverse Effect.
- (ee) **Labour Matters.** Except as provided on Schedule 7.1(ee):
- (i) there is no collective bargaining agreement or other labour contract covering employees of any Obligor;
 - (ii) there is no pending or, to the best of its knowledge, threatened strike, work stoppage, material unfair labour practice claims, or other material labour dispute against or affecting any Obligor or its employees which would reasonably be expected to have a Material Adverse Effect;
 - (iii) there are no controversies pending or threatened between any Obligor and any of its employees, other than employee grievances arising in the ordinary course of business which would not reasonably be expected to have a Material Adverse Effect; and

- (iv) the Obligors are in compliance in all material respects with all Applicable Laws respecting employment and employment terms, conditions and practices, except where the failure to so comply would not reasonably be expected to have a Material Adverse Effect.

- (ff) **Welfare Plans and Pension Plans.** Each Obligor has adopted all Welfare Plans required by Applicable Laws and each of such plans has been maintained and each Obligor is in compliance with such laws in all material respects, including, without limitation, all requirements relating to employee participation, funding, investment of funds, benefits and transactions with the Obligors and persons related to them. Except as disclosed on Schedule 7.1(ff), no Obligor sponsors or maintains or is obliged to contribute to a Pension Plan. With respect to any Pension Plan adopted or to which an Obligor may become obliged to contribute, no failure to remit contributions (other than immaterial amounts) has occurred with respect to any such Pension Plan, that is sufficient to give rise to a Lien under any Applicable Laws of any jurisdiction (other than a Permitted Lien), and no condition exists and no event or transaction has occurred with respect to any such Pension Plan which could result in the incurrence by any Obligor of any material liability, fine or penalty. Each Pension Plan is in compliance in all material respects with all Applicable Laws pertaining to pension benefits and Tax laws, (i) all contributions (including employee contributions made by authorized payroll deductions or other withholdings) required to be made to the appropriate funding agency in accordance with all Applicable Laws and the terms of such Pension Plan have been made in accordance with all Applicable Laws and the terms of such Pension Plan, except for amounts which are immaterial, (ii) all liabilities under such Pension Plan are fully funded, on a going concern and solvency basis, in accordance with the terms of the respective Pension Plans, the requirements of applicable pension benefits laws and of applicable regulatory authorities and the most recent actuarial report filed with respect to the Pension Plan. No event has occurred and no conditions exist with respect to any such Pension Plan that has resulted or could reasonably be expected to result in such Pension Plan having its registration revoked or refused for the purposes of any applicable pension benefits or Tax laws or being placed under the administration of any relevant pension benefits regulatory authority or being required to pay any Taxes or penalties under any applicable pension benefits or Tax laws.

- (gg) **Computer Software.** Each Obligor owns or has licensed for use or otherwise has the right to use all of the material software necessary to conduct its businesses. All computer equipment owned or used by an Obligor and necessary for the conduct of business has been properly maintained and is in good working order for the purposes of on-going operation, subject to ordinary wear and tear for computer equipment of comparable age.

- (hh) **Insurance.** Each Obligor, or the General Partner on behalf of itself and all other Obligors, has maintained and maintains insurance which is in full force and effect that complies with all of the requirements of this Agreement. Schedule 7.1(hh) lists all existing insurance policies maintained by the Obligors as of the Closing Date.

- (ii) **No Material Adverse Effect.** No event has occurred which has had or could reasonably be expected to have a Material Adverse Effect.

- (jj) **No Pending Event of Default or Event of Default.** No Pending Event of Default or Event of Default has occurred and is continuing.
- (kk) **Bank Accounts and Security Accounts.** A list of the each Obligor's bank accounts and Securities Accounts are set forth in Schedule 7.1(kk).
- (ll) **Subsidiaries.** As of the date hereof, neither Obligor has any Subsidiaries.
- (mm) **No Unusual Agreements or Restrictions.** No Obligor is party to, bound by or subject to any indenture, agreement, contract, instrument, lease, charter document, injunction, order, restriction or decree, which could reasonably be expected to have a Material Adverse Effect. All agreements applicable to the Obligor's Oil and Gas Properties are of the type generally found in the oil and gas industry, and do not (individually or in the aggregate) contain any unusual provisions which could reasonably be expected to have a Material Adverse Effect.
- (nn) **No Take or Pay Agreements.** No Obligor is party to or bound by, and neither any Obligor nor any of the Oil and Gas Properties are subject to, any "take or pay" contract or settlement or any other agreement or arrangement that (i) allows any natural gas purchasers to take natural gas previously paid for out of future natural production, or (ii) provides for a cash refund or rebate to any natural gas purchaser if reimbursement of take or pay monies is not made through natural gas production.
- (oo) **No Calls on Production.** No agreement, whether written or oral, exists pursuant to which any Person has a call upon, option to purchase or similar right with respect to future production from or allocable to the P&NG Leases other than pursuant to Approved Marketing Contracts.
- (pp) **Farmout Agreements and Subject Contracts, Etc.** With respect to the Oil and Gas Properties, and except as set forth on Schedule 7.1(pp), no Obligor has created and, there exist no:
 - (i) farmout agreements under which (A) an Obligor has any remaining obligations or (B) any other Person has any remaining rights to acquire an interest of any kind in the Oil and Gas Properties;
 - (ii) outstanding obligations to drill wells or engage in other development operations, except for (A) obligations under the P&NG Leases to drill an offset well and (B) obligations under an operating agreement to participate in development activities to which any Obligor has consented;
 - (iii) limitations as to the depths covered or substances to which such interests relate other than as specified in the P&NG Leases; and
 - (iv) royalty provisions requiring the payment of royalties on any basis other than as specified in the P&NG Leases.
- (qq) **Operating Agreements.** With respect to any operating agreements relating to the Oil and Gas Properties:

- (i) Schedule 7.1(qq) identifies all operating agreements to which the Oil and Gas Properties are subject;
 - (ii) Schedule 7.1(qq) identifies all outstanding calls for payment, all of which are, unless otherwise noted on Schedule 7.1(qq), being paid within the term required; and
 - (iii) there are no operations with respect to which an Obligor or any predecessor in title has become a non-consenting party, nor are there any non-consent penalties binding or that will become binding upon any Obligor.
- (rr) **Suspense of Proceeds.** All proceeds from the sale of Petroleum Substances attributable to the Obligors' interests in the Oil and Gas Properties are being received by the Obligors in a timely manner and are not being held in suspense for any reason.
- (ss) **Marketing of Production.** No Obligor sells or otherwise disposes of any material portion of the Petroleum Substance production allocable to the Oil and Gas Properties except pursuant to Petroleum Substance marketing and sale contracts that are (a) identified on Schedule 7.1(ss) and in effect on the date of this Agreement, or (b) approved by the Lender (each an "**Approved Marketing Contract**"). Each Obligor is receiving a price for all Petroleum Substance production sold that is computed substantially in accordance with the terms of the relevant contract, and deliveries are not being curtailed substantially below the subject Oil and Gas Property's delivery capacity.
- (tt) **Existing Swaps.** All Existing Swaps as of the Closing Date are listed in Schedule 1.1(xx).
- (uu) **Untrue Statements.** None of the foregoing representations and warranties and no document furnished by or on behalf of any Obligor to the Lender in connection with the negotiation of the transactions contemplated by this Agreement contain any untrue statement of a material fact or omit to state any material fact necessary to make any such statement or representation (taken as a whole) not materially misleading at such time in light of the circumstances under which such information or data was furnished.

7.2 Survival of Representations and Warranties of Obligors.

The Obligors jointly and severally represent, warrant and covenant that all representations, warranties and covenants contained in this Agreement and the Loan Documents (whether appearing in Article 7 or elsewhere, including any certificate delivered pursuant hereto or in connection herewith, whether concurrent with or subsequent to the Closing Date) shall be true, correct and complete in all material respects at the time of the Obligors' execution of this Agreement or at the date of delivery, as applicable, shall survive the execution, delivery and acceptance hereof by the parties hereto and the closing of the transactions described herein or related hereto, and shall, except for representations and warranties that relate solely to an earlier date, remain true, correct and complete in all material respects until the indefeasible repayment and performance in full of all of the Obligations and termination of this Agreement.

ARTICLE 8 - SCHEDULES AND REPORTS

8.1 Information.

The Obligors shall deliver to the Lender, or cause the delivery of, the following information:

- (a) no later than forty-five (45) days after each Fiscal Quarter End, copies of internally prepared Consolidated Financial Statements of the Borrower;
- (b) no later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, copies of Consolidated Audited Financial Statements of the Borrower;
- (c) no later than thirty (30) days subsequent to the commencement of each Fiscal Year of the Borrower, a copy of the Annual Business Plan approved by the General Partner's board of directors in form and substance satisfactory to the Lender and, within twenty (20) days of any material modification thereto, a copy of the Annual Business Plan previously delivered, as modified;
- (d) no later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, the Independent Engineering Report;
- (e) no later than one hundred and twenty (120) days after the end of each Fiscal Year of the Borrower, a summary of the abandonment and reclamation obligations and AER obligations (as applicable) related to the Oil and Gas Properties;
- (f) no later than thirty (30) days subsequent to the last day of each calendar month, detailed operating reports in a form and substance satisfactory to the Lender; and
- (g) such other reports as the Lender may reasonably request, including without limitation project specific accounting.

8.2 Compliance Certificates.

- (a) With each financial statement delivered pursuant to Sections 8.1(a) and 8.1(b), the Borrower shall deliver to the Lender a Compliance Certificate.
- (b) On the Closing Date, and with each financial statement delivered pursuant to Sections 8.1(a) and 8.1(b), the Borrower shall deliver to the Lender an Oil and Gas Ownership Certificate.
- (c) On the Closing Date, and with each Independent Engineering Report delivered pursuant to Section 8.1(d) the Borrower shall deliver to the Lender an Environmental Certificate.

8.3 Other Matters.

At such times as may be requested by the Lender from time to time hereafter, the Obligors shall deliver to the Lender such additional schedules, certificates, reports and information with respect to the Collateral as the Lender may from time to time reasonably require. All schedules, certificates, reports and assignments and other items delivered by the Obligors to the Lender hereunder shall be executed by an authorized representative of the Obligors (as applicable), and shall be in such form and contain such information as

the Lender shall reasonably request. The Lender, through its officers, employees or agents, shall have the right, upon reasonable notice at any time and from time to time, in the Lender's name, in the name of a nominee of the Lender or in an Obligor's name, to verify the validity, amount or any other matter relating to any of the Collateral, by mail, telephone, e-mail or otherwise. The Borrower shall reimburse the Lender, on demand, for all reasonable receipted costs, fees and expenses incurred by the Lender in this regard.

ARTICLE 9 - COVENANTS

9.1 Covenants.

Until indefeasible payment and performance in full of all Obligations and termination of this Agreement, unless the Borrower obtains the prior written consent of the Lender waiving or modifying any covenants hereunder in any specific instance, the Obligor shall:

- (a) **Timely Payment.** Make due and timely payment of the Obligations required to be paid by it hereunder.
- (b) **Conduct of Business, Maintenance of Existence, Compliance with Laws.** Carry on and conduct its Business and operations and to maintain (or cause to be maintained) its Properties, in a proper, efficient and businesslike manner, in accordance with good business practice and good oilfield practice except for non-compliance which would not have a Material Adverse Effect; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business and to comply in all material respects with all Material Contracts, Material Licences and Requirements of Law, including without limitation taking any and all actions required (whether under the IOGR, the IOGC Lease, the IOGC Surface Leases, the IOGC Right of Way or the Farmout and JV Agreement or otherwise) to preserve and maintain the IOGC Lease and the Obligor's rights and privileges thereunder.
- (c) **Operation of Properties.** The Obligor will operate its respective Property (including without limitation the Oil and Gas Properties), or, if it is not the operator, use reasonable efforts to ensure that such Property is operated, in accordance with sound industry practice and in accordance in all respects with Applicable Law, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (d) **Further Assurances.** At the reasonable request of the Lender, provide the Lender with such other documents, opinions, consents, acknowledgements and agreements as are reasonably necessary to implement this Agreement and the other Loan Documents from time to time.
- (e) **Access to Information.** Promptly provide the Lender with all information reasonably requested by the Lender from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Lender to inspect any of its Property and to examine and take extracts from its financial books, accounts and records including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial affairs, its

business or any part of its Property with its senior officers and (in the presence of such of its representatives as it may designate) the Auditor. Provided that a Pending Event of Default or Event of Default is then continuing (or the Lender reasonably expects that that is the case), the Borrower will pay all reasonable expenses incurred by such representatives in order to visit an Obligor's premises or attend at each Obligor's principal office, as applicable, for such purposes.

- (f) **Obligations and Taxes.** Pay or discharge or cause to be paid or discharged, before the same shall become delinquent (i) all material Taxes imposed upon it or upon its income or profits or in respect of its business or Property and file all tax returns in respect thereof; (ii) all lawful claims for labour, materials and supplies; (iii) all required payments under any of its Permitted Debt, and (iv) all other obligations; provided, however that it shall not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and, in the case of clause (i) above, an adequate reserve in accordance with GAAP has been established in its books and records.
- (g) **Use of Loan.** Use the proceeds of the Loan only as contemplated in Section 2.3.
- (h) **Performance of Leases.** Perform or cause to be performed all obligations under all leases relating to its Property (including without limitation the P&NG Leases and Tangibles), including payment of rentals, royalties, taxes or other charges in respect thereof which are necessary to maintain all such leases in good standing in all material respects.
- (i) **Defend Title to Assets.** Defend the title to the Oil and Gas Properties of the Obligors and, to the extent that failure to do so would have a Material Adverse Effect, all of the Obligors' other Property against the claims of all Persons whatsoever.
- (j) **Insurance.** Maintain or cause to be maintained with reputable insurers coverage against risk of loss or damage to its Property (including public liability and damage to property of third parties) and business interruption insurance of such types as is customary and in accordance with prudent business practices for corporations or other entities of the size and type of business and operations as the Obligors and provide to the Lender, as requested (acting reasonably), evidence of such coverage showing the Lender as a loss payee. The Obligors shall, prior to the expiry or replacement of any insurance policy, notify the Lender of the replacement and at the Lender's request send copies of all replacement policies to the Lender.
- (k) **Notice of Pending Event of Default or Event of Default.** Promptly and, in any event within two (2) Business Days, notify the Lender of any Pending Event of Default or Event of Default that would apply to it or to any Obligor of which it becomes aware of along with the action to be taken by the Obligors to remedy any such Pending Event of Default or Event of Default.
- (l) **Notice of Material Adverse Effect.** Promptly notify the Lender of any Material Adverse Effect of which it becomes aware.

- (m) **Notice of Litigation.** Promptly notify the Lender on becoming aware of the occurrence of any litigation, dispute, arbitration, proceeding or other circumstance the result of which if determined adversely would or could reasonably be expected to result in (a) a judgment or award against it in excess of \$200,000 or (b) a Material Adverse Effect, and from time to time provide the Lender with all reasonable information requested by it concerning the status of any such proceeding.
- (n) **Other Notices.** Promptly, upon having knowledge, give notice to the Lender of:
- (i) any notice of expropriation affecting any Obligor;
 - (ii) any Action Request or Violation Notice;
 - (iii) any violation of any Applicable Law which does or may have a Material Adverse Effect on any Obligor;
 - (iv) any default under any Debt in a principal amount greater than \$100,000 of an Obligor;
 - (v) any termination prior to maturity of or default under a Material Contract or any termination, lapse, rescission or default under a Material Licence;
 - (vi) any damage to or destruction of any Property of any Obligor having a replacement cost in excess of \$200,000;
 - (vii) the receipt of insurance proceeds by any Obligor in excess of \$200,000;
 - (viii) any Lien registered against any Property of any Obligor, other than a Permitted Lien;
 - (ix) the occurrence of any event referred to in Section 7.1(dd);
 - (x) any entering into of a Material Contract or Material License;
 - (xi) any notice, waiver or consent given or received pursuant to or in connection with any Material Contract or Material License including notice of any proposed amendment, modification or supplement thereto;
 - (xii) the receipt of either of the confirmation or band council resolution requested by the General Partner in its April 11, 2019 letter addressed to Sunchild Oil and Gas Ltd.; and
 - (xiii) any material change in, or material amendment to, a Material Contract or Material License.
- (o) **Environmental Compliance.** Without limiting the generality of Section 9.1(b) hereof, operate its business in compliance with Requirements of Law and operate all Property owned, leased or otherwise used by it such that no material obligation, including a clean-up, reclamation or remedial obligation, will arise under any Applicable Law; provided, however, that if any such claim is made or any such obligation arises, the applicable Obligor shall promptly satisfy, address, remediate,

reclaim or contest such claim or obligation at its own cost and expense. It shall promptly notify the Lender upon: (i) learning of the existence of any Materials of Environmental Concern located on, above or below the surface of any land which it owns, leases, operates, occupies or controls (except those being stored, used or otherwise handled in compliance with Applicable Law); and (ii) the occurrence of any reportable release, spill, leak, emission, discharge, leaching, dumping or disposal of Materials of Environmental Concern that has occurred on or from such land, which, in either the case of (i) or (ii), is likely to result in liability under Applicable Law in excess of \$200,000.

(p) **Environmental Audit.** If the Lender, acting reasonably, determines that any Obligor's obligations or other liabilities in respect of matters dealing with the protection or contamination of the Environment or the maintenance of health and safety standards, whether contingent or actual, would reasonably be expected to have a Material Adverse Effect then, at the request of the Lender, the Obligors will, and will cause their respective Subsidiaries to, assist the Lender in conducting an environmental audit of the property which is the subject matter of such contingent or actual obligations or liabilities, by an independent consultant selected by the Lender. The reasonable costs of such audit will be for the account of the Borrower, provided that the Lender will carry out such audit in consultation with the Obligors to expedite its completion in a cost effective manner. Should the result of such audit indicate that the any Obligor is in breach, or with the passage of time will be in breach, of any Environmental Law and such breach or potential breach has or would reasonably be expected to have, in the opinion of the Lender, acting reasonably, a Material Adverse Effect, and without in any way prejudicing or suspending any of the rights and remedies of the Lender under the Loan Documents, the Obligors will, and will cause their respective Subsidiaries to, forthwith commence and diligently proceed to rectify or cause to be rectified such breach or potential breach, as the case may be, and will keep the Lender fully advised of the actions it intends to take and has taken to rectify such breach or potential breach and the progress it is making in rectifying same. The Lender will be permitted to retain, for the account of the Borrower (to the extent such account is reasonable), the services of a consultant to monitor any Obligor's compliance with this Section 9.1(p).

(q) **Security.** With respect to the Security:

- (i) provide to the Lender the Security required from time to time pursuant to Article 6 (or as otherwise provided pursuant to the Existing Loan Agreement) in accordance with the provisions of such Article, accompanied by supporting resolutions, certificates and opinions in form and substance satisfactory to the Lender, acting reasonably; and
- (ii) do, execute and deliver all such things, documents, agreements and assurances as may from time to time be requested by the Lender to ensure that the Lender holds at all times valid, enforceable, perfected Security as contemplated by Article 6 and as delivered under the Existing Loan Agreement, subject to the qualifications described therein (including, subject to Permitted Liens).

- (r) **Maintenance of Property.** Keep all Property useful and necessary in its business in good working order and condition, normal wear and tear excepted, and maintain all Intellectual Property necessary to carry on its business.
- (s) **Permits.** The Obligors will, and will cause their respective Subsidiaries to, comply with Applicable Laws and obtain and maintain all permits, licenses, consents and approvals necessary to the ownership of its Property and to the conduct of its Business in each jurisdiction where it carries on business or owns Property, including those issued or granted by Governmental Authorities, except to the extent failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (t) **Employee Benefit and Welfare Plans.** Maintain all employee benefit, Pension Plans and Welfare Plans relating to its business in compliance with all Applicable Laws except for immaterial non-compliance.
- (u) **Material Contracts and Material Licences.** At the request of the Lender from time to time, provide to the Lender certified copies of all Material Contracts and Material Licences.
- (v) **Books and Records.** At all times keep accurate and complete books, records and accounts with respect to all of its business activities, in accordance with sound accounting practices and, where applicable, GAAP consistently applied, and shall keep such books, records and accounts, and any copies thereof, only at the addresses indicated for such purpose on Schedule 7.1(x).
- (w) **Additional Real Property.** Provide written notice to the Lender with respect to any acquisition of real property (including Oil and Gas Properties) by any Obligor with a value in excess of \$200,000.
- (x) **Quarterly Meetings.** Schedule a meeting between the Lender and the management of the Borrower once each Fiscal Quarter during the life of the Loan (at a mutually agreed upon time and place) to discuss the Borrower and its Business including, without limitation, the Borrower's operations, finances and strategic plans.
- (y) **Financial Covenants.**
 - (i) Current Ratio. The Borrower shall maintain a Current Ratio greater than 1.0:1 as at March 31, 2020 and as at each Fiscal Quarter End thereafter.
 - (ii) Net Debt to TTM EBITDA Ratio. The Borrower shall maintain a Net Debt to TTM EBITDA Ratio equal to or less than 2.5:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.
 - (iii) Net Debt to Proved Reserve Value Ratio. The Borrower shall maintain a Net Debt to Proved Reserve Value Ratio equal to or less than 0.50:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.
 - (iv) LLR/LMR. The Borrower shall maintain a LLR/LMR of not less than 2.5:1 as at the Closing Date and as at each Fiscal Quarter End thereafter.

All financial ratios shall be determined on a Consolidated basis in accordance with GAAP and shall each be tested and calculated quarterly as set forth above.

For greater certainty, the ratio in Section 9.1(y)(iii) shall be determined with reference to the Proved Reserve Value, which is specified in the most-recently available Independent Engineering Report at the time such ratio is to be determined, provided that upon its availability, any new or updated Independent Engineering Report (and the figures therein) shall retroactively apply to the calculation of the ratio in Section 9.1(y)(iii) which relate to a period of time on or after the effective date of such Independent Engineering Report.

- (z) **Operations.** The Obligors shall carry out all operations with respect to its Oil and Gas Properties and under the Drilling Program diligently in a good, safe and workmanlike manner, in material compliance with the IOGC Lease, any resulting leases, the Farmout and JV Agreement and Applicable Law, and further, will utilize its best judgment and discretion and exercise the degree of care, diligence and skill that a prudent party having the same or similar duties and responsibilities would exercise in comparable circumstances. The Obligors shall carry out all operations diligently, in a good and workmanlike manner, in accordance with good oilfield practices for drilling and casing wells and injecting substances. Insofar as the Obligors hire contractors to conduct any part of such operations, the Obligors shall supervise those contractors to the extent reasonably necessary to ensure that those contractors conduct their work in the manner set out in this Section 9.1(z).

- (aa) **Health, Safety and the Environment.** Without limiting the obligations of the Obligors elsewhere in this Agreement, the Obligors shall conduct the operations under the Drilling Program in compliance with Applicable Law pertaining to health, safety and the Environment. With the goals of achieving safe and reliable operations and avoiding adverse and unintended impact on the Environment, property and the health or safety of people, the Obligors shall:
 - (i) design and operate to standards that are intended to achieve sustained reliability and promote the effective management of health, safety and Environment risks; and
 - (ii) apply structured and documented health, safety and Environment management systems and procedures consistent with those generally applied by a responsible operator under similar circumstances to manage health, safety and Environment and security risks effectively and pursue sustained reliability of operations, including: (A) internal processes to identify and minimize or address health, safety and Environment risks; (B) internal processes to address the response to any emergency; (C) work rules that restrict or prohibit the possession or use of alcohol, illicit drugs or other controlled substances and weapons on the Oil and Gas Properties; and (D) internal security processes to protect the Oil and Gas Properties from harm, damage and theft.

- (bb) **Compliance with IOGC Lease, IOGC Right of Way, IOGC Surface Lease.** Without in any way limiting any other covenant herein, each Obligor shall at all times comply with the material terms, conditions, provisions, obligations and covenants provided for in the IOGC Lease (including the Drilling Program

thereunder), IOGC Right of Way, IOGC Surface Lease and Farmout and JV Agreement, as each amended and revised from time to time.

- (cc) **Hedging Policies.** The Borrower will furnish to the Lender, the Borrower's hedging policies (including information relating to the Borrower's hydrocarbon price risk management program) and any material changes thereto, in each case promptly after the approval thereof by the General Partner's board of directors.
- (dd) **Commodity Swap Contracts.** The Lender may review the Borrower's hydrocarbon price risk management program from time to time and the Lender may require, in its sole discretion, that the Borrower or any other Obligor enter into additional Hedge Arrangements. If the Lender notifies the Borrower or any other Obligor that its hydrocarbon price risk management program is, in the reasonable opinion of the Lender, not in compliance with this Section 9.1(dd), then the Borrower or other Obligor (as applicable) shall promptly act to bring its program into compliance on commercially reasonable terms.
- (ee) **Management.** The Obligors shall maintain their current senior management being comprised of Ryan Martin and Lon Kasha, unless otherwise consented to by the Lender.
- (ff) **Hedging Strategy.** Within forty-five (45) days of the Closing Date, the Obligors shall implement an ongoing hedging strategy satisfactory to the Lender (the "**Hedging Strategy**"), which Hedging Strategy shall include, *inter alia*, minimum hedging thresholds with an approximate target of 40% of production based on gas volumes determined on a trailing twelve month average. The Obligors shall report to the Lender on their compliance with the Hedging Strategy, in a form satisfactory to the Lender, on December 31, 2019 and as at each Fiscal Quarter End thereafter.

9.2 Negative Covenants

So long as this Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, which consent shall not be unreasonably withheld, the Obligors shall not and shall ensure that each Subsidiary, as applicable, shall not, but only to the extent within the Obligors' control:

- (a) **Disposition of Property.** Except for Permitted Dispositions, Dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired.
- (b) **No Consolidation, Amalgamation, etc.** Consolidate, amalgamate or merge with any other Person other than an Obligor, continue a corporation into a jurisdiction outside of Canada, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution unless prior written approval has been received by the Lender and such documentation as is required by counsel to the Lender is delivered concurrently with such transaction.
- (c) **No Change of Name.** Change its name, adopt a French form of name or change its jurisdiction of incorporation or formation in each case without providing the Lender with fifteen (15) days' prior written notice thereof.

- (d) **No Debt.** Create, incur, assume or permit any Debt to remain outstanding, other than Permitted Debt.
- (e) **Operating Leases.** Create, incur, assume or permit obligations outstanding in respect to operating leases (which, for greater certainty, does not include leases of real property) such that the aggregate annual payments due on such leases for all Obligor exceeds \$1,000,000.
- (f) **No Investments.** Make any Investment, directly or indirectly, except a Permitted Cash Investment or Investments in or to another Obligor.
- (g) **No Financial Assistance.** Give any Financial Assistance to any Person, other than in respect of Permitted Debt.
- (h) **No Distributions.** Make any Distribution, other than a Distribution to another Obligor.
- (i) **No Lien.** Create, incur, assume or permit to exist any Lien upon any of its Property except a Permitted Lien.
- (j) **Acquisitions.** Make any Acquisitions other than Permitted Acquisitions,.
- (k) **No Change to Year End.** Make any change to its Fiscal Year.
- (l) **No Change to Business.** Carry on any business other than the Business.
- (m) **Limitation on Hedging Arrangements.** The Obligor will not enter into or maintain any Hedge Arrangement, unless such Hedging Agreement is entered into for (i) hedging purposes only in the ordinary course of business, (ii) not for speculative purposes, and (iii) such Hedge Arrangement is entered into in accordance with the then current hedging policies approved by the board of directors of the General Partner.
- (n) **Location of Assets in Other Jurisdictions.** Except for any Property in transit in the ordinary course of business, acquire any Property outside of the jurisdictions identified in Schedule 7.1(x) or move any Property from one jurisdiction to another jurisdiction where the movement of such Property would cause the Lien of the Security over such Property to cease to be perfected under Applicable Law, or suffer or permit in any other manner any of its Property to not be subject to the Lien of the Security or to be or become located in a jurisdiction as a result of which the Lien of Security over such Property is not perfected, unless (i) the Obligor has first given thirty (30) days' prior written notice thereof to the Lender, and (ii) the applicable Obligor has first executed and delivered to the Lender all Security and all financing or registration statements in form and substance satisfactory to the Lender which the Lender or its counsel, acting reasonably, from time to time deem necessary or advisable to ensure that the Security at all times constitutes a perfected Lien (subject only to Permitted Liens) over such Property notwithstanding the movement or location of such Property as aforesaid together with such supporting certificates, resolutions, opinions and other documents as the Lender may deem necessary or desirable in connection with such security and registrations.

- (o) **Amendments to Organizational Documents.** Amend any of its Organizational Documents in a manner that would be prejudicial to the interests of the Lender under the Loan Documents.
- (p) **Amendments to other Documents.** Amend, vary or alter any Material Contract or Material Licence in a manner that would reasonably be expected to have a Material Adverse Effect.
- (q) **Non-Arm's Length Transactions.** Effect any transactions with any Person (other than an Obligor) not dealing at Arm's Length with the transacting Obligor unless such transaction is on market terms and consistent with transactions with Persons at Arm's Length and unless such transaction is first approved by the Lender in writing or materially amend the agreements and arrangements listed in Schedule 7.1(w).
- (r) **Sale and Leaseback.** Enter into any arrangement with any Person providing for the leasing by any Obligor, as lessee, of Property which has been or is to be sold or transferred by such Obligor to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such Property or the lease obligation of any Obligor.
- (s) **Employee Loans.** Make any loans or advances to an employee of an Obligor other than loans in an aggregate amount not to exceed \$250,000 at any time; provided that such loans are used to purchase Equity Interests in such Obligor and, at the time of the loan, no Pending Event of Default or Event of Default exists.
- (t) **Auditor.** Change its Auditor except where the replacement auditor is consented to by the Lender, not to be unreasonably withheld.
- (u) **Capital Expenditures.** Without the prior written consent of the Lender, no Obligor shall make any Capital Expenditures except as included in the Annual Business Plan for such Fiscal Year.
- (v) **Compensation.** Make any material changes to employee or management compensation practices other than changes which are customary and reasonable in a business similar to the Business.
- (w) **No New Subsidiaries.** Create or acquire any Subsidiary after the Closing Date unless: (i) such Subsidiary exists pursuant to the laws of Canada or any province of Canada; (ii) all of the issued and outstanding capital of such Subsidiary is owned by an Obligor; (iii) such new Subsidiary provides a legal, valid and enforceable guarantee and indemnity in favour of the Lender and security in form and substance satisfactory to the Lender and secured by a demand debenture from such Subsidiary in favor of the Lender constituting a first-ranking Lien on all of the present and after-acquired Property of such Subsidiary (subject only to Permitted Liens), including a fixed and floating charge over all real property of such Subsidiary; and (iv) all resolutions (corporate, shareholder or otherwise) required by the Lender, acting reasonably, in connection therewith, are delivered to the Lender, and in each case customary legal opinions are delivered by Borrower's counsel to the Lender, acting reasonably.

- (x) **No Share Issuance.** Issue any Equity Interests unless the Person to whom such Equity Interests are issued is an Obligor.
- (y) **Joint Ventures.** The Obligors will not, nor will it permit any other Obligor to, enter into, agree to enter into or commit any of the Properties subject to the Security in connection with the organization of any partnership, joint venture or similar arrangement, other than the Farmout and JV Agreement.

9.3 Entitled to Perform Covenants

If the Obligors fail to perform any covenant contained in this Article 9, or in any other provision hereof or of any of the other Loan Documents, the Lender may perform in any manner deemed fit by it without thereby waiving any rights to enforce this Agreement or the other Loan Documents, any such covenant capable of being performed by it and if any such covenant requires the payment of money, the Lender may make such payments. All sums so expended by the Lender shall be deemed to form part of the Obligations, shall bear interest at the same rate as the Loan and shall be payable by the Borrower on demand.

ARTICLE 10 - CONDITIONS PRECEDENT

10.1 Conditions Precedent to Third Advance.

The obligation of the Lender to advance the Third Advance to the Borrower is subject to the satisfaction or waiver on or before the Closing Date of the following conditions precedent (in form and substance satisfactory to the Lender):

- (a) each of this Agreement, the Security and all other Loan Documents shall have been executed and delivered by all parties thereto;
- (b) each of the Environmental Certificate and Oil and Gas Ownership Certificate shall be executed and delivered by the Borrower and dated effective as of the Closing Date;
- (c) the Lender shall have received certified copies of the Organizational Documents of each Obligor (or, if previously delivered, a certification that there has been no changes thereto since most recently delivered to the Lender), the resolutions authorizing the execution, delivery and performance of each Obligor's respective obligations under this Agreement and the other Loan Documents, as applicable, and the transactions contemplated herein, and the incumbency of the officers of the Obligors that are party to this Agreement and the other Loan Documents to be delivered pursuant to Section 6.1;
- (d) copies of all shareholder agreements and partnership agreements, if any, applicable to each Obligor, certified by such Obligor to be true, accurate, complete and in full force and effect, shall have been delivered to the Lender's satisfaction (or, if previously delivered, a certification that there has been no changes thereto since most recently delivered to the Lender);
- (e) certificates of status or good standing, as applicable, for all relevant jurisdictions of each Obligor shall have been delivered to the Lender;

- (f) each Obligor shall be in compliance in all material respects with all Material Contracts and Material Licences to the satisfaction of the Lender and, as requested by the Lender (and to the extent not previously delivered to the Lender in connection with the Existing Loan Agreement), copies of all Material Contracts and Material Licences applicable to each Obligor, certified by the Borrower to be true, accurate, complete and in full force and effect, shall have been delivered to the Lender;
- (g) evidence of repayment in full of all Debt that is not Permitted Debt, if any, shall have been delivered to the Lender concurrent with the advance of the Loan;
- (h) evidence that all necessary or required consents or approvals of any Governmental Authority or other Person in connection with the delivery of the Loan Documents have been obtained;
- (i) releases, discharges, estoppels and postponements with respect to all Liens which are not Permitted Liens, if any, shall have been delivered to the Lender or applicable solicitors' undertakings to obtain and register same coupled with the appropriate discharge statements;
- (j) payment of all amounts and fees payable to the Lender in accordance with this Agreement, including, without limitation, the Cash Fee payable pursuant to Section 4.6, the costs and expenses payable pursuant to Section 4.7 and the **[accrued and unpaid interest pursuant to Section 2.3(c)]**;
- (k) all filings, registrations and recordations shall have been made to perfect the Security in all relevant jurisdictions reasonably required by the Lender, including without limitation, security notices filed with IOGC and under the PPSA and, in the case of any real property, on title;
- (l) a currently dated letter of opinion of counsel of the Obligors that are party to Loan Documents, in form and substance satisfactory to the Lender, shall have been delivered to the Lender;
- (m) the Borrower shall have delivered to the Lender evidence of insurance acceptable to the Lender showing the Lender as a first loss payee;
- (n) no Pending Event of Default or Event of Default has occurred and is continuing on the Closing Date or would result from making the advance of the Third Advance and a senior officer of the General Partner shall have certified the same to the Lender;
- (o) all representations and warranties made by the Obligors in the Loan Documents are true and correct in all material respects;
- (p) all covenants required hereunder shall be performed, kept or observed in a manner satisfactory to the Lender;
- (q) the Lender shall be satisfied that all information provided to the Lender from any Obligor in connection with the negotiation of the transactions contemplated by this Agreement is neither false nor misleading;

- (r) no Material Adverse Effect has occurred and a senior officer of the General Partner shall have certified the same to the Lender;
- (s) the Lender shall have received such additional evidence, documents or undertakings as the Lender shall reasonably request to establish the consummation of the transactions contemplated hereby and be satisfied, acting reasonably, as to the taking of all proceedings in connection herewith in compliance with the conditions set forth in this Agreement;
- (t) the Lender shall have obtained all necessary internal approvals to enter this Agreement and provide the Third Advance;
- (u) the Amended and Restated Production Payment Agreement (and all necessary approvals for the execution, delivery and performance thereof), in form and substance acceptable to the Lender, shall have been executed or performed (as applicable) by the Obligors and their respective shareholders and partners (as applicable);
- (v) documentation evidencing payment terms from key vendors, and such other information as the Lender may reasonably request, in each case with respect to the Drilling Program, shall have been delivered to the Lender;
- (w) a release from the Obligors and LR Guarantors; and
- (x) the Lender shall have completed all due diligence which it considers necessary or appropriate in its discretion in regard to each Obligor and its Property, books and records, operations, prospects and condition (financial or otherwise), including, without limitation, in regards to past and ongoing compliance with Applicable Laws (including Environmental Laws), union and labour relations and pension matters.

ARTICLE 11 – EVENTS OF DEFAULT

11.1 Events of Default.

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

- (a) the failure of the Borrower to repay the Principal Amount or any portion thereof when due; or
- (b) the failure of the Borrower to pay any interest, fees or other Obligations (other than principal hereunder but for greater certainty, including amounts that may be payable under Section 3.2) under the Loan Documents when due, which failure continues unremedied for three (3) Business Days; or
- (c) the failure of any Obligor to perform, keep or observe any of the covenants contained in this Agreement (other than as described in Sections 11.1(a)-(b) and 11.1(d)-(s)) or in any of the Loan Documents, in each case, provided that if within thirty (30) days of such Obligor becoming aware of its occurrence, such Obligor diligently attempts to remedy such non-compliance and continually informs the Lender of its efforts in this regard, and such non-compliance is remedied within such

period, then such non-compliance shall be deemed not to constitute an Event of Default; or

- (d) the failure of the Borrower to be in compliance with any of the financial covenants set forth in Section 9.1(y); or
- (e) the making or furnishing by the Obligors or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other communication of a material nature within or in connection with this Agreement or the Loan Documents which is untrue or misleading in any material respect when made; provided that, no Event of Default under this Section 11.1(e) will occur if such representation, warranty or other communication was not intentionally untrue or misleading, is capable of being corrected within thirty (30) days of being made and is diligently corrected within such thirty (30) day period; or
- (f) if any Obligor ceases or threatens to cease to carry on business generally or admits its inability or fails to pay its debts generally; or
- (g) if any Obligor or LR Guarantor denies its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or
- (h) any of the Loan Documents or any material provision of any of them becomes unenforceable, unlawful or is changed by virtue of legislation or by a court, statutory board or commission, in each case in a manner that is materially adverse to the Lender, if any Obligor or LR Guarantor (as applicable) does not, within five (5) Business Days of receipt of notice of such Loan Document or material provision becoming unenforceable, unlawful or being changed and being provided with any required new agreement or amendment for execution, replace such Loan Document with a new agreement that is in form and substance satisfactory to the Lender or amend such Loan Document to the satisfaction of the Lender; or
- (i) if any Obligor becomes insolvent, makes any assignment in bankruptcy or makes any other similar assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such a petition; or
- (j) if any proceeding or filing shall be instituted or made against any Obligor seeking to have an order for relief entered against such Obligor as debtor or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition under any law relating to bankruptcy, insolvency, reorganization or relief or debtors (including, without limitation, the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement*

Act (Canada) and the *Winding-Up and Restructuring Act (Canada)*), or seeking appointment of a receiver, trustee, custodian or other similar official for such Obligor for any substantial part of its properties or assets unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or permanently stayed within thirty (30) days of institution; or

- (k) if a Person takes possession by appointment of a receiver, receiver and manager, or otherwise of any material portion of the Property of any Obligor; or
- (l) if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money due shall have been obtained or entered against an Obligor or in an amount in excess of \$1,000,000 (individually or in the aggregate) and such judgment, execution, writ of seizure and sale, sequestration or decree shall not have been and remain vacated, satisfied, discharged or stayed pending appeal within thirty (30) days; or
- (m) if any of the Security shall cease to be a valid and perfected first priority security interest subject only to Permitted Liens and the Obligors or LR Guarantors (as applicable) shall have failed to remedy such default within five (5) Business Days of the Obligors becoming aware of such fact; or
- (n) any Person holding a Lien in respect of any part of the Property of any Obligor takes possession of all or any material part of the Property of any Obligor, or a distress, execution or other similar process is levied against all or any material part of the Property of any Obligor; or
- (o) if an event of default occurs under any Material Contract or Material Licence of any Obligor and which is committed by such Obligor (other than an event of default specifically dealt with in this Section) and such event of default has or would reasonably be expected to have a Material Adverse Effect; or
- (p) if a Change of Control occurs; or
- (q) if the IOGC Lease or the JV Agreement are terminated or otherwise not continued to the satisfaction of the Lender; or
- (r) if either Obligor breaches the Amended and Restated Production Payment Agreement; or
- (s) all or any material part of the Property of any Obligor shall be nationalized, expropriated or condemned, seized or otherwise appropriated, or custody or control of such Property of any Obligor shall be assumed by any Governmental Authority or any court of competent jurisdiction at the instance of any Governmental Authority, except where contested in good faith by proper proceedings diligently pursued where a stay of enforcement is in effect; or
- (t) the failure of any LR Guarantor to perform, keep or observe any of the covenants contained in any of the Loan Documents to which it is party, in each case, provided that if within thirty (30) days of such LR Guarantor becoming aware of its occurrence, such LR Guarantor diligently attempts to remedy such non-compliance

and continually informs the Lender of its efforts in this regard, and such non-compliance is remedied within such period, then such non-compliance shall be deemed not to constitute an Event of Default; or

- (u) the making or furnishing by either LR Guarantor or any director or officer thereof to the Lender of any representation, warranty, certificate, schedule, report or other written communication of a material nature within or in connection with the Loan Documents to which it is party which is untrue or misleading in any material respect when made; provided that, no Event of Default under this Section 11.1(u) will occur if such representation, warranty or other communication was not intentionally untrue or misleading, is capable of being corrected within thirty (30) days of notice thereof and is diligently corrected within such thirty (30) day period.

11.2 Acceleration and Termination of Rights.

If any Event of Default shall occur and for so long as it is continuing, all Obligations shall, at the option of the Lender, become immediately due and payable, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by each Obligor; provided, if any Event of Default described in Section 11.1(f), Section 11.1(i) or Section 11.1(j) with respect to an Obligor shall occur, the outstanding Principal Amount and all other Obligations shall automatically be and become immediately due and payable. In such event the Lender may, in its discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against any Obligor authorized or permitted by law for the recovery of all the Obligations and proceed to exercise any and all rights hereunder and under the Security and no such remedy for the enforcement of the rights of the Lender shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

11.3 Remedies Cumulative and Waivers.

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender hereunder or under any other Loan Document or instrument executed pursuant to this Agreement are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or any other Loan Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for such default or breach. Any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by the Lender shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lender under this Agreement or any other Loan Document as a result of any other default or breach hereunder or thereunder.

11.4 Saving.

The Lender shall not be under any obligation to any Obligor or any other Person to realize any Collateral or enforce the Security or any part thereof or to allow any of the Collateral to be sold, dealt with or otherwise disposed of. The Lender shall not be responsible or liable to the Obligors or any other Person for any loss or damage upon the realization or enforcement of, the failure to realize or enforce the Collateral or any part thereof or the failure to allow any of the Collateral to be sold, dealt with or otherwise disposed of or for any act or omission on their respective parts or on the part of any director, officer, agent, servant or adviser in connection with any of the foregoing, except that the Lender may be

responsible or liable for any loss or damage arising from the wilful misconduct or gross negligence of Lender.

11.5 Third Parties.

No Person dealing with the Lender or any agent of the Lender shall be required to inquire whether the Security has become enforceable, or whether the powers which the Lender is purporting to exercise have been exercisable, or whether any Obligations remain outstanding upon the security thereof, or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or other disposition or any other dealing with the Collateral charged by such Security or any part thereof.

11.6 Set-Off or Compensation.

In addition to and not in limitation of any rights now or hereafter granted under Applicable Law, if repayment is accelerated pursuant to Section 11.2, the Lender may at any time and from time to time without notice to the Obligors or any other Person, any notice being expressly waived by the Obligors, set-off and compensate and apply any and all deposits, general or special, time or demand, provisional or final, matured or unmatured, and any other indebtedness at any time owing by the Lender, to or for the credit of or the account of the Obligors, against and on account of the Obligations notwithstanding that any of them are contingent or unmatured.

ARTICLE 12 - INDEMNIFICATION, ETC.

12.1 General Indemnity.

The Obligors agree to jointly and severally defend (with counsel satisfactory to the Lender, acting reasonably), protect, indemnify and hold harmless the Lender, and each of its Affiliates, and Subsidiaries, and its and their respective partners, officers, directors, employees, legal counsel and agents (each an "**Indemnified Party**") from and against any and all obligations, losses, damages, penalties, fines, actions, judgments, suits, claims, and any reasonable costs, expenses and disbursements of any kind or nature (including, without limitation, the disbursements and the fees (on a solicitor-client basis) of one legal counsel (unless it would be inappropriate for one counsel to represent all Indemnified Parties due to a conflict of interest or otherwise in which case, all legal counsel for each Indemnified Party) in connection with any investigative, administrative or judicial proceedings, whether or not any Indemnified Party shall be designated a party thereto), (collectively, "**Losses**") which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, provincial, state or local laws or regulations, including, without limitation, securities laws, commercial laws and Environmental Laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Agreement or any other Loan Document, or any act, event or transaction related or attendant thereto, the making and/or the management of the Loan or the use or intended use of the proceeds of the Loan; provided, however that the Obligors shall have no obligation hereunder to any Indemnified Party to the extent that such Losses were caused by or resulted from the wilful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable against the Obligors because it violates any law or public policy, the Obligors shall satisfy such undertaking to the maximum extent permitted by Applicable Law. Any Losses covered by this indemnity shall be paid to each Indemnified Party on demand, and, failing prompt payment, shall, together with interest thereon at the Deemed Interest Rate from the date incurred by each Indemnified Party until paid in full, be added to the Obligations and be secured by the Collateral. The provisions of this Section 12.1 shall survive the satisfaction and payment of all Obligations and the termination of this Agreement.

12.2 Taxes.

All payments made by the Obligors under this Agreement and the Loan Documents shall be made free and clear of, and without deduction or withholding for or on account of, any present or future income, stamp or other taxes, levies, assessments, imposts, deductions, charges, or withholdings imposed by any foreign, federal, provincial, state, local or other jurisdiction or any Governmental Authority thereof or political subdivision or taxing authority therein, excluding taxes imposed on the net income or the capital of the Lender (all such non-excluded taxes being hereinafter called "**Taxes**"). If any Taxes are required to be withheld from any amounts so payable to the Lender hereunder or under any Loan Documents the amounts so payable shall be increased to the extent necessary to yield to the recipient (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement or any other Loan Documents. If the Obligors are required by Applicable Law to make any deduction or withholding on account of any Taxes or other amount from any sum paid or expressed to be payable to the Lender under this Agreement or any other Loan Document, then: (i) the Obligors shall notify the Lender of any such requirement or any change in any such requirement as soon as it becomes aware of it; (ii) the Obligors shall pay any such Taxes or other amount before the date on which penalties attached thereto become due and payable; (iii) the sum payable by the Obligors in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction, withholding or payment, the recipient receives on the due date and retains (free from any liability in respect of any such deduction, withholding or payment) a sum equal to that which it would have received and so retained had no such deduction, withholding or payment been required or made; and (iv) within thirty (30) days after payment of any sum from which the Obligors are required by Applicable Law to make any deduction or withholding, and within thirty (30) days after the due date of payment of any Taxes or other amount which it is required by clause (ii) above to pay, it shall deliver to the Lender all such certified documents and other evidence as to the making of such deduction, withholding or payment as (A) are reasonably satisfactory to the Lender as proof of such deduction, withholding or payment and of the remittance thereof to the relevant taxing or other authority and (B) are reasonably required by the Lender to enable it to claim a Tax credit with respect to such deduction, withholding or payment. If the Obligors fail to pay any Taxes when due to the appropriate taxing authority, the Obligors shall indemnify the Lender for any incremental Taxes, interest or penalties that may become payable by the Lender as a result of any such failure. The provisions of this Section 12.2 shall survive the satisfaction and payment of all Obligations and the termination of this Agreement.

ARTICLE 13 - GENERAL PROVISIONS

13.1 Notice.

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be given by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice, if sent by fax or other means of electronic communication, shall be deemed to have been received on the day of sending, or if delivered by hand shall be deemed to have been received at the time it is delivered to the applicable address noted below. Notices of change of address shall also be governed by this Section 13.1. Notices and other communications shall be addressed as follows:

(a) if to the Obligors:

c/o Triple Five Intercontinental Group Ltd.
3600, 700 – 2nd Street SW
Calgary, Alberta

Attention: Ryan Martin
Email: Ryan.Martin@petroworldenergy.com

(b) with a copy to:

Borden Ladner Gervais LLP
Centennial Place, East Tower
1900, 520 – 3rd Ave S W
Calgary, AB, Canada T2P 0R3

Attention: William C. Guinan
Email: BGuinan@blg.com

(c) if to the Lender:

Crown Capital Partner Funding, LP, c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer
Email: tim.oldfield@crowncapital.ca

(d) with a copy to:

MLT Aikins LLP
1500 – 1874 Scarth Street
Regina, SK S4P 4E9

Attention: Aaron Runge
Email: ARunge@mltaikins.com

13.2 Choice of Governing Law and Construction.

Except as expressly set forth therein, this Agreement and the other Loan Documents (unless expressly stated otherwise in the other Loan Documents) shall be governed by the laws of the Province of Alberta and the laws of Canada applicable therein as to interpretation, enforcement, validity, construction, effect, and in all other respects, including, without limitation, the legality of the interest rate and other charges, but excluding perfection and realization of the security interests and hypothecs in the Collateral, which shall be governed and controlled by the laws of the relevant jurisdiction.

13.3 Attornment.

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province on Alberta for all matters arising out of, or in connection with, this Agreement and the other Loan Documents.

13.4 Modification and Benefit of Agreement.

This Agreement and the other Loan Documents may not be modified, altered or amended except by an agreement in writing signed by the Obligors (as applicable) and the Lender. The Obligors may not sell, assign or transfer this Agreement, or the other Loan Documents or any portion thereof including, without limitation, the Obligors' right, title, interest, remedies, powers or duties thereunder. The sale, assignment, transfer or other disposition to a Person by the Lender, at any time and from time to time hereafter, of this Agreement, or the other Loan Documents, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder shall not require the prior written consent of the Obligors. The Obligors agree that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. This Agreement shall enure to the benefit of, and be binding upon, the parties hereto and their successors and permitted assigns.

13.5 Power of Attorney.

The Obligors acknowledge and agree that its appointment of the Lender as its attorney and agent for the purposes specified in this Agreement is an appointment coupled with an interest and shall be irrevocable until all of the Obligations are indefeasibly paid and performed in full and this Agreement is terminated.

13.6 Waivers, Confidentiality, Information Sharing.

- (a) The Obligors acknowledge and agree that: (i) this Agreement and the Loan Documents satisfy the requirements of section 4 of the *Interest Act* (Canada) to the extent that Section of the *Interest Act* (Canada) applies to the expression, statement or calculation of any rate of interest or other rate per annum hereunder or any other Loan Document; and (ii) the Obligors are each able to calculate the yearly rate or percentage of interest payable hereunder and under any other Loan Document. The Obligors hereby irrevocably agree not to plead or assert, whether by defence or otherwise, in any proceeding relating to this Agreement or the Loan Documents that the interest payable hereunder or thereunder, including the calculation of such rate of interest (as applicable), has not been sufficiently and adequately disclosed to the Obligors, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law or legal principle.
- (b) To the extent permitted by Applicable Law, the provisions of the *Judgment Interest Act* (Alberta) will not apply to the Loan Documents and are hereby expressly waived by the Obligors.
- (c) In no event shall any party hereto be liable for lost profits or other special or consequential damages.
- (d) To the maximum extent permitted by Applicable Law, the Obligors hereby waive all rights to a hearing of any kind prior to the exercise by the Lender of its rights to repossess the Collateral without judicial process or to reply, attach or levy upon such Collateral without prior notice or hearing.
- (e) Failure of the Lender, at any time or times hereafter, to require strict performance by the Obligors of any provision of this Agreement or any of the other Loan Documents shall not waive, affect or diminish any right of the Lender thereafter to demand strict

compliance and performance therewith. Any suspension or waiver by the Lender of a Pending Event of Default or Event of Default under this Agreement or any default under any of the Loan Documents shall not suspend, waive or affect any other Pending Event of Default or Event of Default under this Agreement or any other default under any of other Loan Documents, whether the same is prior or subsequent thereto and whether of the same or of a different kind or character. No delay on the part of the Lender in the exercise of any right or remedy under this Agreement or any other Loan Documents shall preclude any other or further exercise thereof or the exercise of any right or remedy. None of the undertakings, agreements, warranties, covenants and representations of the Obligors contained in this Agreement or any of the other Loan Documents and no Pending Event of Default or Event of Default under this Agreement or default under any of the other Loan Documents shall be deemed to have been suspended or waived by the Lender unless such suspension or waiver is in writing, signed by duly authorized officer(s) of the Lender and directed to the Obligors specifying such suspension or waiver.

- (f) The Obligors and Lender each agree that it shall maintain as confidential and, without the prior written consent of the other party, shall not disclose the terms of this Agreement and any non-public information concerning the other party or its business and operations, provided that a party may disclose such information: (i) where such information becomes publicly available or widely known by the public other than by a breach of this Agreement; (ii) if required by Applicable Laws or requested by any Governmental Authority having jurisdiction; (iii) to its Affiliates and to any of its or its Affiliates representatives, consultants or advisers who have a legitimate need to know such information (including the limited partners or any lender of the Lender or its Affiliates); and (iv) to any Person to whom such party, in good faith, anticipates assigning an interest in this Agreement as contemplated by Section 13.4 and such Person's Affiliates and the representatives, consultants and advisers of such Person or its Affiliates who have a legitimate need to know such information.

In the case of disclosure pursuant to clause (iii) or (iv), the disclosing party shall be responsible to ensure that the recipient of such information does not disclose such information to the same extent as if it were bound by the same non-disclosure obligations of the disclosing party hereunder.

13.7 Timing of Payments.

Any payment received by the Lender after 2:00 p.m. (Calgary time) on a Business Day, or on any day that is not a Business Day, shall be credited to the account of the Borrower on the following Business Day.

13.8 Judgment Currency.

If in the recovery by the Lender of any amount owing hereunder in any currency, judgment can only be obtained in another currency and because of changes in the exchange rate of such currencies between the date of judgment and payment in full of the amount of such judgment, the amount of recovery under the judgment differs from the full amount owing hereunder, the Borrower shall pay any such shortfall to the Lender, and such shortfall can be claimed by the Lender against the Borrower as an alternative or additional cause of action and any surplus received by the Lender will be repaid to the Borrower.

13.9 Severability.

If any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or remaining provisions of this Agreement.

13.10 Conflicts.

In the event there occurs any conflict or inconsistency between any provision hereof and any provision of the other Loan Documents, the provision hereof, to the extent of any such conflict or inconsistency, shall govern.

13.11 Entire Agreement.

This Agreement and the Loan Documents embody the entire agreement and understanding between the parties hereto and thereto and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof and may not be contradicted by evidence of prior or contemporaneous agreements of the parties. There are no unwritten oral agreements between the parties related to the subject matter of this Agreement and the other Loan Documents.

13.12 Counterpart Execution/Electronic Delivery.

This Agreement may be executed in counterpart and delivered by fax or other electronic means of delivery and each of which, when so executed (as evidenced by an original, fax or electronic delivery), shall be deemed to be an original and all of which, when taken together, shall constitute one and the same Agreement.

13.13 English Language.

At the request of the parties, this Agreement and the other Loan Documents have been negotiated in the English language and will be or have been executed in the English language. Les soussigné ont expressément demandé que ce document et tous les documents annexes soient rédigés en langue anglaise.

13.14 Amendment and Restatement; Confirmation of Security.

The Existing Loan Agreement is hereby amended and restated as set forth herein and the terms and conditions of the Existing Loan Agreement are superseded and replaced by the terms and conditions of this Agreement, provided that, notwithstanding the foregoing, the Obligations, rights and remedies which have arisen under the Existing Loan Agreement remain outstanding thereunder and continue in full force and effect against the parties hereto subject only to the effect of the amendments, modifications and supplements effected by this Agreement. All deliverables made under the Existing Loan Agreement are deemed to have been delivered under this Agreement. In particular, it is specifically acknowledged, confirmed and agreed that the Security which each of the Obligors executed and delivered to Lender prior to the date of this Agreement and to which the Obligors are currently a party continue to remain in full force and effect as legal and binding obligations upon such parties in accordance with their respective terms and such Security continues to secure the Obligations in favour of the Lender and is hereby ratified and confirmed in all respects. Further, the representations and warranties of the Obligors as set forth in the Security are true and accurate in all material respects as of the date hereof and any covenants in the

Security to have been performed or complied with by the Obligors have been duly performed or complied with, as applicable, as of the date hereof.

[Remainder of page intentionally left blank. Execution pages to follow.]

IN WITNESS WHEREOF, the Borrower has duly executed this Agreement with effect as of the date set out on the first page hereof.

**T5 SC OIL AND GAS LIMITED
PARTNERSHIP**, by its general partner,
**TRIPLE FIVE INTERCONTINENTAL
GROUP LTD.**

Per: 
Name: David Ehermezian
Title: President

Per: _____
Name:
Title:

[Signature page to Second Amended and Restated Loan Agreement]

IN WITNESS WHEREOF, the General Partner has duly executed this Agreement with effect as of the date set out on the first page hereof.

TRIPLE FIVE INTERCONTINENTAL
GROUP LTD.

Per: 

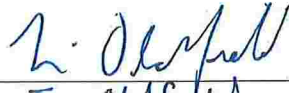
Name: David Ghermezian
Title: President

Per: _____

Name:
Title:

IN WITNESS WHEREOF, the Lender has duly executed this Agreement with effect as of the date set out on the first page hereof.

**CROWN CAPITAL PARTNER FUNDING,
LP**, by its general partner, **CROWN
CAPITAL LP PARTNER FUNDING INC.**

Per: 
Name: Tim Oldfield
Title: Chief Investment Officer

[Signature page to Second Amended and Restated Loan Agreement]

Schedule 1.1(qq)

Form of Environmental Certificate

TO: Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")
c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Tim Oldfield, Chief Investment Officer
Email: tim.oldfield@crowncapital.ca

FROM: T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.

RE: Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")

DATE: [◆]

The undersigned, the _____ of the General Partner, hereby certifies, in that capacity for and on behalf of the Obligors, and without personal liability, that:

1. The following certifications are made to the best of my knowledge after due enquiry. My due enquiry has been limited to discussions and correspondence with responsible officers and staff of the Obligors to confirm that the internal environmental reporting and response procedures of the Obligors have been followed in all material respects as they relate to the certifications made herein and that the matters herein set forth are true and correct, and that matters reported on by such officers and staff are true and correct.
2. The following certifications in paragraphs 3 through 9 are qualified as to (i) the matters, if any, disclosed in Exhibit I hereto, and (ii) any breach of, or failure to comply with, any Environmental Laws, provided that the breach or failure to comply has not had, or would not reasonably be expected to have (whether on an individual or cumulative basis), a Material Adverse Effect.
3. The Property of the Obligors is owned, leased, managed, controlled or operated, in compliance with Environmental Laws.
4. There are no existing, pending or threatened (by written notice):
 - (a) claims, complaints, notices or requests for information received from an Governmental Authority by any Obligor, or of which any Obligor is otherwise aware, with respect to any alleged violation of or alleged liability under any Environmental Laws by any Obligor; or
 - (b) stop, cleanup or preventative orders, direction or action requests, notice of which has been received from an Governmental Authority by any Obligor or of which any Obligor is otherwise aware, relating to the Environment which as a result thereof, requires any

work, repair, remediation, cleanup, construction or capital expenditure with respect to any Property owned, leased, managed, controlled or operated by any Obligor.

5. Except in compliance with Environmental Laws, no Material of Environmental Concern has been received, handled, used, stored, treated or shipped at or from, and there has been no discharge or Release of a Material of Environmental Concern at, on, from or under any Property owned, leased, managed, controlled or operated by any Obligor, which would reasonably be expected to have a Material Adverse Effect.
6. None of the real properties and facilities owned, leased, managed, controlled or operated by any Obligor, have been used as a land fill site or, except in compliance with Environmental Laws, as a waste disposal site.
7. No condition exists, at, on or under any of the real properties or facilities owned, leased, managed, controlled or operated by any Obligor, which with the passage of time, or the giving of notice or both, has given rise to or would reasonably be expected to give rise to a violation or liability under any Environmental Laws.
8. No Obligor is aware of any matter affecting the Environment which has had or would reasonably be expected to have a Material Adverse Effect.
9. Each Obligor (as applicable):
 - (a) has obtained and has caused each other Obligor to obtain all permits, licenses and other authorizations (collectively the "**Permits**") which are required under Environmental Laws and is in compliance with all terms and conditions of all Permits; and
 - (b) certifies that each of the Permits is in full force and effect and unrevoked as of the date of this certificate.

Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Loan Agreement.

Dated as of the date first above written.

Per: _____

Name:

Title:

Schedule 1.1(xx)

Existing Swaps

Nil.

Schedule 1.1(uuuu)

Form of Oil and Gas Ownership Certificate

TO: Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")
c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Tim Oldfield, Chief Investment Officer
Email: tim.oldfield@crowncapital.ca

FROM: T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.

RE: Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")

DATE: [◆]

The undersigned, the _____ of the General Partner, hereby certifies, in that capacity for and on behalf of the Obligors, and without personal liability, that:

1. I have made or caused to be made due inquiries and review of all documents, correspondence and other material (the "**Title Enquiries**") relating to the real properties and Oil and Gas Properties owned by the Obligors (hereinafter collectively, the "**Lands**") described in the Independent Engineering Report addressed to the Borrower and dated effective [◆].
2. Based upon the Title Enquiries, I have no knowledge, information or belief that there exists any provision in any agreement, contract or document pertaining to the Lands which prevents the Obligors from granting security in the nature of a fixed or floating charge or security interest over such Lands to the Lender, or which would prevent the Lender from enforcing and realizing on such security in the event of a default thereunder other than the requirement to obtain the approval of the Executive Director of IOGC pursuant to section 49 of the IOGR in the event of an assignment of the IOGC Lease on the realization and enforcement of such security.
3. Based upon the Title Enquiries, to the best of my knowledge, information and belief, the Obligors are, effective the date hereof, possessed of and are beneficial owners of the respective working, royalty and other interests set forth in the Independent Engineering Report with respect to the Lands, subject to any Permitted Liens and to minor defects of title which in the aggregate do not materially affect their rights of ownership therein or the value thereof or to which the Lenders have consented in writing.
4. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default (by the Obligors or for which the Obligors are liable, including, without limitation, by any operation of the Lands) of payment of royalties in connection with the Lands, which have accrued due by reason of production since any royalty payment dates, as prescribed by statute or agreement, immediately preceding the date of this Certificate and no Obligor nor any

Person on behalf of a Obligor (including, without limitation, any operator of the Lands) has received notice of default of any obligation imposed on it by any farmout, operating agreement or any other contract or agreement in respect of the Lands which, in any case, would reasonably be expected to have a Material Adverse Effect and, to the best of my knowledge, information and belief, based on the due and reasonable enquiries, there is no default of any such obligation which would reasonably be expected to have a Material Adverse Effect.

5. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, the Lands are now free and clear of all Liens and adverse claims created by, through or under the Obligors, other than the Permitted Liens, and no Obligor nor any Person on behalf of any Obligor (including, without limitation, any operator of the Lands) has received notice of any claim adverse to Obligors' working, royalty and other interests in the Lands and there are no Liens or adverse claims, other than the Permitted Liens, which materially and adversely affect the title of any Obligor to their respective interests in the Lands.
6. To the best of my knowledge, information and belief, based on the due and reasonable enquiries, there are at present no outstanding unfulfilled obligations being enforced under any lease or contract pertaining to the Lands and any Obligor's working, royalty and other interests in the Lands are not subject to any contractual obligations or conditions, except those which are permitted under the Loan Agreement or which are accounted for in the Independent Engineering Report, which are reasonably expected to result in the diminishment or forfeiture of those working, royalty and other interests.
7. No Obligor has assigned its share of production proceeds or other moneys due to it in respect of its working, royalty or other interests in the Lands to any party other than the Lender, for its own benefit.
8. All of the working, royalty and other interests of the Obligor in respect of petroleum and natural gas rights described in the Independent Engineering Report are accurately reflected in the Independent Engineering Report in all material respects.

Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Loan Agreement.

Dated as of the date first above written.

Per: _____

Name:

Title:

Schedule 1.1(ffff)(ii)

Permitted Debt

1. the Cash Management Obligations, provided that the aggregate outstanding amount of such Cash Management Obligations arising in connection with credit card indebtedness of the Obligor shall not exceed at any one time \$200,000;
2. any Debt owing by an Obligor to another Obligor;
3. Debt of the Borrower or any other Obligor arising in connection with (i) Capital Leases and (ii) Purchase Money Security Interests provided that the aggregate outstanding amount of such Debt shall not exceed at any one time \$1,000,000;
4. Debt consisting of Financial Assistance permitted under Section 9.2(g);
5. Debt owing by the Obligors to The Toronto-Dominion Bank ("TD") in respect of the commitment letter dated April 7, 2015 from TD to the General Partner, as amended by an amending agreement dated September 17, 2015, an amending agreement dated January 9, 2017, an amending agreement dated February 1, 2018 and an amending agreement dated April 26, 2018, relating to the establishment of a letter of credit facility in the current principal amount of \$1,250,000 (the "**TD LC Facility**"), provided that the aggregate outstanding amount of such Debt shall not exceed at any one time \$1,250,000; and
6. Debt which is not otherwise Permitted Debt; provided that the principal amount of such obligations does not, in the aggregate at any time, exceed \$250,000.

Schedule 1.1(hhhh)

Permitted Liens

- Lien granted in favor of Sunchild Oil & Gas Ltd. in respect of the royalty payments payable pursuant to the Gross Overriding Royalty Agreement dated June 23, 2014.
- Lien granted in favor of Maple Leaf 2015 Oil & Gas Corp. in respect of the royalty payments payable pursuant to the Royalty Agreement dated July 26, 2016.
- Lien granted in favor of TD in connection with the TD LC Facility.

Schedule 7.1(f)
Intellectual Property

Nil.

Schedule 7.1(g)

Obligors' Names

Current Names

1. Triple Five Intercontinental Group Ltd.
2. T5 SC Oil and Gas Limited Partnership

Prior Names

Nil.

Schedule 7.1(h)

**Corporate Structure
Subsidiaries, Affiliates, Joint Ventures and Partnerships**

Corporate Structure

See attached organizational chart.

Authorized Capital

Borrower:

- unlimited number of Class A Units
- unlimited number of Class B Units
- unlimited number of Class C Units

General Partner:

- unlimited number of Class "A" Common Voting Shares
- 1,000 Class "B" Common Voting Shares
- 1,000 Class "C" Common Voting Shares
- 1,000 Class "D" Common Shares
- 1,000,000 Class "E" Preferred Shares
- 1,000,000 Class "F" Preferred Shares
- 1,000,000 Class "G" Preferred Shares
- 1,000,000 Class "H" Preferred Shares

Issued Capital

<u>Issuer</u>	<u>Shareholder/Unitholder</u>	<u>Type of Shares/Units</u>	<u>Number Issued</u>	<u>Percentage Owned</u>
Borrower	General Partner	Class B Unit	1	1%
Borrower	T5 Energy Partners Ltd.	Class A Units	9,999	99%
General Partner	Nader Ghermezian in trust for T5 Energy Partners Ltd.	Class "A" Common Voting Shares	100	100%

Schedule 7.1(i)

Judgments and Litigation

Part I

Nil.

Part II

Nil.

Schedule 7.1(j)

Material Contracts and Material Licences

Material Contracts

1. Strachan Area Gas Handling Agreement effective December 1, 2016 between Keyera Partnership and Triple Five Intercontinental Group Ltd.
2. Lease Agreement made effective October 23, 2017 between Bull Moose Capital Ltd. and Triple Five Intercontinental Group Ltd.
3. IOGC Lease
4. IOGC Lease Assignment
5. IOGC Right of Way
6. IOGC Surface Leases
7. Farmout and JV Agreement

Material Licences

1. Well Licence No. 0473544 dated December 17, 2014 issued by the Alberta Energy Regulator ("AER") to the General Partner in respect of the following surface location: 12-24-043-10 W5M
2. Well Licence No. 0477059 dated October 1, 2015 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
3. Well Licence No. 0477390 dated October 27, 2015 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
4. Well Licence Amendment No. 0474630 dated November 25, 2015 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
5. Well Licence No. 0482342 dated January 11, 2017 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
6. Well Licence No. 0482350 dated January 11, 2017 issued by the AER to the General Partner in respect of the following surface location: 12-24-043-10 W5M
7. Well Licence No. 0488385 dated February 26, 2018 issued by the AER to the General Partner in respect of the following surface location: 13-18-043-09 W5M
8. Well Licence No. 0488418 dated March 1, 2018 issued by the AER to the General Partner in respect of the following surface location: 13-18-043-09 W5M
9. Pipeline Licence No. 57127 dated March 10, 2015 issued by the AER to the General Partner in respect of the locations starting at 12-24-043-10 W5M and ending at 13-23-043-10 W5M
10. Pipeline Licence No. 57127 dated March 7, 2015 issued by the AER to the General Partner in respect of the locations starting at 16-22-043-10 W5M and ending at 10-18-043-10 W5M
11. Facility Licence Amendment No. F49442 dated January 17, 2018 issued by the AER to the General Partner in respect of a gas battery – multiwell located at 00/12-24-043-10 W5M

Schedule 7.1(o)

Royalties

IOGC Royalties

1. Gross royalty with respect to Oil equal to the Oil Royalty Rate multiplied by the Oil Price multiplied by the Oil Production Volume for that month (excluding any Royalty Holidays, Incentives or Credits, unless specified in the IOGC lease) and under no circumstances shall the Oil Royalty Rate be less than 10%.
2. Gross royalty with respect to Marketable Gas equal to the Marketable Gas Royalty Rate multiplied by the Marketable Gas Price multiplied by the Marketable Gas Production Volume for that month (excluding any Royalty Holidays, Incentives or Credits, unless specified in the IOGC lease) and under no circumstances shall the Marketable Gas Royalty Rate be less than 10%.
3. Gross royalty with respect to Products equal to the Product Royalty Rate multiplied by the Product Price multiplied by Product Volume for that month (excluding any Royalty Holidays, Incentives or Credits, unless specified in the IOGC lease) and under no circumstances shall the Product Royalty Rate be less than 10%.
4. Net royalty payable on Gas equal to the gross royalty on Marketable Gas plus the gross royalty payable on all Products less the Gas Cost Allowance deduction as per the Royalty Reporting Guidelines.

Capitalized terms used above in this Schedule and not defined shall have the meaning given to such terms in the IOGC Lease.

Sunchild Oil & Gas Ltd. Royalties

Non-convertible gross overriding royalty interest in respect of the Oil and Gas produced from or allocated or attributable to Wells within, upon or under the Royalty Lands, to be quantified as 3% of the gross monthly production of Oil and Gas produced or allocated or attributable to such Wells.

Capitalized terms used under the heading above in this Schedule and not defined shall have the meaning given to such terms in the gross overriding royalty agreement made as of June 23, 2014 between the General Partner and Sunchild Oil & Gas Ltd.

Maple Leaf 2015 Oil & Gas Corp. Royalties

Until such time as the Royalty Owner has received aggregate royalty revenues from the Overriding Royalty in respect of all Royalty Wells, equal to the amount of \$920,000, a gross overriding royalty of 3% on Crude Oil, Natural Gas and NGLs within, upon or under the Royalty Lands corresponding to such Royalty Wells and produced from such Royalty Wells (the "**Initial Royalty Payment**"); and from and after such time as the Royalty Owner has received the Initial Royalty Payment, a gross overriding royalty of 0.75% on all Crude Oil, Natural Gas and NGLs within, upon or under the Royalty Lands corresponding to such Royalty Wells and produced from such Royalty Wells.

Capitalized terms used under the heading above in this Schedule and not defined shall have the meaning given to such terms in the royalty agreement made as of June 27, 2016 between the General Partner and Maple Leaf 2015 Oil & Gas Corp.

Schedule 7.1(q)

Drilling Program

Part I

Pursuant to the IOGC Lease, the General Partner has completed each of the following requirements pursuant to the current Drilling Program:

- On or before April 30, 2016, the General Partner shall spud a minimum of 4 wells into the Leased Lands and thereafter diligently and continuously drill such wells to a minimum depth of 2,200 metres or 5 metres into the Cardium formation, whichever occurs first (the "**Contract Depth**") and complete, cap, plug or abandon such wells.

If the General Partner has not spud such well on or before April 30, 2016, then the IOGC Lease shall be terminated on April 30, 2016, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between May 1, 2016 and April 30, 2017, the General Partner shall spud a minimum of 2 wells into the Leased Lands and thereafter diligently and continuously drill such wells to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such wells on or before April 30, 2017, then the IOGC Lease shall be terminated on April 30, 2017, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between May 1, 2017 and December 31, 2018, the General Partner shall spud a minimum of 1 well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before December 31, 2018, then the IOGC Lease shall be terminated on December 31, 2018, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between May 1, 2017 and December 31, 2018, the General Partner shall spud a minimum of 1 well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before December 31, 2018, then the IOGC Lease shall terminate on December 31, 2018, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between January 1, 2019 and April 30, 2020, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2020, then the IOGC Lease shall terminate on April 30, 2020, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing oil or gas in paying quantities.

- Between January 1, 2019 and April 30, 2021, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2021, then the IOGC Lease shall terminate on April 30, 2021, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

- Between May 1, 2021 and April 30, 2022, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2022, then the IOGC Lease shall terminate on April 30, 2022, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

- Between May 1, 2022 and April 30, 2023, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2023, then the IOGC Lease shall terminate on April 30, 2023, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

- Between May 1, 2023 and April 30, 2024, the General Partner shall spud a minimum of one well into the Leased Lands and thereafter diligently and continuously drill such well to Contract Depth and complete, cap, plug or abandon such well.

If the General Partner has not spud such well on or before April 30, 2024, then the IOGC Lease shall terminate on April 30, 2024, as to all spacing units and zones within the Leased Lands that are not producing, or not capable of producing) oil or gas in paying quantities.

Capitalized terms used herein and not defined shall have the meaning given to such terms in the IOGC Lease.

Part II

Well's Name	Producing Wells (uwi)
T5 ENERGY HZ FERRIER 5-23-43-10	100/05-23-043-10W5/02
T5 ENERGY HZ WILLGR 8-24-43-10	100/08-24-043-10W5/00
T5 ENERGY HZ FERRIER 13-23-43-10	100/13-23-043-10W5/00
T5 ENERGY HZ WILLGR 16-24-43-10	100/16-24-043-10W5/00
T5 ENERGY HZ FERRIER 8-11-43-10	100/08-11-043-10W5/00
T5 ENERGY HZ 102 FERRIER 1-11-43-10	102/01-11-043-10W5/00
T5 ENERGY FERRIER 3-7-43-9	100/03-07-043-09W5/00
T5 ENERGY FERRIER 5-7-43-9	100/05-07-043-09W5/00

Schedule 7.1(t)
Taxes

Nil.

Schedule 7.1(w)

Non-Arm's Length Transactions

Nil.

Schedule 7.1(x)

Location of Collateral

1. 12-24 T43R10 W5
2. 10-18 T43R10 W5

Schedule 7.1(y)

Owned Real Property and Oil and Gas Properties

Owned Real Property

Nil.

Oil and Gas Properties

See land schedule attached.

Sunchild First Nation - I.R. #2024 Lease No. OL-6448

QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type	Gross Over Riding Royalty
Pin. NE	21	42	10W5	57.10	Surface to basement, exc Mannville	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Payable to: Sunchild Oil & Gas Ltd.	3% : no deductions
Pin. NW	21	42	10W5	63.60	Surface to basement, exc Mannville	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SE	21	42	10W5	61.00	Surface to basement, exc Mannville	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	21	42	10W5	64.00	Surface to basement, exc Mannville	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	22	42	10W5	256.00	Surface to basement, exc Mannville & Shunda		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NE	28	42	10W5	61.00	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NW	28	42	10W5	63.00	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SE	28	42	10W5	63.40	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	28	42	10W5	58.10	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
S & NE	34	42	10W5	192.00	Surface to basement, exc Mannville		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NW	34	42	10W5	63.50	Surface to basement, exc Mannville		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	35	42	10W5	256.00	Surface to basement, exc Mannville		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type	Gross Over Riding Royalty
All	6	43	9W5	256.00	Base Rock Creek to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NE	7	43	9W5	63.10	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NW	7	43	9W5	61.00	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SE	7	43	9W5	62.20	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	7	43	9W5	64.00	Surface to basement	Exc Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	18	43	9W5	256.00	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type	Gross Over Riding Royalty
All	1	43	10W5	256.00	Surface to basement, exc Mannville		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	2	43	10W5	256.00	Surface to basement, exc Mannville & Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NE	3	43	10W5	61.70	Surface to basement, exc Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NW	3	43	10W5	64.00	Surface to basement, exc Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SE	3	43	10W5	63.00	Surface to basement, exc Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	3	43	10W5	62.24	Surface to basement, exc Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
N&SW	10	43	10W5	192.00	Surface to basement, exc Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SE	10	43	10W5	62.20	Surface to basement, exc Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	11	43	10W5	62.20	Surface to basement, exc Shunda		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	11	43	10W5	61.10	Surface to basement, exc Shunda		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. N	11	43	10W5	128.00	Surface to basement, exc Shunda		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SE	12	43	10W5	63.70	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. SW	12	43	10W5	61.50	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NE	12	43	10W5	59.50	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
Pin. NW	12	43	10W5	64.00	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	13	43	10W5	256.00	Surface to basement, exc Mannville		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	14	43	10W5	256.00	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	15	43	10W5	256.00	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	23	43	10W5	256.00	Surface to basement, exc Mannville & Rock Creek		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions
All	24	43	10W5	256.00	Surface to basement		T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty		3% : no deductions

Crown Lands

QUARTER	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type	Gross Over Riding Royalty
Pin. N & SE	7	43	9W5	8.08	PNG from Surface to basement	Pin. Designated as Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Payable to: Alberta Crown	None
Pin. S & NE	3	43	10W5	5.06	PNG from Surface to top Rock Creek	Pin. Designated as Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Crown PNG lease #0516020081	None
Pin. SE	10	43	10W5	1.8	PNG from Surface to top Rock Creek	Pin. Designated as Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Crown PNG lease #0598030879	None
Pin. S	11	43	10W5	4.6	PNG from Surface to top Shunda	Pin. Designated as Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Crown PNG lease #0598030879	None
Pin. S & NE	12	43	10W5	7.3	PNG from Surface to base Mannville	Pin. Designated as Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Crown PNG lease #0598030879	None
Pin. S & NE	28	43	10W6	12.8	PNG from Surface to basement	Pin. Designated as Baptiste River	T5 100%	100% Crown PANG Equivalent, subject to 10% minimum royalty	Crown PNG lease #0516020082	None

Maple Leaf Gross Over Riding Royalty

Well	SEC	TWP	RGE	MER	HECTARES	Formations	COMMENTS	OWNERSHIP	Royalty Type	Gross Over Riding Royalty
Well 0/23	23	43	10W5	256.00	Falher 8 12526.0 - 2560.0 mKB referred to well 100/12-24-043-	Well Production only	T5 100%	N/A	N/A	0.75% : no deductions
Well 0/28	24	43	10W5	256.00	Falher 8 12526.0 - 2560.0 mKB referred to well 100/12-24-043-	Well Production only	T5 100%	N/A	N/A	0.75% : no deductions
Well 0/16	24	43	10W5	256.00	Falher 8 12526.0 - 2560.0 mKB referred to well 100/12-24-043-	Well Production only	T5 100%	N/A	N/A	0.75% : no deductions

Schedule 7.1(z)

Leased Real Property

1. 12-24 T43R10 W5
2. 10-18 T43R10 W5

Schedule 7.1(ee)

Labour Matters

Nil.

Schedule 7.1(ff)

Pension Plans

Nil.

Schedule 7.1(hh)

Insurance

1. Commercial general liability, umbrella, pollution legal liability, office contents and other property insurance with Chubb Insurance Company of Canada; and
2. Control of well insurance with Lloyd's Underwriters.

Schedule 7.1(kk)

Bank Accounts and Security Accounts

Bank Accounts

Borrower – Nil.

General Partner – Transit 82389 Acct: 5307818

Security Accounts

Nil.

Schedule 7.1(pp)

Farmout Agreements

1. Farmout and Joint Venture Agreement dated May 5, 2014 between Sunchild Oil & Gas Ltd., Triple Five Intercontinental Group Ltd. and Sunchild First Nation.

Schedule 7.1(qq)
Operating Agreements

Nil.

Schedule 7.1(ss)

Approved Marketing Contracts

1. Purchase Confirmation dated April 13, 2018 relating to Contract No. C3 + Strachan 2018 between Triple Five Intercontinental Group Ltd. and Keyera Partnership.
2. Purchase Confirmation dated April 13, 2018 relating to Contract No. C5 + Strachan 2018 between Triple Five Intercontinental Group Ltd. and Keyera Partnership.
3. Purchase Confirmation dated January 19, 2018 relating to Contract No. 9371 Gas Tra/Bra between Triple Five Intercontinental Group Ltd. and Keyera Partnership.

Schedule 8.2

Form of Officer's Compliance Certificate

TO: Crown Capital Partner Funding, LP, by its general partner, Crown Capital LP Partner Funding Inc. (collectively, the "Lender")
c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Tim Oldfield, Chief Investment Officer
Email: tim.oldfield@crowncapital.ca

FROM: T5 SC Oil and Gas Limited Partnership, by its general partner, Triple Five Intercontinental Group Ltd.

RE: Second Amended and Restated Loan Agreement dated as of October 31, 2019, made between the Borrower, the General Partner and the Lender (as amended, modified, revised, restated or replaced from time to time, the "Loan Agreement")

DATE: [◆]

The undersigned, the [◆] of the [◆], hereby certifies, in that capacity for and on behalf of the Obligors, and without personal liability, that:

1. I have read and am familiar with the provisions of the Loan Agreement and have made such examinations and investigations, including a review of the applicable books and records of the Obligors as are necessary to enable me to express an informed opinion as to the matters set out herein. Unless otherwise defined herein terms used herein have the meanings ascribed thereto in the Loan Agreement.
2. I have made or caused to be made such examinations or investigations as are, in my opinion, necessary to furnish this Certificate, and I have furnished this Certificate with the intent that it may be relied upon by the Lender as a basis for determining compliance by the Obligors with their covenants and obligations under the Loan Agreement and the other Loan Documents as of the date of this Certificate.
3. The representations and warranties contained in the Loan Agreement and each other Loan Document are true and correct in all material respects on the date of this Certificate with reference to facts subsisting on such date, with the same effect as if made on such date except for those representations and warranties which speak to a specific date which shall be true in all material respects as of such date [except _____]. [NOTE: IF A REPRESENTATION OR WARRANTY IS NOT CORRECT OR COMPLETE, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]
4. All of the covenants required by the Loan Agreement have been observed, performed or satisfied, as applicable, and no Pending Event of Default or Event of Default has occurred and is continuing on the date of this Certificate [except _____]. [NOTE: IF A COVENANT HAS NOT BEEN COMPLIED WITH, OR A PENDING EVENT OF

DEFAULT OR EVENT OF DEFAULT EXISTS OR EXISTED, PLEASE SET FORTH WHAT ACTION HAS BEEN TAKEN OR IS PROPOSED TO BE TAKEN WITH RESPECT THERETO.]

5. The attached financial statements for the [Fiscal Quarter/Fiscal Year] ending [insert date] fairly present in all material respects the information contained in such financial statements, and such financial statements, and all calculations of financial covenants and presentation of financial information in this Certificate and the Appendices to this Certificate, have been prepared in accordance with GAAP.

6. As of [◆]:

(a) The Current Ratio was [◆]:1, calculated as follows:

(i)	Sum of items in (i) of definition of Current Ratio	\$•
(ii)	Sum of items in (ii) of definition of Current Ratio	\$•
(iii)	(i) divided by (ii)	•:•

(b) The Net Debt to TTM EBITDA Ratio was [◆]:1, calculated as follows:

(i) Net Debt [**Borrower to break down Net Debt in attached Schedule I**]

\$•

(ii) TTM EBITDA, calculated as follows:

A. Net Income of the Borrower = \$•

B. increased by the sum of (without duplication),

a) Items in (i) of the definition of EBITDA = \$•

b) Items in (ii) of the definition of EBITDA = \$•

c) Items in (iii) of the definition of EBITDA = \$•

d) Items in (iv) of the definition of EBITDA = \$•

e) Items in (v) of the definition of EBITDA = \$•

f) Items in (vi) of the definition of EBITDA = \$•

= a) + b) + c) + d) + e) + f) = \$•

C. decreased by the sum of (without duplication),

g) Items in (vii) of the definition of EBITDA = \$•

h) Items in (viii) of the definition of EBITDA = \$•

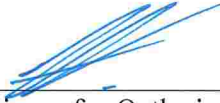
i) Items in (ix) of the definition of EBITDA = \$•

- j) Items in (x) of the definition of EBITDA = \$•
 - = g) + h) + i) +j) = \$•
 - D. ((A) + (B) – (C)) = \$•
 - (iii) (i) divided by (ii) •:•
- (c) The Net Debt to Proved Reserve Value Ratio was [◆]:1, calculated as follows:
 - (i) Net Debt = \$•
 - (ii) Proved Reserve Value = \$•
 - (iii) (i) divided by (ii) •:•
- (d) The LLR/LMR was [◆]:1 as of [◆].

7. **[Specify and attach any Material Contracts or Material License entered into since the date of the last Compliance Certificate.]**

Per: _____
 Name:
 Title:

This is Exhibit "15"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

GUARANTEE AND INDEMNITY AGREEMENT

This Agreement is made as of the 31st day of August, 2018,

BETWEEN:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD. (together with any successors, by amalgamation or otherwise, and permitted assigns, hereinafter referred to as the "**Guarantor**")

AND:

CROWN CAPITAL PARTNER FUNDING, LP, by its general partner CROWN CAPITAL LP PARTNER FUNDING INC. (collectively, the "**Lender**")

WHEREAS:

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner the Guarantor (collectively, the "**Borrower**"), as borrower, and the Guarantor, the Lender has agreed to make the Loan available to the Borrower.
- B. The Guarantor receives direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- C. As a condition to making available the Loan, the Guarantor is required to execute and deliver this Agreement to the Lender.
- D. As security for the payment by the Guarantor of the Guaranteed Obligations (as hereinafter defined), the Guarantor has granted a fixed and floating charge demand debenture in favour of the Lender dated the date hereof (the "**Debenture**").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees with the Lender as follows:

1. Guarantee. The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Loan Agreement and the Loan Documents present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), reasonable legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement or the Loan Documents (collectively, the "**Guaranteed Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Guaranteed Obligations shall include all principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any other agreement made between the Borrower and the Lender in connection with or pursuant to the Loan Agreement or the Loan Documents, and any liability of the Borrower arising under guarantees provided

by the Borrower or the Guarantor to the Lender in connection with the obligations of other parties in connection with or pursuant to the Loan Agreement and the Loan Documents.

2. Indemnity. In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, the Guarantor agrees to indemnify and save harmless the Lender from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which the Lender may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Guaranteed Obligations. Notwithstanding the foregoing, under no circumstances shall any Guarantor be liable for any special damages or consequential damages.

3. Continuing Guarantee. The guarantee contained herein shall be a continuing guarantee and shall secure the Guaranteed Obligations and any ultimate balance thereof until Borrower's indefeasible repayment and performance in full of the Guaranteed Obligations in accordance with Article 5 of the Loan Agreement. This Agreement shall continue in full force and effect regardless of whether the Guarantor or any other party responsible for the payment of the Guaranteed Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. Borrower's Status and Authority. All monies or advances in fact borrowed or obtained from the Lender by the Borrower under the Loan Agreement and the Loan Documents shall be deemed to form part of the Guaranteed Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its partners or their respective partners, directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewal or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or its partners or their respective partners, directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its partners or their respective partners, directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. Guarantee Absolute. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Guaranteed Obligations or any security held by or granted to the Lender to secure payment or performance of the Guaranteed Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, limited partnership agreement, Equity Interests, constating documents or by-laws, ownership or control of the Borrower;
- (c) any amalgamation, merger, consolidation or other reorganization of the Borrower or its business or affairs;

- (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure to obtain, register, perfect or maintain any Security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (g) the valuation by the Lender of any of its Security, which shall not be considered as a purchase of such Security, or as payment on account of the Guaranteed Obligations;
- (h) the failure or neglect of the Lender to demand payment of the Guaranteed Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's Security;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor to the extent permitted by Applicable Laws;
- (j) any dealings described in section 6 hereof; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower or of the Guarantor in respect of the Guaranteed Obligations.

6. Dealings with the Borrower and Others. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents;
- (b) make advances to the Borrower and receive repayments in respect of the Guaranteed Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) in a manner consistent with the Loan Agreement, take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;
- (e) in a manner consistent with the Loan Agreement, release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all Security

given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;

- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
- (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any Security;
- (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any Security upon such part of the Guaranteed Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
- (i) otherwise deal with, waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all Security held by the Lender, with the consent of the Borrower acting reasonably.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever unless such act, thing, omission or means is sufficient to discharge the Guarantor as guarantor and as principal debtor.

7. No Obligation to Exercise Other Remedies. The Lender shall not be obliged to exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Guaranteed Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.

8. Enforcement. The Lender shall be entitled to make demand on the Guarantor upon a demand being made by the Lender on the Borrower after the occurrence of an Event of Default which is continuing under the Loan Agreement.

9. Accounts Settled. Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error or evidence to the contrary.

10. Waiver. The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.

11. Foreign Currency Obligations. To the extent permitted by Applicable Law, the Guaranteed Obligations of the Guarantor shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only by payment in the currency in which they are due (the "**Agreed Currency**") and the Lender may, in accordance with normal banking procedures, purchase the sum paid in the Other Currency (after any premium and costs of

exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided in this section, continue in full force and effect.

12. Disclosure. To the extent permitted by Applicable Laws, the Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Guaranteed Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

13. Taxes, etc. All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by Applicable Law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under section 13(b) hereof and make such reports and filings in connection therewith in the manner required by Applicable Law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

14. Assignment. The Guarantor hereby consents to the sale, assignment, transfer or other disposition to any Person (the "**Assignee**") by the Lender in accordance with Section 13.4 of the Loan Agreement, at any time and from time to time hereafter, of this Agreement and the Guaranteed Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Guarantor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender (which may be withheld in its sole discretion).

15. Revival of Indebtedness and Liability. If at any time all or any part of any payment previously applied by the Lender to any portion of the Guaranteed Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising

from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Guaranteed Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Guaranteed Obligations as though such payment to the Lender had not been made.

16. Assignment and Postponement of Amounts Due to the Guarantor. Payment of all present and future debts and liabilities of the Borrower to the Guarantor (the "**Postponed Indebtedness**") is hereby postponed to payment of the Guaranteed Obligations. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Guaranteed Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. Until the indefeasible repayment and performance in full of the Guaranteed Obligations, the Guarantor shall not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender (which may be withheld, acting reasonably). As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

17. Subrogation. The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Guaranteed Obligations; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Guaranteed Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which any Guarantor may have against the Lender in respect of the Guaranteed Obligations or this Agreement, together with an acknowledgment that the Guaranteed Obligations and any security assigned by the Lender to any Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender in its sole discretion.

18. Additional and Separate Security. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Guaranteed Obligations or the collateral securing the Guaranteed Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties.

19. Set-Off. The Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any indebtedness at any time owing by the Lender to the Guarantor, whether or not any of such obligations may be unliquidated, contingent or unmatured.

20. Entire Agreement. This Agreement, the Debenture and the other Loan Documents to which the Guarantor is a party to constitute the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

21. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

22. Notice. All written notices and other written communications with respect to this Agreement shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:

in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer
Email: tim.oldfield@crowncapital.ca

and in the case of any of the Guarantor shall be sent to:

Triple Five Intercontinental Group Ltd.
3600, 700 – 2nd Street SW
Calgary, Alberta

Attention: Ryan Martin
Email: Ryan.Martin@petroworldenergy.com

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by Applicable Law. Each provision of this Agreement is declared to be separate, severable and distinct.

24. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

25. Amalgamation of Guarantor. The Guarantor acknowledges and agrees that in the event that it amalgamates with any other persons (which it is prohibited from doing without the prior written approval of the Lender pursuant to the terms of the Loan Agreement) then all references herein to that Guarantor shall extend to, include and bind the amalgamated corporation.

26. Counterpart Execution / Electronic Delivery. This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in

portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

27. Time. Time shall be of the essence of this Agreement.

28. Further Assurances. The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

29. Interpretation. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "section" means the relevant section of this Agreement. All capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

30. Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its successors and permitted assigns.

31. Copy of Agreement. The Guarantor acknowledges receipt of an executed copy of this Agreement.

[Remainder of page intentionally left blank. Signature pages to follow.]

THIS AGREEMENT has been executed by the Guarantor on the date first stated above.

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

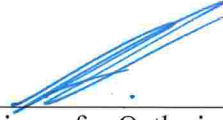
By: 

Name: David Ghermezian
Title: President

By: _____

Name:
Title:

This is Exhibit "16"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

FIXED AND FLOATING CHARGE DEMAND DEBENTURE

This fixed and floating charge demand debenture dated as of August 31, 2018, is made by **TRIPLE FIVE INTERCONTINENTAL GROUP LTD.** (the "**Debtor**"), in favour of **CROWN CAPITAL LP PARTNER FUNDING INC.** as general partner of **CROWN CAPITAL PARTNER FUNDING, LP** (collectively, the "**Secured Party**").

NOW THEREFORE, the Debtor covenants and agrees with the Secured Party as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Debenture, terms and expressions defined in the description of the parties, the text hereof and in Schedule "A" attached hereto shall have those meanings when used herein; capitalized terms used herein and not defined shall have the meaning given to such terms in the Loan Agreement.

1.2 Schedules

The following schedules are incorporated herein and made a part hereof:

Schedule "A"	Definitions
Schedule "B"	List of Specific Property

Any reference to a Schedule to this Debenture includes, unless the context otherwise requires, such Schedule as the same is supplemented, amended, restated or replaced from time to time whether by one or more indentures supplemental hereto or otherwise.

ARTICLE 2 PRINCIPAL AND INTEREST

2.1 Promise to Pay

The Debtor, for value received, hereby acknowledges itself indebted and promises to pay to or to the order of the Secured Party, **ON DEMAND** or on such earlier date as the principal sum hereof may become payable as provided herein, the principal amount of Fifty Million Canadian (\$50,000,000.00) Dollars (the "**Principal Sum**") and to pay interest on such Principal Sum or so much thereof as remains from time to time outstanding at the rate equal to 25% per annum from the date hereof until full and final payment and discharge hereof, as well after as before demand, default and judgment in like money at the same place and to pay interest on overdue and unpaid interest at the same rate as aforesaid. It is agreed by the Debtor that the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Secured Party's right to interest at the rate and times aforesaid. All payments of principal, interest and other monies due under this Debenture shall be paid in immediately available funds to the Secured Party at 333 Bay St., Suite 2730, Toronto, Ontario M5H 2R2 or at such other place as the Secured Party may designate by notice in writing to the Debtor from time to time. Interest accruing due hereunder shall be determined daily and compounded monthly not in advance and shall be computed on the actual number of days elapsed over a year of three hundred and sixty-five (365) days or three hundred and sixty-six (366) days, as the case may be, and shall be due and payable on demand. The theory of deemed reinvestment shall not apply to the calculation of interest or the payment of other amounts hereunder.

ARTICLE 3 SECURITY

3.1 Security

As security for payment of the Principal Sum and interest thereon and all other Guaranteed Obligations from time to time payable hereunder, the Debtor hereby:

- (a) mortgages and charges (subject to the exceptions set out below) as and by way of a fixed and specific mortgage and charge to and in favour of the Secured Party, and grants to the Secured Party a continuing security interest in, all of its present and after acquired real and immovable property (including, by way of sublease, leasehold lands) and all of its present and after acquired Oil and Gas Properties, buildings, erections, improvements, fixtures and plants (whether the same form part of the realty or not) and all appurtenances to any of the foregoing, including without limitation all of the right, title, interest and estate of the Debtor in and to the Oil and Gas Properties described in Schedule "B"; "real and immovable property" shall include any interest in or right with respect to real and immovable property;
- (b) mortgages and charges to the Secured Party as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a continuing security interest in, all its present and after acquired goods (other than inventory and consumer goods), including all furniture, fixtures, plant, machinery, vehicles and tools now or hereafter owned or acquired;
- (c) mortgages and charges to the Secured Party, and grants to the Secured Party a security interest in, all its present and after acquired Petroleum Substances and inventory, including all raw materials, goods in process, finished goods and packaging material and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service;
- (d) assigns, transfers and sets over to the Secured Party, and grants to the Secured Party a security interest in, all its other present and after acquired personal property, including all its present and after acquired intangibles, book debts, accounts and other amounts receivable, securities, contract rights (including without limitation the P&NG Leases) and choses in action of every kind or nature and insurance rights arising from or out of the property referred to in subsections (a), (b) or (c) above, goodwill, chattel paper, instruments, documents of title, money and investment property;
- (e) charges in favour of the Secured Party as and by way of a floating charge, and grants to the Secured Party a security interest in, its business and undertaking and all its present and after acquired real and personal property and assets, tangible and intangible, legal and equitable, moveable or immovable, of whatsoever nature and kind (other than the property and assets hereby validly assigned or subjected to a specific mortgage, charge or security interest by subsections (a), (b), (c) or (d) above and the exceptions hereinafter contained); and
- (f) assigns, mortgages and charges in favour of the Secured Party, and grants to the Secured Party a security interest in, the proceeds arising from any dealing with the real and personal property, assets and undertaking referred to in this Section 3.1 in any form, including without limitation, any of the following: goods, investment property, instruments, documents of title, chattel paper, intangibles or money.

For the purposes of this Debenture, the present and after acquired real and personal property, assets and undertaking of the Debtor referred to in this Section 3.1 and subject to the Charge is hereinafter collectively called the "**Collateral**".

TO HAVE AND TO HOLD the Collateral and the Charge and all rights hereby conferred unto the Secured Party, subject to the terms and conditions herein set forth.

3.2 Attachment

The Debtor acknowledges that the Debtor and the Secured Party have not agreed to postpone the time for attachment of the Charge and intend the Charge in the Collateral to attach immediately upon the execution of this Debenture, except in the case of Collateral in which the Debtor subsequently acquires rights, in which case the Charge shall attach contemporaneously with the Debtor acquiring rights therein without the need for any further or other deed, act or consideration. The Charge shall be effective and shall attach as of the date of execution hereof whether the monies hereby secured or any part thereof shall become owing by the Debtor before or after or upon the date of execution of this Debenture. The Debtor acknowledges conclusively that value has been given.

3.3 Royalty Exception

The right, title, interest and benefit in, to and under the Gross Overriding Royalty payable by the Debtor to Sunchild Oil & Gas Ltd. pursuant to the Gross Overriding Royalty Agreement, as presently constituted, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party shall direct.

3.4 Leasehold Exception

The last day of any term reserved by any lease, oral or written, or any agreement therefor, and any renewal thereof, now held or hereafter acquired by the Debtor, is hereby excepted out of the Charge and does not and shall not form part of the Collateral, but the Debtor shall stand possessed of any such reversion in trust to assign and dispose thereof as the Secured Party shall direct. Upon a sale of the leasehold premises, or any part thereof, the Secured Party, for the purpose of vesting the aforesaid reversion in any purchaser or purchasers thereof, shall be entitled by deed or writing to appoint such purchaser or purchasers or any other Person or Persons as trustee or trustees of the aforesaid reversion in the place of the Debtor and to vest same accordingly in the new trustee or trustees so appointed free and clear from any obligation respecting same.

3.5 Contractual Rights Exception

In the event the validity and effectiveness of the Charge over any of the Collateral is dependent upon obtaining the consent, approval or waiver of another person, the Charge over any such Collateral shall not be effective until the applicable consent, approval or waiver is obtained or is no longer necessary for the purposes of the validity and effectiveness of the Charge, whereupon the Charge shall immediately become effective over any such Collateral. Until such consent, approval or waiver is obtained or the same is no longer necessary, the Debtor shall (subject to the other terms hereof) hold such Collateral in trust (to the extent permitted by Applicable Laws) to assign the same to the Secured Party or otherwise subject the same to the Charge, as the Secured Party shall direct, forthwith upon obtaining such consent, waiver or approval.

3.6 Permitted Activities

The Debtor shall not be entitled to sell, alienate, lease, assign, dispose of or otherwise deal with the Collateral or carry on business other than in strict accordance with the terms and conditions of the Loan Agreement. If any Event of Default shall occur and be continuing, the Debtor shall forthwith be restrained from selling, alienating, leasing, assigning, disposing of or otherwise dealing with any of the Collateral without the prior consent of the Secured Party.

ARTICLE 4 DEMAND AND REMEDIES

4.1 Demand

Upon the occurrence and during the continuance of an Event of Default, the Charge shall immediately become enforceable. Once the Charge becomes enforceable, all of the Principal Sum hereof, accrued and unpaid interest thereon and all other Guaranteed Obligations shall automatically become due and payable immediately upon demand by the Secured Party, and the Debtor shall immediately pay to the Secured Party all amounts owing or payable in respect of the Guaranteed Obligations. Without restricting anything herein contained, it is the intent and purpose hereof that the Guaranteed Obligations shall become payable and be paid on such demand and the Liens hereby constituted shall thereby become enforceable without any requirement of time or further notice of any kind, all of which are expressly waived by the Debtor.

4.2 Remedies - General

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may in its absolute discretion, but in accordance with Applicable Laws:

- (a) exercise such rights and remedies as are provided under this Debenture, the Loan Documents and Applicable Laws against the Debtor or in respect of the Collateral or any part thereof for the enforcement of full payment and performance of all the Guaranteed Obligations;
- (b) either with or without notice, enter into and upon and take possession of all or any part of the Collateral with full power to exclude the Debtor and additionally shall have full power and authority:
 - (i) to carry on, manage and conduct the business operations of the Debtor respecting such Collateral and the power to borrow money in its own name or advance its own money for the purpose of such business operations, the maintenance and preservation of such Collateral or any part thereof and the making of such replacements thereof and additions thereto as it shall deem desirable and the payment of taxes, wages and other charges ranking in priority to the Charge; and
 - (ii) to receive the revenues, incomes, issues and profits of such Collateral and to pay therefrom the costs, charges and expenses of the Secured Party in carrying on the said business operations or otherwise, and all taxes, assessments and other charges against such Collateral ranking in priority to the Charge the payment of which may be necessary to preserve such Collateral, and to apply the remainder of the monies so received in the same manner as if the same arose from a sale or realization of such Collateral;

- (c) either after entry as aforesaid or after other entries, or without any entry, sell or dispose of the Collateral, either as a whole or in separate parcels, by private contract, at public auction, by public tender, by lease, by deferred payment arrangement or in any other manner determined by the Secured Party with such notice, advertisement or other formality as may be required by law;
- (d) make any such sale or disposition of the Collateral either for cash or upon credit and upon such reasonable conditions as to upset or reserve bid or price and terms of payment as it may deem proper; to rescind or vary any contract or sale that may have been entered into and re-sell with or under any of the powers conferred herein; to adjourn such sale from time to time; and to execute and deliver to the purchaser or purchasers of the Collateral or any part thereof, good and sufficient deed or deeds for the same, and any such sale or disposition made as aforesaid shall be a perpetual bar at law and in equity against the Debtor and all other persons claiming the Collateral or any part or parcel thereof, by, from, through, or under the Debtor. The Secured Party may become purchaser at any sale of the Collateral or any part thereof;
- (e) with or without entry or sale as aforesaid, in its discretion, proceed to protect and enforce its rights under this Debenture by sale under judgment order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Debenture or in aid of the execution of any power granted in this Debenture or in aid of the execution of this Debenture or for the filing of such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claim of the Secured Party lodged in any bankruptcy, winding-up or other judicial proceeding, or for the enforcement of any other legal or equitable remedy as the Secured Party shall deem most effective to protect and enforce any of the rights or duties of the Secured Party; or
- (f) in lieu of appointing a Receiver as provided in Section 4.6, apply to any court of competent jurisdiction for the appointment of a Receiver, with such powers as the court making such appointment shall confer.

4.3 Possession

The Debtor shall on demand by the Secured Party or any Receiver yield up possession of the Collateral or any part thereof as demanded by the Secured Party or Receiver whenever the Secured Party or Receiver shall have a right to exercise any rights or remedies under Section 4.2, and put no obstacle in the way of, but facilitate by all legal means, the actions of the Secured Party or Receiver and not interfere with the carrying out of the powers hereby granted to the Secured Party or any Receiver.

4.4 Judgment

The Debtor covenants and agrees with the Secured Party that, in the case of any judicial or other proceeding to enforce the Charge or any part thereof, judgment may be rendered against the Debtor in favour of the Secured Party for any amount remaining due under this Debenture or for which the Debtor may be liable hereunder, after the application to the payment thereof of the proceeds of any sale of the Collateral or any part thereof. The covenant of the Debtor to pay interest at the rate provided in this Debenture shall not merge in any such judgment and such judgment shall bear interest at the rate set forth in this Debenture until such judgment and all interest thereon has been paid in full.

4.5 Account Debtors

- (a) All persons producing, purchasing, taking, processing or receiving any Petroleum Substances produced by or for or allocable to the Debtor, having in their possession any such Petroleum Substances or proceeds therefrom, being a debtor on an intangible or chattel paper, a debtor on an instrument or any other Person being obligated to pay any account receivable or other debt due, owing or accruing due to the Debtor (including operators or managers under any operating agreement, management agreement, lease, or otherwise) are entitled at all times to treat and regard the Secured Party as the assignee and transferee from the Debtor, entitled in the place and stead of the Debtor to receive such Petroleum Substances, proceeds, accounts, intangibles and other debts. Upon the occurrence of an Event of Default which is continuing, the Secured Party may give notice to all or any of such persons of the Charge and to remit all such Petroleum Substances, proceeds, accounts and other debts directly to the Secured Party, whether or not the Debtor was making collections on such Collateral prior to notification by the Secured Party; and all such persons shall be fully protected in so treating and regarding the Secured Party and shall be under no obligation to see to the application in any particular manner by the Secured Party of any such Petroleum Substances, proceeds, accounts and other debts received by it.
- (b) Any money collected or received by the Secured Party pursuant to paragraph (a) above shall be applied in the manner as the Secured Party may see fit. The Secured Party shall not be liable or accountable for its failure to collect, realize, sell or obtain payment of accounts, chattel paper, instruments, intangibles, choses in action or rights to payment or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of the same or for the purpose of preserving any right to payment of the Secured Party, the Debtor or any other Person in respect thereof.
- (c) All money collected or received by the Debtor in respect of accounts, chattel paper, instruments, documents of title, intangibles, choses in action, rights to payment or the proceeds of any sale of Petroleum Substances or other interests of the Debtor described herein shall, after the occurrence and during the continuance of an Event of Default, be held by the Debtor in trust for the absolute use and benefit of the Secured Party and shall be paid or delivered over to the Secured Party upon demand in the identical form received and until demand shall be held by the Debtor separate and apart from any funds belonging to the Debtor or any other funds over which it has possession or control.

4.6 Receiver

Upon the occurrence and during the continuance of an Event of Default, the Secured Party may in its discretion appoint a Receiver of the Collateral or any part thereof and upon any such appointment by the Secured Party the following provisions shall apply:

- (a) such appointment shall be made in writing signed by the Secured Party and such writing shall be conclusive evidence for all purposes of such appointment; the Secured Party may from time to time in the same manner remove any Receiver so appointed and appoint another in its stead; in making any such appointment the Secured Party shall be deemed to be acting as the attorney for the Debtor and the Debtor hereby consents to the appointment of a Receiver;

- (b) any such appointment may be limited to any part or parts of the Collateral or may extend to the whole thereof;
- (c) every Receiver may, in the discretion of the Secured Party, be vested with all or any of the powers, rights, benefits, discretions, protection and relief of the Secured Party hereunder and shall be vested with all of the powers and protections afforded to a Receiver under Applicable Laws;
- (d) the Secured Party may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof, in priority to the other Guaranteed Obligations, out of the Collateral, the income therefrom or the proceeds thereof;
- (e) the Secured Party may from time to time require any Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but the Secured Party shall not be bound to require such security;
- (f) every such Receiver may, with the consent in writing of the Secured Party, borrow money for the purpose of carrying on the business of the Debtor in respect of any part of the Collateral or for the maintenance, protection or preservation of the Collateral or any part thereof, and any Receiver may issue certificates ("**Receiver's Certificates**"), for such sums as will in the opinion of the Secured Party be sufficient for carrying out the foregoing, and such Receiver's Certificates may be payable either to order or bearer and may be payable at such time or times as the Secured Party may consider expedient, and shall bear such interest as shall therein be declared and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Secured Party may consider advisable and may pay such commission on the sale thereof as the Secured Party may consider reasonable, and the amounts from time to time payable by virtue of such Receiver's Certificates shall at the option of the Secured Party form a charge upon the Collateral in priority to this Debenture;
- (g) every Receiver shall, regarding its acts or omissions, be deemed the agent of the Debtor, and in no event the agent of the Secured Party, and the Secured Party shall not, in making or consenting to such appointment, incur any liability to any Receiver for its remuneration or otherwise howsoever;
- (h) except as may be otherwise directed by the Secured Party, all monies from time to time received by any Receiver shall be paid over to the Secured Party at the place where this Debenture is payable; and
- (i) the Secured Party may pay over to any Receiver any monies constituting part of the Collateral to the extent that the same may be applied for the purposes hereof by such Receiver and the Secured Party may from time to time determine what funds, if any, the Receiver shall be at liberty to keep on hand with a view to the performance of its duties as such Receiver.

4.7 Remedies Not Exclusive

No right, power or remedy herein conferred upon or reserved to the Secured Party or any Receiver is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy shall, to the extent permitted by Applicable Laws, be cumulative and shall be in addition to every other right, power or remedy given hereunder or now or hereafter existing at law, in equity or by statute. The Secured Party shall have the power to waive any default, provided no such

waiver shall be effective unless made in writing and shall not constitute a waiver of any other or subsequent default. No delay or omission of the Secured Party in the exercise of any right, power or remedy accruing upon any default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or an acquiescence therein. Every right, power and remedy given to the Secured Party or to a Receiver by this Debenture, the Loan Documents or under Applicable Laws may be exercised from time to time and as often as may be deemed expedient by the Secured Party or such Receiver, as applicable. In case the Secured Party shall have proceeded to enforce any right under this Debenture and the proceedings for the enforcement thereof shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Secured Party, then and in every such case the Debtor and the Secured Party shall, without any further action hereunder, to the full extent permitted by Applicable Laws, subject to any determination in such proceedings, severally and respectively, be restored to their former positions and rights hereunder and thereafter all rights, remedies and powers of the Secured Party shall continue as though no such proceeding had been taken.

4.8 Application of Proceeds

Except as herein otherwise expressly provided, the monies arising from any enforcement in whole or in part of the Charge, or from any sale or realization of the whole or any part of the Collateral, whether under sale by the Secured Party or by judicial process or otherwise, and all incomes, rents and profits of the Collateral, together with any other monies then in the hands of the Secured Party or any Receiver available for such purpose, shall at the option of the Secured Party be held by the Secured Party as security for the Guaranteed Obligations or be applied by the Secured Party on account of the Guaranteed Obligations as it may see fit, without prejudice to the claim of the Secured Party upon the Debtor for any deficiency.

4.9 Power of Attorney

The Debtor hereby irrevocably constitutes and appoints the Secured Party or any Receiver appointed by the Secured Party its true and lawful attorney and Secured Party, with full power and authority in the Debtor's name, place and stead from time to time to do all acts and things and execute and deliver all share transfers, certificates, proxies, resolutions, consents, assignments, transfers, conveyances and agreements, in such form as the Secured Party considers necessary or desirable, to do all things which the Debtor is required to sign, execute and do hereunder if the Debtor has failed to sign, execute or do the same and generally to use the name of the Debtor, as applicable, in the exercise of all or any of the powers hereby conferred on the Secured Party, with full powers of substitution and revocation; provided that this power of attorney may not be exercised by the Secured Party until the occurrence of an Event of Default which is continuing. Such appointment and power of attorney is hereby declared by the Debtor to be an irrevocable power coupled with an interest in favour of the Secured Party and shall remain in full force and effect until this Debenture is discharged.

ARTICLE 5 REPRESENTATIONS, WARRANTIES, COVENANTS AND ENVIRONMENTAL INDEMNITY

5.1 Representations and Warranties

The Debtor agrees, represents and warrants to and with the Secured Party that:

- (a) the Debtor has good and marketable title to its Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto), subject only to Permitted Liens;

- (b) the Debtor has not received from any Person any notice claiming an entitlement to, exercising or purporting to exercise any right of first refusal, right of first purchase or similar right or option relating to the Debtor's owned real property or Oil and Gas Properties which could, if exercised, have the effect of divesting the Debtor of title to the affected properties; and
- (c) without limiting anything contained in this Debenture, neither the provisions of this Debenture nor the actual or constructive notice on the part of the Secured Party of the actual or alleged existence of any right of any Person to claim any right of first refusal or right of first purchase shall affect or derogate from the right of the Secured Party to rely upon this Section 5.1.

5.2 Insurance Requirements

The Debtor shall, at all times during the currency of this Debenture, insure and keep insured, any and all insurable Collateral (or cause the same in its capacity of general partner of the Borrower) in strict accordance with the terms and conditions of the Loan Agreement. If the insurance hereinbefore referred to is not effected or not kept duly renewed, the Secured Party may effect or renew such insurance and if default be made in payment of premiums or sums of money by the Debtor, the Secured Party may pay the same, and such sums of money shall be added to the Guaranteed Obligations hereby secured and shall bear interest at the highest rate provided herein from the date of such payment and shall be repayable forthwith upon demand made by the Secured Party.

5.3 Environmental Indemnity

Save and except as may be caused by the gross negligence or wilful misconduct of the Secured Party, the Debtor hereby indemnifies and holds harmless the Secured Party, and its partners, officers, directors, employees, agents and representatives, from and against any and all claims, suits, actions, debts, damages, costs, losses, obligations, judgments, charges and expenses (including reasonable legal fees on a solicitor and his own client basis), of any nature whatsoever suffered or incurred by the Secured Party, and its partners, officers, directors, employees, agents and representatives as a result of or in connection with the Secured Party entering into the Loan Documents or holding this Debenture or in the enforcement or realization of this Debenture, including the assertion of any claim, demand, cause of action or lien thereunder, with respect to:

- (a) the Release of a Materials of Environmental Concern, the threat of the Release of any Materials of Environmental Concern, or the presence of any Materials of Environmental Concern affecting the Collateral, whether or not the same originates or emanates from the Collateral or any contiguous real property, including any loss of value of property as a result of any of the foregoing;
- (b) any costs of removal or remedial action incurred by any Governmental Authority or any costs incurred by any other Person or damages from injury to, destruction of, or loss of natural resources or the Environment in relation to the Collateral or any contiguous real property, including reasonable costs of assessing such injury, destruction or loss incurred pursuant to any Applicable Law;
- (c) liability for personal injury or property damage arising under any statutory or common law tort theory including, without limitation, third party, consequential, indirect damages and damages assessed for the maintenance of a public or private nuisance or for the carrying on of a dangerous activity at or near the Collateral;

- (d) any other environmental matter affecting the Collateral within the jurisdiction of any federal environmental agency, or any provincial, municipal or local environmental agency; and
- (e) all environmental, health, reclamation and clean up costs and obligations associated with or pertaining to the abandonment or reclamation of the Collateral or any wells, facilities, buildings, fixtures or equipment located thereon.

The Debtor's obligations under this clause shall arise upon the discovery of the presence of any Materials of Environmental Concern or upon the creation of an obligation to abandon, reclaim or clean up any of the Collateral, whether or not any federal agency or any provincial or local environmental agency has taken or threatened any action in connection with the presence of any Materials of Environmental Concern and, notwithstanding anything contained in this Debenture to the contrary, shall survive the full repayment of any and all monies hereby secured and the discharge, release or reconveyance of this Debenture to the Debtor.

ARTICLE 6 LIABILITIES, WAIVERS AND EXPENSES

6.1 Limitation of Liability

Except in the case of gross negligence or wilful misconduct, neither the Secured Party nor any Receiver shall (i) be responsible or liable for any debts contracted by it, for damages to persons or property, for salaries or for non-fulfillment of contracts during any period when the Secured Party or any Receiver shall manage or be in possession of the Collateral; (ii) be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession may be liable; (iii) be bound to do, observe or perform or to see to the observance or performance by the Debtor of any obligations or covenants imposed upon the Debtor; or (iv) in the case of any chattel paper, investment property, instrument or any other intangible, be obligated to preserve rights against any other persons. The Debtor hereby waives any provision of Applicable Laws permitted to be waived by it which imposes higher or greater obligations upon the Secured Party or any Receiver than aforesaid.

6.2 Mandatory Provisions of Applicable Law

Subject to Section 6.3, all rights, remedies, and powers provided herein may be exercised only to the extent that the exercise thereof does not violate any mandatory provision of Applicable Laws and all the provisions of this Debenture are intended to be subject to all mandatory provisions of Applicable Laws which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Debenture invalid, unenforceable or not entitled to be recorded, registered or filed under any mandatory provisions of Applicable Laws. Subject to Section 6.3, if any mandatory provision of Applicable Laws shall provide for different or additional requirements than or to those specified herein as prerequisites to or incidental to the realization, sale or foreclosure of the Charge or any part thereof, then, to that extent, such laws shall be deemed to have been set forth herein at length, and any conflicting provisions hereof shall be disregarded, and the method of realization, sale or foreclosure of the Charge required by any such laws shall, insofar as may be necessary, be substituted herein as the method of realization, sale or foreclosure in lieu of that set forth above. Any provision hereof contrary to mandatory provisions of Applicable Laws shall be deemed to be ineffective and shall be severable from and not invalidate any other provision of this Debenture.

6.3 Waiver of Applicable Laws

- (a) To the extent not prohibited by Applicable Laws, the Debtor hereby waives its rights under all provisions of Applicable Laws that would in any manner limit, restrict or otherwise affect the Secured Party's rights and remedies hereunder or impose any additional obligations on the Secured Party. The Debtor waives the right to receive any amount which it may now or hereafter be entitled to receive (whether by way of damages, fine, penalty or otherwise) by reason of the failure of the Secured Party to deliver to the Debtor a copy of any financing statement or any verification statement issued by any registry that confirms registration of a financing statement relating to this Debenture and the Debtor hereby waives its right to receive a copy of such financing or verification statements.
- (b) The Debtor hereby authorizes the Secured Party to provide information to any Person who requests information under section 18 of the PPSA or similar legislation and the Secured Party will not be required to investigate whether or not the inquiring Person is in fact a Person entitled to request information pursuant to section 18 of the PPSA or similar legislation.
- (c) To the fullest extent that it may lawfully do so, the Debtor hereby:
 - (i) waives and disclaims any benefit of, and shall not have or assert any right under any statute or rule of law pertaining to, discussion and division, the marshalling of assets or any other matter whatsoever, to defeat, reduce or affect the rights of the Secured Party under the terms of this Debenture to a sale of the Collateral or any part thereof or for the collection of all amounts secured hereby;
 - (ii) agrees that it shall not have or assert any right or equity of redemption or any right under any statute or otherwise to redeem the Collateral or any part thereof after the sale hereunder to any Person whether such sale is by the Secured Party, any Receiver or otherwise, notwithstanding, that the Secured Party may have purchased the same;
 - (iii) waives the rights, benefits and protection of section 49 of the *Law of Property Act* (Alberta), as amended, or any successor statute; and
 - (iv) waives the provisions of the *Judgment Interest Act* (Alberta).
- (d) The right of consolidation shall apply to this Debenture and the Oil and Gas Properties notwithstanding Section 31 of the *Property Law Act* (British Columbia) or any similar statutory provision in force from time to time, and the provisions of such statute are specifically waived.

6.4 Non-Application of Saskatchewan Laws

The Debtor covenants and agrees with the Secured Party that:

- (a) *The Land Contracts (Actions) Act* (Saskatchewan) shall have no application to any action, as defined in *The Land Contracts (Actions) Act* (Saskatchewan), with respect to any mortgage, charge or security interest given by the Debtor under this Debenture; and

- (b) *The Limitation of Civil Rights Act* (Saskatchewan), as well as Part IV of *The Saskatchewan Farm Security Act* (Saskatchewan), shall have no application to:
- (i) this Debenture;
 - (ii) any indenture, instrument or agreement entered into by the Debtor at any time hereafter, supplemental or ancillary to or in implementation of this Debenture and involving the payment by the Debtor of money, or the liability of the Debtor to payment;
 - (iii) any mortgage, charge or other security interest for the payment of money made, given or created by this Debenture or by any indenture, instrument or agreement referred to or mentioned in clause (ii) above;
 - (iv) any instrument or agreement entered into by the Debtor at any time hereafter renewing or extending or collateral to this Debenture, renewing or extending or collateral to any indenture, instrument or agreement referred to or mentioned in clause (ii) above, or renewing or extending collateral to any mortgage, charge or other security referred to or mentioned in clause (iii) above; or
 - (v) the rights, powers or remedies of the Secured Party under this Debenture or any mortgage, charge or other security interest, indenture, instrument or agreement referred to or mentioned in this Section 6.4(b).

6.5 Expenses

If the Debtor fails to pay any amounts required to be paid by it under this Debenture or to observe or perform any of the covenants and obligations to be observed or performed by it set forth in this Debenture or in any other Loan Document provided by the Debtor to the Secured Party, the Secured Party and any Receiver may, but shall be under no obligation to, pay such amounts or do such acts or things as may be required to ensure such observance and performance, without waiving any of its rights under this Debenture, the Loan Agreement or under any other Loan Document. No such payment, act or thing by the Secured Party or any Receiver shall relieve the Debtor from any default under this Debenture, the Loan Agreement or any other Loan Document provided by the Debtor to the Secured Party or the consequences of such default. The reasonable expenses (including the cost of any insurance and payment of taxes or other charges and reasonable legal fees and expenses on a solicitor and his own client basis) paid by the Secured Party or any Receiver in respect of the care, custody, preservation, use or operation of the Collateral, shall be deemed advanced to the Debtor by the Secured Party or such Receiver, shall become part of the Guaranteed Obligations, and shall, from the time they are paid by the Secured Party or such Receiver until repaid by the Debtor, bear interest at the applicable rate hereunder. In addition, the Debtor shall pay all reasonable expenses (including reasonable legal fees and expenses on a solicitor and his own client basis) incurred by the Secured Party or any Receiver in connection with the preparation, perfection, execution, protection, enforcement of and advice with respect to this Debenture (including, without limitation, the realization, disposition, retention, protection or collection of the Collateral or any part thereof and the protection and enforcement of the rights of the Secured Party and any Receiver hereunder together with all remuneration paid to a Receiver and all costs, charges and expenses of or incidental to any receivership) and such expenses shall become part of the Guaranteed Obligations, and shall, from the time they are paid by the Secured Party or such Receiver until paid by the Debtor, bear interest at the applicable rate hereunder.

6.6 Indemnity

Save and except as may be caused by the gross negligence or wilful misconduct of the indemnified parties referred to below, the Debtor will and does hereby indemnify and save harmless the Secured Party, every Receiver and each of their respective partners, officers, directors, employees and agents (collectively, the "**Indemnified Parties**"), from and against any and all liabilities, actions, claims, judgments, obligations, costs, charges or expenses, including reasonable legal fees and expenses on a solicitor and his own client basis, made against or incurred by the Indemnified Parties as a result of taking this Debenture or entering into any of the Loan Documents; and the Secured Party and every Receiver shall have the right to defend against any such liabilities, actions, claims and charges and to claim from the Debtor all expenses incurred in connection therewith, together with all reasonable legal fees and expenses on a solicitor and his own client basis that may be paid in connection therewith. It is understood and agreed that the covenants and conditions of this Section 6.6 shall remain in full force and effect notwithstanding the payment or release, either partially or wholly, of the Charge or any foreclosure thereof.

ARTICLE 7 REGISTRATION AND DISCHARGE

7.1 Further Assurances

The Debtor hereby covenants and agrees that it will at all times do, execute, file, register, acknowledge and deliver or cause to be done, executed, filed, registered, acknowledged and delivered all such further acts, deeds, mortgages, hypothecs, caveats, transfers, assignments and assurances as the Secured Party may reasonably require for the better assuring, mortgaging, charging, transferring, assigning, granting, delivering and confirming unto the Secured Party the Collateral, or any part thereof, and for the better accomplishing and effectuating the purpose of this Debenture including, without limitation, providing to the Secured Party from time to time an updated Schedule "B" (which the Secured Party may, without the consent of the Debtor, use to replace the similar Schedule which is then attached hereto without any other or further action by or on behalf of the Debtor) and the execution and delivery of indentures supplemental hereto more particularly describing the Collateral or to update, correct or amplify the description of the Collateral or to better assure, convey and confirm unto the Secured Party any of the Collateral. Upon an updated Schedule "B" being provided to the Secured Party or the execution of any supplemental indenture under this Section, as applicable, this Debenture shall be modified in accordance therewith, and each such replacement Schedule "B" and supplemental indenture shall form part of this Debenture for all purposes.

7.2 Registration

The Secured Party may at any time and from time to time register or cause to be registered this Debenture (or a caveat or other notice in respect thereof) against title to any or all of the Oil and Gas Properties (including without limitation such filings as the Secured Party may deem advisable at the Indian Lands Registry). Upon the request of the Secured Party, the Debtor will provide to the Secured Party a list of its Oil and Gas Properties containing a sufficient description thereof to permit the Secured Party to register this Debenture (or a caveat or notice thereof) against title to such Oil and Gas Properties. The Debtor shall ensure and will assist the Secured Party to ensure that this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents and all documents, caveats, cautions, memorials, 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 Laws or as may be necessary or desirable to perfect and preserve the Charge as a mortgage, charge and security interest (subject only to Permitted Liens) and the rights conferred or intended to be conferred upon the Secured

Party by the Charge and will cause to be furnished promptly to the Secured Party evidence satisfactory to the Secured Party of such filing, registering and depositing. The Debtor shall, forthwith on demand being made by the Secured Party, pay all reasonable fees, costs and expenses incurred by the Secured Party or its Secured Parties in connection with the filing, re-filing, registering, re-registering, depositing and re-depositing of this Debenture and all such supplementary and corrective instruments and all additional mortgage and security documents. The fees, costs and expenses incurred by the Secured Party or its Secured Parties hereunder shall be secured hereby and shall become part of the Guaranteed Obligations.

7.3 Discharge; Pledge by Debtor

Upon the full, final and indefeasible payment and performance of the Guaranteed Obligations, this Debenture and the rights hereby granted shall, at the request of the Debtor, be terminated and thereupon the Secured Party shall at the request and at the expense of the Debtor cancel and discharge the Charge and execute and deliver to the Debtor such deeds and other instruments as shall be requisite to cancel and discharge the Charge; provided however that upon request by, or with the prior written consent of, the Secured Party this Debenture may be delivered, assigned, pledged, hypothecated or deposited by the Debtor as security for present and future credits, advances or loans to or for indebtedness or other obligations or liabilities of the Debtor and in such event, for so long as this Debenture is delivered, deposited, pledged or hypothecated as collateral security for present or future credits, for loans (fixed, term, demand, fluctuating, revolving or otherwise), indebtedness, covenants or other obligations of the Debtor, this Debenture shall (i) be considered as outstanding for its full amount; (ii) not be cancelled or redeemed on partial or full payment of such loans or indebtedness or satisfaction of such covenants or obligations; and (iii) not be affected by any such loans, indebtedness, covenants or obligations fluctuating from time to time or the amounts in respect thereof ceasing to be in debit balance. Further, this Debenture shall continue to be effective or be reinstated, as the case may be, if for any reason at any time any payment or performance of the Guaranteed Obligations, or any part thereof, is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or reimbursed by the Secured Party.

7.4 Partial Discharge

The Secured Party may, in its sole discretion, grant postponements or partial releases or discharges of the Charge in respect of all or any part of the Collateral, but no such postponement or partial release or discharge shall in any way affect the Charge over the remainder of the Collateral, or to release or discharge the Debtor from its liability to the Secured Party to fully pay and satisfy the Guaranteed Obligations.

7.5 Composite Mortgage

This Debenture is a composite mortgage and security agreement covering the Collateral of the Debtor located in various Provinces and Territories of Canada and other jurisdictions and, as to portions of the Collateral located in such separate jurisdictions, this Debenture shall be a separate mortgage and security agreement enforceable against the Debtor without regard to the application of this Debenture to portions of the Collateral located in other jurisdictions. All provisions hereof shall be applicable separately to the portions of the Collateral located in each separate jurisdiction with the same effect as if a separate mortgage and security agreement with respect thereto had been executed and delivered by the Debtor to the Secured Party. Upon the reasonable request of the Secured Party, the Debtor shall prepare, execute, deliver and register, at its expense, a separate mortgage and security agreement covering the portion of the Collateral located in any such jurisdiction or jurisdictions, such separate mortgage and security agreement to be substantially in the form hereof except for such modifications as shall be required by the fact that such mortgage and security agreement relates only to the property of the Debtor

located in such jurisdiction or jurisdictions or as may be required by the Secured Party in connection herewith.

7.6 Deemed Satisfaction

Notwithstanding the stated interest rate per annum in Section 2.1 of this Debenture or any other provision hereof, payment by such Debtor of interest and fees for any period in respect of the Guaranteed Obligations at the rate at which such Guaranteed Obligations bear interest or such fees are determined for such period under the Loan Agreement, will be deemed to be payment in satisfaction of the interest payment on the Principal Sum under this Debenture for the same period. Notwithstanding Sections 2.1 or 7.3 or any other provision hereof, the Secured Party shall only be entitled to collect an amount under this Debenture up to the aggregate amount of the Guaranteed Obligations owing under the Guarantee. In the event of conflict between the provisions of this Debenture and either the Loan Agreement or the Guarantee, the provisions of the Loan Agreement and the Guarantee, in such order of priority, shall govern.

7.7 Realization

Notwithstanding any other provision herein, including Section 2.1, the Secured Party will not, nor will it be entitled to, demand payment pursuant to this Debenture or enforce the Charge unless and until an Event of Default has occurred and is continuing, but thereafter the Secured Party may at any time exercise and enforce all of the rights and remedies of a holder of this Debenture in accordance with and subject to the Loan Documents to which the Debtor is a party as the absolute holder hereof, provided that the Secured Party will not be bound to exercise any such right or remedy.

ARTICLE 8 MISCELLANEOUS

8.1 Additional Security

Nothing in this Debenture contained shall detract from or limit the absolute obligation of the Debtor to make payment of this Debenture and of all monies owing hereunder at the time and in the manner provided in this Debenture and to perform or observe any other act or condition which it is required to perform or observe hereunder whether or not the Charge is operative, and the rights under this Debenture shall be in addition to and not in substitution for any other Liens of any and every character now or hereafter held by the Secured Party for the Guaranteed Obligations.

8.2 Assignment by the Secured Party

It is agreed that this Debenture and the principal, interest and other monies hereby secured will be paid by the Debtor and shall be assignable by the Secured Party free from any right of set-off, counterclaim, deduction or equities between the Debtor and the Secured Party.

8.3 Third Parties

No Person dealing with the Secured Party, any Receiver or any of their respective agents shall be concerned to inquire whether the Charge (or any part thereof) has become enforceable, or whether the powers which the Secured Party or any Receiver is purporting to exercise have become exercisable, or whether any of the Guaranteed Obligations remain outstanding or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made, or otherwise as to the propriety or regularity of any sale or of any other dealing by the Secured Party or any Receiver with the Collateral or any part thereof or to see to the application of any money paid to the Secured Party or any Receiver and,

in the absence of fraud on the part of such person, such dealings shall be deemed, as regards the safety and protection of such person, to be within the powers hereby conferred upon the Secured Party or any Receiver and to be valid and effective accordingly.

8.4 Severability

Any provision of this Debenture which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

8.5 Non-Negotiation

This Debenture is not a negotiable instrument.

8.6 Amendments

No provision of the Debenture may be amended verbally and any such amendment may only be made by way of an instrument in writing signed by the Debtor and the Secured Party.

8.7 Notice

All notices, advices, requests and demands hereunder shall be in writing (including e-mail transmissions) and may be given to the Debtor or the Secured Party at the following addresses or at such other address as any party shall designate for itself and all notices shall be effective upon actual receipt:

If to the Debtor:

Triple Five Intercontinental Group Ltd.
3600, 700 – 2nd Street S.W.
Calgary, AB

Attention: Ryan Martin
E-mail: Ryan.Martin@petroworldenergy.com

If to the Secured Party:

Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP, c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Tim Oldfield
E-mail: tim.oldfield@crowncapital.ca

8.8 Governing Law

This Debenture is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of laws or rules which would result in any laws other than the internal laws in force in the Province of Alberta applying to this Debenture. The Debtor hereby irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta

for all matters arising out of or relating to this Debenture, or any of the transactions contemplated hereby, without prejudice to the rights of the Secured Party to take proceedings in other jurisdictions in which any Collateral may be situate.

8.9 Crystallization of Floating Charge

For the purposes of section 203 of the *Land Title Act* (British Columbia), the floating charge created by this Debenture over the Debtor's real and immoveable property, both freehold and leasehold, shall crystallize and become a fixed charge upon the earlier of:

- (a) the Debtor becoming insolvent or bankrupt or making an assignment or proposal under the applicable bankruptcy or insolvency legislation in favour of its creditors;
- (b) a bankruptcy petition being filed or presented against the Debtor;
- (c) a Receiver being appointed for the Debtor or for any material part of the Collateral;
- (d) the Debtor failing to pay the Guaranteed Obligations when due; or
- (e) the Secured Party notifying the Debtor in writing that the floating charge created by this Debenture has crystallized and become a fixed charge.

8.10 Time of Essence

Time shall be of the essence of this Debenture.

8.11 Successors and Assigns

This Debenture shall be binding upon the Debtor, its successors and permitted assigns (including any successor by reason of amalgamation, merger or other combination) and shall enure to the benefit of the Secured Party and its successors and assigns; provided always that the Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party. The Debtor agrees that no change in the name, objects or constitution of the Debtor shall in any way affect the enforceability of this Debenture against the Debtor from time to time.

8.12 Headings

The headings and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Debenture.

8.13 References

Unless something in the subject matter or context is inconsistent herewith, all references to Sections, Articles and Schedules are to Sections and Articles of and Schedules to this Debenture. The words "hereto", "hereof", "hereunder" and similar expressions mean and refer to this Debenture. In this Debenture, the singular includes the plural and vice versa; a reference to gender includes the masculine, feminine and neuter; where a term or expression is defined, derivations thereof have a corresponding meaning; references to any statute, act or other legislative enactment shall be to such statute, act or other legislative enactment as amended from time to time or replaced by a statute, act or other legislative enactment dealing with substantially the same subject matter as the statute, act or other legislative enactment so replaced; and references to any agreement, contract, document, licence or other instrument

shall mean and refer to such agreement, contract, document, licence or other instrument as amended, modified, replaced, restated, extended, renewed or supplemented from time to time.

8.14 Currency Indemnity

In the event of a judgment or order being rendered by any court or tribunal for the payment of any amounts owing under this Debenture or any other Loan Document, or for the payment of damages in respect of any breach of this Debenture or any other Loan Document, or under or in respect of a judgment or order of another court or tribunal for the payment of such amounts or damages, such judgment or order being expressed in a currency (the "**Judgment Currency**") other than the currency payable hereunder or thereunder (the "**Agreed Currency**"), each party against whom the judgment or order is made shall indemnify and hold each party in whose favour the judgment or order is made harmless against any deficiency in terms of the Agreed Currency in the amounts received by such party arising or resulting from any variation as between (i) the exchange rate at which the Agreed Currency is converted into the Judgment Currency for the purposes of such judgment or order, and (ii) the exchange rate at which such party is able to purchase the Agreed Currency with the amount of the Judgment Currency actually received by such party on the date of such receipt. The indemnity in this Section shall constitute a separate and independent obligation from the other obligations of the parties hereunder and shall apply irrespective of any indulgence granted hereunder.

8.15 Currency of Payment

The principal, interest and other moneys payable hereunder shall be paid in lawful money of Canada.

8.16 Agreement Paramount

In the event of any conflict, inconsistency, ambiguity or difference between the provisions of this Debenture and of the Loan Agreement, then, the provisions of the Loan Agreement shall govern and be paramount, and any such provision in this Debenture shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference. Notwithstanding the foregoing, if there is any right or remedy of the Lender set out in this Debenture or any part thereof which is not set out or provided for in the Loan Agreement, such additional right or remedy shall not constitute a conflict or inconsistency.

8.17 Charging Clause

The Debtor, being the registered owner of its Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto), and for better securing to the Secured Party repayment in the manner aforesaid of the Principal Sum and interest, and other monies hereby secured, hereby mortgages to the Secured Party all of its estate and interest in the Oil and Gas Properties (including without limitation those referred to in Schedule "B" attached hereto).

8.18 Prior Mortgages

The Debtor hereby covenants to perform and observe and satisfy all the terms, covenants and conditions to be performed and observed by the Debtor under the terms of any prior mortgages, debentures, agreements for sale or other Liens (hereinafter called the "**prior mortgages**" and each a "**prior mortgage**") with respect to its Oil and Gas Properties, whether registered or unregistered. It is expressly agreed and understood by the Debtor that in the event of default by the Debtor under any of the terms of any prior mortgage, then at the option of the Secured Party the Debtor shall be deemed to be in

default of the terms of this Debenture. The Secured Party may, at its option, make any payment or cure any default under the prior mortgage and any amount or amounts so paid together with all costs, charges, expenses and outlays of the Secured Party thereby incurred shall be added to the moneys payable hereunder, shall bear interest at the rate aforesaid from the date expended until paid, shall be payable with interest as aforesaid forthwith by the Debtor to the Secured Party without demand and shall be a charge on the Oil and Gas Properties and the Secured Party shall have the same rights and remedies to enforce payment thereof as it would have in the event of default in payment of other moneys payable hereunder.

8.19 Receipt

The Debtor hereby acknowledges receipt of an executed copy of this Debenture.

[Balance of page intentionally left blank. Execution page to follow.]

IN WITNESS WHEREOF the Debtor has issued this Debenture signed by its duly authorized officers as of the date and year first above written.

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

By: 

(c/s)

Name: David Ghermezian
Title: President

By: _____

Name:
Title:

I/We have authority to bind the Debtor

[Signature page to Fixed and Floating Charge Demand Debenture]

SCHEDULE "A"

Attached to and forming part of the Debenture dated August 31, 2018 issued by Triple Five Intercontinental Group Ltd. in favour of Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP

DEFINITIONS

In the Debenture to which this Schedule "A" is attached, the following terms shall have the respective meanings given to them:

"**Charge**" means the Liens created by the Debenture;

"**Debenture**" means the fixed and floating charge demand debenture to which this Schedule "A" is attached, as the same may be amended, supplemented, restated or replaced from time to time, including all the Schedules now or hereafter attached to the Debenture;

"**Event of Default**" means a default by the Debtor in the payment or performance of the Guaranteed Obligations, as well as the occurrence of an "Event of Default" under the Loan Agreement (as that term is defined therein);

"**Gross Overriding Royalty**" has the meaning ascribed to it in the Gross Overriding Royalty Agreement;

"**Gross Overriding Royalty Agreement**" means the gross overriding royalty agreement dated June 2014 between the Debtor and Sunchild Oil & Gas Ltd. as presently constituted on the date of the Debenture, but does not include any amendment, supplement or modification thereof unless consented to by the Secured Creditor in writing;

"**Guarantee**" means the guarantee and indemnity agreement dated of the date hereof between the Debtor, as guarantor, and the Secured Creditor;

"**Guaranteed Obligations**" has the meaning ascribed to it in the Guarantee;

"**including**" means including without limitation, and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it, and "includes" shall be construed in a like manner;

"**Loan Agreement**" means the loan agreement dated as of August 31, 2018, among the Debtor, T5 SC Oil and Gas Limited Partnership, by its general partner, the Debtor, as borrower, and the Secured Party, as lender, as the same may be amended, supplemented, restated, extended, renewed, or superseded from time to time;

"**Oil and Gas Properties**" has the meaning ascribed to it in the Loan Agreement and includes for the purposes of this Debenture, all owned real property of the Debtor as well as those properties listed in Schedule "B" hereto as the same may be amended, modified, replaced or supplemented from time to time.

"**PPSA**" means the *Personal Property Security Act* (Alberta), as amended from time to time; and the terms "proceeds", "equipment", "inventory", "chattel paper", "intangible", "instrument", "investment property", "security", "accessions", "document of title" and "account" shall, when used herein, have the same meanings as are ascribed thereto in the PPSA;

"property" means, in respect of any person, its property, assets and undertaking, both real and personal, tangible or intangible; and

"Receiver" means any receiver, manager, or receiver and manager of the Collateral or any part thereof or the business and undertaking of the Debtor, or any part thereof, whether appointed by the Secured Party under the Debenture or by a court pursuant to Applicable Laws and any nominee of the Secured Party or any other Person that is appointed by the Secured Party to exercise all or any of the powers, rights, benefits and discretion of the Secured Party under the Debenture.

SCHEDULE "B"

Attached to and forming part of the Debenture dated August 31, 2018 issued by Triple Five Intercontinental Group Ltd. in favour of Crown Capital LP Partner Funding Inc., as general partner of Crown Capital Partner Funding, LP

LIST OF SPECIFIC PROPERTY

Indian Oil and Gas Canada Interests

NO.	Lease No. / Reserve Name / Date	Current Interest % and Type	Rights	Lands	Zone(s)
1	OL-6448 / Sunchild #202 / May 1, 2014	100% Working Interest	All rights	All lands described in Lease No. OL-6448	All zones described in Lease No. OL-6448
2	OS-7116 / Sunchild #202 / December 11, 2014	100%	All rights	All lands described in Surface Lease No. OS-7116	--
3	RW-4779 / Sunchild #202 / February 26, 2015	100%	All rights	All lands described in Right of Way No. RW-4779	--
4	OS-7181 / Sunchild #202 / January 31, 2018	100%	All rights	All lands described in Surface Lease No. OS-7181	--

Crown PNG Leases

No.	AGREEMENT NUMBER	AGREEMENT TYPE
1	0516020081	005 5YR Northern PNG Lease
2	0516020082	005 5YR Northern PNG Lease
3	0598030879	005 5YR Northern PNG Lease

This is Exhibit "17"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

LIMITED RECOURSE GUARANTEE AND INDEMNITY AGREEMENT

This Agreement is made as of the 31st day of August, 2018,

BETWEEN:

T5 ENERGY PARTNERS LTD. (together with any successors, by amalgamation or otherwise, and permitted assigns, hereinafter referred to as the "**Guarantor**")

AND:

CROWN CAPITAL PARTNER FUNDING, LP, by its general partner **CROWN CAPITAL LP PARTNER FUNDING INC.** (collectively, the "**Lender**")

WHEREAS:

- A. Pursuant to a Loan Agreement dated as of August 31, 2018 (together with all amendments, modifications, supplements, restatements or replacements, if any, from time to time thereafter made thereto) (the "**Loan Agreement**") between the Lender, as lender, T5 SC Oil and Gas Limited Partnership, by its general partner Triple Five Intercontinental Group Ltd. (collectively, the "**Borrower**"), as borrower, and Triple Five Intercontinental Group Ltd., the Lender has agreed to make the Loan available to the Borrower.
- B. The Guarantor receives direct and indirect benefits from the extension of credit to the Borrower under the Loan Agreement.
- C. As a condition to making available the Loan, the Guarantor is required to execute and deliver this Agreement to the Lender.
- D. As security for the payment by the Guarantor of the Guaranteed Obligations (as hereinafter defined), the Guarantor has entered into (i) a pledge agreement in favour of the Lender dated the date hereof (the "**Unit Pledge Agreement**"); and (ii) a pledge agreement with Nader Ghermezian in favour of the Lender dated the date hereof (the "**Share Pledge Agreement**", together with the Unit Pledge Agreement, the "**Pledge Agreements**").

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees with the Lender as follows:

1. Guarantee. The Guarantor hereby unconditionally guarantees to the Lender and its successors and assigns, forthwith upon demand, prompt and complete payment and performance of all indebtedness, liabilities and obligations of the Borrower to the Lender arising in connection with or pursuant to the Loan Agreement and the Loan Documents present or future, direct or indirect, absolute or contingent, joint, several or joint and several, at any time owing or remaining unpaid by the Borrower to the Lender in any currency, including all principal, interest, commissions, fees (including receiver's fees and expenses), reasonable legal costs (on a solicitor and its own client basis) and other costs, charges and expenses, and the payment of all costs and expenses incurred by the Lender in enforcing any rights under this Agreement or the Loan Documents (collectively, the "**Guaranteed Obligations**"). For greater certainty and without limiting the generality of the foregoing, the Guaranteed Obligations shall include all

principal, interest and fees due by the Borrower to the Lender, all obligations of the Borrower under any other agreement made between the Borrower and the Lender in connection with or pursuant to the Loan Agreement or the Loan Documents, and any liability of the Borrower arising under guarantees provided by the Borrower or the Guarantor to the Lender in connection with the obligations of other parties in connection with or pursuant to the Loan Agreement and the Loan Documents.

2. Indemnity. In addition to the guarantee provided in Section 1, and as a separate and distinct obligation, the Guarantor agrees to indemnify and save harmless the Lender from and against all direct and indirect claims, demands, losses, damages, liabilities, charges, obligations, payments and expenses of any nature or kind, howsoever or whenever arising, which the Lender may suffer or incur in any way relating to or arising from the failure of the Borrower to pay and satisfy the Guaranteed Obligations. Notwithstanding the foregoing, under no circumstances shall any Guarantor be liable for any special damages or consequential damages.

3. Continuing Guarantee. The guarantee contained herein shall be a continuing guarantee and shall secure the Guaranteed Obligations and any ultimate balance thereof until Borrower's indefeasible repayment and performance in full of the Guaranteed Obligations in accordance with Article 5 of the Loan Agreement. This Agreement shall continue in full force and effect regardless of whether the Guarantor or any other party responsible for the payment of the Guaranteed Obligations or any portion thereof shall cease to be so liable for any reason whatsoever, including without limitation by reason of prescription, operation of law or release by the Lender.

4. Borrower's Status and Authority. All monies or advances in fact borrowed or obtained from the Lender by the Borrower under the Loan Agreement and the Loan Documents shall be deemed to form part of the Guaranteed Obligations, notwithstanding any lack or limitation of status or power, incapacity or disability of the Borrower or its partners or their respective partners, directors, officers, employees or agents, or that the Borrower may not be a legal entity or that such borrowing or obtaining of monies, advances, renewal or credits or the execution and delivery of any agreement or document by or on behalf of the Borrower is in excess of the powers of the Borrower or its partners or their respective partners, directors, officers, employees or agents or is in any way irregular, defective, fraudulent or informal. The Lender has no obligation to enquire into the powers of the Borrower or any of its partners or their respective partners, directors, officers, employees or agents acting or purporting to act on its behalf, and shall be entitled to rely on this provision notwithstanding any actual or imputed knowledge regarding any of the foregoing matters.

5. Guarantee Absolute. The liability of the Guarantor hereunder shall be absolute and unconditional irrespective of, and shall not be released, discharged, limited or otherwise affected by anything done, suffered or permitted by the Lender in connection with the Borrower, the Guaranteed Obligations or any security held by or granted to the Lender to secure payment or performance of the Guaranteed Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor hereunder shall be absolute and unconditional and shall not be released, discharged, limited or otherwise affected by:

- (a) any lack of validity or enforceability of any agreement between the Lender and the Borrower relating to the advance of monies or granting of credit to the Borrower or any other agreement or instrument relating thereto;
- (b) any change in the name, objects, limited partnership agreement, Equity Interests, constating documents or by-laws, ownership or control of the Borrower;

- (c) any amalgamation, merger, consolidation or other reorganization of the Borrower or its business or affairs;
- (d) the dissolution, winding-up, liquidation or other distribution of the assets of the Borrower, whether voluntary or otherwise;
- (e) the Borrower becoming insolvent or bankrupt or subject to the provisions of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada), the arrangement provisions of applicable corporate legislation, or any similar or successor legislation, or the Lender voting in favour of any proposal, arrangement or compromise in connection with any of the foregoing;
- (f) the loss of or failure to obtain, register, perfect or maintain any Security held by the Lender, whether occasioned through the Lender's failure or neglect or otherwise;
- (g) the valuation by the Lender of any of its Security, which shall not be considered as a purchase of such Security, or as payment on account of the Guaranteed Obligations;
- (h) the failure or neglect of the Lender to demand payment of the Guaranteed Obligations from the Borrower, any guarantor of the Borrower or any other party, or the failure or neglect of the Lender to enforce all or any of the Lender's Security;
- (i) any right or alleged right of set-off, counterclaim, appropriation or application or any claim or demand that the Borrower or the Guarantor may have or may allege to have against the Lender or any other person, which rights are hereby waived by the Guarantor to the extent permitted by Applicable Laws;
- (j) any dealings described in section 6 hereof; or
- (k) any other circumstances which might otherwise constitute a legal or equitable defence available to, or complete or partial discharge of, the Borrower or of the Guarantor in respect of the Guaranteed Obligations.

6. Dealings with the Borrower and Others. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations of the Guarantor under this Agreement, and without notice to or the consent of the Guarantor, the Lender may from time to time:

- (a) amend the terms and conditions applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents, waive compliance with any such terms or conditions in whole or in part, or amend or terminate any agreement applicable to the Guaranteed Obligations pursuant to the terms of the Loan Agreement or the Loan Documents;
- (b) make advances to the Borrower and receive repayments in respect of the Guaranteed Obligations, and increase or decrease the amount of credit available to the Borrower;
- (c) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (d) in a manner consistent with the Loan Agreement, take or refrain from taking guarantees from other parties or security from the Borrower, any guarantor of the Borrower or any other party, or from registering or perfecting any security;

- (e) in a manner consistent with the Loan Agreement, release, discharge, compromise, realize, enforce or otherwise deal with or do any act or thing in respect of any and all Security given by the Borrower, any guarantor of the Borrower or any other party, with or without consideration;
- (f) accept compromises or arrangements from the Borrower, any guarantor of the Borrower or any other party;
- (g) exercise any right or remedy which it may have against the Borrower, any guarantor of the Borrower or any other party or with respect to any Security;
- (h) apply all monies at any time received from the Borrower, any guarantor of the Borrower or other party or from the proceeds of any Security upon such part of the Guaranteed Obligations as the Lender may see fit, or change any such application in whole or in part from time to time as the Lender may see fit, notwithstanding any direction which may be given to the Lender regarding application of such monies by the Borrower, any guarantor of the Borrower or any other party; and
- (i) otherwise deal with, waive or modify its right to deal with, the Borrower, any guarantor of the Borrower or any other party and all Security held by the Lender, with the consent of the Borrower acting reasonably.

Any amount which is not recoverable hereunder from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor. Accordingly, the Guarantor shall not be discharged nor shall the liability of the Guarantor be affected by any act, thing, omission or means whatsoever unless such act, thing, omission or means is sufficient to discharge the Guarantor as guarantor and as principal debtor.

7. Limited Recourse Guarantee. Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Agreement is for the sole purpose of enabling the Lender to obtain an effective charge and security interest in the Collateral (as defined in each of the Pledge Agreements, collectively) of the Guarantor. Notwithstanding any other provisions hereof:

- (a) the liability of the Guarantor to the Lender under this Agreement is limited to such liability as is required to enable the Lender to obtain an effective charge and security interest in the Collateral (as defined in each of the Pledge Agreements, collectively), and to permit the Lender to realize upon such Collateral (as defined in each of the Pledge Agreements, collectively);
- (b) the Lender shall not be entitled to sue or to commence any action against the Guarantor to recover any sum owing by the Guarantor to the Lender pursuant to this Agreement, unless such suit or action is necessary to permit the Lender to realize upon the Collateral (as defined in each of the Pledge Agreements, collectively); and
- (c) in the event that the Guarantor shall default in its obligations under this Agreement, the sole recourse of the Lender against the Guarantor with respect to such obligations shall be with respect to the Collateral (as defined in each of the Pledge Agreements, collectively), or any amounts received upon the realization of the Collateral (s defined in each of the Pledge Agreements, collectively), and the Lender shall not, under any circumstances, have any right hereunder to any other payment from the Guarantor or against any of its other property or assets with respect to the Guaranteed Obligations, and for greater

certainly the Guarantor shall not be liable hereunder to pay to the Lender any amount by which the Guaranteed Obligations exceed the proceeds of realization of the Collateral.

- 8. Representations and Warranties.** The Guarantor represents and warrants to the Lender that:
- (a) the Guarantor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation with the corporate power to enter into this Agreement; and this Agreement has been duly authorized by all necessary corporate action on the part of the Guarantor and constitutes a legal and valid agreement binding on the Guarantor, enforceable in accordance with its terms and will not conflict with any contract or agreement to which the Guarantor is a party to or by which it is bound; and
 - (b) no authorization, consent, permit or approval of, or other action by, or filing with or notice to, any governmental agency or authority, regulatory body, court, tribunal or other similar entity have jurisdiction is required in connection with the execution and delivery by the Guarantor of this Agreement and the performance of its obligations hereunder.
- 9. No Obligation to Exercise Other Remedies.** The Lender shall not be obliged to exhaust its recourse against the Borrower, guarantors of the Borrower or other parties or enforce any security held in respect of the Guaranteed Obligations or take any other action or legal proceeding before being entitled to payment from the Guarantor under this Agreement. The Guarantor hereby waives all benefits of discussion and division.
- 10. Enforcement.** The Lender shall be entitled to make demand on the Guarantor upon a demand being made by the Lender on the Borrower after the occurrence of an Event of Default which is continuing under the Loan Agreement.
- 11. Accounts Settled.** Any account stated by the Lender to be due to it from the Borrower shall be accepted by the Guarantor as conclusive evidence that the said amount is so due, in the absence of manifest error or evidence to the contrary.
- 12. Waiver.** The Lender shall not, by any act, delay, omission or otherwise, be deemed to have expressly or impliedly waived any of its rights, powers or remedies unless such waiver shall be in writing and executed by an authorized officer of the Lender. Any such waiver shall be enforceable only to the extent specifically set forth therein. A waiver by the Lender of any right, power or remedy on any one occasion shall not be construed as a bar to or waiver of any such right, power or remedy which the Lender would otherwise have on any future occasion, whether similar in kind or otherwise.
- 13. Foreign Currency Obligations.** To the extent permitted by Applicable Law, the Guaranteed Obligations of the Guarantor shall, notwithstanding any payment in any other currency (the "**Other Currency**") (whether pursuant to a judgment or otherwise), be discharged only by payment in the currency in which they are due (the "**Agreed Currency**") and the Lender may, in accordance with normal banking procedures, purchase the sum paid in the Other Currency (after any premium and costs of exchange) on the Business Day immediately after the day on which the Lender receives the payment. If the amount in the Agreed Currency that may be so purchased for any reason falls short of the amount originally due, the Guarantor shall pay all additional amounts, in the Agreed Currency, as may be necessary to compensate for the shortfall. Any obligation of the Guarantor not discharged by that payment shall, to the extent permitted by Applicable Law, be due as a separate and independent obligation and, until discharged as provided in this section, continue in full force and effect.

14. Disclosure. To the extent permitted by Applicable Laws, the Guarantor waives any duty on the part of the Lender to disclose to the Guarantor any facts relating to the Borrower or other guarantors of the Guaranteed Obligations which the Lender may now or hereafter know, regardless of whether the Lender has reason to believe any such facts materially increase the risk beyond that which the Guarantor intends to assume, it being understood and agreed that the Guarantor is fully responsible for being and keeping fully informed.

15. Taxes, etc. All payments made by the Guarantor under this Agreement to the Lender shall be made free and clear of, and without deduction for or on account of, any present or future taxes, levies, assessments, deductions, withholdings or other governmental charges of any nature whatsoever now or hereafter imposed by any official body in any jurisdiction ("**Taxes**"). If any Taxes are required to be withheld or deducted from any amounts payable by the Guarantor to the Lender hereunder, the Guarantor shall:

- (a) within the time period for payment permitted by Applicable Law pay to the appropriate governmental body the full amount of such Taxes and any additional taxes, levies, assessments, deductions, withholdings or other governmental charges in respect of the payment required under section 15(b) hereof and make such reports and filings in connection therewith in the manner required by Applicable Law; and
- (b) pay to the Lender an additional amount which (after deduction of all Taxes incurred by reason of the payment or receipt of such additional amount) will be sufficient to yield to the Lender the full amount which would have been received by it had no deduction or withholding been made.

Upon the request of the Lender, the Guarantor shall furnish to the Lender the original or a certified copy of a receipt for (or other satisfactory evidence as to) the payment of each of the Taxes (if any) payable in respect of such payment.

16. Assignment. The Guarantor hereby consents to the sale, assignment, transfer or other disposition to any Person (the "**Assignee**") by the Lender in accordance with Section 13.4 of the Loan Agreement, at any time and from time to time hereafter, of this Agreement and the Guaranteed Obligations, or of any portion thereof, or participation therein including, without limitation, the right, title, interest, remedies, powers and/or duties of the Lender thereunder. The Guarantor agrees that it shall execute and deliver such documents as the Lender may request in connection with any such sale, assignment, transfer or other disposition. The Assignee shall, to the extent of the interest so assigned or transferred, be entitled to the benefit of and the right to enforce this Agreement to the same extent as if the Assignee were the Lender. The Guarantor shall not be entitled to assign or transfer this Agreement or any of the Guarantor's rights, duties or obligations hereunder without the prior written consent of the Lender (which may be withheld in its sole discretion).

17. Revival of Indebtedness and Liability. If at any time all or any part of any payment previously applied by the Lender to any portion of the Guaranteed Obligations is rescinded or returned by the Lender for any reason whatsoever, whether voluntarily or involuntarily (including, without limitation, arising from or in connection with the insolvency, bankruptcy or reorganization of the Borrower or the Guarantor, or any allegation that the Lender received a payment in the nature of a preference), then to the extent that such payment is rescinded or returned such portion of the Guaranteed Obligations shall be deemed to have continued in existence notwithstanding such application by the Lender, and this Agreement shall continue to be effective or be reinstated, as the case may be, as to such portion of the Guaranteed Obligations as though such payment to the Lender had not been made.

18. Assignment and Postponement of Amounts Due to the Guarantor. Payment of all present and future debts and liabilities of the Borrower to the Guarantor (the "**Postponed Indebtedness**") is hereby postponed to payment of the Guaranteed Obligations. If the Guarantor now or in the future holds any security for the Postponed Indebtedness (the "**Postponed Security**"), the security interests, charges and encumbrances constituted thereby shall be postponed to all present and future security held by the Lender in respect of the Guaranteed Obligations, notwithstanding the order of execution, delivery, registration or perfection of the security interests held by the Lender and the Guarantor, respectively, the order of advancement of funds, the order of crystallization of security, or any other matter which may affect the relative priorities of such security interests. Until the indefeasible repayment and performance in full of the Guaranteed Obligations, the Guarantor shall not initiate or take any action to enforce the Postponed Security without the prior written consent of the Lender (which may be withheld, acting reasonably). As security for the obligations of the Guarantor to the Lender under this Agreement, the Guarantor assigns to the Lender the Postponed Indebtedness and the Postponed Security.

19. Subrogation. The Guarantor shall have no right to be subrogated to the Lender unless: (i) the Guarantor shall have paid to the Lender an amount equal to the Guaranteed Obligations; (ii) any other party regarded by the Lender as having a potential right of subrogation shall have waived such right and consented to the assignment of the Guaranteed Obligations and any security held by the Lender to the Guarantor; (iii) the Lender shall have received from the Borrower a release of all claims and demands which the Borrower may have against the Lender, including any obligation of the Lender to grant additional credit to the Borrower; and (iv) the Guarantor shall have executed and delivered to the Lender a release of any claims which any Guarantor may have against the Lender in respect of the Guaranteed Obligations or this Agreement, together with an acknowledgment that the Guaranteed Obligations and any security assigned by the Lender to any Guarantor shall be assigned on an "as is, where is" basis and without recourse to the Lender. All documents listed above shall be in form and substance satisfactory to the Lender in its sole discretion.

20. Additional and Separate Security. This Agreement is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Borrower, the Guaranteed Obligations or the collateral securing the Guaranteed Obligations and any other present and future rights or remedies which the Lender might have in respect thereof, including guarantees provided by other parties.

21. Set-Off. The Lender may from time to time set off the obligations of the Guarantor to the Lender under this Agreement against any indebtedness at any time owing by the Lender to the Guarantor, whether or not any of such obligations may be unliquidated, contingent or unmatured.

22. Entire Agreement. This Agreement and the Pledge Agreements constitute the entire agreement between the Guarantor and the Lender relating to the subject matter hereof, and supersedes all prior agreements, representations, warranties, understandings, conditions or collateral agreements, whether oral or written, express or implied, with respect to the subject matter hereof.

23. Governing Law and Attornment. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the Lender to enforce this Agreement in any other proper jurisdiction, the Guarantor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta in connection with this Agreement.

24. Notice. All written notices and other written communications with respect to this Agreement shall be sent by ordinary or registered mail, by telecopy or delivered in person, and:

in the case of the Lender shall be sent to:

Crown Capital Partner Funding, LP c/o Crown Capital Partners Inc.
333 Bay St., Suite 2730
Toronto, Ontario M5H 2R2

Attention: Chief Investment Officer
Email: tim.oldfield@crowncapital.ca

and in the case of any of the Guarantor shall be sent to:

T5 Energy Partners Ltd.
3000 8882 170 Street
Edmonton, AB T5T 4M2

Attention: David Ghermezian
Email: David@triplefive.com

The notice or other communication so sent shall be deemed to be received on the day of personal delivery, email transmission or fax, or if mailed, three days following the date of such mailing.

25. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such determination shall not impair or affect the validity, legality or enforceability of the remaining provisions hereof, and each such provision shall be interpreted in such a manner as to render them valid, legal and enforceable to the greatest extent permitted by Applicable Law. Each provision of this Agreement is declared to be separate, severable and distinct.

26. Number, Gender and Persons. Unless the context otherwise requires, words importing the singular in number only shall include the plural and *vice versa*, words importing the use of gender shall include the masculine, feminine and neuter genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

27. Amalgamation of Guarantor. The Guarantor acknowledges and agrees that in the event that it amalgamates with any other persons (which it is prohibited from doing without the prior written approval of the Lender pursuant to the terms of the Loan Agreement) then all references herein to that Guarantor shall extend to, include and bind the amalgamated corporation.

28. Counterpart Execution / Electronic Delivery. This Agreement may be executed in any number of counterparts, including by way of facsimile or other electronic means (including via electronic mail in portable document format), each of which so signed shall be deemed to be an original and all of which taken together shall be deemed to be an original and the same instrument.

29. Time. Time shall be of the essence of this Agreement.

30. Further Assurances. The Guarantor shall forthwith, at its own expense and from time to time, do or file, or cause to be done or filed, all such things and shall execute and deliver all such documents, agreements, opinions, certificates and instruments reasonably requested by the Lender or its counsel as may be necessary or desirable to complete the transactions contemplated by this Agreement and carry out its provisions and intention.

31. Interpretation. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "section" means the relevant section of this Agreement. All capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Loan Agreement.

32. Successors and Assigns. This Agreement shall enure to the benefit of the Lender and its successors and assigns, and shall be binding upon the Guarantor and its successors and permitted assigns.


33. Copy of Agreement. The Guarantor acknowledges receipt of an executed copy of this Agreement, the Pledge Agreements and the Loan Agreement.

[Remainder of page intentionally left blank. Signature pages to follow.]

THIS AGREEMENT has been executed by the Guarantor on the date first stated above.

T5 ENERGY PARTNERS LTD.

(c/s)

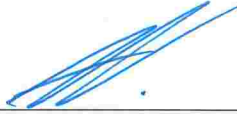
By: 

Name: David Ghermezian
Title: President

By: _____

Name:
Title:

This is Exhibit "18"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Search ID #: Z13483453

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002

Phone #: 403 232 9500

Reference #: 441112.000017

Search ID #: Z13483453

Date of Search: 2021-Feb-02

Time of Search: 13:37:09

Business Debtor Search For:

TRIPLE FIVE ENERGY LTD.

Both Exact and Inexact Result(s) Found

NOTE:

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



Search ID #: Z13483453

Business Debtor Search For:

TRIPLE FIVE ENERGY LTD.

Search ID #: Z13483453

Date of Search: 2021-Feb-02

Time of Search: 13:37:09

Registration Number: 20121412167

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2020-Dec-14

Registration Status: Current

Expiry Date: 2022-Dec-14 23:59:59

Issued in Red Deer Judicial Centre

Court File Number is 201001207

Judgment Date is 2020-Nov-27

This Writ was issued on 2020-Dec-09

Type of Judgment is Other

Original Judgment Amount: \$41,629.06

Costs Are: \$390.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$42,019.06

Exact Match on: Debtor No: 1

Inexact Match on: Debtor No: 3

Solicitor / Agent

WARREN SINCLAIR LLP
600, 4911-51 STREET
RED DEER, AB T4N 6V4

Phone #: 403 343 3320

Fax #: 403 343 6069

Reference #: 117700

Email: clanglois@warrensincclair.com

Debtor(s)

Block

Status

Current

1 TRIPLE FIVE ENERGY LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Search ID #: Z13483453

Block

2 T5 ENERGY PARTNERS LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status
Current

Block

3 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status
Current

Creditor(s)

Block

1 BRONCO SLICKLINE SERVICES LTD.
C/O 600, 4911-51 STREET
RED DEER, AB T4N 6V4
Email: doug@brancoslickline.com

Status
Current

Search ID #: Z13483453

Business Debtor Search For:

TRIPLE FIVE ENERGY LTD.

Search ID #: Z13483453

Date of Search: 2021-Feb-02

Time of Search: 13:37:09

Registration Number: 21020222765

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Feb-02

Registration Status: Current

Expiry Date: 2023-Feb-02 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2101 01322

Judgment Date is 2021-Jan-06

This Writ was issued on 2021-Feb-02

Type of Judgment is Other

Original Judgment Amount: \$7,441.46

Costs Are: \$118.36

Post Judgment Interest: \$0.00

Current Amount Owing: \$7,559.82

Exact Match on:

Debtor

No: 1

Solicitor / Agent

WILLIAM REIGH MACPHERSON

92 CRANBROOK HTS SE

CALGARY, AB T3M 1W7

Phone #: 587 437 3112

Email: REIGHMAC@SHAW.CA

Debtor(s)

Block

1 TRIPLE FIVE ENERGY LTD.
SUITE 300, 8882 170 STREET
EDMONTON, AB T5T 4M2

Status

Current

Creditor(s)

Block

1 MACPHERSON ENERGY CONSULTING LTD.
92 CRANBROOK HEIGHTS SE
CALGARY, AB T3M 1W7

Status

Current

Search ID #: Z13483453

Email: REIGHMAC@SHAW.CA

Search ID #: Z13483453

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address	Reg.#
TRIPLE FIVE CORPORATION LTD. 900, 9707 - 110 STREET EDMONTON, AB T5K2L9	93100513618

LAND CHARGE

Debtor Name / Address	Reg.#
TRIPLE FIVE CORPORATION LTD. C/O EXELBY & PARTNERS LTD	00021427281

BANKRUPTCY / PROPOSAL

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERCONTINENTAL 700 2ND STREET SW, SUITE 3600 CALGARY, AB T2P 2W3	20111832370

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERCONTINENTAL GROUP 3600, 700 - 2 STREET SW CALGARY, AB T2P 2W3	17103045601

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERCONTINENTAL GROUP LTD 8882 170 ST SUITE 3000 EDMONTON, AB T5T 4M2	18030222486

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERCONTINENTAL GROUP LTD. 3600, 700 - 2ND STREET SW CALGARY, AB T2P 2W3	18082832187

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERCONTINENTAL GROUP LTD. 3600, 700 - 2ND STREET SW CALGARY, AB T2P 2W3	18082832246

Search ID #: Z13483453

LAND CHARGE

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 -170 STREET
EDMONTON, AB T5T 4M2

Reg.#

20120325725

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Reg.#

20121412167

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Reg.#

21010607812

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Reg.#

21010608416

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Reg.#

21010608461

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3600-700 2ND STREET SW
CALGARY, AB T2P 2W3

Reg.#

21020119488

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882-170 STREET
EDMONTON, AB T5T 4M2

Reg.#

21020127911

Search ID #: Z13483453

WRIT OF ENFORCEMENT

Debtor Name / Address

TRIPLE FIVE INTERNATIONAL DEVELOPMENTS LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Reg.#

14072946123

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE INTERNATIONAL DEVELOPMENTS LTD.
3000, 8882 170 STREET
EDMONTON, AB T5T 4M2

Reg.#

14080114945

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE INTERNATIONAL HOLDINGS LTD.
3000, 8882 - 170TH STREET
EDMONTON, AB T5T 4M2

Reg.#

12012624417

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE INTERNATIONAL HOLDINGS LTD.
3000, 8882 - 170TH STREET
EDMONTON, AB T5T 4M2

Reg.#

12012624671

LAND CHARGE

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET, #3000
EDMONTON, AB T5T4M2

Reg.#

17032921968

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET, #3000
EDMONTON, AB T5T4M2

Reg.#

18061418012

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET #3000
EDMONTON, AB T5T4M2

Reg.#

19020626785

Search ID #: Z13483453

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET #3000
EDMONTON, AB T5T4M2

Reg.#

19052811657

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET #3000
EDMONTON, AB T5T4M2

Reg.#

20030912480

SECURITY AGREEMENT

Result Complete

Search ID #: Z13492814

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13492814

Date of Search: 2021-Feb-05

Time of Search: 08:33:13

Business Debtor Search For:

CALGARY OIL & GAS SYNDICATE GROUP LTD.

No Result(s) Found

NOTE:

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

Result Complete



This is Exhibit "19"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Search ID #: Z13482132

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13482132

Date of Search: 2021-Feb-02

Time of Search: 10:03:10

Business Debtor Search For:

T5 ENERGY PARTNERS 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.



Search ID #: Z13482132

Business Debtor Search For:

T5 ENERGY PARTNERS LTD.

Search ID #: Z13482132

Date of Search: 2021-Feb-02

Time of Search: 10:03:10

Registration Number: 18083012521

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Aug-30

Registration Status: Current

Expiry Date: 2028-Aug-30 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

18083108840

Amendment

2018-Aug-31

Debtor(s)

Block

1 T5 ENERGY PARTNERS LTD.
3000 8882 170 STREET
EDMONTON, AB T5T 4M2

Status
Current

Secured Party / Parties

Block

1 CROWN CAPITAL LP PARTNER FUNDING INC.
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Status
Current

Block

2 CROWN CAPITAL PARTNER FUNDING, LP
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Status
Current

Search ID #: Z13482132

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	<p>All of the issued and outstanding limited partnership units in the capital of T5 SC Oil and Gas Limited Partnership and all of the issued and outstanding shares in the capital of T5 Energy Partners Ltd. (collectively, the "Pledged Securities") legally and/or beneficially owned by the Debtor and all certificates representing such Pledged Securities and other instruments evidencing or representing such Pledged Securities, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Securities;</p> <p>All additional or substitute limited partnership units, shares or other equity interests of any class of either T5 SC Oil and Gas Limited Partnership or T5 Energy Partners Ltd. from time to time issued to or otherwise acquired by the Debtor, the certificates in respect thereof, if any, and other instruments representing such additional or substitute limited partnership units, shares or equity interests, and all interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or an exchange for any or all of such additional or substitute limited partnership units, shares or equity interests; and</p> <p>To the extent not otherwise included in the foregoing, all proceeds thereof.</p>	Deleted By 18083108840
2	<p>All of the issued and outstanding limited partnership units in the capital of T5 SC Oil and Gas Limited Partnership and all of the issued and outstanding shares in the capital of Triple Five Intercontinental Group Ltd. (collectively, the "Pledged Securities") legally and/or beneficially owned by the Debtor and all certificates representing such Pledged Securities and other instruments evidencing or representing such Pledged Securities, and all dividends, interest, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or in exchange for any and all of the Pledged Securities;</p> <p>All additional or substitute limited partnership units, shares or other equity interests of any class of either T5 SC Oil and Gas Limited Partnership or Triple Five Intercontinental Group Ltd. from time to time issued to or otherwise acquired by the Debtor, the certificates in respect thereof, if any, and other instruments representing such additional or substitute limited partnership units, shares or equity interests, and all interests, distributions, cash, instruments and other property, income, profits and proceeds from time to time received or receivable upon or otherwise distributed or distributable in respect of or an exchange for any or all of such additional or substitute limited partnership units, shares or equity interests; and</p> <p>To the extent not otherwise included in the foregoing, all proceeds thereof.</p>	Current By 18083108840

Search ID #: Z13482132

Business Debtor Search For:

T5 ENERGY PARTNERS LTD.

Search ID #: Z13482132

Date of Search: 2021-Feb-02

Time of Search: 10:03:10

Registration Number: 20121412167

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2020-Dec-14

Registration Status: Current

Expiry Date: 2022-Dec-14 23:59:59

Issued in Red Deer Judicial Centre

Court File Number is 201001207

Judgment Date is 2020-Nov-27

This Writ was issued on 2020-Dec-09

Type of Judgment is Other

Original Judgment Amount: \$41,629.06

Costs Are: \$390.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$42,019.06

Exact Match on: Debtor No: 2

Solicitor / Agent

WARREN SINCLAIR LLP
600, 4911-51 STREET
RED DEER, AB T4N 6V4

Phone #: 403 343 3320

Fax #: 403 343 6069

Reference #: 117700

Email: clanglois@warrensincclair.com

Debtor(s)

Block

1 TRIPLE FIVE ENERGY LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status
Current

Block

2 T5 ENERGY PARTNERS LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status
Current

Search ID #: Z13482132

Block

3 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status
Current

Creditor(s)

Block

1 BRONCO SLICKLINE SERVICES LTD.
C/O 600, 4911-51 STREET
RED DEER, AB T4N 6V4
Email: doug@brancoslickline.com

Status
Current

Result Complete

the 1990s, the number of people in the world who are living in poverty has increased from 1.2 billion to 1.6 billion (World Bank 2000).

There are a number of reasons for this increase. One of the main reasons is the rapid population growth in the developing world. The number of people in the world is expected to reach 8 billion by the year 2025 (United Nations 2000). This increase in population is putting a strain on the world's resources, particularly in the developing world where the infrastructure is often inadequate to support the growing population.

Another reason for the increase in poverty is the rapid technological change in the developed world. The developed world has experienced a rapid increase in productivity and income, but this has not been shared by the developing world. The developing world is often left behind by the rapid technological change in the developed world, and this is leading to a widening gap between the two.

There are a number of ways in which the world can address the problem of poverty. One way is to increase investment in the developing world. This can be done through a variety of means, including foreign aid, international trade, and investment in infrastructure. Another way is to improve the efficiency of the developing world's economy. This can be done through a variety of means, including improving the quality of education and training, and improving the efficiency of the government.

There are a number of challenges that the world faces in addressing the problem of poverty. One of the main challenges is the rapid population growth in the developing world. This is putting a strain on the world's resources, and it is making it difficult to improve the living standards of the poor. Another challenge is the rapid technological change in the developed world. This is leading to a widening gap between the developed and developing world, and it is making it difficult for the developing world to catch up.

Despite these challenges, there are a number of ways in which the world can address the problem of poverty. One way is to increase investment in the developing world. This can be done through a variety of means, including foreign aid, international trade, and investment in infrastructure. Another way is to improve the efficiency of the developing world's economy. This can be done through a variety of means, including improving the quality of education and training, and improving the efficiency of the government.

There are a number of ways in which the world can address the problem of poverty. One way is to increase investment in the developing world. This can be done through a variety of means, including foreign aid, international trade, and investment in infrastructure. Another way is to improve the efficiency of the developing world's economy. This can be done through a variety of means, including improving the quality of education and training, and improving the efficiency of the government.

There are a number of ways in which the world can address the problem of poverty. One way is to increase investment in the developing world. This can be done through a variety of means, including foreign aid, international trade, and investment in infrastructure. Another way is to improve the efficiency of the developing world's economy. This can be done through a variety of means, including improving the quality of education and training, and improving the efficiency of the government.

Search ID #: Z13482134

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13482134

Date of Search: 2021-Feb-02

Time of Search: 10:03:45

Business Debtor Search For:

CALGARY OIL AND SYNDICATE PARTNERS LTD.

No Result(s) Found

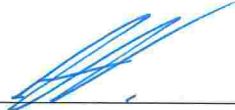
NOTE:

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

Result Complete



This is Exhibit "20"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Search ID #: Z13483447

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Both Exact and Inexact Result(s) Found

NOTE:

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



Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 17103045601

Registration Type: SECURITY AGREEMENT

Registration Date: 2017-Oct-30

Registration Status: Current

Expiry Date: 2021-Oct-30 23:59:59

Inexact Match on:

Debtor

No: 2

Amendments to Registration

18022239591

Amendment

2018-Feb-22

19070542980

Amendment

2019-Jul-05

20120209027

Amendment

2020-Dec-02

Debtor(s)

Block

Status

1 PETROWORLD ENERGY LTD.
 SUITE 3600, 700 - 2ND STREET SW
 CALGARY, AB T2P 2W3

Current

Block

Status

2 TRIPLE FIVE INTERCONTINENTAL GROUP
 3600, 700 - 2 STREET SW
 CALGARY, AB T2P 2W3

Current by
18022239591

Secured Party / Parties

Block

Status

1 BULL MOOSE CAPITAL LTD.
 500, 505- 8TH AVENUE SW
 CALGARY, AB T2P 1G2

Deleted by
19070542980

Phone #: 403 234 7204

Fax #: 403 264 7306

Search ID #: Z13483447

Block

2 BULL MOOSE CAPITAL LTD.
500, 505- 8TH AVENUE SW
CALGARY, AB T2P 1G2
Phone #: 403 234 7204 Fax #: 403 264 7306
Email: LPSmith@bullmoosecapital.ca

Status

Current by
19070542980

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	One (1) natural gas compressor (and all related parts and accessories) having Unit #FH-536 as described in Schedule "A" to the lease agreement dated October 23, 2017 between Bull Moose Capital Ltd., as Lessor, and Petroworld Energy Ltd., as Lessee.	Current
2	PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL SECURITY ACT) AND INSURANCE PROCEEDS.	Current
3	One (1) natural gas compressor (and all related parts and accessories) having Unit #11880 as described in Schedule "A" to the lease agreement dated November 23, 2020 between Bull Moose Capital Ltd., as Lessor, and Triple Five Intercontinental Group Ltd., as Lessee.	Current By 20120209027
4	PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL SECURITY ACT) AND INSURANCE PROCEEDS.	Current By 20120209027

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 18030222486

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Mar-02

Registration Status: Current

Expiry Date: 2023-Mar-02 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

18083100141

Amendment

2018-Aug-31

Debtor(s)

Block

Status

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD
8882 170 ST SUITE 3000
EDMONTON, AB T5T 4M2

Current

Secured Party / Parties

Block

Status

1 THE TORONTO-DOMINION BANK - 82389
10205 101 ST
EDMONTON, AB T5J 2Y8

Current

Collateral: General

Block

Description

Status

1 All present and after acquired accounts, debts, intangibles,

Deleted By
18083100141

2 chattel paper, choses in action, book debts, contractual

Deleted By
18083100141

3 rights, insurance claims relating to goods, monies,

Deleted By
18083100141

4 instruments, payments, bills of exchange, promissory notes,

Deleted By
18083100141

5 cheques, drafts, or other instruments and proceeds thereof.

Deleted By
18083100141

Search ID #: Z13483447

6 ALL MONIES UP TO \$552,700 WHICH ARE NOW OR MAY HEREAFTER BE FROM
TIME TO TIME AT THE CREDIT OF THE DEBTOR WITH THE SECURED PARTY.

Current By
18083100141

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 18082832187

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Aug-28

Registration Status: Current

Expiry Date: 2028-Aug-28 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3600, 700 - 2ND STREET SW
CALGARY, AB T2P 2W3

Current

Secured Party / Parties

Block

Status

1 CROWN CAPITAL LP PARTNER FUNDING INC.
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Current

Block

Status

2 CROWN CAPITAL PARTNER FUNDING, LP
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Current

Collateral: General

Block

Description

Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.

Current

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 18082832246

Registration Type: LAND CHARGE

Registration Date: 2018-Aug-28

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3600, 700 - 2ND STREET SW
CALGARY, AB T2P 2W3

Secured Party / Parties

Block

Status

Current

1 CROWN CAPITAL LP PARTNER FUNDING INC.
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Block

Status

Current

2 CROWN CAPITAL PARTNER FUNDING, LP
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 20111832370

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Nov-18

Registration Status: Current

Expiry Date: 2022-Nov-18 23:59:59

Inexact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 TRIPLE FIVE INTERCONTINENTAL
700 2ND STREET SW, SUITE 3600
CALGARY, AB T2P 2W3

Current

Secured Party / Parties

Block

Status

1 ENERFLEX LTD.
4700 47TH STREET SE
CALGARY, AB T2B 3R1
Phone #: 403 736 3030
Email: rentals@enerflex.com

Current

Collateral: General

Block

Description

Status

1 Unit number E001242-01 Equip #500002387 1480 RECIP Located at 12-24-043-10-W5M

Current

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 20120325725

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2020-Dec-03

Registration Status: Current

Expiry Date: 2022-Dec-03 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2001-14980

Judgment Date is 2020-Dec-03

This Writ was issued on 2020-Dec-03

Type of Judgment is Other

Original Judgment Amount: \$33,466.12

Costs Are: \$222.25

Post Judgment Interest: \$0.00

Current Amount Owing: \$33,688.37

Exact Match on: Debtor No: 1

Solicitor / Agent

MILORAD KLJAJIC
606, 1118 - 12 AVENUE SW
CALGARY, AB T2R 0P4
Phone #: 403 701 2622
Email: mkljajic@live.com

Debtor(s)

Block

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 -170 STREET
EDMONTON, AB T5T 4M2

Status
Current

Creditor(s)

Block

1 FSTIM CONSULTING INC.
606, 1118 - 12 AVENUE SW
CALGARY, AB T2R 0P4

Status
Current

Search ID #: Z13483447

Email: mkljajic@live.com

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 20121412167

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2020-Dec-14

Registration Status: Current

Expiry Date: 2022-Dec-14 23:59:59

Issued in Red Deer Judicial Centre

Court File Number is 201001207

Judgment Date is 2020-Nov-27

This Writ was issued on 2020-Dec-09

Type of Judgment is Other

Original Judgment Amount: \$41,629.06

Costs Are: \$390.00

Post Judgment Interest: \$0.00

Current Amount Owing: \$42,019.06

Exact Match on: Debtor No: 3

Inexact Match on: Debtor No: 1

Solicitor / Agent

WARREN SINCLAIR LLP
600, 4911-51 STREET
RED DEER, AB T4N 6V4

Phone #: 403 343 3320

Fax #: 403 343 6069

Reference #: 117700

Email: clanglois@warrensincclair.com

Debtor(s)

Block

Status

Current

1 TRIPLE FIVE ENERGY LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Search ID #: Z13483447

Block

2 T5 ENERGY PARTNERS LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status

Current

Block

3 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
SUITE 3000, 8882 170 STREET NW
EDMONTON, AB T5T 4M2

Status

Current

Creditor(s)

Block

1 BRONCO SLICKLINE SERVICES LTD.
C/O 600, 4911-51 STREET
RED DEER, AB T4N 6V4
Email: doug@brancoslickline.com

Status

Current

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 21010607812

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Jan-06

Registration Status: Current

Expiry Date: 2023-Jan-06 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2001-12720

Judgment Date is 2020-Dec-08

This Writ was issued on 2020-Dec-08

Type of Judgment is Other

Original Judgment Amount: \$55,135.26

Costs Are: \$935.64

Post Judgment Interest: \$0.00

Current Amount Owing: \$56,070.90

Exact Match on:

Debtor

No: 1

Solicitor / Agent

MILES DAVISON LLP-ATTENTION: MATTHEW PRIEUR, STUDENT-AT-LAW
900, 517 - 10 AVENUE SW
CALGARY, AB T2R 0A8

Phone #: 403 298 0339

Fax #: 403 263 6840

Reference #: 48724

Email: mprieur@milesdavison.com

Debtor(s)

Block

Status

Current

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Creditor(s)

Block

Status

Current

1 CORE COMPLETIONS INC.
16 LAURA PLACE
DUCHESS, AB T0J 0Z0

Search ID #: Z13483447

Email: crobb@milesdavison.com

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 21010608416

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Jan-06

Registration Status: Current

Expiry Date: 2023-Jan-06 23:59:59

Issued in Grande Prairie Judicial Centre

Court File Number is 2004 00651

Judgment Date is 2020-Nov-26

This Writ was issued on 2020-Dec-16

Type of Judgment is Other

Original Judgment Amount: \$195,005.35

Costs Are: \$261.11

Post Judgment Interest: \$0.00

Current Amount Owing: \$195,266.46

Exact Match on:

Debtor

No: 1

Solicitor / Agent

STRINGAM LLP
102, 10126 - 97TH AVNEUE
GRANDE PRAIRE, AB T8V 7X6

Phone #: 780 513 6883

Fax #: 780 513 6884

Reference #: 111332-
0002/DJS:cmb

Email: dsawyer@stringam.ca

Debtor(s)

Block

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Status
Current

Search ID #: Z13483447

Creditor(s)

Block

Status

Current

1 PROWLER ENERGY SERVICES INC.
225 STONEMERE CLOSE
CHESTERMERE, AB T4C 1A5
Email: rocky@prowlerenergy.com

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 21010608461

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Jan-06

Registration Status: Current

Expiry Date: 2023-Jan-06 23:59:59

Issued in Grande Prairie Judicial Centre

Court File Number is 2004 00480

Judgment Date is 2020-Oct-21

This Writ was issued on 2020-Dec-16

Type of Judgment is Other

Original Judgment Amount: \$92,205.00

Costs Are: \$1,254.35

Post Judgment Interest: \$241.85

Current Amount Owing: \$93,701.20

Exact Match on: Debtor No: 1

Solicitor / Agent

STRINGAM LLP
102, 10126 - 97TH AVNEUE
GRANDE PRAIRE, AB T8V 7X6

Phone #: 780 513 6883

Fax #: 780 513 6884

Reference #: 110194-
0005/DJS:cmb

Email: dsawyer@stringam.ca

Debtor(s)

Block

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882 - 170 STREET
EDMONTON, AB T5T 4M2

Status
Current

Search ID #: Z13483447

Creditor(s)

Block

Status

Current

1 ECLIPSE CRANE & RIGGING LTD.
P.O. BOX 21460 RPO CO-OP PLAZA
GRAND PRAIRIE, AB T8V 6W7
Email: eclipsecrane@gmail.com

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 21020119488

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Feb-01

Registration Status: Current

Expiry Date: 2023-Feb-01 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2101-01359

Judgment Date is 2021-Jan-20

This Writ was issued on 2021-Jan-29

Type of Judgment is Other

Original Judgment Amount: \$42,509.54

Costs Are: \$226.50

Post Judgment Interest: \$0.00

Current Amount Owing: \$42,736.04

Exact Match on:

Debtor

No: 1

Solicitor / Agent

T&S COLLECTIONS LTD.
#105, 412-53RD AVENUE SE
CALGARY, AB T2H 0N4

Phone #: 403 202 7336 Fax #: 403 201 7236

Email: tscollection@shaw.ca

Debtor(s)

Block

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3600-700 2ND STREET SW
CALGARY, AB T2P 2W3

Status
Current

Creditor(s)

Block

1 PASON SYSTEMS CORP.
#105, 412-53RD AVENUE SE
CALGARY, AB T2H 0N4

Status
Current

Search ID #: Z13483447

Email: tscollection@shaw.ca

Search ID #: Z13483447

Business Debtor Search For:

TRIPLE FIVE INTERCONTINENTAL GROUP LTD.

Search ID #: Z13483447

Date of Search: 2021-Feb-02

Time of Search: 13:35:58

Registration Number: 21020127911

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Feb-01

Registration Status: Current

Expiry Date: 2023-Feb-01 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2001-10155

Judgment Date is 2020-Oct-22

This Writ was issued on 2021-Jan-27

Type of Judgment is Other

Original Judgment Amount: \$62,462.06

Costs Are: \$1,060.45

Post Judgment Interest: \$0.00

Current Amount Owing: \$63,522.51

Exact Match on: Debtor No: 1

Solicitor / Agent

PEACOCK LINDER HALT & MACK LLP
#4050, 400-3RD AVENUE S.W.
CALGARY, AB T2P 4H2

Phone #: 403 269 4570

Fax #: 403 296 2299

Reference #: 7782/SS

Email: ssackman@plhlaw.ca

Debtor(s)

Block

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882-170 STREET
EDMONTON, AB T5T 4M2

Status
Current

Block

2 PETROWORLD ENERGY LTD.
3000, 8882-170 STREET
EDMONTON, AB T5T 4M2

Status
Current

Search ID #: Z13483447

Creditor(s)

Block

Status

Current

1 ADVANCED SAFETY PARAMEDICS INC.
300, 1550 - 8TH STREET S.W.
CALGARY, AB T2R 1K1
Email: steve@aspems.com

Search ID #: Z13483447

Note:

The following is a list of matches closely approximating your Search Criteria,
which is included for your convenience and protection.

Debtor Name / Address	Reg.#
TRIPLE FIVE CORPORATION LTD. 900, 9707 - 110 STREET EDMONTON, AB T5K2L9	93100513618

LAND CHARGE

Debtor Name / Address	Reg.#
TRIPLE FIVE CORPORATION LTD. C/O EXELBY & PARTNERS LTD	00021427281

BANKRUPTCY / PROPOSAL

Debtor Name / Address	Reg.#
TRIPLE FIVE ENERGY LTD. SUITE 3000, 8882 170 STREET NW EDMONTON, AB T5T 4M2	20121412167

WRIT OF ENFORCEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE ENERGY LTD. SUITE 300, 8882 170 STREET EDMONTON, AB T5T 4M2	21020222765

WRIT OF ENFORCEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERNATIONAL DEVELOPMENTS LTD. 3000, 8882 - 170 STREET EDMONTON, AB T5T 4M2	14072946123

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERNATIONAL DEVELOPMENTS LTD. 3000, 8882 170 STREET EDMONTON, AB T5T 4M2	14080114945

SECURITY AGREEMENT

Debtor Name / Address	Reg.#
TRIPLE FIVE INTERNATIONAL HOLDINGS LTD. 3000, 8882 - 170TH STREET EDMONTON, AB T5T 4M2	12012624417

Search ID #: Z13483447

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE INTERNATIONAL HOLDINGS LTD.
3000, 8882 - 170TH STREET
EDMONTON, AB T5T 4M2

Reg.#

12012624671

LAND CHARGE

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET, #3000
EDMONTON, AB T5T4M2

Reg.#

17032921968

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET, #3000
EDMONTON, AB T5T4M2

Reg.#

18061418012

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET #3000
EDMONTON, AB T5T4M2

Reg.#

19020626785

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET #3000
EDMONTON, AB T5T4M2

Reg.#

19052811657

SECURITY AGREEMENT

Debtor Name / Address

TRIPLE FIVE LIMITED
8882 170TH STREET #3000
EDMONTON, AB T5T4M2

Reg.#

20030912480

SECURITY AGREEMENT

- De Witt, T. L., Sih, A. and Wilson, D. C. 1998. Costs and benefits of mating: tactics, mate choice, and mate retention. *Journal of Theoretical Biology*, **193**, 235–271.
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- Dodson, J. J. 1998. Parental investment in offspring sex: a review of the empirical evidence. *Journal of Theoretical Biology*, **193**, 301–311.
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- Emery, T. 1988. The evolution of parental investment. *Journal of Theoretical Biology*, **132**, 19–30.
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- Fisher, R. A. 1958. *The Genetical Theory of Natural Selection*. Dover Publications, New York.
- Fisher, R. A. 1967. *The Evolution of Sex*. Cornell University Press, Ithaca.
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© 2003 British Ecological Society, *Journal of Animal Ecology*, **72**, 1520–1532

Search ID #: Z13482111

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13482111

Date of Search: 2021-Feb-02

Time of Search: 10:00:48

Business Debtor Search For:

CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD.

No Result(s) Found


NOTE:

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

Result Complete



This is Exhibit "21"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Search ID #: Z13482114

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13482114

Date of Search: 2021-Feb-02

Time of Search: 10:01:25

Business Debtor Search For:

PETROWORLD 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.



Search ID #: Z13482114

Business Debtor Search For:

PETROWORLD ENERGY LTD.

Search ID #: Z13482114

Date of Search: 2021-Feb-02

Time of Search: 10:01:25

Registration Number: 17103045601

Registration Date: 2017-Oct-30

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2021-Oct-30 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

18022239591	Amendment	2018-Feb-22
19070542980	Amendment	2019-Jul-05
20120209027	Amendment	2020-Dec-02

Debtor(s)

Block

1 PETROWORLD ENERGY LTD.
SUITE 3600, 700 - 2ND STREET SW
CALGARY, AB T2P 2W3

Status
Current

Block

2 TRIPLE FIVE INTERCONTINENTAL GROUP
3600, 700 - 2 STREET SW
CALGARY, AB T2P 2W3

Status
Current by
18022239591

Secured Party / Parties

Block

1 BULL MOOSE CAPITAL LTD.
500, 505- 8TH AVENUE SW
CALGARY, AB T2P 1G2

Phone #: 403 234 7204

Fax #: 403 264 7306

Status
Deleted by
19070542980

Search ID #: Z13482114

Block

2 BULL MOOSE CAPITAL LTD.
500, 505- 8TH AVENUE SW
CALGARY, AB T2P 1G2
Phone #: 403 234 7204 Fax #: 403 264 7306
Email: LPSmith@bullmoosecapital.ca

Status

Current by
19070542980

Collateral: General

Block

Description

Status

- | | | |
|---|---|---------------------------|
| 1 | One (1) natural gas compressor (and all related parts and accessories) having Unit #FH-536 as described in Schedule "A" to the lease agreement dated October 23, 2017 between Bull Moose Capital Ltd., as Lessor, and Petroworld Energy Ltd., as Lessee. | Current |
| 2 | PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL SECURITY ACT) AND INSURANCE PROCEEDS. | Current |
| 3 | One (1) natural gas compressor (and all related parts and accessories) having Unit #11880 as described in Schedule "A" to the lease agreement dated November 23, 2020 between Bull Moose Capital Ltd., as Lessor, and Triple Five Intercontinental Group Ltd., as Lessee. | Current By
20120209027 |
| 4 | PROCEEDS: GOODS, INVENTORY, CHATTEL PAPER SECURITIES, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY, INTANGIBLES AND ACCOUNTS (ALL AS DEFINED IN THE PERSONAL SECURITY ACT) AND INSURANCE PROCEEDS. | Current By
20120209027 |

Search ID #: Z13482114

Business Debtor Search For:

PETROWORLD ENERGY LTD.

Search ID #: Z13482114

Date of Search: 2021-Feb-02 Time of Search: 10:01:25

Registration Number: 18062132202

Registration Date: 2018-Jun-21

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2021-Jun-21 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

Current

1 PETRO WORLD ENERGY LTD.
700 - 2 STREET SW, #3600
CALGARY, AB T2P 2W3

Secured Party / Parties

Block

Status

Current

1 702856 ALBERTA LTD. O/A CONTINENTAL IMAGING PRODUCTS LTD.
940A 11TH AVENUE SW
CALGARY, AB T2R 0E7

Collateral: General

Block

Description

Status

1 Sharp MX411N PPM Colour MFP Copier Serial Number 1510838Y

Current

Search ID #: Z13482114

Business Debtor Search For:

PETROWORLD ENERGY LTD.

Search ID #: Z13482114

Date of Search: 2021-Feb-02

Time of Search: 10:01:25

Registration Number: 21020127911

Registration Type: WRIT OF ENFORCEMENT

Registration Date: 2021-Feb-01

Registration Status: Current

Expiry Date: 2023-Feb-01 23:59:59

Issued in Calgary Judicial Centre

Court File Number is 2001-10155

Judgment Date is 2020-Oct-22

This Writ was issued on 2021-Jan-27

Type of Judgment is Other

Original Judgment Amount: \$62,462.06

Costs Are: \$1,060.45

Post Judgment Interest: \$0.00

Current Amount Owing: \$63,522.51

Exact Match on:

Debtor

No: 2

Solicitor / Agent

PEACOCK LINDER HALT & MACK LLP

#4050, 400-3RD AVENUE S.W.

CALGARY, AB T2P 4H2

Phone #: 403 269 4570

Fax #: 403 296 2299

Reference #: 7782/SS

Email: ssackman@plhlaw.ca

Debtor(s)

Block

Status
Current

1 TRIPLE FIVE INTERCONTINENTAL GROUP LTD.
3000, 8882-170 STREET
EDMONTON, AB T5T 4M2

Block

Status
Current

2 PETROWORLD ENERGY LTD.
3000, 8882-170 STREET
EDMONTON, AB T5T 4M2

Search ID #: Z13482114

Creditor(s)

Block

1 ADVANCED SAFETY PARAMEDICS INC.
300, 1550 - 8TH STREET S.W.
CALGARY, AB T2R 1K1
Email: steve@aspems.com

Status
Current

Result Complete

This is Exhibit "22"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Search ID #: Z13482127

Transmitting Party

BORDEN LADNER GERVAIS LLP

Centennial Place, East Tower
1900, 520-3rd Avenue SW
CALGARY, AB T2P 0R3

Party Code: 50008002
Phone #: 403 232 9500
Reference #: 441112.000017

Search ID #: Z13482127

Date of Search: 2021-Feb-02

Time of Search: 10:02:36

Business Debtor Search For:

T5 SC OIL AND GAS LIMITED PARTNERSHIP

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.



Search ID #: Z13482127

Business Debtor Search For:

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Search ID #: Z13482127

Date of Search: 2021-Feb-02

Time of Search: 10:02:36

Registration Number: 18082832316

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Aug-28

Registration Status: Current

Expiry Date: 2028-Aug-28 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 T5 SC OIL AND GAS LIMITED PARTNERSHIP
3600, 700 - 2ND STREET SW
CALGARY, AB T2P 2W3

Secured Party / Parties

Block

Status

Current

1 CROWN CAPITAL LP PARTNER FUNDING INC.
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Block

Status

Current

2 CROWN CAPITAL PARTNER FUNDING, LP
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Collateral: General

Block

Description

Status

1 ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY. Current

Search ID #: Z13482127

Business Debtor Search For:

T5 SC OIL AND GAS LIMITED PARTNERSHIP

Search ID #: Z13482127

Date of Search: 2021-Feb-02

Time of Search: 10:02:36

Registration Number: 18082832408

Registration Type: LAND CHARGE

Registration Date: 2018-Aug-28

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 T5 SC OIL AND GAS LIMITED PARTNERSHIP
3600, 700 - 2ND STREET SW
CALGARY, AB T2P 2W3

Secured Party / Parties

Block

Status

Current

1 CROWN CAPITAL LP PARTNER FUNDING INC.
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Block

Status

Current

2 CROWN CAPITAL PARTNER FUNDING, LP
SUITE 2730, 333 BAY STREET
TORONTO, ON M5H 2R2

Result Complete

This is Exhibit "23"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public



2300 Jamieson Place
308 Fourth Avenue SW
Calgary, AB T2P 0H7
Tel: (403) 261 - 4850
www.petersco.com

PRIVATE & CONFIDENTIAL

January 14, 2021

Triple Five Worldwide Group of Companies
Suite 3600, 700 2nd Street SW
Calgary, AB T2P 2W2

ATTENTION: **Mr. Ryan Martin**
 President

Dear Sir:

Peters & Co. Limited ("**Peters & Co.**" or the "**Financial Advisor**", "**we**", "**us**", or "**our**") understands that Triple Five Worldwide Group of Companies ("**Triple Five**" or the "**Company**") and its board of directors ("**Board**") wishes to retain Peters & Co. to provide financial advisory and related services, including assistance in identifying and evaluating potential strategic transactions which may include a negotiated combination of the Company's business and operations by means of a take-over, merger, sale, recapitalization, arrangement, amalgamation; or a sale of assets, or any combination thereof; or a retirement of all or a majority of the Net Indebtedness (as defined herein) of the Company; in each case involving another oil and natural gas company or other entity (collectively, a "**Prospective Offeror**") (any such transaction or any combination thereof is hereinafter referred to as a "**Transaction**").

1. Engagement

Subject to the terms of this Engagement Agreement, we will be the financial advisor to the Company with respect to any Transaction during the term of our engagement hereunder and in that capacity we will provide financial advice and related advisory services (the "**Financial Advisory Services**") to the Company during the term hereof in connection with such matters as the Company may request, including:

- (a) review and analyze available information regarding the Company's operations and financial results;
- (b) identify, screen and contact Prospective Offerors approved by the Board regarding the opportunity to review a potential Transaction;
- (c) co-ordinate the execution of confidentiality agreements between the Company and Prospective Offerors;
- (d) assist the Company in managing access to data rooms for select Prospective Offerors;
- (e) review and evaluate alternative strategies and structures for completing a Transaction;
- (f) assist in developing an appropriate negotiation strategy to facilitate a Transaction and, to the extent requested by the Company, assist in negotiating the terms and structure of a Transaction with Prospective Offerors;

- (g) solicit Transaction proposals from Prospective Offerors and assist in the selection of the Prospective Offeror with which to negotiate a definitive transaction;
- (h) assist with the gathering, exchange and analysis of information for certain due diligence purposes;
- (i) assist, as required by the Company, in conducting due diligence with respect to a Prospective Offeror and a Transaction proposed by any Prospective Offeror if and as required, which may include a review of information relating to the business, operations, assets, financial performance and securities of a Prospective Offeror;
- (j) at the request of the Board, preparing a presentation to the Board and/or senior management of the Company indicating the view of the Financial Advisor with respect to matters relevant to a Transaction and the appropriate structure thereof;
- (k) assisting the Company in the preparation of all public disclosure materials including agreements, circulars, press releases and other public or shareholder communications in connection with a Transaction; and
- (l) perform other tasks as mutually agreed to by the Financial Advisor and the Company.

Nothing described in this paragraph shall require Peters & Co. to prepare and deliver a formal valuation of the Company or any of the shares, options, securities, assets or business divisions of the Company or any Prospective Offeror within the meaning of or for the purposes of compliance by the Company with Multilateral Instrument 61-101.

The Financial Advisor understands that the Company shall have the sole discretion to determine whether to engage in a Transaction and to approve the terms and conditions thereof, and in particular understands that the decision by the Company to enter into a Transaction will be subject to the approval of the Company and the Board.

In the event that the Company or its management or directors receive any inquiry, including any unsolicited inquiries, concerning a Transaction they will within a reasonable time frame inform the Financial Advisor of such inquiry so that the Financial Advisor can assist the Company as requested by the Board.

In the event that the Financial Advisor receives any inquiry with respect to a Transaction proposal, we will promptly inform the Board of such inquiry and will not pursue or participate in any negotiations respecting such proposal without the prior consent of the Board.

The Financial Advisor agrees that it will keep its retainer hereunder confidential, and that it will not contact any Prospective Offeror except as instructed by the Board.

In the event that, at any point during the term of our engagement (or during the Post Completion Period, defined herein) the Company enters into any Court supervised / monitored process to effect a sale of its assets or consider, in any fashion, a settlement or compromise of amounts owing to creditors, the Company will make all reasonable efforts for Peters & Co. to be re-engaged as an advisor or sales agent through such process.

2. Access to Information

The Financial Advisor shall be provided, on a timely basis, with copies of or access to all relevant data and information (financial or otherwise) that is available or becomes available to the Company relating to the Company, including without limitation, financial history, position and condition, results of operations, assets, plans and business activities, including copies of such reports and valuations of management, independent consultants or others concerning the securities or assets of the Company as may be available and all contracts entered into by them which are material to their businesses or operations, all as the Financial Advisor may reasonably request. In addition, the Company will make available to the Financial Advisor such access to the directors, officers and employees of the Company and its advisors as the Financial Advisor may deem necessary (acting reasonably) to perform its services hereunder.

Until completion of a Transaction, the Financial Advisor shall be provided on a timely basis with copies of all information and documentation, including final copies of all documents or other material filed or to be filed by the Company with any securities commission, stock exchange or regulatory authority, domestic or foreign, respecting a Transaction.

The Company acknowledges and agrees that the ability of the Financial Advisor to provide the Financial Advisory Services hereunder is dependent upon, among other things, all relevant data and information being made available to us and to our being provided with access to the Company and other relevant parties including directors, officers, employees, and consultants to the Company.

Subject to the exercise of the Financial Advisor's professional judgement, the Financial Advisor shall be entitled to rely upon and assume the completeness, accuracy and fair presentation of all information provided to the Financial Advisor by the Company or other relevant information relating to the Company which has been or may be released by the Company to the public or provided to the Financial Advisor by the Company's management, counsel, consultants, auditors and other advisors. Subject to the exercise of the Financial Advisor's professional judgement, the Financial Advisor shall be entitled to assume that any projections to be provided to us by the Company or its advisors were prepared using assumptions identified therein and that such assumptions were reasonable at the time of preparation.

The Financial Advisor shall also be entitled to assume, without independent investigation by it, that each of the Company and any Prospective Offeror have title to their respective assets and properties, subject to only those encumbrances, rights and other claims that have been disclosed to us. The Financial Advisor will also be entitled to assume that the tax position of the Company and any Prospective Offeror and the tax consequences of the Transaction are as represented to the Financial Advisor.

Subject to the exercise of the Financial Advisor's professional judgement, the Financial Advisor shall be under no obligation to attempt to verify independently or investigate the accuracy or completeness of the information provided pursuant to this section 2 and the Financial Advisor shall be under no obligation to investigate changes which may occur in such information during or subsequent to the provision of the Financial Advisory Services.

3. Representations and Warranties

To the best of its knowledge, Triple Five hereby represents and warrants to the Financial Advisor on behalf of the Company, that the information concerning the Company and a Transaction provided or to be provided

to the Financial Advisor, directly or indirectly, orally or in writing, by the Company, or its agents and advisors in connection with the engagement hereunder will be accurate and complete in all material respects and will not be misleading in any material way, will not contain any misrepresentation (as defined in the *Securities Act* (Alberta)) and will not omit to state any fact or information which might reasonably be considered material to the Financial Advisory Services provided hereunder or a Transaction. Triple Five further represents and warrants to the Financial Advisor that all information released to the public by the Company (including, without limitation, press releases, circulars and financial statements) was true, correct and complete in all material respects and did not contain any misrepresentation (as defined in the *Securities Act* (Alberta)), as of the respective dates of such information or statements and no material change (as defined in the *Securities Act* (Alberta)) has occurred in relation to the Triple Five which has not been publicly disclosed. We acknowledge that some of the information which has been or will be publicly disclosed contains forward looking statements that will be subject to risks and uncertainties.

4. Notice of Changes in Information

The Company agrees to advise the Financial Advisor promptly of any material event or material change in the business, affairs, condition (financial or otherwise) or prospects of the Company that occurs during the term of the engagement hereunder. In addition, the Company agrees to allow the Financial Advisor and advisors thereto a reasonable period to review and comment upon all publicly available documentation concerning a Transaction that names the Financial Advisor.

5. Requests of Regulatory Authorities

The Company shall advise us promptly after it has received any communication from, or request by, any securities commission, stock exchange or regulatory authority, domestic or foreign, for any information, meeting or hearing relating to the Company, the Financial Advisory Services or a Transaction, or of the issuance or threatened or contemplated issuance of any cease trading order or restraining order or of the initiation of any meeting, hearing, proceeding, litigation or investigation by any regulatory, administrative or other governmental or public body or authority or any court with respect to the Company or a Transaction.

6. Fees and Expenses

For the purposes of this agreement ("**Engagement Agreement**");

"**Net Indebtedness**" is defined to include (without duplication) as it relates to the Company, the aggregate principal amount of any indebtedness for money borrowed, any working capital deficiency, any lease liabilities, and any obligations, guarantees, claims, debt securities, and/or other liabilities of the Company and all severance and bonuses payable upon change of control, any net liability (or asset) created from the mark to market of financial instruments and shall be net of cash and cash equivalents (as defined on the Company's balance sheet) and net of the proceeds from the exercise of all vested "in-the-money" stock options, performance warrants or other convertible securities;

"**Post Completion Period**" is defined as the period ending twelve (12) months following the expiry of this Engagement Agreement, provided that the Post-Completion Period will not exist if this Engagement Agreement is terminated by Peters & Co. or if Peters & Co. is unwilling or unable to act as the Company's financial advisor; and

"Transaction Value" is defined as the aggregate market value of any cash consideration and/or non-cash consideration received for, or attributed to, the shares or assets of the Company pursuant to a Transaction, calculated on a fully-diluted basis (the number of shares taken after giving effect to the exercise of all vested "in-the-money" stock options, performance warrants or other convertible securities), plus the amount of "Net Indebtedness" assumed by the acquiror or merged company; or the aggregate Net Indebtedness retired through the completion of the Transaction.

In consideration of the Financial Advisor providing the Financial Advisory Services hereunder, the Company agrees to compensate the Financial Advisor in the manner outlined below:

- (a) **Work Fee:** Triple Five will pay a work fee ("**Work Fee**") to the Financial Advisor in the amount of [REDACTED] payable on execution of this Engagement Agreement, and successive installments of [REDACTED] payable on each monthly anniversary for three additional months, for a total Work Fee of [REDACTED]. Payment of the Work Fee is not contingent on the closing of a Transaction; [REDACTED] of the Work Fee will be credited against any Transaction Fee (defined below) paid to the Financial Advisor;
- (b) **Transaction Fee:** If during the term of our engagement (or during the Post Completion Period, defined herein) the Company or a Prospective Offeror announces a Transaction which is subsequently completed, the Company shall pay to Peters & Co. a transaction fee ("**Transaction Fee**") equal to [REDACTED] of the Transaction Value;
- (c) **Break Fee:** In the event that the Company enters into a Transaction during the term of our engagement (or during the Post Completion Period in the circumstances described below in this Section 6) that is subsequently terminated and Triple Five receives a break-up, non-completion, termination, or similar fee or payment (including any judgment for damages or amount in settlement of any dispute as a result of such termination (a "**Non-Completion Fee**"), a fee equal to [REDACTED] of such Non-Completion Fee (the "**Break Fee**") will be payable in cash on the third business day after the date that such Non-Completion Fee is received by Triple Five. The Break Fee is not to be paid in addition to any Transaction Fee, and the maximum Break Fee payable in any circumstance may not be higher than the Transaction Fee that would otherwise be payable to Peters & Co. pursuant to this Engagement Agreement had the Transaction (that was the subject of the agreement that was terminated) been completed; and
- (d) **Expenses:** In addition to the foregoing compensation, the Company shall reimburse us (or cause us to be reimbursed) for our reasonable out-of-pocket expenses, including, without limiting the generality of the foregoing, virtual data room, long distance telephone, telecopier, courier, printing and travel expenses and the reasonable costs of any outside professional services including engineers, accountants and the fees and disbursements of our counsel, incurred by us in providing services hereunder. The out-of-pocket expenses will be limited to [REDACTED] unless prior notice is provided to the Company and such additional expenses are approved in advance by Triple Five. The out-of-pocket expenses are payable regardless of whether a Transaction is completed.

All or part of the amounts payable pursuant to this letter may be subject to Goods and Services Tax ("**GST**"). Where GST is applicable, an additional amount equal to the amount of GST owing will be charged to the Company.

The Transaction Fee shall be payable to the Financial Advisor in respect of any Transaction announced during the term of its engagement hereunder, or in respect of the announcement of any Transaction within the Post Completion Period (as defined below) where a Transaction is subsequently completed.

In the event that the consideration paid or received in a Transaction as referred to in or contemplated by this letter is in whole or in part in the form of securities, the value of such securities, for purposes of calculating the Transaction Fee, shall be the fair market value thereof at the close of business on the day prior to the announcement of such Transaction, as determined by the Company and the Financial Advisor, acting reasonably, provided however that if such securities have an existing public trading market, the value thereof shall be determined by the weighted average trading price of the sale prices for such securities in the principal trading market for such securities during the twenty trading days immediately prior to the first announcement of a Transaction. In the event that the consideration paid or received in a Transaction is in the form of securities or cash, at the option of the Company's shareholders, the Transaction Value will be calculated using the cash consideration, adjusted for any pro-rata as a result of a maximum placed on the amount of cash to be paid pursuant to such Transaction and under the assumption that all shareholders select the cash option. The foregoing calculation of Transaction Value will reflect the effect of any limits on maximum proportions of cash or non-cash elements of an offer, if applicable. The value of the securities referred to herein shall be appropriately adjusted to reflect any stock split, stock dividend, recapitalization or similar transaction occurring prior to such Transaction for which a fee is to be calculated.

Except to the extent otherwise provided in this Engagement Agreement, the Transaction Fee payable to us shall be paid in cash: (i) in respect of a take-over bid, on the earliest date that a party takes up and pays for any securities acquired pursuant to such offer which together with any securities already held by such party constitute at least [REDACTED] (on a fully diluted basis) of the securities of the Company entitled to vote under all circumstances; and (ii) in respect of any other Transaction, on the closing date of such Transaction.

The Company acknowledges and agrees that if any additional services in connection with a Transaction or otherwise are requested and provided by the Financial Advisor that are beyond the scope of the engagement provided herein, the terms and conditions relating to such services will be outlined in a separate agreement and the fees for such services shall be as agreed to between the Company and the Financial Advisor and shall be in addition to the fees payable hereunder.

7. Indemnity

Triple Five agrees to indemnify and hold the Financial Advisor and each and every one of its respective directors, officers, employees, shareholders, partners and agents (in the case of the Financial Advisor's agents, only those agents identified by the Financial Advisor to the Company during the terms of the Engagement Agreement) (the "Personnel") harmless from and against any and all fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities of any nature whatsoever, joint or several, (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims that may be made against or involve the Financial Advisor or the Personnel and the reasonable fees and expenses of its or their counsel provided that no settlement shall be made without the prior written consent of Triple Five which shall not be unreasonably withheld) to which the Financial Advisor and/or the Personnel may become subject or otherwise, but excluding loss of profits or similar losses, insofar as such fees, costs, expenses, losses, claims, actions, damages, fines, penalties, or liabilities arise out of or are based, directly or indirectly, on the services provided by the Financial Advisor, or the Personnel hereunder or otherwise incurred in connection with providing the Financial Advisory Services or in connection with a

Transaction, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that the fees, costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities as to which indemnification is claimed, were caused by a breach of this Engagement Agreement by the Financial Advisor or its Personnel as applicable, or the bad faith, negligence or wilful misconduct of the Financial Advisor or the Personnel, as applicable.

Triple Five will not, without the prior written consent of the Financial Advisor, settle, compromise or consent to any judgement or decision in any proceeding in respect of which indemnification may be sought hereunder unless the settlement, compromise or consent includes a release of the Financial Advisor and the Personnel, as applicable, from all liability arising out of such proceeding.

If for any reason the foregoing indemnification is unavailable to the Financial Advisor or the Personnel, as applicable, other than for a breach of this Engagement Agreement, or the bad faith, negligence or wilful misconduct of the Financial Advisor or the Personnel, or is insufficient to hold it or them harmless, then Triple Five shall contribute to the amount paid or payable by the Financial Advisor or the Personnel, as applicable, as a result of such fees, costs, expenses, losses, claims, damages, fines, penalties or liabilities in such proportion as is appropriate to reflect not only the relative benefits received by Triple Five on the one hand, and the Financial Advisor on the other hand but also the relative fault of Triple Five and the Financial Advisor, as well as any relevant equitable considerations, provided that in the aggregate, Triple Five shall not in any event contribute to the amount paid or payable by the Financial Advisor as a result of such fees, costs, expenses, losses, claims, damages, fines, penalties or liabilities, any excess of such amount over the amount of the fees received by the Financial Advisor hereunder.

Triple Five acknowledges that the Financial Advisor acts as trustee for any of the other parties entitled to indemnity hereunder, including the Personnel, of Triple Five's covenants under this indemnity and rights of contribution herein with respect to such persons and the Financial Advisor shall be entitled to enforce such covenants on behalf of such persons.

Within 10 business days of the date Triple Five receives notice from the Financial Advisor of the assertion of any claim against or on the commencement of any investigation or proceeding involving the Financial Advisor or any of the Personnel to which a right of indemnity exists hereunder, Triple Five may, and shall if requested to by the Financial Advisor or the Personnel, participate in such action, investigation or proceeding and assume the defense of any proceeding in respect of which indemnification may be sought hereunder, including employment of counsel of Triple Five's selection who are satisfactory to the Financial Advisor, acting reasonably, the fees and disbursements of which counsel shall be paid by Triple Five (in such proportion as is reflective of the relevant equitable contributions). The Financial Advisor and the Personnel shall have the right to participate and to retain their own counsel in any such investigation or proceeding. The fees and disbursements of such counsel shall be paid by the Financial Advisor, unless:

- (a) Triple Five and the Financial Advisor and the Personnel, as applicable, have agreed in writing to the retention of such counsel and the payment of the fees, disbursements and other charges of such counsel by Triple Five;
- (b) Triple Five shall not have assumed the defense of such action within a reasonable time (not to exceed 10 business days) after written notice of such investigation or proceeding has been received by Triple Five from the Financial Advisor or any of the Personnel, as applicable; or

- (c) Triple Five and either the Financial Advisor or the Personnel, as applicable, are subject to the investigation or parties to the proceedings and counsel to the Financial Advisor or the Personnel as applicable, is of the opinion (expressed in writing and addressed to both the Financial Advisor and Triple Five) that the representation of them by the same counsel would be inappropriate due to, or could give rise to, actual or potential differing or conflicting interests between them.

in which cases the fees and disbursements of counsel to the Financial Advisor and/or the Personnel shall be paid by Triple Five (in such proportion as is reflective of the relevant equitable contributions), provided that, in no circumstances, will Triple Five be responsible or liable for the fees, disbursements or expenses of more than one separate law firm for all persons indemnified under this section 7, in respect of any action, investigation or proceeding arising out of the same general allegations or circumstances.

The Company agrees that, in case any legal proceeding shall be brought against the Company and/or the Financial Advisor and/or the Personnel by any governmental commission or regulatory authority in connection with the provision of the Financial Advisory Services or a Transaction and any of the Financial Advisor or the Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered hereunder to the Company by the Financial Advisor, the Financial Advisor and the Personnel shall have the right to employ their own counsel in connection therewith at such time as, in the reasonable opinion of counsel to the Financial Advisor (expressed in writing and addressed to both the Financial Advisor and the Company), a conflict of interest arises between the Company and the Financial Advisor and/or any of the Personnel and all parties cannot be adequately represented by the Company's counsel, in which case, the reasonable fees and expenses of such counsel shall be paid by Triple Five (in such proportion as is reflective of the relevant equitable contributions) as they occur, provided that, in no circumstances, will Triple Five be responsible or liable for the fees, disbursements or expenses of more than one separate law firm for all persons indemnified under this section 7, in respect of any proceeding arising out of the same general allegations or circumstances and provided further that Triple Five shall be entitled to recover from the Financial Advisor and its Personnel, as applicable, any amounts so paid, if it is later determined by a court of competent jurisdiction in a final judgment that has become non-appealable that the Financial Advisor breached this Engagement Agreement or acted in bad faith or negligently in respect of the matter giving rise to the foregoing legal proceeding or the Financial Advisor or any of its Personnel are determined to have acted negligently or engaged in wilful misconduct in respect of the matters giving rise to such legal proceeding. In addition, unless such investigation arises out of or is based, directly or indirectly, upon the Financial Advisor's or its Personnel breach of this Engagement Agreement, bad faith, negligence or wilful misconduct, Triple Five (in such proportion as is reflective of the relevant equitable contributions) will pay to the Financial Advisor reasonable consulting fees for the services of its professional staff in relation to such investigation based on the Financial Advisor's then prevailing per diem rate for such staff, together with its reasonable out-of-pocket expenses. Triple Five shall have the right to direct carriage of any legal proceeding contemplated herein from time to time and at all times subject to the right of the Financial Advisor and/or the Personnel to employ their own counsel at Triple Five's expense as provided herein and subject to the restrictions and limitations set forth herein.

The obligations of Triple Five hereunder in addition to any liabilities which Triple Five may otherwise have to the Financial Advisor or any of the Personnel, shall be binding upon and enure to the benefit of any successors, assigns, heirs or personal representatives of Triple Five, the Financial Advisor and any of the Personnel. The foregoing provisions shall survive completion of the professional services rendered under this Engagement Agreement or any termination hereof.

8. Confidentiality

We agree to keep all information provided to us hereunder in strict confidence during the term of our engagement and thereafter, and shall not, without the prior written consent of the Company (which consent may be withheld in the Company's sole discretion), use or disclose any of the same not otherwise in the public domain except:

- (a) to our employees, who are subject to implied or written confidentiality covenants to us, and advisors who require access to the same, specifically for the purposes of this Engagement Agreement; and
- (b) as and only to the extent as may be required by law or in connection with legal or regulatory proceedings,

provided that the foregoing shall not apply to information which may subsequently become public other than through breach by the Financial Advisor or the Personnel of their obligations hereunder or information disclosed to the Financial Advisor by third parties in respect of which such third parties are not under an obligation of confidentiality. We agree to be responsible and liable for any improper disclosure or use of confidential information by any of our Personnel.

Subject to the provisions hereof, any written or oral advice and opinions of the Financial Advisor, and any background or supporting materials or analyses, shall not be publicly disclosed or referred to or provided to any third party (other than the Company's advisors) by the Company without the prior written consent of the Financial Advisor except as required by applicable securities law requirements or the rules or policies of any regulatory authority. In addition, except as expressly provided herein, no public reference to the Financial Advisor or their engagement hereunder will be made for any reason whatsoever without the prior written consent of the Financial Advisor.

9. Term of Agreement

The term of this Engagement Agreement shall expire on the first to occur of termination of this engagement by either the Board or the Financial Advisor pursuant to section 10 hereof or December 31, 2021, unless extended by mutual agreement.

10. Termination

The engagement of the Financial Advisor hereunder may be terminated at any time by either party by providing written notice to the other party, and will automatically expire upon the closing of a Transaction, subject to the payment of any fees and expenses owing or that may become owing to the Financial Advisor under section 6 hereof.

11. Notices

Any notice or other communication required or permitted to be given under this Engagement Agreement shall be in writing and shall be sufficiently given or made by delivery (with a copy by email, which shall not constitute notice) to the respective parties as follows:

If to Triple Five, to:

Triple Five Worldwide Group of Companies
Suite 3600, 700 2nd Street SW
Calgary, AB T2P 2W2

Attention: Mr. Ryan Martin
President

Email: ryan.martin@petroworldenergy.com

If to Peters & Co., to:

Peters & Co. Limited
2300 Jamieson Place
308 – 4th Avenue SW
Calgary, Alberta T2P 0H7

Attention: Mr. Jeff Lawson
Managing Director, Corporate Finance

Email: jlawson@petersco.com

Any notice so given shall be deemed conclusively to have been given and received when so personally delivered. Either party may change its address by notice to the other in the manner set forth in this section.

12. Advertisement

Upon consummation of a Transaction, the Company agrees that the Financial Advisor shall have the right to place advertisements in financial and other newspapers and journals at its expense describing its services hereunder, provided that the Financial Advisor shall submit a copy of any such advertisements to the Company for its approval, which approval shall not be unreasonably withheld, provided further that no such advertisements may name Alberta Investment Management Company without the approval of Alberta Investment Management Company.

13. General

This Engagement Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. Each of the parties hereto irrevocably submits to the jurisdiction of the courts of the Province of Alberta over any action or proceeding arising out of or relating to this agreement and the parties hereto irrevocably agree that all claims in respect of such action or proceeding may be heard and determined

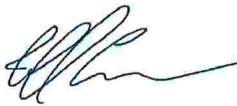
in such courts and all courts competent to hear appeals therefrom. The parties hereto agree that a final judgement in any such action or proceeding after all appeals are exhausted shall be conclusive and may be enforced in other jurisdictions by suit on the judgement or in any other manner provided by law. The terms and conditions of sections 3, 5, 6 (to the extent provided therein), 7, 8, 11 and this section 13 of this Engagement Agreement shall survive the completion of services hereunder, the closing of a Transaction, and any termination or purported termination of this agreement. The representations, warranties, indemnity and other agreements provided by Triple Five and us in connection herewith shall remain in full force and effect regardless of any termination of this Engagement Agreement. All dollar amounts herein are in Canadian dollars.

Please confirm the foregoing is in accordance with the Board's understanding by signing the attached duplicate copy of this letter, which shall thereupon constitute a binding agreement between the Company and the Financial Advisor.

Yours very truly,

PETERS & CO. LIMITED


Per: _____


Jeff Lawson
Managing Director, Corporate Finance

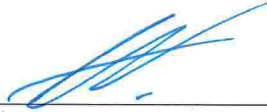
Accepted and agreed to as of the ____ day of January, 2021

TRIPLE FIVE WORLDWIDE GROUP OF COMPANIES

Per: _____


Ryan Martin
President

This is Exhibit "24"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

Calgary Oil and Gas Intercontinental Group Ltd.

13-week Cash Flow Forecast- Consolidated
For the 13-week period ending April 30, 2021

Notes	Week End	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
		01-Feb Proj.	08-Feb Proj.	15-Feb Proj.	22-Feb Proj.	01-Mar Proj.	08-Mar Proj.	15-Mar Proj.	22-Mar Proj.	29-Mar Proj.	05-Apr Proj.	12-Apr Proj.	19-Apr Proj.	26-Apr Proj.	
1					\$ 1,770,300			\$ 1,777,650						\$ 1,904,700	\$ 5,452,650
					1,770,300			1,777,650						1,904,700	5,452,650
Operating Receipts															
Production Revenue															
Total Operating Receipts															
Operating Disbursements															
Royalty Expense					187,807				209,391					221,288	618,486
Production Royalty payment to CC					74,340				70,942					76,209	221,491
Operating Expense					337,791				72,962					72,962	483,715
Transportation Expense					45,386				45,386					45,386	136,159
G&A Contractors					50,178				50,178					50,178	150,533
G&A- Head Office Rent					12,000				12,000					12,000	36,000
Gas processing fees					344,070				332,924					371,129	1,048,123
GST Remittance					54,500				62,000					70,000	186,500
Professional Fees					116,666				116,666					116,666	349,998
Total Operating Disbursements					1,222,738				972,449					1,035,817	3,231,004
Non-Operating Disbursements															
Finance Leases					83,261				83,261					83,261	249,782
Interest Expense					221,545				245,282					250,000	716,826
Capital costs															
Total Non-Operating Disbursements					304,806				328,542					333,261	966,608
Total Disbursements					1,527,544				1,300,991					1,369,078	4,197,612
Net Change in Cash					242,756				476,659					535,622	1,255,038
Opening Cash		23,128	23,128	23,128	23,128	265,885			265,885					742,544	23,128
Ending Cash		\$ 23,128	\$ 23,128	\$ 23,128	\$ 265,885	\$ 265,885			\$ 742,544					\$ 1,278,166	\$ 1,278,166

Notes: Please refer to attached assumptions and notes

Representations

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the attached notes and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections.
Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.
The projections have been prepared using probable and hypothetical assumptions. Consequently readers are cautioned that it may not be appropriate for other purposes.

Calgary Oil and Gas Intercontinental Group Ltd.

Calgary Oil and Gas Intercontinental Group Ltd.
Notes to the Cash Flow Statement
For the period of February 1st to April 30th

Note 1- Production revenue: relates to revenues associated with the sale of natural gas and natural gas liquids. Calgary Oil and Gas has done a recent maintenance operation with new tubing on four wells and an additional compressor and anticipates increased production rates and higher revenues moving forward. Sproule engineering reports were used for production estimates and Peter's & Co. price decks were used for pricing estimates.

Note 2- Royalties: Crown, freehold and GORR royalties are a function of production prices, volumes and mix.

Note 3- Production royalty expense: This relates to a production payment being paid to Crown Capital Partners on production revenue currently averaging about 4% of revenues. This payment is a result of the master loan agreement.

Note 4- Operating expense: Expected operating expenses over the forecast period total \$483,715 for the 13 weeks ending April 30, 2021. These disbursements consist of vendor payments (and prepayments) for hauling and transportation, parts, consumables (glycol, methanol and lubricants), chemicals, repairs, regulatory costs and licenses, and rentals. Includes potential arrears payments to four key suppliers in order to ensure continuity of operations and avoid production downtime.

Note 5- Transportation expense: This relates to firm service unabsorbed demand charges on the TC\Nova pipeline system. These costs are based a contractual arrangement with the pipeline company and are the maximum based on current forecasted production levels.

Note 6- General & administrative: Consists of rent, contractor fees and accounting system fees. Rent is currently being negotiated with the landlord and could be reduced and contractor and accounting system fees are fixed.

Note 7- Gas processing: Consists of gas processing costs to Keyera via their Strachan gas plant. These costs are set under a master processing agreement and are variable based on throughput plant volumes.

Note 8- Professional fees: Estimated legal and monitor fees throughout the restructuring period.

Note 9- Finance leases: Relates to rentals on 3 compressor units, 1 gen set unit, 1 4.5mmbtu line heater and 2 separator units. This equipment is required to keep production flowing on a daily basis.

Note 10- Interest expense: Relates to interest payable to Crown Capital Partners on the \$27.0 mil loan agreement. They have a fixed floating charge over all present and after acquired assets of the entity and any subsidiaries of joint venture, providing a first lien on all assets.

Note 11- Opening cash: Opening cash is the cash remaining in the company's bank accounts after all issued cheques have cleared as it is assumed that all issued cheques will be honoured. Opening cash does not include funds totalling \$866,977 which is held in term deposits as Letters of Credit for Nova and Keyera or funds in the Lockbox account controlled by Crown Capital, as such funds are not accessible by the Company.

This is Exhibit "25"
Referred to in the Affidavit of Ryan Martin
Sworn before me this 5th day of February, 2021



A Commissioner for Oaths in and for Alberta

FRANK HEPWORTH
A Commissioner for Oaths
in and for Alberta
Student-At-Law, Notary Public

COURT FILE NUMBER **2001-**
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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

AND IN THE MATTER OF CALGARY OIL & GAS SYNDICATE GROUP LTD., CALGARY OIL AND GAS INTERCONTINENTAL GROUP LTD. (IN ITS OWN CAPACITY AND IN ITS CAPACITY AS GENERAL PARTNER OF T5 SC OIL AND GAS LIMITED PARTNERSHIP), CALGARY OIL AND SYNDICATE PARTNERS LTD., AND PETROWORLD ENERGY LTD.

DOCUMENT **CONSENT TO ACT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Matti Lemmens / Tiffany Bennett
Borden Ladner Gervais LLP
1900, 520 3rd Ave. S.W.
Calgary, AB T2P 0R3
Telephone: (403) 232-9511 / (403) 232-9199
Facsimile: (403) 266-1395
Email: MLemmens@blg.com / TiBennett@blg.com

BDO CANADA LIMITED, a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended, does hereby consent to its appointment as Monitor of Calgary Oil & Gas Syndicate Group Ltd., Calgary Oil and Gas Intercontinental Group Ltd. (in its own capacity and in its capacity as general partner of T5 SC Oil and Gas Limited Partnership), Calgary Oil and Syndicate Partners Ltd., and Petroworld Energy Ltd. in respect of the within proceedings pursuant to section 11.7 of the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended

DATED at Calgary, Alberta and effective this 5th day of February 2021.

BDO CANADA LIMITED

Per:



Marc Kelly
Senior Vice President