THIS IS EXHIBIT "9"
referred to in the Affidavit of
Tim S. Granger
Sworn before me this 25th
day of September, 2013

CHRIS SIMARD
Barrister and Solicitor
J.P.Morgan

CREDIT AGREEMENT

dated as of March 18, 2011

among

LONE PINE RESOURCES INC.,
as Parent,

CANADIAN FOREST OIL LTD.,
as Borrower,

THE LENDERS PARTY HERETO,

THE TORONTO-DOMINION BANK
and
BANK OF MONTREAL,
as Co-Syndication Agents,

THE BANK OF NOVA SCOTIA
and
WELLS FARGO FINANCIAL CORPORATION CANADA,
as Co-Documentation Agents,

and

JPMORGAN CHASE BANK, N.A., TORONTO BRANCH,
as Administrative Agent

J.P. MORGAN SECURITIES LLC,
as Sole Bookrunner and Sole Lead Arranger
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CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of March 18, 2011, is among LONE PINE RESOURCES INC., a Delaware corporation (the “Parent”), CANADIAN FOREST OIL LTD., a corporation amalgamated under the laws of the Province of Alberta, Canada (“Borrower”), the LENDERS party hereto, THE TORONTO-DOMINION BANK and BANK OF MONTREAL, as Co-Syndication Agents, THE BANK OF NOVA SCOTIA and WELLS FARGO FINANCIAL CORPORATION CANADA, as Co-Documentation Agents, and JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Administrative Agent.

WITNESSETH:

In consideration of the mutual promises herein contained and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“Acceptance Date” means any date, which must be a Business Day, on which a Bankers’ Acceptance is or is to be issued.

“Accepting Lender” means any Lender which has accepted a Bankers’ Acceptance under this Agreement.

“Act” is defined in Section 10.18.

“Administrative Agent” means JPMorgan Chase Bank, N.A., Toronto Branch, in its capacity as administrative agent for the Lenders hereunder, and any successor thereto.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agents” means each of the Administrative Agent, the Co-Syndication Agents and the Co-Documentation Agents.

“Agreed Currency” is defined in Section 2.20(a).

“Agreement” means this Credit Agreement, as it may be amended, supplemented, restated or otherwise modified and in effect from time to time.
"Applicable Lending Office" means, for each Lender and for each Type of Loan, such office of such Lender (or of an Affiliate of such Lender) as such Lender may from time to time specify in writing to the Administrative Agent and Borrower as the office by which its Loans of such Type are to be made and/or issued and maintained.

"Applicable Percentage" means, with respect to any Lender, the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If the Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently set forth in the Register, giving effect to any assignments made in accordance with Section 10.4 or any increases or decreases in Commitments made in accordance with this Agreement.

"Applicable Rate" means, for any day and with respect to any Canadian Prime Loans, any Bankers' Acceptance or any Commitment Fees payable hereunder, as the case may be, the applicable rate per annum set forth below in basis points under the caption "Canadian Prime Loans," "Bankers' Acceptances Stamping Fee" or "Commitment Fees," as the case may be, based on the Borrowing Base Utilization on such date:

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<th>Canadian Prime Loans</th>
<th>Bankers' Acceptances Stamping Fee</th>
<th>Commitment Fees</th>
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<tr>
<td>x &gt; 90%</td>
<td>175</td>
<td>275</td>
<td>50.0</td>
</tr>
<tr>
<td>75% &lt; x ≤ 90%</td>
<td>150</td>
<td>250</td>
<td>50.0</td>
</tr>
<tr>
<td>50% &lt; x ≤ 75%</td>
<td>125</td>
<td>225</td>
<td>50.0</td>
</tr>
<tr>
<td>25% &lt; x ≤ 50%</td>
<td>100</td>
<td>200</td>
<td>50.0</td>
</tr>
<tr>
<td>x ≤ 25%</td>
<td>75</td>
<td>175</td>
<td>50.0</td>
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As used in this definition, "x" means, at any time, the Borrowing Base Utilization.

For purposes of the foregoing, any change in the Applicable Rate will occur automatically without prior notice upon any change in the Borrowing Base Utilization. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

"Approved Country" means Canada and the U.S. or any other country determined to be an "Approved Country" by the Majority Lenders.

"Approved Engineer" means (a) Ryder Scott Company Petroleum Engineers, Netherland, Sewell & Associates, Inc., Collarini Engineering, Inc., DeGolyer and MacNaughton, GLJ Petroleum Consultants Ltd., Sproule Associates Ltd., or McDaniel & Associates Consultants Ltd. or (b) such other firm of independent petroleum engineers expert in the matters required to be performed in connection with the preparation and delivery of an Independent Reserve Report and reasonably satisfactory to the Administrative Agent.

"Arranger" means J.P. Morgan Securities LLC.
“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.4), and accepted by the Administrative Agent, in substantially the form of Exhibit D or any other form approved by the Administrative Agent.

“Authorized Officer” means, with respect to any Person, the Chief Executive Officer, the President, any Vice President or the Treasurer of such Person or any other officer of such Person duly authorized to contractually bind such Person specified as such to the Administrative Agent in writing by any of the aforementioned officers of such Person.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“BA Exposure” means, with respect to any Accepting Lender, the Principal Amount of Bankers’ Acceptances and BA Loans to be paid by Borrower to the Administrative Agent at the Principal Office, for which Borrower has not reimbursed such Accepting Lender.

“BA Loan” is defined in Section 2.23(h).

“BA Maturity Date” means the date on which a Bankers’ Acceptance is payable.

“BA Net Proceeds” means, in respect of any Bankers’ Acceptance, the amount determined as of the applicable Acceptance Date in accordance with the formula set forth in Exhibit L, subject to deduction of the Stamping Fees applicable to such Bankers’ Acceptance in accordance with Section 2.23(c).

“Bankers’ Acceptance Liability” means, with respect to any Bankers’ Acceptance, the obligation of Borrower to pay to the Administrative Agent at the Principal Office the Principal Amount of such Bankers’ Acceptance for which Borrower has not reimbursed the Accepting Lender.

“Bankers’ Acceptance Rate” means:

(a) for a Lender which is a Schedule I Lender, the arithmetic average of the rates for the Lenders that are Schedule I Reference Lenders as quoted on Reuters Services page CDOR as at 10:00 a.m. on the Acceptance Date for the appropriate term of the requested Bankers’ Acceptance; and

(b) for a Lender which is a Schedule II/III Lender, the arithmetic average of the actual discount rates applicable to Bankers’ Acceptances accepted by the Lenders that are Schedule II/III Reference Lenders as at 10:00 a.m. on the Acceptance Date for the appropriate term of the requested Bankers’ Acceptance, but not to exceed the sum of (i) the Banker’s Acceptance Rate in paragraph (a) of this definition plus (ii) 10 basis points per annum.

“Bankers’ Acceptance Request” is defined in Section 2.23(b) and contains the information set forth in Exhibit K.
"Bankers’ Acceptances" means bankers’ acceptances denominated in Canadian Dollars in the form of either a depository bill, as defined in the DBNA, or a blank non-interest bearing bill of exchange, as defined in the Bills of Exchange Act (Canada), in either case issued by Borrower and accepted by a Lender (and, if applicable, purchased by a Lender) at the request of Borrower, such depository bill or bill of exchange to be substantially in the standard form of such Lender.

"Bankruptcy and Insolvency Act (Canada)" means, collectively, the Bankruptcy and Insolvency Act (Canada) and the Companies’ Creditors Arrangement Act (Canada), each as amended from time to time and any similar statute of Canada or any province thereof.

"Borrower" is defined in the preamble.

"Borrower Arrangement" is defined in Section 2.23(c).

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of BA Loans or Bankers’ Acceptances, as to which a single Interest Period is in effect.

"Borrowing Base" means the “Borrowing Base” as determined from time to time pursuant to Section 2.7.

"Borrowing Base Deficiency" means, at the time of determination, the amount by which (a) the Credit Exposures of all Lenders exceeds (b) the then effective Borrowing Base.

"Borrowing Base Designation Notice" is defined in Section 2.7(b).

"Borrowing Base Properties" means the Mortgaged Properties and those other Oil and Gas Properties owned by Borrower or its Restricted Subsidiaries that are given value in the determination of the then current Borrowing Base.

"Borrowing Base Utilization" means, at any time, the ratio (expressed as a percentage) of (i) the Credit Exposures of all Lenders to (ii) the then effective Borrowing Base under this Agreement.

"Borrowing Request" means a request by Borrower for a Borrowing in accordance with Section 2.3, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

"Business Day" means any day that is not a Saturday, Sunday or other day on which commercial banks in Toronto, Canada, Calgary, Canada, and Montreal, Canada are authorized or required by law to remain closed.

"Canadian Benefit Plans" means any employee benefit plan, maintained or contributed to by Borrower or any Restricted Subsidiary that is not a Canadian Pension Plan and which is primarily for the benefit of the employees or former employees of Borrower or any of its Restricted Subsidiaries employed in Canada who participate or are eligible to participate, including all profit sharing, incentive compensation, savings, supplemental retirement, retiring
allowance, severance, deferred compensation, welfare, bonus, supplementary unemployment benefit plans or arrangements and all life, health, dental and disability plans and arrangements primarily for the benefit of such employees.

“Canadian Dollars” or “C$” or “$” or “Dollar” refers to lawful money of Canada.

“Canadian Pension Plan” means any pension plan administered by the Borrower and required to be registered under Canadian provincial or federal pension benefits standards legislation contributed to by (or to which there is or may be an obligation to contribute by) a Loan Party or its Subsidiaries.

“Canadian Pension Plan Termination Event” means an event which would entitle a Person (without the consent of any Loan Party or its Subsidiaries) to wind-up or terminate a Canadian Pension Plan in full or in part, or the institution of any steps by any Governmental Authority to terminate or order the termination or wind-up of, in full or in part, any Canadian Pension Plan, or an event respecting any Canadian Pension Plan which would result in the revocation of the registration of such Canadian Pension Plan or which could otherwise reasonably be expected to adversely affect the tax status of any such Canadian Pension Plan.

“Canadian Prime”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Canadian Prime Rate.

“Canadian Prime Rate” means the greater of (a) the per annum floating rate of interest established from time to time by the Administrative Agent as the base rate the Administrative Agent will use to determine rates of interest on Canadian Dollar loans to its customers in Canada, (b) the per annum floating rate of interest established from time to time by the Reference Lender as the base rate the Reference Lender will use to determine rates of interest on Canadian Dollar loans to its customers in Canada, and (c) the sum of (i) the discount rate expressed as a rate of interest per annum payable to the purchasers of thirty-day bankers’ acceptances, duly accepted by the Administrative Agent, as established by the Administrative Agent and (ii) 100 basis points. Without notice to Borrower or any other Person, the Canadian Prime Rate shall change automatically from time to time as and in the amount by which said prime rate shall fluctuate. The Canadian Prime Rate is a reference rate and does not necessarily represent the lowest or best rate actually charged to any customer. The Administrative Agent may make commercial loans and other loans at rates of interest at, above or below the Canadian Prime Rate. For purposes of this Agreement, any change in any interest rate due to a change in the Canadian Prime Rate shall be effective on the date such change in the Canadian Prime Rate is announced.

“Capital Lease Obligations” means, for any Person, all obligations of such Person to pay rent or other amounts under a lease of (or other agreement conveying the right to use) Property to the extent such obligations are required to be classified and accounted for as a capital lease on a balance sheet of such Person under GAAP, and, for purposes of this Agreement, the amount of such obligations shall be the capitalized amount thereof, determined in accordance with GAAP.
“Casualty Event” means any loss, casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any Collateral having a fair market value in excess of C$25,000,000 (or its equivalent in other currencies).

“Change in Law” means (a) the adoption of any law, rule or regulation after the date of this Agreement, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.15(b), by any Applicable Lending Office of such Lender or any Issuing Bank or by such Lender’s or any Issuing Bank’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“Code” means the United States Internal Revenue Code of 1986, as amended from time to time, and any successor statute of similar import.

“Co-Documentation Agents” means The Bank of Nova Scotia and Wells Fargo Financial Corporation Canada, each in its capacity as co-documentation agent for the Lenders, and any successor thereto.

“Co-Syndication Agents” means The Toronto-Dominion Bank and Bank of Montreal, each in its capacity as co-syndication agent for the Lenders hereunder, and any successor.

“Collateral” means the “Mortgaged Property,” “Pledged Capital Stock” and “Collateral,” as defined in the Security Documents.

“Commission” means the U.S. Securities and Exchange Commission or any Canadian counterpart, or any Governmental Authority in the United States or Canada succeeding to any or all of the functions thereof.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans, to acquire participations in Letters of Credit hereunder, and to accept Bankers’ Acceptances or make BA Loans hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.8, (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.4, (c) increased from time to time pursuant to Section 2.22, and (d) terminated pursuant to Sections 8.2 or 8.3. The initial amount of each Lender’s Commitment is set forth on Schedule 2.1, or in the Register following any Assignment and Assumption to which such Lender is a party or the delivery of a Lender Certificate to which such Lender is a party. The initial aggregate amount of the Commitments of the Lenders is C$500,000,000.

“Commitment Fee” is defined in Section 2.11(a).

“Consolidated Net Income” means for any period, the consolidated net income (or loss) of the Parent and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Restricted Subsidiary of the Parent or is merged into or
consolidated with the Parent or any of its Restricted Subsidiaries, (b) the income (or deficit) of any Person (other than a Restricted Subsidiary of the Parent) in which the Parent or any of its Restricted Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent or such Restricted Subsidiary in the form of dividends or similar distributions, (c) the undistributed earnings of any Restricted Subsidiary of the Parent to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or requirement of law applicable to such Restricted Subsidiary, (d) unrealized losses and gains from Hedging Agreements resulting from the application of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 815, (e) any non-cash compensation charge or expense realized from grants of Equity Interests or other rights to officers, directors and employees and (f) any gains or losses from, or related to, currency conversions; provided further, that for the purpose of calculating "Consolidated Net Income" for the last four consecutive fiscal quarter period, such calculation shall include, to the extent necessary and without duplication, the historical financial information of the Borrower for the fiscal quarter periods ending on or before March 31, 2011.

"Contribution Agreement" means that certain Contribution Agreement, dated as of the date of the Parent IPO, between FST and Parent.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings correlative thereto.

"Credit Exposure" means, with respect to any Lender at any time, the sum of (a) the outstanding principal amount of such Lender’s Loans (excluding BA Loans and Bankers' Acceptances) plus (b) its LC Exposure plus (c) its BA Exposure at such time.

"Currency" means, with respect to any Loan, Letter of Credit or Bankers’ Acceptance, whether such Loan, Letter of Credit or Bankers’ Acceptance is denominated in Canadian Dollars.

"DBNA" is defined in Section 2.23(1).

"Debenture" means any Demand Debenture and Negative Pledge delivered pursuant to the Loan Documents, substantially in the form of Exhibit H, in each case as amended, supplemented, restated or otherwise modified from time to time in accordance with the Loan Documents. The term “Debentures” shall include each and every Debenture executed and delivered pursuant to the Loan Documents.

"Default" means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

"Defaulting Lender" means any Lender that (a) has failed, within two (2) Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) fund any portion of its participations in Letters of Credit or (iii) pay over to the Administrative Agent, the Issuing Bank or any other Lender any other amount required to be paid by it hereunder, unless,
in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified Borrower, the Administrative Agent, the Issuing Bank or any other Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three (3) Business Days after request by the Administrative Agent, the Issuing Bank or any other Lender, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent’s, the Issuing Bank’s or such other Lender’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become insolvent or bankrupt pursuant to Section 8.1(g).

“Deposit Agreement” means any Deposit Agreement delivered pursuant to the Loan Documents, substantially in the form of Exhibit I, in each case as amended, supplemented, restated or otherwise modified from time to time in accordance with the Loan Documents. The term “Deposit Agreements” shall include the Deposit Agreements executed and delivered pursuant to the Loan Documents.

“Disclosed Matters” is defined in Section 3.11(a).

“EBITDA” means, for any period, the Consolidated Net Income of Parent and its Restricted Subsidiaries for such period (excluding any extraordinary gains and losses from Consolidated Net Income) before deduction for interest expense, depreciation, depletion expense, amortization expense, federal, provincial, territorial and state income taxes and other non-cash charges and expenses incurred by Parent and its Restricted Subsidiaries; provided, however, that any calculation of EBITDA hereunder shall be made using an EBITDA calculated on a pro forma basis (inclusive of any acquisitions and/or divestitures, if any, made during the relevant calculation period and, if any such acquisition or divestiture has a value in excess of U.S.$25,000,000, as if such acquisition or divestiture had occurred on the first day of such period); provided further, that for the purpose of calculating “EBITDA” for the last four consecutive fiscal quarter period, such calculation shall include, to the extent necessary and without duplication, the historical financial information of the Borrower for the fiscal quarter periods ending on or before March 31, 2011.

“Effective Date” means the date on which the conditions specified in Section 4.1 and Section 4.2 of this Agreement are satisfied (or waived in accordance with Section 10.2 of this Agreement).

“Effectiveness Notice” means a notice and certificate of Borrower properly executed by an Authorized Officer of Borrower, addressed to the Lenders and delivered to the Administrative
Agent whereby Borrower certifies satisfaction and/or waiver of all the conditions precedent to
the effectiveness under Section 4.1 and Section 4.2 of this Agreement.

"Employee Matters Agreement" means that certain Employee Matters Agreement dated
as of the date of the Parent IPO between FST, Borrower and Parent.

"Environmental Laws" means all laws, rules, regulations, codes, ordinances, orders,
decrees, judgments, injunctions, binding directives or directions or legally binding agreements
issued, promulgated or entered into by any Governmental Authority, relating in any way to the
protection of the environment, preservation or reclamation of natural resources, environmental
contamination or pollution, the management, handling, Release or threatened Release of, or
exposure to, any Hazardous Material or, to the extent relating to human exposure to Hazardous
Materials, health and safety matters.

"Environmental Liability" means any liability, contingent or otherwise (including, any
liability for damages, costs of environmental investigation, Remedial Action, fines, penalties or
indemnities), directly or indirectly resulting from or based upon (a) violation of or liability under
any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or
disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or
threatened Release of any Hazardous Materials into the environment, or (e) any contract,
agreement or other legally binding consensual arrangement pursuant to which liability is
assumed by or imposed on any Loan Party or its Subsidiaries with respect to any of the
foregoing.

"Equity Interests" means shares of the capital stock, partnership interests, membership
interest in a limited liability company, beneficial interests in a trust or other equity interests in
any Person or any warrants, options or other rights to acquire such interests.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as
amended, and any successor statute of similar import, together with the rules, regulations and
interpretations thereunder, in each case as in effect from time to time.

"ERISA Affiliate" means all members of a controlled group of corporations and all
members of a controlled group of trades or businesses (whether or not incorporated) under
common control which, together with Borrower, are treated as a single employer under Section
414(b) or Section 414(c) of the Code or Section 4001 of ERISA.

"ERISA Event" means (a) any "reportable event," as defined in Section 4043 of ERISA
or the regulations issued thereunder with respect to a Plan (other than an event for which the 30
day notice period is waived); (b) the failure of a Plan to meet the minimum funding standards
under Section 412 of the Code or Section 302 of ERISA (determined without regard to Section
412(c) of the Code or Section 302(c) of ERISA); (c) the failure of a Plan to satisfy the
requirements of Section 401(a)(29) of the Code, Section 436 of the Code or Section 206(g) of
ERISA; (d) the incurrence by Borrower or any of its ERISA Affiliates of any liability under Title
IV of ERISA with respect to the termination of any Plan; (e) the receipt by Borrower or any
ERISA Affiliate from the Pension Benefit Guaranty Corporation (or any successor thereto) or a
plan administrator of any notice relating to an intention to terminate any Plan or Plans or to
appoint a trustee to administer any Plan; (f) the incurrence by Borrower or any of its ERISA Affiliates of any Withdrawal Liability; or (g) the receipt by Borrower or any ERISA Affiliate of any notice concerning the determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Event of Default" has the meaning assigned to such term in Section 8.1.

"Excluded Taxes" means, with respect to any Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of Borrower hereunder, (a) income, capital or franchise taxes imposed on (or measured by) its net income or capital by the federal, or any provincial, government of Canada, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its Applicable Lending Office is located, (b) any branch profits taxes imposed by the federal, or any provincial, government of Canada, the United States or any of its political subdivisions, or any similar tax imposed by any other jurisdiction in which Borrower is located and (c) in the case of a Foreign Lender (other than an assignee pursuant to a request by Borrower under Section 2.19(b)), any withholding tax that is imposed on amounts payable to such Foreign Lender.

"Existing Canadian Credit Facility" means that certain Second Amended and Restated Credit Agreement dated as of June 6, 2007 among the Borrower, JPMorgan Chase Bank, N.A., as the Global Administrative Agent, JPMorgan Chase Bank, N.A., Toronto Branch, as the Canadian Administrative Agent, the other agents party thereto, and the lenders party thereto, as it may be amended, supplemented, restated or otherwise modified and in effect from time to time.

"Fee Letter" means that certain Fee Letter dated as of January 4, 2011, by and among Borrower, the Administrative Agent and the Arranger, as such letter may be amended, supplemented, restated or otherwise modified from time to time in accordance with the Loan Documents.

"Financing Transactions" means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

"Foreign Lender" means any Lender that is a non-resident in Canada for purposes of the Income Tax Act (Canada), other than a resident of the U.S. for purposes of the Canada-United States Income Tax Convention that is entitled to the benefits of such income tax convention with regard to any amounts that may become payable to it under the Loan Documents. For purposes of this definition, Canada and each province thereof shall be deemed to constitute a single jurisdiction.

"Foreign Plan" means any employee benefit plan, program, policy, arrangement or agreement contributed to by Borrower or any of its Restricted Subsidiaries with respect to employees employed outside Canada and the United States.

"Foreign Subsidiary" means any Subsidiary that is organized under the laws of a jurisdiction other than Canada or any province or territory thereof.
“Form 10-K” means the Form 10-K as promulgated by the United States Securities and Exchange Commission, or any successor thereto.

“Form 10-Q” means the Form 10-Q as promulgated by the United States Securities and Exchange Commission, or any successor thereto.

“FST” means Forest Oil Corporation, a New York corporation.

“GAAP” means generally accepted accounting principles in the United States or, if generally accepted accounting principles of the United States are no longer required, Canada.

“Governmental Approval” means (a) any authorization, consent, approval, license, ruling, permit, tariff, rate, certification, waiver, exemption, filing, variance, claim, order, judgment or decree of, or with, (b) any required notice to, (c) any declaration of or with, or (d) any registration by or with, any Governmental Authority.

“Governmental Authority” means the governments of Canada and the United States of America, any other nation, sovereign or government, any state, province or territory or 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.

“Governmental Rule” means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, requirement of, or other governmental restriction or any similar binding form of decision of or determination by, or any binding interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereafter in effect.

“Guarantee” means a guarantee, an endorsement, a contingent agreement to purchase or to furnish funds for the payment or maintenance of, or otherwise to be or become contingently liable under or with respect to, the Indebtedness, net worth, working capital or earnings of any Person or any production or revenues generated by (or any capital or other expenditures incurred in connection with the acquisition and exploitation of, exploration for, development of or production from) any Hydrocarbons, or a guarantee of the payment of dividends or other distributions upon the Equity Interests of any Person, or an agreement to purchase, sell or lease (as lessee or lessor) Property, products, materials, supplies or services primarily for the purpose of enabling a debtor to make payment of such debtor’s obligations or an agreement to assure a creditor against loss, and including causing a bank, surety company or other financial institution or similar entity to issue a letter of credit, surety bond or other similar instrument for the benefit of another Person, but excluding endorsements for collection or deposit in the ordinary course of business. The terms “Guarantee” and “Guaranteed” used as a verb shall have a correlative meaning.

“Guarantors” means collectively, (a) prior to the Spin-Off Date, (i) FST and (ii) each Restricted Subsidiary of Borrower that executes and delivers a Guaranty, including each Restricted Subsidiary that is required to execute a Guaranty pursuant to Section 5.14 and (b) on or after the Spin-Off Date, (i) Parent, (ii) Wiser I, (iii) Wiser II and (iv) each Restricted
Subsidiary of Borrower that executes and delivers a Guaranty, including each Restricted Subsidiary that is required to execute a Guaranty pursuant to Section 5.14.

"Guaranty" means (a) the Guaranty dated as of the Effective Date, made by FST in favor of the Administrative Agent substantially in the form of Exhibit F-1, (b) the Guaranty dated as of the Spin-Off Date made by Parent in favor of the Administrative Agent substantially in the form of Exhibit F-2, (c) the Guaranty dated as of the Spin-Off Date, made by Wiser I in favor of the Administrative Agent substantially in the form of Exhibit F-2, (d) the Guaranty dated as of the Spin-Off Date, made by Wiser II in favor of the Administrative Agent substantially in the form of Exhibit F-2, and (e) any other Guaranty delivered pursuant to the Loan Documents by any Restricted Subsidiary substantially in the form of Exhibit F-3, in each case as amended, restated or otherwise modified from time to time in accordance with the terms of this Agreement and the Loan Documents. The term “Guaranties” shall include (i) the Guaranty described in clauses (a) - (e) above and (ii) each and every Guaranty executed and delivered hereunder.

"Hazardous Material" means all contaminants, pollutants, wastes, explosive or radioactive substances regulated by a Governmental Authority pursuant to Environmental Laws, and all hazardous or toxic substances, including petroleum or petroleum distillates or byproducts, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature that are defined as hazardous or deleterious under, or regulated or listed pursuant to, any Environmental Law.

"Hedging Agreement" means any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement, whether or not such agreement contemplates physical delivery of commodities or is considered "financial", which agreement is entered into for managing, mitigating or eliminating risks relating to commodity price fluctuations, between Borrower or its Restricted Subsidiaries and any Person.

"Hedging Obligations" means, with respect to any Person, all liabilities (including but not limited to obligations and liabilities of such Person arising in connection with or as a result of early or premature termination of a Hedging Agreement, whether or not occurring as a result of a default thereunder) of such Person under a Hedging Agreement.

"Highest Lawful Rate" is defined in Section 10.11.

"Hydrocarbon Interests" means all rights, titles and interests in and to oil and gas leases, oil, gas and mineral leases, other Hydrocarbon leases, mineral interests; mineral servitudes, overriding royalty interests, royalty interests, net profits interests, production payment interests, and other similar interests.

"Hydrocarbons" means, collectively, oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate and all other liquid or gaseous hydrocarbons and related minerals and all products therefrom, in each case whether in a natural or a processed state.

"Income Tax Act (Canada)” means the Income Tax Act (Canada) and regulations promulgated thereunder, as amended from time to time.
"Increased Commitment Amount" is defined in Section 2.22.

"Indebtedness" of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to Property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of Property or services (excluding current accounts payable incurred in the ordinary course of business), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances, (j) all obligations of such Person with respect to any arrangement, directly or indirectly, whereby such Person or its Subsidiaries shall sell or transfer any material asset, and whereby such Person or any of its Subsidiaries shall then or immediately thereafter rent or lease as lessee such asset or any part thereof, (k) all recourse and support obligations of such Person or any of its Subsidiaries with respect to the sale or discount of any of its accounts receivable, and (l) all obligations of such Person with respect to Production Payments sold by such Person or any prepayments for oil and gas production or other similar agreements; provided, however, that, with respect to determining the amount of Indebtedness under clause (a) or clause (b) above, any application of Financial Accounting Standard Nos. 133, 137, 138 and 143 which would have the effect of increasing or decreasing the principal amount of any obligation for borrowed money shall be disregarded. The Indebtedness of any Person shall include the Indebtedness of any other Person (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" is defined in Section 10.3(b). 

"Information" is defined in Section 10.12.

"Initial Reserve Report" means the Reserve Report prepared by DeGolyer and MacNaughton and delivered to the Administrative Agent with an effective date as of December 31, 2010, with respect to the Oil and Gas Properties of Borrower and its Subsidiaries, a true and correct copy of which has been delivered to the Administrative Agent and the Lenders.

"Intercompany Debt" means those certain outstanding intercompany advances made by FST to Borrower which is subordinated to the Obligations on terms satisfactory to the Administrative Agent, in its reasonable discretion.

"Interest Payment Date" means (a) with respect to any Canadian Prime Loan, the last day of each March, June, September and December, and (b) with respect to any BA Loan, the
maturity date of the Bankers’ Acceptances issued concurrently with the advance of such BA Loan.

"Interest Period" means with respect to any BA Loan, each period commencing on the date such BA Loan is made or converted from another Type of Loan or the last day of the next preceding Interest Period for such BA Loan and ending on the date not less than 30 days or more than 180 days thereafter; provided, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) no Interest Period may end later than the last day of the Availability Period, and (c) the Interest Period for a BA Loan shall end on the BA Maturity Date of the Bankers’ Acceptances issued concurrently therewith. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

"Internal Reserve Report" is defined in Section 5.1(e).

"Investment" means, for any Person: (a) the acquisition (whether for cash, Property, services or securities or otherwise) of Equity Interests of any other Person or any agreement to make any such acquisition (including any “short sale” or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale), (b) the making of any deposit with, or advance, loan or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding 90 days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business) or (c) the entering into of any Guarantee of Indebtedness or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person.

"Issuing Bank” means any Lender in its capacity as the issuer of Letters of Credit hereunder, provided that, upon written notice to the Administrative Agent and Borrower, any Lender (other than JPMorgan Chase Bank, N.A., Toronto Branch) may decline to act in the capacity of an Issuing Bank under this Agreement. Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Judgment Currency” is defined in Section 2.20(b).

"LC Disbursement” means a payment made by any Issuing Bank pursuant to a Letter of Credit.

"LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of Borrower at such time. The LC Exposure
of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such
time.

"Lender Affiliate" means, with respect to any Lender, (a) an Affiliate of such Lender or
(b) any entity (whether a corporation, partnership, trust or otherwise) that is engaged in making,
purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the
ordinary course of its business and is administered or managed by a Lender or an Affiliate of
such Lender and with respect to any Lender that is a fund which invests in bank loans and similar
extensions of credit, any other fund that invests in bank loans and similar extensions of credit
and is managed by the same investment advisor as such Lender or by an Affiliate of such
investment advisor.

"Lender Certificate" is defined in Section 2.22.

"Lenders" means the Persons listed on Schedule 2.1 and any other Person that shall have
become a party hereto pursuant to an Assignment and Assumption or pursuant to Section 2.22,
other than any such Person that ceases to be a party hereto pursuant to an Assignment and
Assumption.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Lien" means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge,
hypothecation, encumbrance, charge, collateral assignment or security interest in, on or of such
asset, including encumbrances created by the posting of a Letter of Credit, and (b) the interest of
a vendor or a lessor under any conditional sale agreement, capital lease or title retention
agreement (or any financing lease having substantially the same economic effect as any of the
foregoing) relating to such asset; provided, however, that, with respect to any prohibitions of
Liens on Property, the following transactions shall not be deemed to create a Lien to secure
Indebtedness: (i) Production Payments and (ii) liens required by statute and created in favor of
any Governmental Authority to secure partial, progress, advance, or other payments intended to
be used primarily in connection with air or water pollution control.

"Lien Searches" means central and local current financing statement searches from each
province in which any Collateral or a Borrowing Base Property owned by Borrower or any
Restricted Subsidiary of Borrower is located, and such other jurisdictions as the Administrative
Agent may request, covering each Loan Party, together with copies of all financing statements
listed in such searches.

"Loan Document" means (a) this Agreement, the Security Documents, the Fee Letter,
the Guaranties, the Hedging Agreements between Borrower or any of its Restricted Subsidiaries
and any Lender or any Affiliate of a Lender, any Borrowing Request, any election notice, any
agreement with respect to fees described in Section 2.11, and (b) each other agreement,
document or instrument delivered by Borrower or any other Loan Party in connection with this
Agreement, as amended, supplemented, restated or otherwise modified from time to time.

"Loan Parties" means Parent, Borrower, each Guarantor and, after the date of this
Agreement, any other Affiliate or Restricted Subsidiary of Borrower that executes a Loan
Document, for so long as such Loan Document is in effect.
“Loans” means (a) the loans (including the Canadian Prime Loans and the BA Loans) made by the Lenders to Borrower pursuant to this Agreement and (b) the acceptance and purchase by the Lenders of Bankers’ Acceptances pursuant hereto.

“Majority Lenders” means Lenders having greater than 50% of the aggregate Commitments, provided that the Loans, LC Exposure, BA Exposure and unused Commitments held or deemed held by any Defaulting Lender shall be excluded for purposes of making a determination of Majority Lenders.

“Material Adverse Effect” means a material adverse effect on (a) the business, Properties, operations or condition, financial or otherwise, of Parent and its Subsidiaries taken as a whole, (b) the ability of the Loan Parties to perform any of their respective obligations under the Loan Documents taken as a whole, or (c) the rights of or benefits available to the Lenders under any of the Loan Documents, as the case may be.

“Maturity Date” means March 18, 2016.

“Moody’s” means Moody’s Investors Service, Inc.

“Mortgaged Property” means, initially, each Oil and Gas Property on which a Lien has been granted pursuant to pursuant to Section 4.2(f), and includes each other Oil and Gas Property with respect to which a Lien is granted pursuant to Sections 5.14 or 5.15.

“Multiemployer Plan” means a Plan that is a multiemployer plan as defined in Section 401(a)(3) of ERISA.

“Net Proceeds” means, with respect to any event, (a) the cash proceeds received by Borrower and its Restricted Subsidiaries in respect of such event including (i) any cash received in respect of any non cash proceeds, but only as and when received, (ii) in the case of a casualty, insurance proceeds and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, net of (b) the sum of (i) all reasonable fees and out of pocket expenses paid by Borrower and its Restricted Subsidiaries to third parties (other than Affiliates) in connection with such event, (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), the amount of all payments required to be made by Borrower and its Restricted Subsidiaries as a result of such event to repay Indebtedness (other than Loans) secured by such asset or otherwise subject to mandatory prepayment as a result of such event, (iii) the amount of all taxes paid (or reasonably estimated to be payable) by Borrower and its Restricted Subsidiaries, and (iv) the amount of any reserves established by Borrower and its Restricted Subsidiaries to fund contingent liabilities reasonably estimated to be payable, in each case during the year that such event occurred or the next succeeding year and that are directly attributable to such event (as determined reasonably and in good faith by the chief financial officer of Borrower).

"Non-Recourse Debt" means any Indebtedness of any Unrestricted Subsidiary, in each case in respect of which the holder or holders thereof (a) shall have recourse only to, and shall have the right to require the obligations of such Unrestricted Subsidiary to be performed, satisfied, and paid only out of, the assets and Property of such Unrestricted Subsidiary and/or one or more of its Subsidiaries and/or any other Person (other than Borrower and/or any Restricted Subsidiary), and (b) shall have no direct or indirect recourse (including by way of guaranty or indemnity) to Borrower or any Restricted Subsidiary or to any of the assets or Property of Borrower or any Restricted Subsidiary, whether for principal, interest, fees, expenses or otherwise.

"Obligations" means, at any time, the sum of (a) the aggregate Credit Exposure of the Lenders under the Loan Documents plus (b) all accrued and unpaid interest and fees owing to the Lenders under the Loan Documents plus (c) all Hedging Obligations in connection with all Hedging Agreements between Borrower or any Restricted Subsidiary and any Lender or any Affiliate of a Lender plus (d) all other obligations (monetary or otherwise) of Parent, Borrower or any Restricted Subsidiary to any Lender or any Agent, whether or not contingent, arising under or in connection with any of the Loan Documents.

"OFAC" is defined in Section 3.19.

"Oil and Gas Properties" means the Hydrocarbon Interests; any Property now or hereafter pooled or unitized with Hydrocarbon Interests; all presently existing or future unitization, pooling agreements and declarations of pooled units and the units created thereby (including all units created under orders, regulations and rules of any Governmental Authority having jurisdiction) which may affect all or any portion of the Hydrocarbon Interests; all operating agreements, joint venture agreements, contracts and other agreements which relate to any of the Hydrocarbon Interests or the production, sale, purchase, exchange or processing of Hydrocarbons from or attributable to the Hydrocarbon Interests; all Hydrocarbons in and under which may be produced and saved or attributable to the Hydrocarbon Interests, the lands covered thereby and all oil in tanks and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; all tenements, profits à prendre, hereditaments, appurtenances and any Property in anywise appertaining, belonging, affixed or incidental to the Hydrocarbon Interests, Property, rights, titles, interests and estates described or referred to above, including any and all Property, real or personal, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with the operating, working or development of any of such Hydrocarbon Interests or Property (excluding drilling rigs, automotive equipment or other personal Property which may be on such premises for the purpose of drilling a well or for other similar temporary uses) and including any and all oil wells, gas wells, water wells, injection wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, field gathering systems, tanks and tank batteries, fixtures, valves, fittings, machinery and parts, engines, boilers, meters, apparatus, equipment, appliances, tools, implements, cables, wires, towers, casing, tubing and rods, surface leases, rights-of-way, easements and servitudes together with all additions, substitutions, replacements, accessions and attachments to any and all of the foregoing.

"Organic Documents" means, relative to any Person, its articles of organization, formation or incorporation (or comparable document), its by-laws or operating agreement and all
partnership agreements, limited liability company or operating agreements and similar arrangements applicable to ownership.

“Other Currency” is defined in Section 2.20(a).

“Other Taxes” means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies imposed by a Governmental Authority in Canada or the U.S. arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

“Parent” is defined in the preamble.

“Parent IPO” means an underwritten initial public offering of Parent’s equity securities pursuant to a registration statement filed with the U.S. Securities and Exchange Commission, and declared effective under the Securities Act of 1933, as amended.

“Participant” is defined in Section 10.4(e).

“Permitted Encumbrances” means:

(a) Liens imposed by any Governmental Rule for Taxes that are not yet due or are being contested in compliance with Section 5.5;

(b) landlord’s or lessor’s, carriers’, warehousemen’s, mechanics’, builders’, materialmen’s, repairmen’s and other like Liens imposed by law or arising in the ordinary course of business and in each case, securing obligations that are not overdue by more than 45 days or are being contested in compliance with Section 5.5;

(c) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business;

(d) pledges or deposits under worker’s compensation, unemployment insurance and other social security or similar legislation made in the ordinary course of business;

(e) judgment Liens in respect of judgments that do not constitute an Event of Default under Section 8.1(h);

(f) easements, deed or zoning restrictions, permitting and operating restrictions, rights-of-way and similar encumbrances on real property imposed by any Governmental Rule or arising in the ordinary course of business that do not secure any Indebtedness and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of Borrower or any of its Restricted Subsidiaries;

(g) Liens permitted by any of the Loan Documents;
provided that the term “Permitted Encumbrances” shall not include any Lien securing (i) any Indebtedness for borrowed money or (ii) any Hedging Obligation.

“Permitted Investments” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States or Canada or any province thereof (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States or Canada), in each case maturing within 90 days from the date of acquisition thereof;

(b) Investments in commercial paper (i) rated A-1, P-1, R-1 low or A-1 or better by S&P, Moody’s, or DBRS Limited, respectively, maturing not more than 90 days from the date of acquisition thereof or (ii) rated A-2 or better (but less than A-1) or P-2 or better (but less than P-1) by S&P or Moody’s, respectively, maturing not more than 30 days from the date of acquisition thereof;

(c) Investments in certificates of deposit, bankers’ acceptances and time deposits maturing within 90 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 the United States of America or any State thereof or Canada or any province thereof which has a combined capital and surplus and undivided profits of not less than U.S.$500,000,000 or is a Schedule I Lender; and

(d) deposits in money market funds investing exclusively in (a), (b) or (c) above.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee pension benefit plan,” as such term is defined in Section 3(2) of ERISA (other than a Multiemployer Plan as defined in Section 4001(a)(3) of ERISA), which is subject to the provisions of Title IV of ERISA, Section 412 of the Code or Section 302 of ERISA, and in respect of which Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Pledge Agreement” means a pledge agreement, dated as of the Effective Date or otherwise delivered pursuant to the Loan Documents, substantially in the form of Exhibit G, as amended, supplemented, restated or otherwise modified from time to time in accordance with the Loan Documents. The term “Pledge Agreements” shall include each and every Pledge Agreement executed and delivered pursuant to the Loan Documents.

“Pledged Capital Stock” means all issued and outstanding capital stock or other Equity Interests of Wiser I, Wiser II, Borrower and any Restricted Subsidiary.
“Preferred Equity Interest” means any Equity Interest that, by its terms (or the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event or circumstance either (a) matures, (b) is redeemable (whether mandatorily or otherwise) at the option of the holder thereof for any consideration other than shares of common stock or (c) is convertible or exchangeable for Indebtedness or other Preferred Equity Interests, in each case, in whole or in part, prior to the date which is 91 days after the earlier of (i) the Maturity Date or (ii) the date on which the Obligations have been paid in full and the Commitments have terminated and all Letters of Credit have expired or terminated.

“Present Value” means, at any time, the calculation of the present value of future cash flows based upon the then-effective Reserve Report for Proven Reserves from Oil and Gas Properties located within an Approved Country, utilizing the customary discount rates and pricing assumptions of the Administrative Agent.

“Principal Amount” means, for a Bankers’ Acceptance, the face amount thereof, for a BA Loan, the principal amount thereof determined in accordance with Section 2.23(h), and for any other Loans, the outstanding principal amount thereof.

“Principal Office” means the principal office of the Administrative Agent, which on the date of this Agreement is located at 200 Bay Street, Floor 18, Royal Bank Plaza, South Tower, Toronto, Ontario M5J 2J2 Canada.

“Production Payment” means a production payment obligation (whether volumetric or dollar denominated) of Borrower or any of its Restricted Subsidiaries which are payable from a specified share of proceeds received from production from specified Oil and Gas Properties, together with all undertakings and obligations in connection therewith.

“Property” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“Proven Reserves” means collectively, “proved oil and gas reserves,” “proved developed producing oil and gas reserves,” “proved developed non-producing oil and gas reserves” (consisting of proved developed shut-in oil and gas reserves and proved developed behind pipe oil and gas reserves), and “proved undeveloped oil and gas reserves,” as such terms are defined by the Commission in its standards and guidelines or “Proved” reserves in accordance with NI 51-101; provided that if both the Commission standards and guidelines and NI 51-101 apply, the Commission standards and guidelines shall control.

“Reference Lender” means The Toronto-Dominion Bank.

“Register” has the meaning set forth in Section 10.4(c).

“Registration Rights Agreement” means that certain Registration Rights Agreement dated as of the date of the Parent IPO between EST and Parent.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.
"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"Remedial Action" means all actions taken to (i) clean up, remove, remediate, contain, treat, monitor, assess, evaluate, respond to or in any other way address Hazardous Materials Released into the environment; or (ii) perform pre-remedial and post-remedial studies and investigations and post-remedial operation and maintenance activities.

"Required Lenders" means, at any time, the Lenders having in the aggregate at least 66 2/3% of the aggregate total Commitments under the Loan Documents, or, if the Commitments have been terminated, Lenders holding at least 66 2/3% of the aggregate unpaid principal amount of the outstanding Credit Exposures of all the Lenders; provided that the Loans, LC Exposure, BA Exposure and unused Commitments held or deemed held by any Defaulting Lender shall be excluded for purposes of making a determination of Required Lenders.

"Reserve Report" means the Initial Reserve Report and any other Independent Reserve Report or Internal Reserve Report delivered pursuant to Section 2.7 or Section 5.1(e), in form and substance reasonably satisfactory to the Administrative Agent, prepared at the sole cost and expense of Borrower (a) by Borrower's internal petroleum engineers or (b) by an Approved Engineer or (c) by Borrower's internal petroleum engineers and audited by an Approved Engineer, as the case may be, which shall evaluate the Proven Reserves attributable to the Oil and Gas Properties owned directly by Borrower and/or its Restricted Subsidiaries, as of the immediately preceding January 1 or July 1. Each Reserve Report shall set forth volumes, projections of the future rate of production, Hydrocarbons prices, escalation rates, discount rate assumptions, and net proceeds of production, Present Value, operating expenses and capital expenditures, in each case based upon updated economic assumptions reasonably acceptable to the Administrative Agent.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other Property, real, personal or mixed) with respect to any Equity Interests in Borrower or any Restricted Subsidiary, or any payment (whether in cash, securities or other Property, real, personal or mixed), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Borrower or any Restricted Subsidiary or any option, warrant or other right to acquire any such Equity Interests in Borrower or any Restricted Subsidiary.

"Restricted Subsidiary" means any Subsidiary of Borrower or Parent, as the context requires, that is not an Unrestricted Subsidiary.

"S&P" means Standard & Poor's and any successor thereto that is a nationally-recognized rating agency.
“Schedule I Lender” means a Lender which is a Canadian chartered bank listed on Schedule I to the Bank Act (Canada), as amended from time to time.

“Schedule I Reference Lenders” means The Toronto-Dominion Bank and Bank of Montreal.

“Schedule II/III Lenders” means a Lender that is a bank that is listed on Schedule II or Schedule III to the Bank Act (Canada), as amended from time to time.

“Schedule II/III Reference Lender” means JPMorgan Chase Bank, N.A., Toronto Branch.

“Security Documents” means each Guaranty, each Debenture, each Deposit Agreement, each Pledge Agreement, and each other instrument or document executed and delivered pursuant to Section 5.14 or Section 5.15 or pursuant to the Loan Documents to secure any of the Obligations.

“Senior Notes” means any unsecured Indebtedness of Parent, and any Guarantees thereof which has terms (including interest, amortization, covenants and events of default), not more onerous to Parent and its Restricted Subsidiaries than those contained in the Loan Documents.

“Senior Notes Document” means the indentures or other agreements under which any Senior Notes are issued and all other instruments, agreements and other documents evidencing or governing such Senior Notes or providing for any Guarantee or other right in respect thereof.

“Separation and Distribution Agreement” means that certain Separation and Distribution Agreement dated as of the date of the Parent IPO between FST, Borrower and Parent.

“Solvent” means, with respect to any Person at any time, a condition under which (a) the fair saleable value of such Person’s assets is, on the date of determination, greater than the total amount of such Person’s liabilities (including contingent and unliquidated liabilities) at such time; and (b) such Person is able to pay all of its liabilities as such liabilities mature. For purposes of this definition (i) the amount of a Person’s contingent or unliquidated liabilities at any time shall be that amount which, in light of all the facts and circumstances then existing, represents the amount which can reasonably be expected to become an actual or matured liability, (ii) the “fair saleable value” of an asset shall be the amount which may be realized within a reasonable time either through collection or sale of such asset at its regular market value, and (iii) the “regular market value” of an asset shall be the amount which a capable and diligent business person could obtain for such asset from an interested buyer who is willing to purchase such asset under ordinary selling conditions.

“Spin-Off Date” means the date upon which FST no longer holds direct or indirect ownership of the Equity Interests of either Borrower or Parent.

“Stamping Fee” means, in respect of any Bankers’ Acceptance or BA Loan, the fee payable by Borrower described in Section 2.23(c).

“Subsidiary” means, as to any Person, a corporation, partnership, limited liability company or other entity of which shares of stock or other ownership interests having ordinary
voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors or other managers of such corporation, partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Agreement shall refer to a Subsidiary or Subsidiaries of Borrower or Parent, as the context requires.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority.

“Tax Sharing Agreement” means that certain Tax Sharing Agreement dated as of the date of the Parent IPO between FST and its Affiliates and Parent and its affiliates.

“Total Debt” means all Indebtedness of Parent and its Restricted Subsidiaries on a consolidated basis described under clauses (a), (b), (d), (e), (f), (g), (h), (i), (k) and (l) of the definition thereof.

“Transition Agreements” means the Transition Services Agreement, the Tax Sharing Agreement, the Separation and Distribution Agreement, the Employee Matters Agreement, the Registration Rights Agreement, and the Contribution Agreement.

“Transition Services Agreement” means that certain Transition Services Agreement dated as of the date of the Parent IPO between FST and Parent.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Canadian Prime Rate or the Bankers’ Acceptance Rate.

“Unfunded Current Liability” means the amount, if any, by which (i) the greater of the solvency liability or the going concern liability of a Canadian Pension Plan as at the date of the most recently filed actuarial valuation, in either case determined in accordance with the actuarial methods and assumptions used by the actuary for the Canadian Pension Plan in the most recent actuarial valuation of the Canadian Pension Plan filed with, and accepted for filing by, the relevant pension regulatory authority, exceeds (ii) the fair market value of the assets of the Canadian Pension Plan as at the same date.

“United States” or “U.S.” means the United States of America, its fifty states and the District of Columbia.

“Unrestricted Subsidiary” means any Subsidiary of Borrower or Parent, as the context requires, that is not a Restricted Subsidiary or which Borrower has designated in writing to the Administrative Agent to be an Unrestricted Subsidiary pursuant to Section 1.4 and all subsidiaries of such Person. As of the date of this Agreement, the Unrestricted Subsidiaries are designated on Schedule 3.14 as such.

“Unutilized Commitment” means, at the time of determination, the amount by which (a) the lesser of (i) the amount of the Borrowing Base as then in effect at such time or (ii) the
amount of the aggregate Commitments at such time, exceeds (b) the amount of the aggregate Credit Exposure of the Lenders at such time.

“Upfront Fee” is defined in Section 2.11(c).

“United States Dollars” or “U.S.$” refers to lawful money of the United States.

“Wiser I” means Wiser Delaware LLC, a Delaware limited liability company.

“Wiser II” means Wiser Oil Delaware, Inc., a Delaware corporation, which will be converted into a Delaware limited liability company.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

SECTION 1.2. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Type (e.g., a “BA Loan” or “BA Borrowing” or “Canadian Prime Loan” or “Canadian Prime Borrowing”).

SECTION 1.3. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, provided such successors and assigns are permitted by the Loan Documents, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, and (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement.

SECTION 1.4. Designation and Conversion of Restricted and Unrestricted Subsidiaries.

(a) Unless designated as an Unrestricted Subsidiary on Schedule 3.14 as of the date of this Agreement or thereafter in writing to the Administrative Agent, any Person that becomes a Subsidiary of Borrower or Parent or any of their Restricted Subsidiaries shall be classified as a Restricted Subsidiary.

(b) Borrower or Parent may designate any Subsidiary (including a newly formed or newly acquired Subsidiary) as an Unrestricted Subsidiary if (i) after giving effect to such designation, no Default would exist as a result of a breach of Section 5.12 and (ii) such
designation is deemed to be an Investment in an Unrestricted Subsidiary in an amount equal to
the fair market value of Borrower’s or Parent’s direct and indirect ownership interest in such
Subsidiary and such Investment would be permitted to be made at the time of such designation
under Section 7.4(i). Except as provided in this Section 1.4(b), no Restricted Subsidiary may be
redesignated as an Unrestricted Subsidiary.

c) Borrower or Parent may designate any Unrestricted Subsidiary to be a Restricted
Subsidiary if after giving effect to such designation, (i) the representations and warranties of
Borrower and Parent and their Restricted Subsidiaries contained in each of the Loan Documents
are true and correct on and as of such date as if made on and as of the date of such redesignation
(or, if stated to have been made expressly as of an earlier date, were true and correct as of such
date), (ii) no Default would exist, and (iii) Borrower complies with the requirements of
Sections 5.12 and 5.15. Any such designation shall be treated as a cash dividend in an amount
equal to the fair market value of Borrower’s or Parent’s direct and indirect ownership interest in
such Subsidiary for purposes of the limitation on Investments under Section 7.4(i).

d) If, during any period, a Subsidiary is redesignated as either “Restricted” or
“Unrestricted,” then for purposes of the calculation of EBITDA for such period, such Subsidiary
shall be deemed to have been redesignated as of the first day of the relevant period.

e) For calculation of EBITDA for any period ending on or before the last day of the
fiscal quarter in which the Effective Date occurs, such calculation shall be calculated on a pro
forma basis (inclusive of any acquisitions and/or divestitures, if any, made during the relevant
calculation period and, if any such acquisition or divestiture has a value in excess of
U.S.$25,000,000, as if such acquisition or divestiture had occurred on the first day of such
period).

ARTICLE II
THE CREDITS

SECTION 2.1. Commitments. Subject to the terms and conditions set forth herein,
(a) each Lender agrees to make Loans (including BA Loans made in accordance with Section
2.23) in Canadian Dollars to Borrower and (b) each Accepting Lender agrees to accept Bankers’
Acceptances presented to it by Borrower pursuant to Section 2.23, in each case from time to time
during the Availability Period in an aggregate principal amount that will not result in (i) the
Credit Exposure of any Lender exceeding the Commitment of such Lender, or (ii) the aggregate
amount of the Credit Exposure of all Lenders exceeding the lesser of (A) the aggregate amount
of the Borrowing Base then in effect and (B) the aggregate amount of the Commitments of the
Lenders. Within the foregoing limits and subject to the terms and conditions set forth herein,
Borrower may repay (but not prepay) Bankers’ Acceptances and may borrow, prepay and
reborrow Loans.

SECTION 2.2. Loans and Borrowings.

(a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the
Lenders ratably in accordance with their respective Applicable Percentages. The failure of any
Lender to make any Loan required to be made by it shall not relieve any other Lender of its
obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Each Borrowing shall be comprised entirely of Canadian Prime Loans, or shall be comprised of Bankers' Acceptances and BA Loans made in accordance with Section 2.23.

(c) At the time that each Canadian Prime Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of C$1,000,000 and not less than C$1,000,000 (including any continuation or conversion of existing Loans made in connection therewith); provided that a Canadian Prime Borrowing may be in an aggregate amount that is equal to the entire Unutilized Commitment, if less.

SECTION 2.3. Requests for Borrowings. To request a Borrowing of a Canadian Prime Loan, Borrower shall notify the Administrative Agent of such request by telephone not later than noon, Toronto time, on the date of such proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or telecopy to the Administrative Agent of a written Borrowing Request executed by an Authorized Officer of Borrower, substantially in the form of Exhibit E or otherwise in a form approved by the Administrative Agent. Each such telephonic and written Borrowing Request shall specify the following information in compliance with Section 2.2:

(i) the aggregate amount of the requested Borrowing (which amount will be in Canadian Dollars as required pursuant to the last sentence of this Section 2.3); and

(ii) the date of such Borrowing, which shall be a Business Day.

Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan (which shall be made in Canadian Dollars) to be made as part of the requested Borrowing.

SECTION 2.4. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, Borrower may request the issuance of Letters of Credit for its own account or the account of any Restricted Subsidiary, in a form reasonably acceptable to the Administrative Agent and the Issuing Bank, at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by Borrower to, or entered into by Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), Borrower shall, prior to 1:00 p.m., Toronto time, at least three (3) Business Days prior to the proposed date of issuance or modification, hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the relevant Issuing Bank) to an Issuing Bank and the Administrative Agent (reasonably in
advance of the requested date of issuance, amendment, renewal or extension) a notice requesting
the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or
extended, and specifying the date of issuance, amendment, renewal or extension (which shall be
a Business Day), the date on which such Letter of Credit is to expire (which shall comply with
paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the
beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or
extend such Letter of Credit. If requested by the Issuing Bank, Borrower also shall submit a
letter of credit application on the Issuing Bank's standard form in connection with any request
for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if
(and upon issuance, amendment, renewal or extension of each Letter of Credit, Borrower shall be
deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal
or extension (i) the LC Exposure shall not exceed the least of the aggregate Commitments
hereunder, (B) the Borrowing Base as then in effect at such time and (C) C$30,000,000; and (ii)
the aggregate Credit Exposure of the Lenders shall not exceed the lesser of (x) the aggregate
Commitments of the Lenders or (y) the Borrowing Base then in effect.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of
business on the earlier of (i) the date one year after the date of the issuance of such Letter of
Credit (or, in the case of any renewal or extension thereof, one year after such renewal or
extension) and (ii) five (5) Business Days prior to the Maturity Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter
of Credit increasing the amount thereof) and without any further action on the part of the Issuing
Bank or the Lenders, the Issuing Bank hereby grants to each Lender, and each Lender hereby
acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Lender's
Applicable Percentage of the aggregate amount available to be drawn under such Letter of
Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and
unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank,
such Lender's Applicable Percentage of each LC Disbursement made by such Issuing Bank and
not reimbursed by Borrower on the date due as provided in paragraph (e) of this Section, or of
any reimbursement payment required to be refunded to Borrower for any reason. Each Lender
acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph
in respect of Letters of Credit is absolute and unconditional and shall not be affected by any
circumstance whatsoever, including any amendment, renewal or extension of any Letter of
Credit or the occurrence and continuance of a Default or reduction or termination of the
Commitments, and that each such payment shall be made without any offset, abatement,
withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect
of a Letter of Credit, Borrower shall reimburse such LC Disbursement by paying to the
Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon,
Toronto time, on the date that such LC Disbursement is made, if Borrower shall have received
notice of such LC Disbursement prior to 10:00 a.m., Toronto time, on such date; or, if such
notice has not been received by Borrower prior to such time on such date, then not later than
12:00 p.m., Toronto time, on the Business Day immediately following the day that Borrower
receives such notice; provided that, unless such LC Disbursement is less than C$1,000,000, as
applicable, Borrower may, subject to the conditions to Borrowing set forth herein, request in
accordance with Section 2.3 that such payment be financed with a Borrowing in an equivalent amount and, to the extent so financed, Borrower’s obligation to make such payment shall be discharged and replaced by the resulting Borrowing. If Borrower fails to make such payment (if applicable) when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from Borrower in respect thereof and such Lender’s Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from Borrower, in the same manner as provided in Section 2.5 with respect to Loans made by such Lender (and Section 2.5 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from Borrower pursuant to this paragraph (or promptly following the Administrative Agent’s receipt from the Lenders of proceeds from a requested Borrowing), the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Lenders and the Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement shall not constitute a Loan and shall not relieve Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. Borrower’s obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or the Loan Documents, or any term or provision herein or therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein proving to be untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, Borrower’s obligations hereunder. Neither the Agents, the Lenders or any Issuing Bank nor any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of such Issuing Bank; provided that the foregoing shall not be construed to excuse such Issuing Bank from liability to Borrower to the extent of any direct or actual damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by Borrower to the extent permitted by applicable law) suffered by Borrower that are caused by such Issuing Bank’s failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without
limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) **Disbursement Procedures.** An Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and Borrower by telephone (confirmed by telex) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) **Interim Interest.** If an Issuing Bank shall make any LC Disbursement, then, unless Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Canadian Prime Loans; provided that, if Borrower fails to reimburse such LC Disbursement within two (2) Business Days after such reimbursement is due pursuant to paragraph (e) of this Section, then Section 2.12(c) shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) **Cash Collateralization.** If (a) any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Majority Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph or (b) Borrower is required to cash collateralize pursuant to Section 2.21 as a result of a Defaulting Lender, Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to Borrower described in Section 8.1(g). Borrower also shall deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.10, and any such cash collateral so deposited and held by the Administrative Agent hereunder shall constitute part of the Borrowing Base for purposes of determining compliance with Section 2.10. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at Borrower’s risk and expense, such deposits
shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of Borrower under this Agreement. If Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, or pursuant to Section 2.21 as a result of a Defaulting Lender, such amount (to the extent not applied as aforesaid) shall be returned to Borrower within three (3) Business Days after all Events of Default have been cured or waived. If Borrower is required to provide an amount of cash collateral hereunder pursuant to Section 2.10, such amount (to the extent not applied as aforesaid) shall be returned to Borrower as and to the extent that, after giving effect to such return, Borrower would remain in compliance with Section 2.10 and no Default shall have occurred and be continuing.

SECTION 2.5. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 1:00 p.m., Toronto time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders, which Loan shall be in Canadian Dollars. The Administrative Agent will make such Loans available to Borrower by promptly crediting the amounts so received, in like funds, to an account of Borrower maintained with the Administrative Agent in Toronto; provided that Canadian Prime Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.4(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender’s share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender and Borrower severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the costs incurred by the Administrative Agent for making such Lender’s share of such Borrowing or a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of Borrower, the interest rate applicable to Loans made in such Borrowing. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender’s Loan included in such Borrowing.

SECTION 2.6. [Intentionally omitted].

SECTION 2.7. Borrowing Base. This Section shall be applicable at all times.
(a) **Initial Borrowing Base.** Subject to Section 2.7(g), during the period from the date hereof to the date of the first redetermination of the Borrowing Base pursuant to the provisions of this Section, the initial amount of the Borrowing Base has been determined by the Administrative Agent and acknowledged by Borrower and its Restricted Subsidiaries and agreed to by the Lenders to be C$300,000,000.

(b) **Annual Scheduled Determinations of the Borrowing Base.** Promptly after January 1 of each calendar year (commencing January 1, 2012), and in any event prior to February 15 of each calendar year, Borrower shall furnish to the Administrative Agent and the Lenders a report in form and substance reasonably satisfactory to the Administrative Agent, prepared by Borrower’s internal petroleum engineers and audited by an Approved Engineer, which report shall evaluate as of January 1 of such calendar year the Proven Reserves attributable to the Oil and Gas Properties which Borrower wishes to include in the Borrowing Base and a projection of the rate of production and net operating income with respect thereto, as of such date, together with additional data concerning pricing, hedging, operating costs and quantities of production, and other information and engineering and geological data as the Administrative Agent or any Lender may reasonably request. Within 30 days after receipt of such report and information, the Administrative Agent shall make an initial determination of the amount of credit to be made available to Borrower hereunder as of April 1st of such calendar year, and upon such initial determination shall promptly notify the Lenders in writing of the Administrative Agent’s initial determination of the Borrowing Base. The Administrative Agent shall make such determination in accordance with its customary practices and standards for oil and gas loans and in the exercise of its sole discretion. Within 15 days following their receipt of the proposed amount for the redetermined Borrowing Base, (i) for any increase to the redetermined Borrowing Base, the Administrative Agent and the Lenders representing one hundred percent (100%) of the Commitments shall approve the Administrative Agent’s initial determination of the Borrowing Base and (ii) for no change or any decrease to the redetermined Borrowing Base, the Administrative Agent and Required Lenders shall approve the Administrative Agent’s initial determination of the Borrowing Base made by the Administrative Agent hereunder, by written notice to the Administrative Agent; provided, however that failure by any Lender to reject in writing the Administrative Agent’s determination of the Borrowing Base within such 15-day period shall be deemed an acceptance of such determination by such Lender. If the Required Lenders fail to approve any such determination of the Borrowing Base made by the Administrative Agent hereunder, then the Administrative Agent shall poll the Lenders and the Borrowing Base shall be set at the highest amount on which the Required Lenders can agree, it being understood that a Lender is deemed to have agreed to any and all amounts that are lower than the amount actually determined by such Lender to be the appropriate value of the Borrowing Base. Upon approval or deemed approval by the Required Lenders of the Borrowing Base, the Administrative Agent upon notice thereof shall, by written notice to Borrower, the Agents and the Lenders, designate the new Borrowing Base available to Borrower as of April 1st of such calendar year (each such notice in this Section 2.7(b) or Section 2.7(c) below, herein a “Borrowing Base Designation Notice”).

(c) **Semi-Annual Scheduled Determination of the Borrowing Base.** In addition, promptly after July 1 of each calendar year (commencing July 1, 2011, which will result in the first scheduled Borrowing Base redetermination), and in any event prior to August 15th of each calendar year, Borrower will make available for review by the Administrative Agent a report in form and substance reasonably satisfactory to the Administrative Agent, prepared by Borrower’s
internal petroleum engineers, which report shall evaluate as of July 1 of such calendar year the Proven Reserves attributable to the Oil and Gas Properties which Borrower wishes to include in the Borrowing Base and a projection of the rate of production and net operating income with respect thereto, as of such date, together with additional data concerning pricing, hedging, operating costs, and quantities of production, and other information and engineering and geological data as the Administrative Agent or any Lender may reasonably request. The new Borrowing Base as of October 1st of such calendar year shall be approved and designated in accordance with the procedures and standards described in Section 2.7(b).

(d) [Intentionally omitted].

(e) Discretionary Determination of the Borrowing Base. Each of Borrower and the Administrative Agent, at the request of the Required Lenders, shall have the right to redetermine the Borrowing Base in their sole discretion at any time and from time to time but not more often than one (1) time during any calendar year. If either Borrower or the Required Lenders shall elect to make a discretionary redetermination of the Borrowing Base pursuant to the provisions of this Section 2.7(e), Borrower shall, within 30 days of its delivery of a request thereto or receipt of a request therefor from the Administrative Agent, deliver to the Administrative Agent such updated engineering, production, operating and other data as the Administrative Agent or any Lender may reasonably request. The new Borrowing Base shall be approved and designated in accordance with the procedures and standards described in Section 2.7(b).

(f) General Provisions With Respect to the Borrowing Base. The determination of the Borrowing Base shall be made by the Administrative Agent and the Required Lenders, taking into consideration the estimated value of the Oil and Gas Properties owned by Borrower and its Restricted Subsidiaries as reflected in the most recent Reserve Report delivered hereunder and any other relevant information obtained by or delivered to the Administrative Agent or any Lender, all in accordance with the other provisions of this Section 2.7 in accordance with their customary practices for oil and gas loans as in effect from time to time. It is understood by the parties hereto that the Lenders shall have no commitment or obligation whatsoever to increase the Borrowing Base to any amount in excess of C$500,000,000, and nothing herein contained shall be construed to be a commitment by the Lenders to so increase the Borrowing Base. The Borrowing Base may be redetermined pursuant to Section 2.7(b) (annual), Section 2.7(c) (semi-annual) and Section 2.7(e) (discretionary) and may be adjusted from time to time to give effect to issuances of Senior Notes under Section 2.7(g), the occurrence of Casualty Events under Section 2.7(h), and asset dispositions under Section 2.7(i). In connection with any redetermination or adjustment pursuant to any of the foregoing, if the Administrative Agent determines that a Borrowing Base Deficiency exists at such time, the Administrative Agent shall give written notice thereof to Borrower and the date such notice is received shall be the “Deficiency Notification Date”.

(g) Adjustment following Issuance of Senior Notes. In the event that Parent or any of its Restricted Subsidiaries issues any Senior Notes, then the Borrowing Base shall be reduced immediately by an amount equal to 25% of the stated principal amount of such issued Senior Notes; provided, however, that, notwithstanding the foregoing, the Borrowing Base shall not be reduced to the extent that the proceeds from the issuance of such Senior Notes are used to
refinance the principal amount of existing unsecured Indebtedness of a Loan Party which constitutes Senior Notes.

(h) Adjustment following Casualty Event. In the event that a Casualty Event has occurred related to any Borrowing Base Property, to the extent that the Net Proceeds received by Borrower or any of its Restricted Subsidiaries with respect to such Casualty Event have not been applied or budgeted to be applied to repair, restore or replace the Property affected by such Casualty Event within 30 days after the occurrence thereof, the Administrative Agent, at the request of the Required Lenders, shall have the right to reduce the Borrowing Base in its sole discretion based on its review of such Casualty Event; provided that the Borrowing Base shall not be reduced by an amount greater than 100% of such Net Proceeds. The Administrative Agent shall provide notice to Borrower and the Lenders and the other Agents of the reduction in the Borrowing Base resulting from such Casualty Event, which reduction shall be effective as of the date of such notice.

(i) Adjustment following Certain Asset Sales. In the event that Borrower sells, transfers or otherwise disposes in one or more transactions any Property pursuant to Section 7.5(g) if the aggregate fair market value of all such Property so sold, transferred or otherwise disposed of during the period since the most recent redetermination of the Borrowing Base shall exceed 10% of the amount of the then current Borrowing Base, then the Borrowing Base shall be reduced by an amount equal to the portion of the Borrowing Base attributable to the particular Property as agreed upon by Borrower and the Required Lenders acting reasonably. The Administrative Agent shall provide notice to Borrower and the Lenders and the other Agents of the reduction in the Borrowing Base resulting from such disposition, which reduction shall be effective as of the date of such notice.

SECTION 2.8. Termination and Reduction of Commitments.

(a) Unless previously terminated, the Commitments shall terminate on the Maturity Date.

(b) Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of C$1,000,000 and not less than C$5,000,000 and (ii) Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.10, the aggregate Credit Exposure of the Lenders would exceed the aggregate Commitments of the Lenders.

(c) Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least two (2) Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities, in which case such notice may be revoked by Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Subject to the rights of
Borrower under Section 2.22, any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among each of the Lenders in accordance with each such Lender’s Applicable Percentage.

SECTION 2.9. Repayment of Loans; Evidence of Debt.

(a) Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan and Borrowing of such Lender on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of Borrower to such Lender resulting from each Loan made by such Lender, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Type thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender’s share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by one or more promissory notes. In such event, Borrower shall prepare, execute and deliver to such Lender promissory notes payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns and in a form approved by the Administrative Agent). Thereafter, the Loans evidenced by such promissory notes and interest thereon shall at all times (including after assignment pursuant to Section 10.4) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if any such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.10. Prepayment of Loans.

(a) Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section. Borrower shall not be permitted to prepay any Bankers’ Acceptance or BA Loans at any time.

(b) If the Borrowing Base is (A) redetermined under Section 2.7, (B) reduced as the result of a Casualty Event under Section 2.7(h), (C) reduced as the result of an asset disposition under Section 2.7(i), or (D) reduced pursuant to any other provision of this Agreement, and (ii) as a result thereof, a Borrowing Base Deficiency occurs, then Borrower shall take the following actions:
(1) in the case of a Borrowing Base Deficiency resulting from a redetermination or reduction of the Borrowing Base, prepay, or cause to be prepaid, Loans in an aggregate principal amount equal to such deficiency, together with interest on the principal amount paid accrued as of the date of such prepayment and, if after prepaying all of the Loans (other than Bankers Acceptances) a Borrowing Base Deficiency remains as a result of a BA Exposure, pay to the Administrative Agent an amount equal to such remaining Borrowing Base Deficiency to be held as cash collateral as provided in Section 2.23(m), and, if after prepaying all of the Loans (other than Bankers Acceptances) and providing cash collateral for all Bankers’ Acceptances pursuant to this Section, a Borrowing Base Deficiency remains as a result of an LC Exposure, pay to the Administrative Agent an amount equal to such remaining Borrowing Base Deficiency to be held as cash collateral as provided in Section 2.4(i); provided that Borrower shall be obligated to make (or cause to be made) such prepayment and/or deposit of cash collateral within 180 days following the Deficiency Notification Date with respect to such deficiency; and provided further that within 90 days following the Deficiency Notification Date, Borrower shall have prepaid (or caused to be prepaid), or deposited cash in an amount equal to, one-half of such Borrowing Base Deficiency;

(2) [Intentionally omitted];

(3) [Intentionally omitted];

(4) in the case of a Borrowing Base Deficiency resulting from a Casualty Event pursuant to Section 2.7(h), utilize the Net Proceeds of such Casualty Event to take the action described under clause (1) above (except that prepayments shall be made in respect of Loans made pursuant to this Agreement); provided that if a prepayment or deposit is required under this clause (4), then Borrower shall be obligated to make (or cause to be made) such prepayment and/or deposit of cash collateral on the Business Day immediately following receipt by Borrower or any Restricted Subsidiary of the notice from the Administrative Agent pursuant to Section 2.7(h) related to such Casualty Event; and

(5) in the case of a Borrowing Base Deficiency resulting from an asset disposition pursuant to Section 2.7(i), utilize the Net Proceeds of such asset disposition to take the action described under clause (1) above (except that prepayments shall first be made in respect of Loans made pursuant to this Agreement); provided that if a prepayment or deposit is required under this clause (5), then Borrower shall be obligated to make (or cause to be made) such prepayment and/or deposit of cash collateral on the Business Day immediately following the receipt by Borrower or a Restricted Subsidiary of any Net Proceeds from such asset disposition.

(c) Borrower shall notify the Administrative Agent by telephone (confirmed by telecopy) of any prepayment hereunder in the case of prepayment of a Canadian Prime Borrowing, not later than 11:00 a.m., Toronto time, on the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and the principal amount of each
Borrowing or portion thereof to be prepaid (which amount shall be in a minimum principal amount of C$1,000,000 (or the aggregate amount of the Obligations hereunder at such time), and in C$1,000,000 increments in excess thereof (or such other lesser amount in excess thereof in the event that prepayment is with respect to all Obligations hereunder)); provided that, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.8, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.8. Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.2. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.12 and by any other amounts then due under this Agreement (including all amounts due under Section 2.16).

SECTION 2.11. Fees.

(a) Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee (the “Commitment Fee”), which shall accrue at the Applicable Rate for Commitment Fees on the daily amount equal to the Applicable Percentage of such Lender of the Unutilized Commitment. Accrued Commitment Fees shall be payable in arrears on the last day of March, June, September and December of each year and on the date on which the Commitments terminate, commencing on the first such date to occur after the date of this Agreement; provided that any Commitment Fees accruing after the date on which the Commitments terminate shall be payable on demand. All Commitment Fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Borrower agrees to pay (i) to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Rate as interest for Bankers’ Acceptances on the average daily amount of such Lender’s Applicable Percentage of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date of this Agreement to but excluding the later of the date on which the Commitments terminate and the date on which the Lenders cease to have any LC Exposure, and (ii) to the Issuing Bank a fronting fee equal to the greater of (A) C$125 per fiscal quarter, and (B) the rate of 0.125% per annum on the average daily amount of the LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements), during the period from and including the date of this Agreement to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as the Issuing Bank’s standard fees with respect to the administration, issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees shall be payable in arrears on the last day of each March, June, September and December of each year, commencing on the first such date to occur after the date of this Agreement; provided that all such fees shall be payable on the date on which such Commitments terminate and any such fees accruing after the date on which such Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph
shall be payable within ten (10) days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

    (c) Borrower agrees to pay to the Administrative Agent and/or the Arranger, for its own account and for the account of each Lender, as applicable, fees, including, without limitation, an upfront fee (the "Upfront Fee"), in the amounts and at the times separately agreed upon between Borrower, the Administrative Agent and the Arranger, including, without limitation, the amounts agreed upon among FST, the Administrative Agent and the Arranger in the Fee Letter.

    (d) Unless otherwise set forth herein or in the Fee Letter, all fees payable hereunder shall be paid on the dates due, in immediately available funds in Canadian Dollars, to the Administrative Agent (or the Issuing Bank, in the case of fees payable to it, or the Arranger, in the case of the Upfront Fee), as the case may be, for distribution, in the case of Commitment Fees and Upfront Fee, to the Lenders entitled thereto. Fees paid shall not be refundable under any circumstances.

SECTION 2.12. Interest.

    (a) Subject to Sections 2.12(f), (g) and (h) and Section 10.13, the Loans comprising each Canadian Prime Borrowing shall bear interest at the Canadian Prime Rate plus the Applicable Rate for Canadian Prime Loans.

    (b) [Intentionally omitted].

    (c) Notwithstanding the foregoing, but subject to Sections 2.12(f), (g) and (h) and Section 10.13, if any principal of or interest on any Loan or any fee or other amount payable by Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section plus, to the extent permitted by applicable law, 2% or (ii) in the case of any other amount, the rate applicable to Canadian Prime Loans as provided in paragraph (a) of this Section plus, to the extent permitted by applicable law, 2%.

    (d) Subject to Sections 2.12(f), (g) and (h) and Section 10.13, accrued interest on each Loan (other than a Loan consisting of the acceptance of a Bankers' Acceptance) shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of the Commitments; provided that (i) interest accrued pursuant to paragraph (c) of this Section shall be payable on demand of the Administrative Agent or the Majority Lenders (through the Administrative Agent) and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

    (e) Subject to Sections 2.12(f), (g) and (h) and Section 10.13, all interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding
the last day). The Canadian Prime Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) To the extent permitted by applicable law, any provision of the Interest Act (Canada) or the Judgment Interest Act (Alberta) which restricts any rate of interest set forth herein shall be inapplicable to this Agreement and is hereby waived by Borrower.

(g) The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Agreement, acceptance or other evidence of indebtedness or in any other Loan Document now or hereafter taken by any Agent or any Lender for the obligations of Borrower under this Agreement, or any other instrument referred to herein, and all interest and fees payable by Borrower to the Lenders, shall accrue from day to day, computed as described herein in accordance with the “nominal rate” method of interest calculation.

(h) Where, in this Agreement, a rate of interest or fees is to be calculated on the basis of a 365/366-day year, such rate is, for the purpose of the Interest Act (Canada), equivalent to the said rate (i) multiplied by the actual number of days in the one year period beginning on the first day of the period of calculation and (ii) divided by 365 or 366, as applicable.

SECTION 2.13. [Intentionally omitted].

SECTION 2.14. [Intentionally omitted].

SECTION 2.15. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any Issuing Bank; or

(ii) impose on any Lender or any Issuing Bank any other condition affecting this Agreement made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost directly attributable to such Lender of making or maintaining any BA Loan or Bankers’ Acceptance (or of maintaining its obligation to make any such Loan or BA Loan or Bankers’ Acceptance) or to increase the cost to such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit or BA Loan or Bankers’ Acceptance, or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then Borrower will pay to such Lender or such Issuing Bank such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank determines that any Change in Law regarding capital requirements has or would have the directly attributable effect of reducing the rate of return on such Lender’s or such Issuing Bank’s capital or on the capital of such Lender’s or such
Issuing Bank’s holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such Issuing Bank or such Lender’s or such Issuing Bank’s holding company could have achieved but for such Change in Law (taking into consideration such Lender’s or such Issuing Bank’s policies and the policies of such Lender’s or such Issuing Bank’s holding company with respect to capital adequacy), then Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such Lender’s or such Issuing Bank’s holding company for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or such Lender’s or such Issuing Bank’s holding company, as the case may be, as specified in paragraph (a) or (b) of this Section shall be delivered to Borrower and shall be conclusive absent manifest error. Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender’s or such Issuing Bank’s right to demand such compensation; provided that Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 270 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender’s or such Issuing Bank’s intention to claim compensation therefor; provided further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 270-day period referred to above shall be extended to include the period of retroactive effect thereof.

SECTION 2.16. Break Funding Payments. In the event of (a) the payment (including prepayment) of any principal of any BA Loan or Bankers’ Acceptance other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any BA Loan or Bankers’ Acceptance other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.10(e) and is revoked in accordance therewith), or (d) the assignment of any BA Loans or Bankers’ Acceptances other than on the last day of the Interest Period applicable thereto as a result of a request by Borrower pursuant to Section 2.19 then, in any such event, Borrower shall compensate each Lender for the loss, cost and expense attributable to such event. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section shall be delivered to Borrower, the Administrative Agent and shall be conclusive absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within ten (10) days after receipt thereof.

SECTION 2.17. Taxes.

(a) Any and all payments by or on account of any obligation of Borrower under any Loan Document shall be made free and clear of and without deduction for any Indemnified
Taxes or Other Taxes; provided that if Borrower shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Administrative Agent, each Lender or Issuing Bank (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law; provided that if a Lender is in breach of its representation and warranty under Section 2.17(e), then Borrower shall only be obligated to comply with clauses (ii) and (iii) of this Section 2.17(a) with respect to payments to be made to or for the benefit of such Lender.

(b) In addition, Borrower shall pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Borrower shall indemnify the Administrative Agent, each Lender and each Issuing Bank, within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of Borrower under any Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority; provided that if a Lender is in breach of its representation and warranty under Section 2.17(e), then Borrower shall have no obligations under this Section 2.17(c) with respect to any payments or liabilities described herein made or owed by such Lender. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender or an Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or an Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by Borrower to a Governmental Authority, if available, Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender represents and warrants that it is not, and will not be at any time, a Foreign Lender.

(f) If Borrower at any time pays an amount under Section 2.17(a), (b) or (c) to any Lender, the Administrative Agent or any Issuing Bank, and such payee receives a refund of or credit for any part of any Indemnified Taxes or Other Taxes which such payee determines in its good faith judgment is made with respect to such amount paid by Borrower, such Lender, the Administrative Agent or any Issuing Bank, as the case may be, shall pay to Borrower the amount of such refund or credit promptly, and in any event within 60 days, following the receipt of such refund or credit by such payee. Nothing in this Section shall require any Lender, the Administrative Agent or any Issuing Bank to make available its tax returns or any other information relating to its taxes that such Person deems confidential.
SECTION 2.18. Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Borrower shall make each payment required to be made by it under any Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.15, 2.16 or 2.17, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 12:00 noon, Toronto time), on the date when due, in immediately available funds in Canadian Dollars, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent c/o JPMorgan Chase Bank, N.A., Toronto Branch, 200 Bay Street, Floor 18, ON1-1800, Toronto, Ontario, Canada M5J 2J2, Attention: Amanda Vidulich, Telephone: 416-981-9235, Fax: 416-981-9128, except payments to be made directly to an Issuing Bank as expressly provided herein and payments pursuant to Sections 2.15, 2.16, 2.17(a), 2.17(c) and 10.3 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. Except as set forth in clause (a) of the definition of “Interest Period”, if any payment under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments under each Loan Document shall be made in Canadian Dollars as required pursuant to the Loan Documents.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due, such funds shall be applied (i) first, towards payment of interest and fees then due, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by Borrower pursuant to and in accordance with the express terms of this Agreement or any
payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank that Borrower will not make such payment, the Administrative Agent may assume that Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or an Issuing Bank, as the case may be, the amount due. In such event, if Borrower has not in fact made such payment, then each of the Lenders or each of the Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the costs incurred by the Administrative Agent for making such distributed amount and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.4(d) or 2.4(e), 2.5(b), 2.18(d) or 10.3(c) then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender’s obligations under such Sections until all such unsatisfied obligations are fully paid.

(f) Notwithstanding the foregoing or anything to the contrary contained herein, (i) if any Defaulting Lender shall have failed to fund all or any portion of any Loan (each such Loan, an “Affected Loan”), each prepayment of a Loan by Borrower under Section 2.10 shall be applied first to such Affected Loan and the principal amount and interest with respect to such payment shall be distributed (x) to each Lender that is not a Defaulting Lender (each, a “Non-Defaulting Lender”) pro rata based on the outstanding principal amount of Affected Loans owing to all Non-Defaulting Lenders, until the principal amount of all Affected Loans has been repaid in full and (y) to the extent of any remaining amount of such prepayment, to each Lender pro rata in accordance with such Lender’s Applicable Percentage, and (ii) each payment made by Borrower on account of the interest on any Affected Loans shall be distributed to each Non-Defaulting Lender pro rata based on the outstanding principal amount of Affected Loans owing to all Non-Defaulting Lenders.

SECTION 2.19. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.15, or if Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.17, then such Lender shall use reasonable efforts to
designate a different Applicable Lending Office for funding or booking its Loans hereunder or to
assign its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in
the judgment of such Lender, such designation or assignment (i) would eliminate or reduce
amounts payable pursuant to Section 2.15 or 2.17, as the case may be, in the future and (ii)
would not subject such Lender to any unreimbursed cost or expense and would not otherwise be
disadvantageous to such Lender. Borrower hereby agrees to pay all reasonable costs and
expenses incurred by any Lender in connection with any such designation or assignment.

(b) If (i) any Lender requests compensation under Section 2.15, (ii) Borrower is
required to pay any additional amount to any Lender or any Governmental Authority for the
account of any Lender pursuant to Section 2.17, or (iii) any Lender defaults in its obligation to
fund Loans hereunder or otherwise becomes a Defaulting Lender, then Borrower may, at its sole
expense and effort, upon notice to such Lender, the Administrative Agent, require such Lender to
assign and delegate, without recourse (in accordance with and subject to the terms of Section
10.4), all its interests, rights and obligations under this Agreement to an assignee that shall
assume such obligations (which assignee may be another Lender, if a Lender accepts such
assignment); provided that (1) Borrower shall have received the prior written consent of the
Administrative Agent, which consent shall not unreasonably be withheld or delayed, (2) such
Lender shall have received payment of an amount equal to the outstanding principal of its Loans
and participations in LC Disbursements, accrued interest thereon, accrued fees and all other
amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal
and accrued interest and fees) or Borrower (in the case of all other amounts), (3) the assignee and
assignor shall have entered into an Assignment and Assumption, and (4) in the case of any such
assignment resulting from a claim for compensation under Section 2.15 or payments required to
be made pursuant to Section 2.17, such assignment will result in a reduction in such
compensation or payments.

SECTION 2.20. Currency Conversion and Currency Indemnity.

(a) Payments in Agreed Currency. Borrower shall make payment relative to any
Obligation in the currency (the “Agreed Currency”) in which the Obligation was effected. If any
payment is received on account of any Obligation in any currency (the “Other Currency”) other
than the Agreed Currency (whether voluntarily or pursuant to an order or judgment or the
enforcement thereof or the realization of any Collateral or the liquidation of Borrower or
otherwise howsoever), such payment shall constitute a discharge of the liability of Borrower
hereunder and under the other Loan Documents in respect of such obligation only to the extent of
the amount of the Agreed Currency which the relevant Lender or Agent, as the case may be, is
able to purchase with the amount of the Other Currency received by it on the Business Day next
following such receipt in accordance with its normal procedures and after deducting any
premium and costs of exchange.

(b) Conversion of Agreed Currency into Judgment Currency. If, for the purpose of
obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert
into a particular currency (the “Judgment Currency”) any amount due in the Agreed Currency
then the conversion shall be made on the basis of the rate of exchange prevailing on the next
Business Day following the date such judgment is given and in any event Borrower shall be
obligated to pay the Agents and the Lenders any deficiency in accordance with Section 2.20(c).
For the foregoing purposes “rate of exchange” means the lowest rate at which the relevant Lender or Agent, as applicable, in accordance with its normal banking procedures is able on the relevant date to purchase the Agreed Currency with the Judgment Currency after deducting any premium and costs of exchange.

(c) **Circumstances Giving Rise to Indemnity.** To the fullest extent permitted by applicable law, if (i) any Lender or any Agent receives any payment or payments on account of the liability of Borrower hereunder pursuant to any judgment or order in any Other Currency, and (ii) the amount of the Agreed Currency which the relevant Lender or Agent, as applicable, is able to purchase on the Business Day next following such receipt with the proceeds of such payment or payments in accordance with its normal procedures and after deducting any premiums and costs of exchange is less than the amount of the Agreed Currency due in respect of such liability immediately prior to such judgment or order, then Borrower on demand shall, and Borrower hereby agrees to, indemnify the Lenders and the Agents from and against any loss, cost or expense arising out of or in connection with such deficiency.

(d) **Indemnity Separate Obligation.** To the fullest extent permitted by applicable law, the agreement of indemnity provided for in Section 2.20(c) shall constitute an obligation separate and independent from all other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lenders or Agents or any of them from time to time, and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

(e) **Other Currency Conversion.** Any amount of money to be used in determining compliance with Article IV, Article V, Article VI, Article VII and Article VIII, may be denominated in either $U.S. or $C and, in accordance with such determination, may be converted from $U.S. to $C or vice-versa, as applicable, at the then-current rate of exchange on the date thereof. For the foregoing purposes “rate of exchange” means the rate at which the Borrower, Parent, or Guarantor, as applicable, in accordance with its normal business procedures is able on the relevant date to purchase the relevant currency after deducting any premium and costs of exchange.

SECTION 2.21. **Defaulting Lenders.** Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the Commitment of such Defaulting Lender pursuant to Section 2.11;

(b) the Commitment of such Defaulting Lender shall not be included in determining whether all Lenders, the Majority Lenders or the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.2); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of all Lenders or each Lender affected thereby;
then:

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent the sum of all non-Defaulting Lenders’ Credit Exposure plus such Defaulting Lender’s LC Exposure does not exceed the lesser of (A) the aggregate amount of the Commitments of all non-Defaulting Lenders and (B) the aggregate amount of the Borrowing Base then in effect.

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, Borrower shall within one (1) Business Day following notice by the Administrative Agent, cash collateralize for the benefit of the Issuing Bank only Borrower’s obligations corresponding to such Defaulting Lender’s LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.4(i) for so long as such LC Exposure is outstanding;

(iii) if Borrower cash collateralizes any portion of such Defaulting Lender’s LC Exposure pursuant to clause (ii) above, Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.11(a) with respect to such Defaulting Lender’s LC Exposure during the period such Defaulting Lender’s LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.11 shall be adjusted in accordance with such non-Defaulting Lenders’ Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender’s LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of an Issuing Bank or any other Lender hereunder, all letter of credit fees payable under Section 2.11 with respect to such Defaulting Lender’s LC Exposure shall be payable to such Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, an Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender’s then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by Borrower in accordance with Section 2.21(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.21(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) ultimate parent of any Lender shall become bankrupt or insolvent pursuant to Section 8.1(g) following the date hereof and for so long as such event shall continue or (ii) the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing
Bank shall have entered into arrangements with Borrower or such Lender, satisfactory to the Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, Borrower and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender’s Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage. Once the conditions in the immediately preceding sentence have been satisfied, as determined by the Administrative Agent, such Lender shall no longer be deemed a Defaulting Lender.

SECTION 2.22. Addition of Lenders and Increase in Commitments. It is agreed by the parties hereto that one or more financial institutions acceptable to Borrower may become a Lender under this Agreement, with the consent of the Administrative Agent, not to be unreasonably withheld, (as to the identity of the institution), by executing and delivering to Borrower and the Administrative Agent a certificate substantially in the form of Exhibit B hereto (a “Lender Certificate”). Upon receipt and agreement by Borrower and the consent of the Administrative Agent (as to the identity of the institution) of any such Lender Certificate increasing the Commitments, (a) the aggregate amount of the Commitments of the Lenders (including any Person that becomes a Lender by delivery of such a Lender Certificate) automatically without further action by Borrower, the Administrative Agent or any Lender shall be increased by the amount indicated in such Lender Certificate (but the aggregate Commitments shall not exceed C$750,000,000 as a result of increases pursuant to this Section) on the effective date set forth in such Lender Certificate (such increased amount herein the “Increased Commitment Amount”), (b) the Register shall be amended to add such Commitment of such additional Lender or to reflect the increase in the Commitment of an existing Lender, and the Applicable Percentages of the Lenders shall be adjusted accordingly to reflect the additional Lender or the increase in the Commitment of an existing Lender, (c) any such additional Lender shall be deemed to be a party in all respects to this Agreement and any other Loan Documents to which the Lenders are a party, and (d) upon the effective date set forth in such Lender Certificate, any such Lender party to the Lender Certificate shall purchase a pro rata portion of the outstanding Credit Exposure of each of the current Lenders such that the Lenders (including any additional Lender, if applicable) shall have the appropriate portion of the aggregate outstanding Credit Exposure of the Lenders (based in each case on such Lender’s Applicable Percentage, as revised pursuant to this Section).

SECTION 2.23. Bankers’ Acceptances. Subject to the terms and conditions of this Agreement, the Commitments may be utilized, upon the request of Borrower, in addition to the Loans provided for by Section 2.2 and the issuance of Letters of Credit provided for by Section 2.4, for the acceptance by the Lenders of Bankers’ Acceptances issued by Borrower, provided that in no event shall (i) the aggregate amount of all Bankers’ Acceptance Liabilities together with the aggregate principal amount of the Loans (excluding Bankers’ Acceptances and BA Loans) and the aggregate amount of all LC Exposure exceed the lesser of (A) the aggregate amount of the Borrowing Base then in effect and (B) the aggregate amount of the Commitments of the Lenders, and (ii) any Bankers’ Acceptances have maturities of less than 30 days or more.
than 180 days from the Acceptance Date (and shall in no event mature on a date after the Maturity Date). The following additional provisions shall apply to Bankers’ Acceptances:

(a) In order to facilitate and expedite the issuance and acceptance of Bankers’ Acceptances hereunder, Borrower agrees to the terms and conditions of the Power of Attorney with respect to the Bankers’ Acceptance attached hereto as Exhibit I.

(b) When Borrower wishes to make a Borrowing by way of Bankers’ Acceptances, Borrower shall submit to the Administrative Agent prior written notice with respect to the issuance of the Bankers’ Acceptances (such written notice a “Bankers’ Acceptance Request”) by not later than 1:00 p.m., Toronto time, two (2) Business Days’ prior to the Acceptance Date. Each Bankers’ Acceptance Request shall be irrevocable and binding on Borrower. Borrower shall indemnify each Lender against any loss or expense incurred by such Lender as a result of any failure by Borrower to fulfill or honor before the date specified as the Acceptance Date, the applicable conditions set forth in Article IV, if, as a result of such failure the requested Bankers’ Acceptance is not made on such date. Unless otherwise agreed among the Administrative Agent and the Lenders, the aggregate amount of all Bankers’ Acceptances issued on any Acceptance Date hereunder shall be accepted pro rata by all Lenders relative to their respective Applicable Percentage, rounded, upwards or downwards, as the case may be, to the nearest C$100,000. Upon receipt of a Bankers’ Acceptance Request, the Administrative Agent shall advise each Lender of the contents thereof.

(c) Unless Borrower has notified the Administrative Agent in the Bankers’ Acceptance Request that Borrower intends to arrange the sale of the Bankers’ Acceptances which are the subject of such Bankers’ Acceptance Request (a “Borrower Arrangement”), on the Acceptance Date at 10:30 a.m., Toronto time, the Administrative Agent shall determine the Bankers’ Acceptance Rate for each of the Accepting Lenders. Not later than 2:00 p.m., Toronto time, each such Accepting Lender shall accept and purchase its share of the Bankers’ Acceptances that are issued and shall make available to the Administrative Agent, in accordance with Section 2.5, the BA Net Proceeds of the purchase of Bankers’ Acceptances on such day by such Lender. The Administrative Agent shall transfer to Borrower those BA Net Proceeds of the Bankers’ Acceptances and shall notify Borrower and each such Lender by facsimile or telephone (if by telephone, to be confirmed subsequently in writing) of the details of the issue, pursuant to a notice in substantially the form attached hereto as Exhibit M. Each Accepting Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers’ Acceptances accepted and purchased by it.

On the Acceptance Date, Borrower shall pay each Accepting Lender and each Lender providing a BA Loan a Stamping Fee with respect to each Bankers’ Acceptance and each BA Loan and each Lender is hereby authorized to deduct such Stamping Fee prior to remitting the BA Net Proceeds to the Administrative Agent.

For each Bankers’ Acceptance or BA Loan, the Stamping Fee payable by Borrower shall be the product obtained by multiplying:

(i) the applicable Bankers’ Acceptance Stamping Fee specified in the definition of Applicable Rate in effect from time to time; by
(ii) the Principal Amount of that Bankers’ Acceptance or BA Loan;

and prorating that product for the number of days in the term from and including the Acceptance Date to but not including the BA Maturity Date of that Bankers’ Acceptance or the Interest Period for the BA Loan, as the case may be, on the basis of a year of 365 days.

(d) [Intentionally omitted].

(e) On each day during the period commencing with the issuance by Borrower of any Bankers’ Acceptance and until such Bankers’ Acceptance Liability shall have been paid by Borrower, the Commitment of each Accepting Lender that is able to extend credit by way of Bankers’ Acceptances shall be deemed to be utilized for all purposes of this Agreement in an amount equal to the Principal Amount of such Bankers’ Acceptance.

The Commitment of any Lender providing a BA Loan rather than Bankers’ Acceptances shall be deemed utilized during this period in an amount equal to the Principal Amount of such BA Loan.

(f) Borrower agrees to pay on the BA Maturity Date for each Bankers’ Acceptance, to the Administrative Agent for account of each Accepting Lender, an amount equal to the Bankers’ Acceptance Liability for such Bankers’ Acceptance.

Borrower hereby waives presentment for payment of Bankers’ Acceptances by the Accepting Lenders and any defense to payment of amounts due to an Accepting Lender in respect of a Bankers’ Acceptance which might exist by reason of such Bankers’ Acceptance being held at maturity by the Accepting Lender which accepted it and agrees not to claim from such Lenders any days of grace for the payments at maturity of Bankers’ Acceptances.

(g) In the event Borrower fails to notify the Administrative Agent in writing not later than 1:00 p.m., Toronto time, on the Business Day prior to any BA Maturity Date that Borrower intends to pay with Borrower’s own funds the Bankers’ Acceptance Liabilities due on such BA Maturity Date or fails to make such payment, Borrower shall be deemed for all purposes to have given the Administrative Agent notice of a borrowing of a Canadian Prime Loan pursuant to Section 2.3 for an amount equal to the Principal Amount of such Bankers’ Acceptances; provided that:

(i) the BA Maturity Date for such Bankers’ Acceptances shall be considered to be the date of such borrowing;

(ii) the proceeds of such Canadian Prime Loan shall be used to pay the amount of the Bankers’ Acceptance Liability due on such BA Maturity Date;

(iii) if after giving effect to such Canadian Prime Loan, a Borrowing Base Deficiency would exist, the Administrative Agent shall so advise Borrower and Borrower shall comply with the provisions of Section 2.10;

(iv) each Lender which has made a maturing BA Loan (in accordance with Section 2.23(h) hereof) shall continue to extend credit to Borrower by way of a Canadian
Prime Loan (without further advance of funds to Borrower) in the Principal Amount equal to its Applicable Percentage of the total amount of credit requested to be extended by Bankers’ Acceptances when the BA Loan was made; and

(v) the Administrative Agent shall promptly and in any event within three (3) Business Days following the BA Maturity Date of such Bankers’ Acceptances, notify Borrower in writing of the making of such Canadian Prime Loan pursuant to this Section 2.23(g).

(h) If, in the sole judgment of a Lender, such Lender is unable, as a result of applicable law or customary market practice, to extend credit by way of Bankers’ Acceptance in accordance with this Agreement, such Lender shall give notice to such effect to the Administrative Agent and Borrower prior to 1:00 p.m., Toronto time, on the date of the requested credit extension (which notice may, if so stated therein, remain in effect with respect to subsequent requests for extension of credit by way of Bankers’ Acceptance until revoked by notice to the Administrative Agent and Borrower) and shall make available to the Administrative Agent, in accordance with Section 2.1 hereof prior to 2:00 p.m., Toronto time, on the date of such requested credit extension a Canadian Dollar loan (a “BA Loan”) in the Principal Amount equal to such Lender’s Applicable Percentage of the total amount of credit requested to be extended by way of Bankers’ Acceptances. All BA Loans shall, if requested by the Lender making such a loan, be evidenced by promissory notes of the Borrower in form and substance satisfactory to the Borrower and such Lender, each acting reasonably. The Stamping Fee for that BA Loan shall be calculated on that Principal Amount. Such BA Loan shall have an Interest Period equal to the term of the Bankers’ Acceptances for which it is a substitute and shall bear interest throughout such Interest Period applicable to that BA Loan at a rate per annum equal to the Bankers’ Acceptance Rate for such Bankers’ Acceptances. On the maturity date of the Bankers’ Acceptances issued concurrently with the advance of the BA Loan, Borrower shall pay to each Lender which made a BA Loan, in satisfaction of the BA Loan and accrued interest thereon, an amount equal to the Principal Amount of such BA Loan, failing which such Principal Amount shall be converted to a Canadian Prime Loan. The amount of the proceeds of that BA Loan to be disbursed to Borrower on the Acceptance Date shall be the same amount as if that Lender had accepted and purchased its Lender’s Applicable Percentage of the requested Bankers’ Acceptances at a discount from the Principal Amount of that Bankers’ Acceptance calculated at a discount rate per annum equal to the Bankers’ Acceptance Rate for the term of such Bankers’ Acceptances in the same manner that BA Net Proceeds are calculated; provided that the Principal Amount of such BA Loan shall be the same amount as the face amount of the Bankers’ Acceptance which such Lender would have accepted but for this Section 2.23(h).

(i) If Borrower notifies the Administrative Agent of a Borrower Arrangement, on the Acceptance Date of the Bankers’ Acceptances constituting a Borrower Arrangement:

(i) Borrower shall obtain quotations from prospective purchasers regarding the sale of the Bankers’ Acceptances to be accepted by the Lenders, and shall, on or before 11:00 a.m., Toronto time, on such date, provide the Administrative Agent with all necessary information required by each Lender to enable each Lender to determine the Bankers’ Acceptance discount rate applicable to such issue, together with the identity of and the face amount of Bankers’ Acceptances to be purchased by each of the purchaser(s)
of the Bankers' Acceptances accepted by each Lender. In obtaining such quotes, Borrower shall offer each Lender the right to bid on the Bankers' Acceptances accepted by it. The Lenders and the Administrative Agent shall not be responsible for any losses occasioned by the failure of Borrower to comply with its obligations under this paragraph and shall not be required to purchase any Bankers' Acceptances on such Acceptance Date if Borrower has requested Borrower Arrangement; and

(ii) on receipt from Borrower of the information referred to in paragraph (i), the Administrative Agent shall promptly notify each Lender of:

(A) the Bankers' Acceptance discount rate to be applicable to such issue;

(B) the proceeds to be received by such Lender on the sale of the Bankers' Acceptances accepted by such Lender, based upon such Bankers' Acceptance discount rate obtained by Borrower for each such Lender; and

(C) the Stamping Fee payable to such Lender in connection with such issue.

(j) [Intentionally omitted].

(k) If a Lender determines in good faith, which determination shall be final, conclusive and binding upon Borrower, and notifies Borrower that, by reason of circumstances affecting the money market:

(i) there is no market for Bankers' Acceptances generally or of a requested duration;

(ii) the demand for Bankers' Acceptances is insufficient to allow the sale or trading of the Bankers' Acceptances created and purchased hereunder generally or in connection with a requested duration; or

(iii) the Bankers' Acceptance Rate does not accurately reflect the cost of funds of such Lender or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lender in the market;

then:

(x) the right of Borrower to request Bankers' Acceptances or a BA Loan of the affected duration from that Lender shall be suspended until such Lender determines that the circumstances causing such suspension no longer exist and such Lender so notifies Borrower; and

(y) any Bankers' Acceptance Request for an affected duration which is outstanding shall be canceled and the Bankers' Acceptances or BA Loan requested therein shall not be made and a Bankers' Acceptance or BA Loan having the shortest duration available (or if none) a Canadian Prime Loan shall be made in its place.
(i) It is the intention of the Administrative Agent, the Lenders and Borrower that, except to the extent a Lender advises otherwise, pursuant to the Depository Bills and Notes Act ("DBNA"), all Bankers' Acceptances accepted by the Lenders under this Agreement shall be issued in the form of a "depository bill" (as defined in the DBNA), deposited with The Canadian Depository for Securities Limited or a Subsidiary thereof and made payable to CDS & Co. In order to give effect to the foregoing, the Administrative Agent shall, subject to the approval of Borrower and the Lenders, establish and notify Borrower and the Lenders of any procedure, consistent with the terms of this Agreement and the requirements of the DBNA, as is reasonably necessary to accomplish such intention, including:

(i) any instrument held by the Administrative Agent or a Lender for purposes of Bankers' Acceptances shall have marked prominently and legibly on its face and within its text, at or before the time of issue, the words "This is a depository bill subject to the Depository Bills and Notes Act (Canada);

(ii) any reference to the authentication of the Bankers' Acceptances will be removed; and

(iii) any reference to "bearer" will be removed and no Bankers' Acceptance shall be marked with any words prohibiting negotiation, transfer or assignment of it or of an interest in it.

(m) If any Event of Default shall occur and be continuing, on the Business Day that Borrower receives notice from the Administrative Agent or the Majority Lenders demanding the deposit of cash collateral pursuant to this paragraph, Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash equal to the BA Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in Section 8.1(g). Borrower shall also deposit cash collateral pursuant to this paragraph as and to the extent required by Section 2.10, and any such cash collateral so deposited and held by the Administrative Agent hereunder shall constitute part of the Borrowing Base for purposes of determining compliance with Section 2.10. Each such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent for the satisfaction of the obligations of Borrower with respect to the BA Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with BA Exposure representing greater than 50% of the total BA Exposure), be applied to satisfy other obligations of Borrower under this Agreement. If Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to Borrower within three (3) Business Days.
after all Events of Default have been cured or waived. If Borrower is required to provide an
amount of cash collateral hereunder pursuant to Section 2.10, such amount (to the extent not
applied as aforesaid) shall be returned to Borrower as and to the extent that, after giving effect to
such return, Borrower would remain in compliance with Section 2.10 and no Default shall have
occurred and be continuing.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent, the other Agents, any Issuing Bank and the
Lenders to enter into this Agreement and to make Loans (including making BA Loans and
accepting Bankers’ Acceptances) and issue or participate in any Letters of Credit hereunder,
Parent and Borrower each represents and warrants to the Administrative Agent, the other Agents,
any Issuing Bank and the Lenders as set forth in this Article.

SECTION 3.1. Organization; Powers. Each of Parent, Borrower, and their respective
Restricted Subsidiaries is duly organized, validly existing and in good standing under the laws of
the jurisdiction of its organization, has all requisite power and authority to carry on its business
as now conducted and, except where the failure to do so, individually or in the aggregate, could
not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in,
and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.2. Authorization; Enforceability. The execution, delivery and
performance by Borrower of this Agreement and each other Loan Document executed or to be
executed by it, and the execution, delivery and performance by each other Loan Party of each
Loan Document executed or to be executed by it, are within Borrower’s and each such other
Loan Party’s corporate, limited liability company and/or partnership powers, and have been duly
authorized by all necessary corporate, limited liability company and/or partnership action, and if
required, stockholder, member and/or partner action. This Agreement and each other Loan
Document executed or to be executed by it has been duly executed and delivered by Borrower
and constitutes, and each other Loan Document executed or to be executed by any other Loan
Party, when executed and delivered by such other Loan Party, will constitute, a legal, valid and
binding obligation of Borrower or such Loan Party (as the case may be), enforceable in
accordance with their respective terms, subject to applicable bankruptcy, insolvency,
reorganization, moratorium or other laws affecting creditors’ rights generally and subject to
general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.3. Approvals; No Conflicts. The execution, delivery and performance
by Borrower of this Agreement and each other Loan Document executed or to be executed by it,
and the execution, delivery and performance by each other Loan Party of each Loan Document
executed or to be executed by such other Loan Party, (a) do not require any Governmental
Approval or third party approvals, except such as have been obtained or made and are in full
force and effect and except filings necessary to perfect Liens created under the Loan Documents,
(b) will not violate any applicable Governmental Rule or the Organic Documents of Borrower or
any such other Loan Party or any order of any Governmental Authority, (c) will not violate or
result in a default under any indenture, agreement or other instrument binding upon Borrower or
any such Loan Party or its assets, or give rise to a right thereunder to require any payment to be
made by Borrower or any such other Loan Party, and (d) will not result in the creation or imposition of any Lien on any asset of Borrower or any such other Loan Party except Liens created under the Loan Documents.

SECTION 3.4. Properties. Each of Borrower and its Restricted Subsidiaries owns its Properties free and clear of all Liens (other than Liens permitted by Section 7.2).

SECTION 3.5. Compliance with Laws and Agreements. Each of the Loan Parties and its Restricted Subsidiaries is in compliance with all Governmental Rules applicable to such Person or its Property and all indentures, agreements and other instruments binding upon it or its Property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

SECTION 3.6. [Intentionally Omitted.]

SECTION 3.7. Disclosure. Parent has disclosed to the Lenders and the Administrative Agent all agreements, court orders, judgments, instruments and corporate or other restrictions to which Parent or any of its Subsidiaries is subject, and all other matters known to any of them relating to any of the foregoing, which agreements, court orders, judgments, instruments, restrictions and other matters individually or in aggregate could reasonably be expected to result in a Material Adverse Effect. None of the documents, reports, financial statements, certificates or other information furnished by or on behalf of Parent or any of its Subsidiaries to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or delivered hereunder or thereunder (as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, Parent represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

SECTION 3.8. Priority; Security Matters. The Obligations are and shall be at all times secured by Liens in all Collateral to the extent perfection has occurred or will occur by the filing of an instrument to perfect a security interest under the laws of the applicable jurisdiction, or by possession, and, except for Liens permitted by Section 7.2, all such Liens shall be first priority Liens.

SECTION 3.9. Solvency. Immediately after the consummation of the Financing Transactions to occur on the Effective Date, (a) no Loan Party will have unreasonably small capital with which to conduct the business in which such Loan Party is engaged as such business is now conducted and is proposed to be conducted following the Effective Date; and (b) each Loan Party will be Solvent.

SECTION 3.10. Financial Condition; No Material Adverse Change.

(a) Borrower has heretofore furnished to the Lenders and the Administrative Agent copies of its consolidated balance sheet and statements of operations, stockholders' equity and cash flows (i) as of and for the fiscal year ended December 31, 2010, audited by Ernst & Young LLP, independent public accountants, and (ii) if available, as of and for the fiscal quarter and the
portions of the fiscal year ended March 31, 2011, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP consistently applied, subject to year end audit adjustments in the case of the statements referred to in clause (ii) above.

(b) [Intentionally omitted].

(c) Parent has heretofore furnished to the Lenders and the Administrative Agent copies of its pro forma consolidated balance sheet as of December 31, 2010, prepared giving pro forma effect to the Financing Transactions as if the Financing Transactions had occurred on such date. Such pro forma consolidated balance sheet (i) has been prepared in good faith in accordance with GAAP, (ii) is based on assumptions believed to be reasonable, and (iii) presents fairly, in all material respects, the pro forma consolidated financial position of Parent and its consolidated Subsidiaries as of December 31, 2010 (or in the event that the Effective Date occurs after March 31, 2011, such later date reasonably requested by the Administrative Agent).

(d) Except as set forth in Schedule 3.10 or reflected in the financial statements referred to in Section 3.10(a), neither Parent, Borrower nor any of their Restricted Subsidiaries has any contingent liabilities, unusual long-term commitments or unrealized losses.

(e) Since December 31, 2010, there has been no material adverse change in the consolidated financial condition, operations or business taken as a whole of Borrower and its consolidated Restricted Subsidiaries. Since the Effective Date, there has been no material adverse change in the consolidated financial condition, operations or business taken as a whole of Parent and its consolidated Restricted Subsidiaries.

SECTION 3.11. Litigation.

(a) Except for such actions, suits or proceedings set forth in Schedule 3.11 hereto and any other actions, suits or proceedings from time to time disclosed in writing by Borrower or its Restricted Subsidiaries to the Administrative Agent after the date of this Agreement (collectively, the “Disclosed Matters”), there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of Borrower, threatened against or affecting Parent or any of its Restricted Subsidiaries or any of their respective Properties, businesses, assets or revenues, (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that question the validity or enforceability of any of the Loan Documents or seek to enjoin or prevent the Financing Transactions.

(b) Since the date of this Agreement, there has been no change in the status of the Disclosed Matters that, individually or in the aggregate, has resulted in, or materially increased the likelihood of, a Material Adverse Effect.

SECTION 3.12. Taxes. Except as set forth in Schedule 3.12, each of Parent, its Restricted Subsidiaries and each of its Subsidiaries which is a member of Parent's consolidated federal income tax group has timely filed or caused to be filed all Tax returns and reports
required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which Parent or such Subsidiary, as applicable, has set aside on its books adequate reserves or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.13. Compliance with Benefit Plans; ERISA.

(a) Except as could not reasonably be expected to have a Material Adverse Effect, (i) the Canadian Pension Plans, if any, are duly registered under the Income Tax Act (Canada) and all applicable provincial or federal pension benefits standards legislation and no event has occurred which is reasonably likely to cause the loss of such registered status; (ii) all obligations of Borrower and its Restricted Subsidiaries (including any applicable fiduciary, funding, investment and administration obligations) required to be performed in connection with the Canadian Pension Plans, if any, have been performed in accordance with applicable laws and regulations; (iii) no promises of benefit improvements under the Canadian Pension Plans, if any, or the Canadian Benefit Plans have been made; (iv) all reports and disclosures relating to the Canadian Pension Plans and Canadian Benefit Plans required by any applicable laws or regulations have been filed or distributed in accordance with applicable laws and regulations; (v) neither Borrower nor any Restricted Subsidiary has made any improper withdrawals prohibited by applicable law, or applications of, the assets of any of the Canadian Pension Plans; (vi) other than as disclosed in Schedule 3.13, no Canadian Pension Plan Termination Event has occurred; (vii) neither Borrower nor any of its Restricted Subsidiaries has any knowledge that the Canadian Pension Plans, if any, are the subject of an investigation, any other proceeding, an action or a claim other than a routine claim for benefits; (viii) all contributions or premiums required to be made by Borrower or any Restricted Subsidiary to the Canadian Pension Plans and the Canadian Benefit Plans have been made within the time limits required by, and in accordance with, the terms of such plans and applicable laws and regulations; and (ix) all employee contributions to the Canadian Pension Plans, if any, required to be made by way of authorized payroll deduction have been properly withheld and fully paid into such plans within the time limits required by, and in accordance with, the terms of such plans and applicable laws and regulations. No Canadian Pension Plan has an Unfunded Current Liability that could, individually or when taken together with any other liabilities referenced in this Section 3.13(a), could reasonably be anticipated to have a Material Adverse Effect;

(b) There has been no failure to administer or operate the Foreign Plans in accordance with the terms thereof except for any failure to so administer or operate the Foreign Plans as could not reasonably be expected to have a Material Adverse Effect;

(c) No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events for which liability is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (in each case determined based on the assumptions used for purposes of Statement of Financial Accounting Standards No. 87) as of the date of the most recent financial statements reflecting such amounts, does not exceed the fair market value of the assets of such Plan (as of the date of determination of such benefit obligation
amount) by an amount which, if it constituted a direct liability of Borrower, could reasonably be expected to have a Material Adverse Effect.

SECTION 3.14. Subsidiaries. Schedule 3.14 sets forth the name, the identity or corporate structure, the ownership interest, the chief executive office, principal places of business, and, if applicable, the Federal Taxpayer Identification Number, of each direct or indirect Subsidiary of Parent as of the Effective Date. Schedule 3.14 also sets forth the name of each Restricted Subsidiary and Unrestricted Subsidiary of Parent and Borrower as of the Effective Date. As of the Effective Date, Parent does not have any Subsidiaries other than the Subsidiaries identified in Schedule 3.14.

SECTION 3.15. Insurance. Schedule 3.15 sets forth a description of all insurance maintained by or on behalf of Borrower and its Restricted Subsidiaries as of the date of this Agreement. As of the date of this Agreement, all premiums in respect of such insurance then due have been paid.

SECTION 3.16. Labor Matters. As of the Effective Date, there are no material strikes, lockouts or slowdowns against Borrower or any of its Restricted Subsidiaries pending or, to the knowledge of Borrower, threatened. The hours worked by and payments made to employees of Borrower and its Restricted Subsidiaries have not been in material violation of any applicable Federal, state, provincial, local, territorial or foreign law dealing with such matters. All material payments due from Borrower or any of its Restricted Subsidiaries, or for which any claim may be made against Borrower or any of its Restricted Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or accrued as a liability on the books of Borrower or any such Restricted Subsidiary. The consummation of the Financing Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Borrower or any of its Restricted Subsidiaries is bound except where the same could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.17. Environmental Matters. Except as set forth in Schedule 3.17 or, after the date of this Agreement, otherwise disclosed in writing by Borrower to the Administrative Agent:

(a) All facilities and Property currently owned or leased by Borrower or any of its Restricted Subsidiaries are and have been in compliance with all applicable Environmental Laws except where the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(b) Except as set forth in Schedule 3.17, there are no pending or, to the knowledge of Borrower, threatened (i) claims, complaints, notices or requests for information received by Borrower or any of its Restricted Subsidiaries with respect to any alleged violation of any applicable Environmental Law, or (ii) complaints or notices to Borrower or any of its Restricted Subsidiaries regarding instances which could give rise to an Environmental Liability for Borrower or any of its Restricted Subsidiaries, which in either case are in writing and could reasonably be expected to have a Material Adverse Effect;
(c) Except as set forth in Schedule 3.17, and any other matters that, individually or in the aggregate, would not reasonably be expected to result in a Material Adverse Effect, (i) neither Borrower nor any of its Restricted Subsidiaries is in violation of any Environmental Laws or has received written notice of, or otherwise has knowledge of, any pending or threatened claim, charge, order or other proceeding with respect to any Environmental Liability, (ii) neither Borrower nor any of its Restricted Subsidiaries (1) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (2) has generated, treated, stored, transported or Released Hazardous Materials on, under or from any of its Property (whether currently or formerly used, owned, leased, controlled, managed or operated by Borrower or its Restricted Subsidiaries) or is responsible for the exposure of any person to Hazardous Materials, in each case in a manner that has given rise to or would reasonably be expected to give rise to any Environmental Liability, (3) is subject to any pending or, to the knowledge of Borrower, threatened administrative or judicial proceeding relating to any Environmental Liability, (4) has assumed by contract or by operation of laws, the Environmental Liabilities of any other Person (other than Borrower or its Restricted Subsidiaries), or (5) know of any existing facts, circumstances, conditions or occurrences (including the presence or Release of any Hazardous Materials) that would reasonably be expected to result in any claims, suits or proceedings asserting Environmental Liability against any Loan Party or its Subsidiaries, (iii) neither Borrower nor any of its Restricted Subsidiaries is subject to or in default with respect to any final judgments, writs, injunctions, decrees, directions, orders, directives, rules or regulations of any Governmental Authority arising under applicable Environmental Laws, (iv) none of the Mortgaged Property is subject to any Lien, restriction on ownership, occupancy, use or transferability imposed pursuant to Environmental Law, or has ever contained any storage tanks, surface impoundments, septic tanks, pits, sumps or lagoons that are being or have been used for the treatment, storage or disposal of Hazardous Materials for which the Borrower or any Restricted Subsidiary remains obligated to conduct Remedial Action, and (v) excluding any reclamation responsibilities required pursuant to any Environmental Law in respect of the closure/decommissioning of the facilities for which adequate reserves and financial security are being maintained and which reclamation responsibilities are not presently required to be implemented, neither Borrower nor any Restricted Subsidiary has failed to timely commence and diligently pursue any required Remedial Action relating to any actual or threatened Release of Hazardous Materials at any site, location or operation, pursuant to the order of any Governmental Authority or the requirements of any Environmental Law.

(d) Since the date of this Agreement, there has been no change in the status of the matters disclosed on Schedule 3.17 that, individually or in the aggregate, has resulted in, or could reasonably be expected to have, a Material Adverse Effect.

(e) Borrower has adopted and implemented procedures and guidelines as Borrower has determined are reasonably appropriate to comply in all material respects with applicable Environmental Laws and to identify and evaluate events or conditions that would result in any material Environmental Liability.

SECTION 3.18. Claims and Liabilities. Neither Borrower nor any of its Restricted Subsidiaries has accrued any liabilities under gas purchase contracts for gas not taken, but for which it is liable to pay if not made up and which, if not paid, could reasonably be expected to have a Material Adverse Effect. No claims exist against Borrower or any of its Restricted Subsidiaries.
Subsidiaries for gas imbalances which claims if adversely determined could reasonably be expected to have a Material Adverse Effect. No purchaser of product supplied by Borrower or any of its Restricted Subsidiaries has any claim against Borrower or any of its Restricted Subsidiaries for product paid for, but for which delivery was not taken as and when paid for, which claim if adversely determined could reasonably be expected to have a Material Adverse Effect.

SECTION 3.19. OFAC. Neither Parent, any of its Subsidiaries nor any of its respective employees, officers or directors is a Person with whom U.S. Persons are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC’s Specially Designated and Blocked Persons List) or under any statute, executive order (including September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons who Commit, Threaten to Commit, or Support Terrorism), or other Governmental Rule.

ARTICLE IV
CONDITIONS

SECTION 4.1. Effectiveness. This Agreement shall become effective on the date on which the following condition is satisfied (or waived in accordance with Section 10.2): The Administrative Agent (or its counsel) shall have received from each party thereto either a counterpart of each of the following documents duly executed on behalf of such party or written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of such document) that each such party has duly executed for delivery to the Administrative Agent a counterpart of each of the following documents which documents must be acceptable to the Administrative Agent in its sole and absolute discretion: this Agreement.

SECTION 4.2. Initial Loan. The obligations of (a) the Lenders to make Loans (including making BA Loans and accepting Bankers' Acceptances) or (b) any Issuing Bank to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.2):

(a) Certain Loan Documents. The Administrative Agent (or its counsel) shall have received from each party thereto either a counterpart of each of the following documents duly executed on behalf of such party or written evidence satisfactory to the Administrative Agent (which may include telecopy transmission of a signed signature page of such document) that each such party has duly executed for delivery to the Administrative Agent a counterpart of each of the following documents: a Guaranty from FST, a Guaranty from each Restricted Subsidiary of Borrower that is required to execute and deliver a Guaranty under this Agreement, and the Debenture and Deposit Agreement, and all related financing statements, registrations and other filings.

(b) Fees and Expenses. The Administrative Agent, the Arranger and the Lenders shall have received all fees, including the arrangement fee plus the Upfront Fee, and other amounts due and payable pursuant to any Loan Document on or prior to the date thereof, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses (including fees,
charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party under any Loan Document.

(c) Title Diligence. The Administrative Agent shall be satisfied with the title to the Oil and Gas Properties included in the Borrowing Base and that such Oil and Gas Properties constitute at least 75% of the Present Value of the Proved Reserves of the Loan Parties.

(d) Opinions of Counsel. The Administrative Agent shall have received opinions, dated the Effective Date, addressed to the Administrative Agent, the other Agents and the Lenders, from (i) Bennett Jones LLP, counsel to Borrower, Parent, FST, Wiser I and Wiser II, in substantially the form attached hereto as Exhibit A-1; (ii) Vinson & Elkins L.L.P., U.S. counsel to FST, Parent, FST, Wiser I and Wiser II, in substantially the form attached hereto as Exhibit A-2; and (iii) Burnet, Duckworth & Palmer LLP, counsel to the Lenders, in substantially the form attached hereto as Exhibit A-3.

(e) Organizational Documents. The Administrative Agent shall have received a certificate of an Authorized Officer of each Loan Party dated as of the Effective Date, certifying:

(i) that attached to each such certificate are (A) a true and complete copy of the Organic Documents of such Loan Party, as the case may be, as in effect on the Effective Date, (B) a true and complete copy of a certificate from the Governmental Authority of such entity’s organization certifying that such entity is duly organized and validly existing in such jurisdiction, and (C) a true and complete copy of a certificate from the appropriate Governmental Authority certifying that such entity is duly qualified and in good standing to transact business in such jurisdiction, if the failure to be so qualified or in good standing could reasonably be expected to have a Material Adverse Effect;

(ii) that attached to such certificate is a true and complete copy of resolutions duly adopted by the board of directors or management committee of such Loan Party, as applicable, authorizing the execution, delivery and performance of such of the Loan Documents to which such Loan Party is or is intended to be a party; and

(iii) as to the incumbency and specimen signature of each officer of such Loan Party executing such of the Loan Documents to which such Loan Party is or is intended to be a party.

(f) Debenture; Deposit Agreement. The Administrative Agent shall have received, as applicable, (i) duly executed counterparts of the Debenture and Deposit Agreements from Borrower and each Restricted Subsidiary, as applicable, which shall create a floating charge and other security in favor of the Administrative Agent for the benefit of the Lenders with respect to substantially all of the Properties (including Oil and Gas Properties) of Borrower and its Restricted Subsidiaries located in Canada, together with (ii) such other documents or instruments as the Administrative Agent may reasonably request.

(g) Lien Searches. The Administrative Agent shall have received (i) the Lien Searches, all dated reasonably close to the Effective Date, in the discretion of the Administrative Agent and in form and substance satisfactory to the Administrative Agent, and (ii) evidence
reasonably satisfactory to the Administrative Agent that the Liens indicated by the financing statements (or similar documents) in such Lien Searches are permitted by Section 7.2 or have been released.

(h) **Priority; Security Interest.** The Collateral shall be free and clear of all Liens, except Liens permitted by Section 7.2. All filings, notices, recordings and other action necessary to perfect the Liens in the Collateral shall have been made, given or accomplished or arrangements for the completion thereof satisfactory to the Administrative Agent and its counsel shall have been made and all filing fees and other expenses related to such actions either have been paid in full or arrangements have been made for their payment in full which are satisfactory to the Administrative Agent.

(i) **Initial Reserve Report.** The Administrative Agent and the Lenders shall have received and shall be satisfied with the contents, results and scope of the Initial Reserve Report.

(j) **Environmental.** The Administrative Agent shall have received such environmental reports as it may reasonably require and shall be satisfied with the condition of the Oil and Gas Properties with respect to Borrower’s and its Restricted Subsidiaries’ compliance with Environmental Laws.

(k) **Effectiveness Notice.** The Administrative Agent shall have received the Effectiveness Notice.

(l) **Approvals and Consents.** The Administrative Agent shall have received copies of all Governmental Approvals and third party consents and approvals necessary or advisable in connection with the (i) Financing Transaction, (ii) the continuing operations of Borrower and its Subsidiaries, and (iii) Parent IPO, and all applicable waiting periods and appeal periods shall have expired, in each case without the imposition of any conditions which could reasonably be expected to have a Material Adverse Effect. There shall be no actual government or judicial action restraining, preventing or imposing conditions on the Financing Transactions which could reasonably be expected to have a Material Adverse Effect.

(m) **Insurance.** The Administrative Agent and the Lenders shall have received certificates from Borrower’s insurers certifying (i) compliance with all of the insurance required by Section 5.7 and by the Security Documents and (ii) that such insurance is in full force and effect as of the Effective Date.

(n) **Pro Forma Balance Sheet and Income Statement.** The Administrative Agent shall have received (i) the pro forma combined balance sheets and income statements of Parent and its consolidated Subsidiaries described in Section 3.10(e) and (ii) projected financial statements for Borrower for a two (2) year period, in each case, giving effect to Parent IPO and any related transaction. Such pro forma combined balance sheet shall be consistent in all material respects with the forecasts and other information previously provided to the Lenders. All such information shall be duly certified by an Authorized Officer.

(o) **Hedging Agreements.** The Administrative Agent shall have received a list of any Hedging Agreements currently in existence with respect to Borrower or any of its Restricted Subsidiaries.
(p) **Floating Charge.** The Administrative Agent shall have received satisfactory evidence that substantially all of the Properties (including all Oil and Gas Properties) of Borrower and the Restricted Subsidiaries are subject to a floating charge in favor of the Administrative Agent for the benefit of the Lenders.

(q) **Financial Statements.** The Administrative Agent shall have received or been provided access to (i) the financial statements described in Section 3.10 hereof, (ii) copies of all financial statements (including pro forma financial statements), reports, notices and proxy statements sent by FST to its respective stockholders during the period after December 31, 2010, and (iii) copies of all SEC filings and Canadian regulatory filings concerning the Parent IPO.

(r) **No Material Adverse Effect; Litigation.** The Administrative Agent shall have received a certificate, signed by an Authorized Officer of Parent, stating that (i) no event or condition has occurred since December 31, 2010, which could reasonably be expected to have a Material Adverse Effect on the Financing Transactions or the Parent IPO and (ii) no litigation, arbitration, governmental proceeding, claim for Taxes, dispute or administrative or other proceeding shall be pending or, to the knowledge of Parent, threatened against Parent or any of its respective Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which purports to affect the legality, validity or enforceability of any Loan Document except as previously disclosed to the Lenders.

(s) **Existing Canadian Credit Facility.** The Administrative Agent shall have received a certificate, signed by an Authorized Officer of Parent, stating that Borrower or its Subsidiaries are repaying in full and are terminating the Existing Canadian Credit Facility contemporaneously with the funding of the Loans under this Agreement. The Administrative Agent shall have received evidence satisfactory to it that all Liens associated with the Existing Canadian Credit Facility are being released or terminated contemporaneously with the making of such payments and that arrangements satisfactory to the Administrative Agent has been made for recording and filing of such releases.

(t) **Tax Ruling.** Borrower shall have delivered to the Administrative Agent a certificate of an Authorized Officer stating that it has received (i) an opinion of FST's certified public accountants that the Spin-Off should not result in taxable income accruing to FST or its shareholders and (ii) an opinion of FST's certified public accountants that the contribution of Borrower, Wiser I and Wiser II to Parent by FST should not result in capital gains tax being owed in Canada on such contribution.

(u) **Intercompany Debt.** The Administrative Agent and the Lenders shall have received acceptable evidence of (i) the repayment by Borrower in an amount sufficient to cause the outstanding intercompany advances made by FST to Borrower (the "Intercompany Debt") to be no more than U.S.$100,000,000 and (ii) the contribution by FST of all Equity Interests of Borrower, Wiser I and Wiser II to Parent.

(v) **Other Documents.** The Administrative Agent shall have received such other legal opinions, information, approvals, instruments and documents as the Administrative Agent or its counsel may have reasonably requested.
(w) **Satisfactory Legal Form.** All documents executed or submitted pursuant hereto by and on behalf of Borrower or any other Loan Party shall be in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

The Administrative Agent shall notify Borrower, the other Agents and the Lenders of the Effective Date, and such notice shall be conclusive and binding. Notwithstanding the foregoing, the obligations of (a) the Lenders to make Loans and (b) any Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.2) at or prior to 3:00 p.m., New York City time, on July 29, 2011 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time).

SECTION 4.3. **Each Credit Event.** The obligation of each Lender to make a Loan on the occasion of any Borrowing, and of the Issuing Banks to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) **Representations and Warranties.** At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, the representations and warranties of each Loan Party set forth in the Loan Documents to which it is a party shall be true and correct on and as of such date after giving effect to such funding and to the intended use thereof in all material respects as if made on and as of such date (or, if stated to have been made expressly as of an earlier date, were true and correct in all material respects as of such date).

(b) **No Defaults.** At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

(c) **No Material Adverse Effect.** At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, no event or events shall have occurred which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

(d) **Borrowing Request.** The Administrative Agent shall have received a Borrowing Request for any Borrowing. Each Borrowing and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

**ARTICLE V**

**AFFIRMATIVE COVENANTS**

Each of Parent and Borrower agrees with the Administrative Agent, the other Agents, any Issuing Bank and each Lender that, until the Commitments have expired or been terminated and Obligations shall have been paid and performed in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed and no Bankers' Acceptances Liabilities are outstanding, it will perform its obligations set forth in this Article.
SECTION 5.1. Financial Reporting; Notices and Other Information. Borrower will furnish, or will cause to be furnished, to each Lender, the Administrative Agent the following financial statements, reports, notices and information:

(a) Within 90 days after the end of each fiscal year, beginning with the fiscal year ending December 31, 2011, a copy of Parent’s audited annual report for the applicable fiscal year, including therein a consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Parent and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b) Within 45 days after the end of each fiscal quarter beginning with the fiscal quarter ending June 30, 2011, Parent’s consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for the applicable fiscal quarter and the then-elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by an Authorized Officer as presenting fairly in all material respects the financial condition and results of operations of Parent and its consolidated Restricted Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(c) Concurrently with any delivery of financial statements under clause (a) or (b) above, a compliance certificate, in substantially the form of Exhibit C or any other form approved by the Administrative Agent, executed by an Authorized Officer of Borrower (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Article VI, and (iii) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.10 and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) Promptly after the sending or filing thereof, copies of all material public filings, (other than the applicable Form 10-K or Form 10-Q), reports and communications from Parent and any of its Subsidiaries, and all reports, proxy statements and registration statements which Parent or any of its Subsidiaries files with the Commission or any national securities exchange;

(e) By February 15th of each year, a Reserve Report prepared by an Approved Engineer or prepared by Borrower and audited by an Approved Engineer (the “Independent Reserve Report”), and by August 15th of each year, a Reserve Report prepared by Borrower (subject to the proviso contained in the first sentence of Section 2.7(c)), utilizing the customary discount rates and price deck of the Administrative Agent and in form and substance acceptable to the Administrative Agent (the “Internal Reserve Report”);
(f) [Intentionally omitted];

(g) Within thirty (30) days after the end of each calendar quarter, a certificate specifying any sales, transfer, assignments or other dispositions of Property of Borrower or any of its Restricted Subsidiaries governed by subsections (d), (e), (f) or (g) of Section 7.5 occurring during such calendar quarter, executed on behalf of Borrower by an Authorized Officer; and

(h) Promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Parent or any Restricted Subsidiary, including any requested Internal Reserve Report, or compliance with the terms of this Agreement, as the Administrative Agent or any Lender may reasonably request.

(i) Documents required to be delivered pursuant to this Section 5.1 may be delivered electronically and shall be deemed to have been so delivered on the date (i) on which the Borrower posts such documents, or provides a link thereto, on its website (located on the date hereof at www.lonepineresources.com) or (ii) on which such documents are posted on the Borrower's behalf on the website of the United States Securities and Exchange Commission or the website of the System for Electronic Document Analysis and Retrieval (SEDAR) or on IntraLinks or another relevant website, if any, to which each Lender and the Administrative Agent have access (whether a commercial third-party website or whether sponsored by the Administrative Agent); provided that, the Borrower shall notify the Administrative Agent of the posting of any such documents and the Administrative Agent shall in turn give the Lenders notice of such posting; and provided further that, if requested by the Administrative Agent, the Compliance Certificate to be delivered under Section 5.1(c) shall also be delivered in a tangible, physical version or in .pdf format.

SECTION 5.2. Notice of Material Events.

(a) Promptly, and in any event within three (3) Business Days of any Authorized Officer of Parent or any of its Restricted Subsidiaries becoming aware of the following events, Parent will furnish to the Administrative Agent and each Lender written notice of the following events:

(i) the occurrence of any Default;

(ii) the incurrence, or any proposed incurrence, of Senior Notes by Parent or any of its Restricted Subsidiaries; and

(iii) any sales, transfers, assignments or other dispositions of Property of Parent or any of its Restricted Subsidiaries governed by subsections (d), (e), (f) (but only if such transaction involves the sale of assets for a value in excess of two percent (2%) of the lesser of (A) the Borrowing Base, if in effect, and (B) the Commitments) or (g) of Section 7.5;

(b) Promptly, and in any event within thirty (30) days of any Authorized Officer of Parent or any of its Restricted Subsidiaries becoming aware of the following events, Parent will furnish to the Administrative Agent and each Lender written notice of the following:
(i) (A) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting Parent or any of its Restricted Subsidiaries thereof or (B) the occurrence of any adverse development with respect to any action, suit or proceeding previously disclosed to the Administrative Agent or the Lenders pursuant to this Agreement, in each case if such action, suit, proceeding or development could reasonably be expected to result in a Material Adverse Effect;

(ii) the occurrence of any Canadian Pension Plan Termination Event or any ERISA Event that, alone or together with any other Canadian Pension Plan Termination Events or ERISA Events that have occurred, could reasonably be expected to result in liability of Borrower and its Restricted Subsidiaries in an aggregate amount which could reasonably be expected to have a Material Adverse Effect;

(iii) any and all enforcement, cleanup, removal or other governmental or regulatory actions or other environmental claims asserted against Borrower or any of its Restricted Subsidiaries or any of its Properties pursuant to any applicable Environmental Laws which, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(iv) any default under one or more Hedging Agreements which results in an obligation of Borrower or any of its Restricted Subsidiaries to make one or more payments in an aggregate amount in excess of C$10,000,000; and

(v) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect.

(c) Each notice delivered under this Section shall be accompanied by a statement of an Authorized Officer of Parent setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.3. Information Regarding Collateral. Borrower will furnish to the Administrative Agent promptly, and in any event within thirty (30) days upon becoming aware of the following changes, written notice of any change (a) in any Loan Party’s corporate name or in any trade name used to identify such Loan Party in the conduct of its business or in the ownership of any of its Properties, (b) in the location of any Loan Party’s chief executive office or its principal place of business, (c) in any Loan Party’s state or province of incorporation or formation, (d) in any Loan Party’s identity or corporate structure, (e) in any Loan Party’s organizational identification number or any other such similar number identifying such Loan Party, and (f) in the location of any Collateral to any jurisdiction in which any registration of, or in respect of, any security agreement or pledge agreement may not be effective to protect the Lien created thereunder, including information regarding the time of such relocation, the items being relocated and the intended new locality of such items.

SECTION 5.4. Existence; Conduct of Business. Borrower will, and will cause each of its Restricted Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect (a) its legal existence and (b) the rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks and trade names material to the conduct of
its business, except where the failure to so preserve, renew or keep in full force and effect such rights, licenses, permits, privileges, franchises, patents, copyrights, trademarks or trade names could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.5. Payment of Obligations. Borrower will, and will cause each of its Restricted Subsidiaries to, pay its obligations, including liabilities for Taxes, before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) Parent or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and the enforcement of any Lien securing such obligation, and (d) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.6. Maintenance of Properties. Borrower will, and will cause each of its Restricted Subsidiaries to, keep, preserve, protect and maintain all Properties material to the conduct of its business in good repair, working order and condition, and make necessary and proper repairs, renewals and replacements so that its business, and the respective businesses of its Restricted Subsidiaries, carried on in connection therewith may be properly conducted at all times in accordance with standard industry practices unless the (i) Borrower or the respective Restricted Subsidiary determines in good faith that the continued maintenance of any of its Properties is no longer economically desirable or (ii) the failure to so keep, preserve, protect and maintain such Properties or the failure to make such repairs, renewals or replacements could not reasonably be expected to result in a Material Adverse Effect. In particular, Borrower will, and will cause each of its Restricted Subsidiaries to, operate or cause to be operated its Oil and Gas Properties as a reasonable and prudent operator.

SECTION 5.7. Insurance. Borrower will, and will cause each of its Restricted Subsidiaries to, maintain, with financially sound and reputable insurance companies insurance in such amounts and against such risks as are customarily maintained by companies of established repute engaged in the same or similar businesses operating in the same or similar locations. The Administrative Agent, on behalf of the Lenders, will be named as sole loss payee and additional insured, as appropriate, with respect to such insurance. Borrower will furnish to the Lenders, upon request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

SECTION 5.8. Casualty and Condemnation. Borrower (a) will furnish to the Administrative Agent and the Lenders written notice promptly, and in any event within three (3) Business Days of the occurrence, of any Casualty Event to any Collateral or the commencement of any action or proceeding for the taking of any material portion of the Collateral or any part thereof or interest therein under power of eminent domain or by condemnation or similar proceeding and (b) will ensure that the Net Proceeds of any such event (whether in the form of insurance proceeds, condemnation awards or otherwise) are collected and applied in accordance with the applicable provisions of the Loan Documents.

SECTION 5.9. Books and Records; Inspection and Audit Rights. Parent will, and will cause each of its Subsidiaries to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and
activities. Parent will, and will cause each of its Restricted Subsidiaries to, permit any representatives or agents designated by the Administrative Agent or any Lender (including any consultants, accountants, lawyers and appraisers), upon reasonable prior notice and at the reasonable cost and expense of Borrower, to visit and inspect its Properties, including the Oil and Gas Properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.

SECTION 5.10. Compliance with Laws. Borrower will, and will cause each of its Subsidiaries to, comply with all Governmental Rules applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.11. Use of Proceeds and Letters of Credit. Borrower will, and will cause each Subsidiary to, use the proceeds of the Loans (a) to refinance existing Indebtedness of Borrower and its Subsidiaries, (b) to reimburse each Issuing Bank for LC Disbursements in accordance with Section 2.4(e), or (c) for Borrower’s and its Subsidiaries’ general corporate purposes, in the ordinary course of business including for any non-hostile acquisitions, working capital, and the development of oil and gas properties. Letters of Credit will be issued only to support normal and customary oil and gas operations undertaken by Borrower or any of its Subsidiaries in the ordinary course of its business.

SECTION 5.12. Unrestricted Subsidiaries. Parent:

(a) will cause the management, business and affairs of Parent and its Restricted Subsidiaries to be conducted in such a manner (including, by keeping separate books of account, furnishing separate financial statements of Unrestricted Subsidiaries to creditors and potential creditors thereof and by not permitting any Property of Parent and its respective Subsidiaries to be commingled) so that each Unrestricted Subsidiary that is a corporation will be treated as a corporate entity separate and distinct from Parent and the Restricted Subsidiaries;

(b) except as permitted by Section 7.1(a)(iv), will not, and will not permit any of the Restricted Subsidiaries to, incur, assume, Guarantee or be or become liable for any Indebtedness of any of the Unrestricted Subsidiaries; and

(c) will not permit any Unrestricted Subsidiary to hold any Equity Interest in, or any Indebtedness of, any Restricted Subsidiary.


(a) Borrower will, and will cause each of its Restricted Subsidiaries to, comply in all material respects with all Environmental Laws now or hereafter applicable to Borrower or its Restricted Subsidiaries, and shall obtain, at or prior to the time required by applicable Environmental Laws, all environmental, health and safety permits, licenses and other authorizations necessary for its operations and maintain such authorizations in full force and effect, except to the extent failure to have any such permit, license or authorization could not reasonably be expected to have a Material Adverse Effect.
(b) Borrower will, and will cause each of its Restricted Subsidiaries to, promptly furnish to the Administrative Agent all requests for information, notices of claim, demand letters, and other written notifications, received by Borrower or its Restricted Subsidiaries, asserting that in connection with its ownership or use of its Properties or the conduct of its business, it is potentially liable for investigation or clean-up of Hazardous Material at any location, except to the extent any such investigation or clean-up could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.14. Additional Subsidiaries. If any Restricted Subsidiary as of the date of its formation, its acquisition or at any time thereafter, has a total asset value in excess of C$5,000,000 (or its equivalent in other currencies) and has incurred Indebtedness or Guaranteed Indebtedness in excess of C$5,000,000 (or its equivalent in other currencies) in favor of any Person other than a Loan Party, then Borrower will (a) cause such Subsidiary (unless such Subsidiary is a Foreign Subsidiary) to execute a Guaranty within 30 days after such Subsidiary is formed or acquired or is determined to have the requisite total asset value and Indebtedness owed to third parties and (b)(i) to execute a Debenture and a Deposit Agreement (to the extent necessary to comply with Section 5.15(c)) and promptly take such actions to create and perfect Liens on such Subsidiary’s assets to secure the Obligations as the Administrative Agent shall reasonably request and (ii) pledge or cause to be pledged, and create a first priority security interest in, pursuant to such foregoing Debentures and Deposit Agreements, all Equity Interests in such Restricted Subsidiary within 30 days after such Subsidiary is formed or acquired.

SECTION 5.15. Further Assurances.

(a) Borrower will, and will cause each Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any applicable law, or which the Administrative Agent or the Majority Lenders may reasonably request, to effect the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties. Borrower also agrees to provide to the Administrative Agent, from time to time upon reasonable request of the Administrative Agent, information which is in the possession of Borrower or its Restricted Subsidiaries or otherwise reasonably obtainable by any of them, reasonably satisfactory to the Administrative Agent as to the perfection and priority of the Liens created or intended to be created by the Security Documents. The Security Documents shall remain in effect at all times unless otherwise released pursuant to the terms of this Agreement.

(b) Borrower hereby authorizes the Administrative Agent and the Lenders to file one or more financing statements, and amendments thereto, or any equivalent thereto in Canada or any province, relative to all or any part of the Collateral without the signature of Borrower or any other Loan Party where permitted by law. A carbon, photographic or other reproduction of the Security Documents or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. The Administrative Agent will promptly send Borrower any financing statements or amendments thereto it files without the
signature of Borrower or any other Loan Party and the Administrative Agent will promptly send Borrower the filing or recordation information with respect thereto.

(c) If at any time the Administrative Agent shall have received currently effective, duly executed Loan Documents encumbering Oil and Gas Properties of Borrower and its Restricted Subsidiaries constituting less than 75% of the Present Value of Oil and Gas Properties of Borrower and its Restricted Subsidiaries then Borrower will notify the Administrative Agent and the Lenders thereof and will, and/or will cause its Restricted Subsidiaries to, execute and deliver to the Administrative Agent for the ratable benefit of each Lender (other than any such Lender having notified the Administrative Agent that it may not legally benefit from a given Security Document) supplemental or additional Security Documents, in form and substance reasonably satisfactory to the Administrative Agent and its counsel (including, but not limited to, (A) in the case of Restricted Subsidiaries whose Oil and Gas Properties are to be mortgaged pursuant to this Section 5.15(c), (1) a Guaranty, (2) a pledge of all Equity Interests in such Restricted Subsidiary pursuant to a Pledge Agreement and (3) appropriate Security Documents and (B) in the case of Borrower, a Security Document), covering additional Oil and Gas Properties of Borrower and its Restricted Subsidiaries not then encumbered by any Loan Documents such that the Administrative Agent shall have received currently effective duly-executed Security Documents (A) encumbering Oil and Gas Properties of Borrower and its Restricted Subsidiaries constituting 75% or more of the Present Value of Oil and Gas Properties of Borrower and its Restricted Subsidiaries.

SECTION 5.16. Additional Guaranties; Pledge Agreement; Termination of FST Guaranty.

(a) On or before the Spin-Off Date, Borrower and Parent shall deliver, or shall cause to be delivered, to the Administrative Agent, for the benefit of the Lenders, (i) Guaranties, in substantially the form attached hereto as Exhibit F-2, by each of Parent, Wiser I and Wiser II; (ii) Pledge Agreements, in substantially the form attached hereto as Exhibit G, from each of Parent, Wiser I, and Wiser II, pledging its Equity Interests in the Borrower, Wiser I, and Wiser II; (iii) an opinion addressed to the Administrative Agent, the other Agents and the Lenders, from Vinson & Elkins L.L.P., U.S. counsel to FST, Parent, Wiser I and Wiser II, in form and substance reasonably satisfactory to the Administrative Agent, with respect to the additional Guaranties and the Pledge Agreements referenced in this Section 5.16(a); and (iv) the execution and delivery of any and all further documents, agreements, instruments and certificates reasonably requested by the Administrative Agent in connection with the delivery of the additional Guaranties and the Pledge Agreements referenced in this Section.

(b) Upon the occurrence of the Spin-Off Date and the delivery of the Security Documents described in Section 5.16(a) above, the Guaranty of FST shall terminate and all Obligations thereunder shall cease.
ARTICLE VI
FINANCIAL COVENANT

Parent agrees with the Administrative Agent, the other Agents, any Issuing Bank, and each Lender that, until the Commitments have expired or been terminated and Obligations shall have been paid and performed in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, Parent will perform the obligations set forth in this Article.

SECTION 6.1. Ratio of Total Debt to EBITDA. Parent will not permit its ratio of Total Debt outstanding to EBITDA (calculated for the last four consecutive fiscal quarter period then most recently ended for which financial statements are available) to be greater than 4.00 to 1.0.

ARTICLE VII
NEGATIVE COVENANTS

Each of Parent and Borrower agrees with the Administrative Agent, the other Agents, any Issuing Bank, and each Lender that, on and after the date of the satisfaction of the requirements of Section 4.2 and until the Commitments have expired or been terminated and Obligations shall have been paid and performed in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed and no Bankers’ Acceptances Liabilities are outstanding, it will perform its obligations set forth in this Article.

SECTION 7.1. Indebtedness; Certain Equity Securities.

(a) Borrower and Parent will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(i) Indebtedness created under the Loan Documents;

(ii) Senior Notes and guarantees thereof by any Guarantor or Borrower in an aggregate principal amount not to exceed at any one time U.S.$500,000,000;

(iii) Indebtedness of Parent to any Restricted Subsidiary and of any Restricted Subsidiary to Parent or any other Restricted Subsidiary that is subordinated to the Obligations (other than Hedging Obligations) in form and substance reasonably satisfactory to the Administrative Agent;

(iv) (A) Guarantees by Parent of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of Parent or any other Subsidiary, in each case existing as of the date hereof and set forth in Schedule 7.1(a)(iv); and (B) other Guarantees by Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of Parent or any other Subsidiary; provided that with respect to clause (B), the Guarantees by Parent or any other Loan Party of Indebtedness of any Unrestricted Subsidiary shall not exceed at any time U.S.$5,000,000 in the aggregate and shall be subject to Section 7.4;
(v) Indebtedness of any Person that becomes a Restricted Subsidiary after the Effective Date; provided that (A) such Indebtedness exists at the time such Person becomes a Restricted Subsidiary and is not created in contemplation of or in connection with such Person becoming a Restricted Subsidiary and (B) the aggregate principal amount of Indebtedness permitted by this clause (v) and clause (ix) shall not exceed C$25,000,000 at any time outstanding;

(vi) Indebtedness of Parent and its Restricted Subsidiaries secured by Liens permitted by Section 7.2(e) up to but not exceeding U.S.$10,000,000 at any one time outstanding;

(vii) Capital Lease Obligations or sale and leasebacks (i) of Borrower and its Restricted Subsidiaries secured by Liens permitted by Section 7.2(i) up to but not exceeding C$10,000,000 at any one time outstanding, and (ii) related to the infrastructure and compression projects set forth on Schedule 7.1(a)(vii) attached hereto;

(viii) prior to the Spin-Off Date, Indebtedness relating to Intercompany Debt not to exceed U.S.$100,000,000;

(ix) other Indebtedness of Borrower and its Restricted Subsidiaries in an aggregate principal amount not exceeding C$30,000,000 at any time outstanding; and

(x) Indebtedness, not to exceed C$10,000,000 consisting of performance, bid and customs bonds, letters of credit, statutory obligations, surety and appeal bonds and other obligations of a like nature incurred in the ordinary course of businesses in connection with new, renewed or extended charter or leases of rigs entered into after the Effective Date, and (ii) Indebtedness incurred in the ordinary course of business with respect to insurance premium financing for insurance being acquired by Borrower or any Subsidiary under customary terms and conditions.

(b) Borrower and Parent will not, and will not permit any Restricted Subsidiary to, issue any Preferred Equity Interest.

(c) Borrower and Parent will not permit any of the Unrestricted Subsidiaries to create, incur or suffer to exist any Indebtedness except:

(i) Non-Recourse Debt in an aggregate principal amount not to exceed C$125,000,000 at any time outstanding; and

(ii) letter of credit or bank guarantee reimbursement obligations of such Unrestricted Subsidiary in an amount not to exceed C$10,000,000 in the aggregate at any one time outstanding, provided that stated principal amount of all such reimbursement obligations so Guaranteed shall be considered Investments and be subject to the aggregate limitation on Investments in Unrestricted Subsidiaries imposed under Section 7.4(h).

SECTION 7.2. Liens. Borrower and Parent will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any Property or
asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Liens created under the Loan Documents;

(b) Permitted Encumbrances;

(c) any Lien on any Property or asset of Borrower or any Restricted Subsidiary existing on the Effective Date and set forth in Schedule 7.2; provided that (i) such Lien shall not apply to any other Property or asset of Borrower or any Restricted Subsidiary and (ii) such Lien shall secure only those obligations which it secures on the Effective Date;

(d) any Lien existing on any Property or asset prior to the acquisition thereof by Borrower or any Restricted Subsidiary or existing on any Property or asset of any Person that becomes a Restricted Subsidiary after the Effective Date prior to the time such Person becomes a Restricted Subsidiary; provided that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, as the case may be, (ii) such Lien shall not apply to any other Property or assets of Borrower or any Restricted Subsidiary, and (iii) such Lien shall secure only those obligations which it secures on the date of such acquisition or the date such Person becomes a Restricted Subsidiary, as the case may be;

(e) any Liens on assets acquired, constructed or improved by Borrower or any Restricted Subsidiary; provided that (i) such Liens secure Indebtedness permitted by clause (v) or (vi) of Section 7.1(a), (ii) such Liens and the Indebtedness secured thereby are incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement, (iii) the Indebtedness secured thereby does not exceed 80% of the cost of acquiring, constructing or improving such fixed or capital assets, and (iv) such Liens shall not apply to any other Property of Borrower or any of its Restricted Subsidiaries;

(f) any Liens for or arising under farm-in, farm-out, joint operating, pooling or unitization agreements, area of mutual interest agreements, processing or unitization agreements, or similar agreements entered into by Borrower and its Restricted Subsidiaries in the ordinary course of business and which Borrower or such Restricted Subsidiary determines in good faith to be necessary for or advantageous to the economic development of their Properties;

(g) additional Liens upon real and/or personal Property created after the date hereof, provided that the aggregate Indebtedness secured thereby and incurred on and after the date hereof shall not exceed C$5,000,000 in the aggregate at any one time outstanding;

(h) any Liens created pursuant to any Hedging Agreement (i) with any Lender or any Affiliate of such Lender, or (ii) with any other Person, provided that the aggregate value of the obligation secured by all such Liens permitted by this clause (h)(ii) shall not exceed C$5,000,000 in the aggregate at any one time outstanding and no such Liens shall extend to any Hydrocarbon Interests;

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(i) Liens to secure Capital Lease Obligations or sale and leaseback transactions permitted under Section 7.1(a)(vii); provided that such Liens attach only to Property subject of such Capital Lease Obligation;

(j) Liens securing obligations of a Subsidiary of Borrower to Borrower; and

(k) any extension, renewal or replacement of the foregoing, provided that the Liens permitted hereunder shall not be spread to cover any additional Indebtedness or Property (other than a substitution of like Property).

SECTION 7.3. Fundamental Changes.

(a) Borrower and Parent will not, and will not permit any Restricted Subsidiary to, merge into or consolidate or amalgamate with any other Person, or permit any other Person to merge into or consolidate or amalgamate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing (i) any Restricted Subsidiary may merge into or amalgamate with Borrower, (ii) any Restricted Subsidiary may merge into or amalgamate with any Restricted Subsidiary, (iii) any Restricted Subsidiary (other than a Loan Party) may liquidate or dissolve if Borrower determines in good faith that such liquidation or dissolution is in the best interests of Borrower and is not materially disadvantageous to the Lenders, and (iv) Borrower or any Restricted Subsidiary may merge, amalgamate or consolidate with any other Person if in the case of a merger, amalgamation or consolidation of Borrower, Borrower is the surviving corporation or the amalgamated corporation resulting from such amalgamation continues to be liable for the Obligations of the Borrower under the Loan Documents or applicable law, and, in any other case, the surviving corporation or amalgamated corporation is a wholly-owned Restricted Subsidiary and such Restricted Subsidiary (x) has complied with the requirements of Section 5.12 and (y) shall have assumed and ratified all obligations of any Restricted Subsidiary involved in such merger or amalgamation pursuant to documentation in form and substance satisfactory to the Administrative Agent.

(b) Borrower and Parent will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than businesses of the type conducted by Borrower and its Subsidiaries on the date of execution of this Agreement and businesses reasonably related thereto.

SECTION 7.4. Investments, Loans, Advances, Guarantees and Acquisitions. Borrower and Parent will not, and will not permit any Restricted Subsidiary to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a Restricted Subsidiary prior to such merger) any Equity Interests in or evidences of Indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any Indebtedness of, or make or permit to exist any Investment in or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit, except:

(a) Permitted Investments;
(b) Investments existing on the date of this Agreement and set forth on Schedule 7.4;

(c) Investments by Borrower and its Restricted Subsidiaries in Equity Interests in Restricted Subsidiaries and Indebtedness of Borrower or a Restricted Subsidiary permitted by Section 7.1(a)(iii); provided that (i) the aggregate amount of Investments by Restricted Subsidiaries in and Guarantees by Restricted Subsidiaries of Indebtedness of, Foreign Subsidiaries (other than those located in the United States) and other Restricted Subsidiaries relating to Oil and Gas Properties not located within the geographic boundaries of Canada or the United States (including all Investments existing on the Effective Date) shall not exceed C$25,000,000 at any time outstanding, and (ii) any Foreign Subsidiary or any other Restricted Subsidiary owning Oil and Gas Properties not located within the geographic boundaries of Canada may make Investments in any of its wholly-owned direct or indirect Restricted Subsidiaries to the extent of the net income of such Foreign Subsidiary or the net income attributable to such Oil and Gas Properties;

(d) one or more substantially contemporaneous Investments in Equity Interests of any Person owning Oil and Gas Properties which, after giving effect to such Investments, will be a Restricted Subsidiary or will be merged into or with a Restricted Subsidiary; provided that (i) as a result of such Investments, such Person becomes a wholly-owned Restricted Subsidiary and has complied with the requirements of Section 5.14, and (ii) no Default would result from such Person becoming a Restricted Subsidiary;

(e) Guarantees constituting Indebtedness permitted by Section 7.1; provided that (i) a Restricted Subsidiary shall not Guarantee any other Indebtedness unless such Restricted Subsidiary also has Guaranteed the Obligations pursuant to a Guaranty delivered pursuant to Article IV on the Effective Date or pursuant to Section 5.14, and (ii) the aggregate principal amount of Indebtedness of Foreign Subsidiaries that is Guaranteed by any Restricted Subsidiary shall be subject to the limitation set forth in clause (c) above;

(f) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(g) Investments in Oil and Gas Properties;

(h) (i) Investments in Unrestricted Subsidiaries existing as of the date hereof and set forth in Schedule 7.4, and (ii) other Investments in Unrestricted Subsidiaries (including Investments in the form of guarantees of letters of credit or bank guarantee reimbursement obligations of an Unrestricted Subsidiary in an amount not to exceed U.S.$10,000,000 at any one time outstanding) up to but not exceeding U.S.$30,000,000 (or the equivalent in other currencies) cumulatively in the aggregate during the term of this Agreement plus the net cash proceeds of any issuance of Equity Interests which is applied simultaneously or substantially simultaneously for an Investment, including Investments in Unrestricted Subsidiaries; provided that any cash dividends received by Borrower or any Restricted Subsidiary from any Unrestricted Subsidiary shall reduce pro tanto the aggregate amount of the Investments in such Unrestricted Subsidiary for purposes of calculating compliance with such U.S.$30,000,000 limitation; and
(i) additional Investments in an aggregate principal amount not to exceed five percent (5%) of the then currently effective Borrowing Base when made, at any one time outstanding.

SECTION 7.5. Asset Sales. Borrower and Parent will not, and will not permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any Property or asset, including any Equity Interest owned by it, nor will Borrower or Parent permit any of its Restricted Subsidiaries to issue any additional Equity Interest in such Restricted Subsidiary, except:

(a) sales or other dispositions of inventory, used or surplus equipment and Permitted Investments in the ordinary course of business;

(b) sales, transfers and dispositions of Property to Borrower or a Restricted Subsidiary (including the transfer of Oil and Gas Properties into newly created general or limited partnerships or limited liability companies, all of the Equity Interests of which are directly or indirectly owned by Borrower and/or its other Restricted Subsidiaries) or the issuance of any Equity Interest in Borrower or any Restricted Subsidiary to Borrower or any Restricted Subsidiary;

(c) any Hydrocarbons produced or sold in the ordinary course of business;

(d) the sale, transfer or other disposition in one or more transactions of the Properties, including the midstream assets and assets incidental thereto in the Naraway and Ojay fields, listed on Schedule 7.5;

(e) the sale, transfer or other disposition of Equity Interests in Unrestricted Subsidiaries;

(f) the sale, transfer or other disposition in one or more transactions of Property (other than Equity Interests in Restricted Subsidiaries) not constituting Borrowing Base Properties; provided that the aggregate value of such Property so sold, transferred or disposed of during any six (6) month period does not exceed C$25,000,000; and

(g) the sale, transfer or other disposition in one or more transactions of Property constituting either Equity Interests in Restricted Subsidiaries or any Oil and Gas Properties that are given value in the calculation of the Borrowing Base, as applicable, including the sale of any Production Payments; provided that if the aggregate fair market value of such Oil and Gas Property so sold, transferred or disposed of during the period since the most recent redetermination of the Borrowing Base shall exceed 10% of the amount of the then currently effective Borrowing Base, then the Borrowing Base shall be reduced by an amount equal to value assigned such Oil and Gas Property in the most recently prepared Reserve Reports (or if no such value was assigned, by an amount to be agreed upon by Borrower and the Administrative Agent, each acting reasonably).

SECTION 7.6. Sale and Leaseback Transactions. Except to the extent permitted by Section 7.1 and Section 7.2, Borrower and Parent will not, and will not permit any Loan Party, other than FST, to enter into any arrangement, directly or indirectly, whereby it shall sell or
transfer any Property, real or personal, used or useful in its business, whether now owned or hereinafter acquired, and thereafter rent or lease such Property or other Property that it intends to use for substantially the same purpose or purposes as the Property sold or transferred.

SECTION 7.7. **Hedging Agreements.**

(a) At no time shall Borrower and Parent and its Restricted Subsidiaries have (i) Hedging Agreements rolling on a five-year basis relating to crude oil in place with respect to more than 80% of reasonably anticipated, as of the date when entered into, crude oil Hydrocarbon production net of royalties from the “proved developed producing oil and gas reserves” (as defined in the standards and guidelines of the Commission or in accordance with NI 51-101, provided that if both the Commission standards and guidelines and NI 51-101 are applicable, the Commission standards and guidelines shall control) or (ii) Hedging Agreements rolling on a five-year basis relating to natural gas in place with respect to more than 80% of reasonably anticipated, as of the date when entered into, natural gas Hydrocarbon production net of royalties from the “proved developed producing oil and gas reserves” (as defined in the standards and guidelines of the Commission or in accordance with NI 51-101, provided that if both the Commission standards and guidelines and NI 51-101 are applicable, the Commission standards and guidelines shall control), in either case which are attributable to the Hydrocarbon Interests of Borrower and its Restricted Subsidiaries as set forth in the most recently delivered Reserve Report.

(b) Borrower and Parent will not, and will not permit any Loan Party, other than FST, to enter into any Hedging Agreement, other than Hedging Agreements entered into in the ordinary course of business to hedge or mitigate risks to which Borrower or any Restricted Subsidiary is exposed in the conduct of its business or the management of its liabilities.

SECTION 7.8. **Restricted Payments: Certain Payments of Indebtedness.** From and after the Spin-Off Date, Parent will not declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that Parent may make Restricted Payments provided that (A) such Restricted Payments are in shares of common stock or other Equity Interests of Parent or (B) if such Restricted Payments are in cash or of Property not constituting Equity Interests, then the aggregate amount of all such dividends shall not exceed (in cash or fair market value of Property) an amount equal to the sum of (1) U.S.$10,000,000, plus (2) 50% of the Consolidated Net Income of Parent and its Restricted Subsidiaries on a consolidated basis for the period commencing on the Effective Date to and including the last day of the most recently ended fiscal quarter for which financial statements have been delivered under Section 5.1 taken as a single accounting period (provided that in no event shall the amount under this clause (2) be less than U.S.$0.00), plus (3) 50% of the net cash proceeds received by Parent from any sale of Equity Interests after the Effective Date.

SECTION 7.9. **Transactions with Affiliates.** Borrower and Parent will not, and will not permit any Restricted Subsidiary to, sell, lease or otherwise transfer any Property or assets to, or purchase, lease or otherwise acquire any Property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions in the ordinary course of business and that are at prices and on terms and conditions not less favorable to Borrower or
such Restricted Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, (b) transactions between or among the Loan Parties not involving any other Affiliate, (c) any Restricted Payment permitted by Section 7.8, (d) any Investment permitted by Section 7.4 and (e) the ongoing Transition Agreements.

SECTION 7.10. Restrictive Agreements. Borrower and Parent will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits or restricts (a) the ability of Borrower or any Restricted Subsidiary to create, incur or permit to exist any Lien in favor of the Administrative Agent for the benefit of the Lenders upon any of its Property, or (b) the ability of any Restricted Subsidiary to make Restricted Payments to Borrower or any other Restricted Subsidiary or to Guarantee Indebtedness of Borrower or any other Restricted Subsidiary; provided that (i) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document or any Senior Notes Document, (ii) the foregoing shall not apply to restrictions and conditions existing on the date of this Agreement identified on Schedule 7.10 (but shall apply to any extension or renewal of, or any amendment or modification expanding the scope of, any such restriction or condition), (iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Restricted Subsidiary pending such sale, provided such restrictions and conditions apply only to the Restricted Subsidiary that is to be sold and such sale is permitted hereunder, (iv) clause (a) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness or other obligations permitted by this Agreement if such restrictions or conditions apply only to the Property or assets securing such Indebtedness or other obligation, and (v) clause (a) of the foregoing shall not apply to customary provisions in leases or other agreements restricting the assignment thereof.

SECTION 7.11. No Action to Affect Security Documents. Except for transactions expressly permitted hereby, Borrower and Parent shall not, and shall not permit any of its Subsidiaries to, do anything to adversely affect the priority of the Liens created by the Security Documents given or to be given in respect of the Obligations.

ARTICLE VIII
EVENTS OF DEFAULT

SECTION 8.1. Listing of Events of Default. Each of the following events or occurrences described in this Section 8.1 shall constitute an “Event of Default”:

(a) Non-Payment of Obligations. Any Loan Party shall default in the payment or prepayment when due of any principal of any Loan (including BA Loans and Bankers’ Acceptances) or of any reimbursement obligation with respect to any Letter of Credit or Bankers’ Acceptance; or Borrower shall default in the payment when due of any interest, fee or of any other obligation under any Loan Document and such default continues for a period of three (3) Business Days.

(b) Breach of Warranty. Any representation or warranty of any Loan Party made or deemed to be made in any Loan Document or any other writing or certificate furnished by or on behalf of any Loan Party to the Administrative Agent, any other Agent or any Lender for
purposes of or in connection with any Loan Document is or shall be false or misleading when made in any material respect.

(c) **Non-Performance of Covenants and Obligations.** Any Loan Party shall default in the due performance and observance of any of its obligations under Sections 5.2, 5.7, 5.11, 5.15, or 5.16 or under Article IV or VII.

(d) **Non-Performance of Other Covenants and Obligations.** Any Loan Party shall default in the due performance and observance of any other agreement contained in any Loan Document, and such default shall continue unremedied for a period of 30 days after notice thereof shall have been given to Borrower by the Administrative Agent or the Majority Lenders.

(e) **Default on Other Indebtedness.** Any Loan Party shall default in the payment when due of any principal of or interest on any of its other Indebtedness aggregating C$15,000,000 or more, or in the payment when due of C$15,000,000 or more in the aggregate under one or more Hedging Agreements; or any event specified in any note, agreement, indenture or other document evidencing or relating to any such Indebtedness shall occur if the effect of such event is to cause, or (with the giving of any notice or the lapse of time or both) to permit the holder or holders of such Indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, such Indebtedness to become due, or to be prepaid in full (whether by redemption, purchase, offer to purchase or otherwise), prior to its stated maturity.

(f) **Intentionally Omitted.**

(g) **Bankruptcy and Insolvency.** Any Loan Party shall (i) generally fail to pay, or admit in writing its inability or unwillingness to generally pay, debts as they become due; (ii) apply for, consent to, or acquiesce in, the appointment of a trustee, receiver, receiver and manager, sequestrator or other custodian for any Loan Party, or any substantial part of the property of any thereof, or make a general assignment for the benefit of creditors; (iii) in the absence of such application, consent or acquiescence, permit or suffer to exist the appointment of a trustee, receiver, receiver and manager, sequestrator or other custodian for any Loan Party, or for a substantial part of the property of any thereof, and such trustee, receiver, receiver and manager, sequestrator or other custodian shall not be discharged or stayed within 60 days, provided that each Loan Party hereby expressly authorizes the Administrative Agent to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend the rights of the Lenders under the Loan Documents; (iv) permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law (including the Bankruptcy and Insolvency Act (Canada)), or any dissolution, winding up or liquidation proceeding, in respect of any Loan Party, and, if any such case or proceeding is not commenced by such Loan Party, such case or proceeding shall be consented to or acquiesced in by such Loan Party or shall result in the entry of an order for relief or shall remain for 60 days undischmissed or unstayed, provided that each Loan Party hereby expressly authorizes the Agent to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend the rights of the Lenders under the Loan Documents; or (v) take any corporate or partnership action authorizing, or in furtherance of, any of the foregoing.
(h) Judgments. One or more judgments or orders for the payment of money in excess of C$15,000,000 in the aggregate (exclusive of amounts fully covered by valid and collectible insurance in respect thereof subject to customary deductibles or fully covered by an indemnity with respect thereto reasonably acceptable to the Majority Lenders) shall be rendered against any Loan Party and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order, or (ii) such judgment shall have become final and non-appealable and shall have remained outstanding for a period of 60 consecutive days.

(i) Change in Control.

(i) On or before Parent IPO, FST shall fail to own or control, directly or indirectly, all of the outstanding Equity Interests of Borrower;

(ii) After Parent IPO and prior to the Spin-Off Date, FST shall fail to own or control, directly or indirectly, eighty and one/tenth percent (80.1%) or more of the outstanding Equity Interests of Borrower;

(iii) Other than FST, any "person" or "group" of related persons (as such terms are used in sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) is or becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act, except that such person or group shall be deemed to have "beneficial ownership" of all shares that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 35% of the total voting power of the outstanding capital stock (excluding any debt securities convertible into equity) normally entitled to vote in the election of directors ("Voting Stock") of the Parent (or its successor by merger, consolidation or purchase of all or substantially all of its assets) (for purposes of this clause, such person or group shall be deemed to beneficially own any Voting Stock held by a parent entity, if such person or group "beneficially owns" (as defined above), directly or indirectly, more than 35% of the voting power of the Voting Stock of such Parent);

(iv) The first day on which a majority of the members of the board of directors of the Parent are not, as of any date of determination, either (i) a member of the board of directors of the Parent on the date of the Parent IPO, or (ii) individuals who were nominated for election or elected to the Parent's board of directors with the approval of the majority of the directors described in clause (i) (or approved for nomination or election by the majority of directors described in clause (i) or (ii) hereof) who were members of the Parent's board of directors at the time of such nomination or election; or

(v) After the Spin-Off Date, Parent shall fail to own or control, directly or indirectly, all of the outstanding Equity Interests of Borrower.

(j) Failure of Liens. The Liens created by the Security Documents shall at any time not constitute valid and perfected Liens on the collateral intended to be covered thereby (to the extent perfection by filing, registration, recordation or possession is required) in favor of the Administrative Agent or, except for expiration in accordance with its terms and as set forth in
Section 5.15(c) hereof, any of the Security Documents shall for whatever reason be terminated or cease to be in full force and effect, or the enforceability thereof shall be contested by any Loan Party.

SECTION 8.2. Action if Bankruptcy. If any Event of Default described in Section 8.1(g) shall occur, the Commitments (if not theretofore terminated) shall automatically terminate and the outstanding principal amount of all outstanding Loans and all other Obligations hereunder shall automatically be and become immediately due and payable, without demand, protest or presentment or notice of any kind, all of which are hereby expressly waived by Borrower and its Subsidiaries. Without limiting the foregoing, the Agents and the Lenders shall be entitled to exercise any and all other remedies available to them under the Loan Documents and applicable law.

SECTION 8.3. Action if Other Event of Default. If any Event of Default (other than any Event of Default described in Section 8.1(g)) shall occur for any reason, whether voluntary or involuntary, and be continuing, the Majority Lenders, may, by notice to Borrower declare (a) the Commitments (if not theretofore terminated) to be terminated and/or (b) all of the outstanding principal amount of the Loans (including BA Loans and Bankers’ Acceptances) and all other Obligations hereunder to be due and payable, whereupon the Commitments shall terminate and the full unpaid amount of such Loans and other Obligations shall be and become immediately due and payable, without demand, protest or presentment or notice of any kind, all of which are hereby waived by Borrower and its Subsidiaries. Without limiting the foregoing, the Agents and the Lenders shall be entitled to exercise any and all other remedies available to them under the Loan Documents and applicable law.

ARTICLE IX
AGENTS

Each of the Lenders, the Issuing Banks and the other Agents hereby irrevocably appoints JPMorgan Chase Bank, N.A., Toronto Branch, as the Administrative Agent, The Toronto-Dominion Bank and Bank of Montreal, as the Co-Syndication Agents, and The Bank of Nova Scotia and Wells Fargo Financial Corporation Canada, as the Co-Documentation Agents, and authorizes each such Agent to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto; provided, however, that none of the Co-Syndication Agents or Co-Documentation Agents shall have or be deemed to have any liability hereunder or any duties or obligations under the Loan Documents.

Any bank serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

None of the Agents shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) the Agents shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has
occurred and is continuing, (b) each Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated by the Loan Documents that such Agent is required to exercise following its receipt of written instructions from the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2), and (c) except as expressly set forth in the Loan Documents, the Agents shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Parent, FST, Borrower or any of their Subsidiaries that is communicated to or obtained by the bank serving as such Agent or any of its Related Parties in any capacity. Each Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.2) or in the absence of its own gross negligence or willful misconduct; PROVIDED, HOWEVER, THAT IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH OF THE AGENTS BE INDEMNIFIED IN THE CASE OF ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE), REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL. Each Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to such Agent by Borrower or a Lender, and such Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

The Administrative Agent and the other Agents shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent and the other Agents also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent and the other Agents may consult with legal counsel (who may be counsel for Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Any Agent may perform any and all of its duties and exercise its rights and powers by or through any one or more sub-agents appointed by such Agent. Any Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of such Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as an Agent.
Subject to the appointment and acceptance of a successor or Administrative Agent as provided in this paragraph, the Administrative Agent may resign at any time by notifying the Lenders and Borrower. Upon any such resignation, the Majority Lenders shall have the right, in good faith consultation with Borrower, to appoint a successor. If no successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, appoint a successor Administrative Agent, respectively, which shall be a bank with an office in Toronto, Canada or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, as the case may be, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder (other than its obligations under Section 10.12). The fees payable by Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between Borrower and such successor. After the Administrative Agent’s resignation hereunder, the provisions of this Article and Section 10.3 shall continue in effect for the benefit of such retiring Administrative Agent, its sub agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon any Loan Document or any related agreement or any document furnished hereunder or thereunder.

**ARTICLE X**

**MISCELLANEOUS**

**SECTION 10.1. Notices.** Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(a) **if to Borrower, to:**

Canadian Forest Oil Ltd.
Suite 2500, 645 - 7th Avenue, S.W.
Calgary, Alberta T2P 4G8
Canada
Attention: Vice President - Finance
Telephone: 403-292-8000
Facsimile: 403-292-8072
On or before the Spin-Off Date, with a copy to:

Forest Oil Corporation
707 17th Street, Suite 3600
Denver, Colorado 80202
Attention: General Counsel
Telephone: 303-812-1739
Facsimile: 303-812-1510

(b) if to the Administrative Agent:

JPMorgan Chase Bank, N.A., Toronto Branch
200 Bay Street, Floor 18
ON1-1800
Toronto, Ontario M5J 2J2
Canada
Attention: Amanda Vidulich
Telephone: 416-981-9235
Facsimile: 416-981-9128

With a copy to:

JPMorgan Chase Bank, N.A.
2200 Ross Avenue, 3rd Floor
Dallas, Texas 75201
Attention: Brian P. Orlando
Telephone: 214-965-3245
Facsimile: 214-965-3280

(c) if to either Co-Syndication Agent, either Co-Documentation Agent or any other Lender, to it at its address (or telecopy number) provided to the Administrative Agent and Borrower or as set forth in its Administrative Questionnaire.

(d) if to any Lender, to it at its address (or telecopy number) provided to the Administrative Agent and Borrower or as set forth in its “Administrative Questionnaire” as defined in this Agreement.

Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

SECTION 10.2. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power under any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or
discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders under the Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any of the Loan Documents nor any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Borrower and the Majority Lenders or by Borrower and the Administrative Agent with the consent of the Majority Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce, or otherwise release Borrower from its obligation to pay, the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender adversely affected thereby, (iv) change Section 2.18(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender adversely affected thereby, (v) change any of the provisions of this Section 10.2, Section 2.7 (unless a lesser vote is otherwise required pursuant to this Section 10.2), Section 2.10 (unless a lesser vote is otherwise required pursuant to this Section 10.2) or the definitions of “Majority Lenders” or “Required Lenders” or any other provision of any Loan Document specifying the number or percentage of Lenders required to determine or redetermine the Borrowing Base or required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender, (vi) except as expressly provided herein, in the Security Documents, release all or any part of the Collateral from the Liens of the Security Documents, without the written consent of each Lender; provided, further, that no such agreement shall (1) change any provision regarding when determinations of the Borrowing Base are required pursuant to Section 2.7, (2) postpone or defer scheduled Borrowing Base redeterminations pursuant to Section 2.7, or (3) change any provision regarding remedies for a Borrowing Base Deficiency pursuant to Section 2.10, without the written consent of the Required Lenders; provided further that no such agreement shall amend, waive, modify or otherwise affect the rights or duties of any Agent or any Issuing Bank without the prior written consent of such Agent or any Issuing Bank, as the case may be; provided further that the Administrative Agent shall have the right to execute and deliver any release of Lien (or other similar instrument) without the consent of any Lender to the extent such release is required to permit Borrower or a Restricted Subsidiary to consummate a transaction permitted by the Loan Documents; provided further that any Lender or Affiliate of any Lender which is a party to a Hedging Agreement shall have the right to execute and deliver
any amendments, modifications or replacements to such Hedging Agreement to which it is a party without the consent of any Loan Party, any Lender, any Affiliate of a Lender or any Agent.

SECTION 10.3. Expenses; Indemnity; Damage Waiver.

(a) Borrower shall pay (i) all legal, printing, recording, syndication, travel, advertising and other reasonable out-of-pocket expenses incurred by the Agents, the Arranger and their Affiliates, including the reasonable fees, charges and disbursements of counsel for the Agents and the Arranger (on a solicitor and his own client basis), in connection with the syndication of the credit facilities provided for herein, the preparation, execution, delivery and administration of this Agreement, the Loan Documents and each other document or instrument relevant to this Agreement or the Loan Documents and any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii) all reasonable out-of-pocket expenses incurred by an Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iii) the filing, recording, refiling or rerecording of the Debentures, the Deposit Agreements and the other Security Documents and/or any financing statements relating thereto and all amendments, supplements and modifications to, and all releases and terminations of, any thereof and any and all other documents or instruments of further assurance required to be filed or recorded or refilled or rerecorded by the terms hereof or of the Debentures, the Deposit Agreements and the other Security Documents, and (iv) all out-of-pocket expenses incurred by the Agents, any Issuing Bank or any Lender, including the fees, charges and disbursements of any counsel for the Agents, any Issuing Bank or any Lender (on a solicitor and his own client basis), in connection with the enforcement or protection of its rights in connection with the Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) Borrower shall indemnify the Agents, each Issuing Bank, the Arranger and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable out-of-pocket fees, charges and disbursements of any counsel for any Indemnitee (on a solicitor and his own client basis), incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of any Loan Document or any other agreement or instrument contemplated hereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Financing Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on or from any Mortgaged Property or any other property currently or formerly owned or operated by Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a
party thereto; provided that such indemnity and release shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee (IT BEING UNDERSTOOD THAT IT IS THE INTENTION OF THE PARTIES HERETO THAT EACH OF THE INDEMNITEES BE INDEMNIFIED IN THE CASE OF ITS OWN NEGLIGENCE (OTHER THAN GROSS NEGLIGENCE), REGARDLESS OF WHETHER SUCH NEGLIGENCE IS SOLE OR CONTRIBUTORY, ACTIVE OR PASSIVE, IMPUTED, JOINT OR TECHNICAL).

(c) To the extent that Borrower fails to pay any amount required to be paid by Borrower to the Administrative Agent or an Issuing Bank under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Financing Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than thirty (30) days after written demand therefor.

SECTION 10.4. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit), except that Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Administrative Agent, each Issuing Bank and each Lender (and any attempted assignment or transfer by Borrower without such consent shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of an Issuing Bank that issues any Letter of Credit) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) to any Person who is not a Foreign Lender; provided that (i) except in the case of an assignment to a Lender or a Lender Affiliate, Borrower (unless an Event of Default
has occurred and is continuing) and the Administrative Agent (and, in the case of an assignment of all or a portion of a Commitment or any Lender’s obligations in respect of its LC Exposure, the Issuing Banks) must give their prior written consent to such assignment (which consent shall not be unreasonably withheld), (ii) except in the case of an assignment to a Lender or a Lender Affiliate or an assignment of the entire remaining amount of the assigning Lender’s Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall be in increments of C$1,000,000 and not less than C$5,000,000 unless Borrower (unless an Event of Default has occurred and is continuing) and the Administrative Agent otherwise consent, (iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender’s rights and obligations under this Agreement, (iv) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of C$3,500, (v) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, and (vi) after giving effect to any assignment hereunder, the assigning Lender shall have a Commitment of at least C$5,000,000 unless Borrower and the Administrative Agent otherwise consents; and provided further that any consent of Borrower otherwise required under this paragraph shall not be required if an Event of Default under Section 8.1 has occurred and is continuing. Subject to acceptance and recording thereof pursuant to paragraph (d) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to the Loan Documents and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under the Loan Documents (and, in the case of an Assignment and Assumption covering all of the assigning Lender’s rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.15, 2.16, 2.17, 2.18, 2.20 and 10.3 and be subject to the terms of Section 10.12). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with paragraph (e) of this Section.

(c) The Administrative Agent, acting for this purpose as an agent of Borrower, shall maintain at one of its offices in Toronto, Canada, a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive, and Borrower, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of the Loan Documents, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee
referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register and will provide prompt written notice to Borrower of the effectiveness of such assignment. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) Any Lender may, without the consent of Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities which are resident in Canada for purposes of the Income Tax Act (Canada) (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce the Loan Documents and to approve any amendment, modification or waiver of any provision of the Loan Documents; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the second proviso to Section 10.2(b) that affects such Participant. Subject to paragraph (f) of this Section, Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.15, 2.16, 2.17 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Sections 10.8 and 10.12 as though it were a Lender, provided such Participant agrees to be subject to Section 2.18(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.15, 2.16, 2.17 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant.

(g) Any Lender may at any time pledge or assign a Lien in all or any portion of its rights under this Agreement to secure obligations of such Lender, and this Section shall not apply to any such pledge or assignment; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

SECTION 10.5. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to the Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that any Agent, any Issuing Bank, the Arranger or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or
any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Sections 2.15, 2.16, 2.17, 2.18, 2.20, 10.3, 10.12 and Article IX shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.6. Counterparts; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be effective as delivery of a manually executed counterpart of this Agreement.

SECTION 10.7. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.8. Right of Setoff. If an Event of Default shall have occurred and be continuing, each of the Agents, the Issuing Banks, the Lenders and their Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of Borrower or any of its Restricted Subsidiaries against any and all the obligations of Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided, however, that any such set off and application shall be subject to the provisions of Section 2.18.

SECTION 10.9. GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS.

(a) THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ALBERTA AND OF CANADA APPLICABLE THEREIN.

(b) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE PROVINCE OF ALBERTA, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING
ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH COURTS OF THE PROVINCE OF ALBERTA. EACH OF THE PARTIES HERETO AGREES THAT, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT SHALL AFFECT ANY RIGHT THAT THE AGENTS OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AGAINST BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT IT MAY LEGALLY AND EFFECTIVELY DO SO, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS BY REGISTERED MAIL, POSTAGE PREPAID, OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE PROVINCE OF ALBERTA. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.
SECTION 10.11. **Headings.** Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. **Confidentiality.** Each of the Agents, the Issuing Banks, and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates’ directors, officers, employees and agents, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory or self-regulatory authority, (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to any Loan Document or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any Hedging Agreement or any securitization transaction, (g) with the consent of Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section by any Person or (ii) becomes available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Loan Parties. For purposes of this Section, “Information” means all information received from the Loan Parties relating to such Loan Parties or their business, other than any such information that is available to any Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Loan Parties; provided that, in the case of information received from Borrower after the date of this Agreement, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. **Interest Rate Limitation.** It is the intention of the parties hereto to conform strictly to applicable interest, usury and criminal laws and, anything herein to the contrary notwithstanding, the obligations of Borrower and the Guarantors to a Lender, any Issuing Bank or any Agent under this Agreement or any Loan Document shall be subject to the limitation that payments of interest shall not be required to the extent that receipt thereof would be contrary to provisions of law applicable to such Lender, such Issuing Bank or Agent limiting rates of interest which may be charged or collected by such Lender, such Issuing Bank or Agent. Accordingly, if the transactions contemplated hereby or thereby would be illegal, unenforceable, usurious or criminal under laws applicable to a Lender, any Issuing Bank or any Agent (including the laws of any jurisdiction whose laws may be mandatorily applicable to such Lender or Agent notwithstanding anything to the contrary in any Loan Document then, in that event, notwithstanding anything to the contrary in Loan Document, it is agreed as follows:

1. the provisions of this Section shall govern and control;
(b) the aggregate of all consideration which constitutes interest under applicable law that is contracted for, taken, reserved, charged or received under this Agreement or any Loan Document or otherwise in connection with this Agreement or any Loan Document by such Lender, such Issuing Bank or such Agent shall under no circumstances exceed the maximum amount of interest allowed by applicable law (such maximum lawful interest rate, if any, with respect to each Lender, each Issuing Bank and the Agents herein called the "Highest Lawful Rate"), and any excess shall be cancelled automatically and if theretofore paid shall be credited to Borrower by such Lender, such Issuing Bank or such Agent (or, if such consideration shall have been paid in full, such excess refunded to Borrower);

(c) all sums paid, or agreed to be paid, to such Lender, such Issuing Bank or such Agent for the use, forbearance and detention of the indebtedness of Borrower to such Lender, such Issuing Bank or such Agent hereunder or under any Loan Document shall, to the extent permitted by laws applicable to such Lender, such Issuing Bank or such Agent, as the case may be, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest is uniform throughout the full term thereof;

(d) if at any time the interest provided pursuant to this Section or any other clause of any Loan Document, together with any other fees or compensation payable pursuant to any Loan Document and deemed interest under laws applicable to such Lender, such Issuing Bank or such Agent, exceeds that amount which would have accrued at the Highest Lawful Rate, the amount of interest and any such fees or compensation to accrue to such Lender, such Issuing Bank or such Agent pursuant to any Loan Document shall be limited, notwithstanding anything to the contrary in any Loan Document, to that amount which would have accrued at the Highest Lawful Rate, but any subsequent reductions, as applicable, shall not reduce the interest to accrue to such Lender, such Issuing Bank or such Agent pursuant to any Loan Document below the Highest Lawful Rate until the total amount of interest accrued pursuant to any Loan Document, as the case may be, and such fees or compensation deemed to be interest equals the amount of interest which would have accrued to such Lender or Agent if a varying rate per annum equal to the interest provided pursuant to any other relevant Section hereof (other than this Section) or thereof, as applicable, had at all times been in effect, plus the amount of fees which would have been received but for the effect of this Section; and

(e) with the intent that the rate of interest herein shall at all times be lawful, and if the receipt of any funds owing hereunder or under any other agreement related hereto (including any of the other Loan Documents) by such Lender, such Issuing Bank or such Agent would cause such Lender to charge Borrower a criminal rate of interest, the Lenders, the Issuing Banks and the Agents agree that they will not require the payment or receipt thereof or a portion thereof which would cause a criminal rate of interest to be charged by such Lender, such Issuing Bank or such Agent, as applicable, and if received such affected Lender, such Issuing Bank or Agent will return such funds to Borrower so that the rate of interest paid by Borrower shall not exceed a criminal rate of interest from the date this Agreement was entered into.

SECTION 10.14. Collateral Matters; Hedging Agreements. The benefit of the Security Documents and of the provisions of this Agreement relating to the Collateral shall also extend to and be available to those Lenders or their Affiliates which are counterparties to the Hedging Agreements on a pro rata basis in respect of any Hedging Obligations of Borrower or any of its
Restricted Subsidiaries that are in effect at such time as such Person (or its Affiliate) is a Lender, but only while such Person or its Affiliate is a Lender; provided that it is the intention of the Lenders that receipt of payment in respect of Hedging Obligations of Borrower and its Restricted Subsidiaries under any Hedging Agreement with a Lender, or any Affiliate of a Lender from realization of any Collateral, shall be subject to the terms of the Security Documents.

SECTION 10.15. Arranger; Co-Documentation Agents; Co-Syndication Agents. None of the Persons identified on the facing page or the signature pages of this Agreement as the “Sole Book Manager and Lead Arranger” or a “Co-Documentation Agent” or a “Co-Syndication Agent” shall have any right, power, obligation, liability, responsibility or duty under any Loan Document other than, except in the case of the Arranger, those applicable to all Lenders as such. Without limiting the foregoing, none of the Arranger, any Co-Documentation Agent or any Co-Syndication Agent shall have or be deemed to have any fiduciary relationship with any Lender or Borrower or any of its Subsidiaries. Borrower and each Lender acknowledges that it has not relied, and will not rely, on any of the Arranger, any Co-Documentation Agent or any Co-Syndication Agent in deciding to enter into this Agreement or in taking or not taking any action hereunder or under the Loan Documents.

SECTION 10.16. Loan Documents. Each Lender on behalf of itself and any Affiliate which is a counterparty to a Hedging Agreement acknowledges and agrees that the Administrative Agent has entered into the Security Documents on behalf of itself, the other Agents, Lenders and Affiliates thereof that are parties to a Hedging Agreement, and each of them (by their signature hereto or acceptance of the benefits of the Security Documents) hereby agrees to be bound by the terms of the Security Documents, acknowledge receipt of copies of the Security Documents and consents to the rights, powers, remedies, indemnities and exculpations given to the Administrative Agent thereunder. In the event of any inconsistency between this Agreement and the terms of any other Loan Document, this Agreement shall control.

SECTION 10.17. NO ORAL AGREEMENTS. THIS WRITTEN AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

SECTION 10.18. USA Patriot Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies Parent and its Subsidiaries, which information includes the name and address of Parent and any Subsidiaries and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Parent and its Subsidiaries in accordance with the Act, as applicable.

SECTION 10.19. Refinancing and Replacement of Existing Canadian Credit Facility. This Agreement and the obligations and indebtedness incurred by Borrower hereunder are, and
are intended to be, a replacement and refinancing the obligations and indebtedness of Borrower under the Existing Canadian Credit Facility.

[SIGNATURES BEGIN ON FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

LONE PINE RESOURCES INC.

By: [Signature]
Name: David M. Anderson
Title: President and Chief Executive Officer

CANADIAN FOREST OIL LTD.

By: [Signature]
Name: David M. Anderson
Title: President

[Signature Page - Credit Agreement]

S-1
THE TORONTO-DOMINION BANK, as a Co-
Syndication Agent and as a Lender

By: [Signature]

JACKIE BARRETT
AUTHORIZED SIGNATORY

[Signature Page - Credit Agreement]
BANK OF MONTREAL, as a Co-Syndication Agent
and as a Lender

By: 

Name: Gumaro Tijedina
Title: Director
THE BANK OF NOVA SCOTIA, as a Co-Documentation Agent and as a Lender

By: [Signature]
Angela Bäcker,
Associate Director

By: [Signature]
Dan Lindquist,
Managing Director

[Signature Page - Credit Agreement]

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WELLS FARGO FINANCIAL CORPORATION
CANADA, as a Co-Documentation Agent and as a
Lender

By: 
Name: Paul De Jong
Title: Senior Counsel & Vice President

[Signature Page - Credit Agreement]  
S-6
UNION BANK, CANADA BRANCH, as a Lender

By: [Signature]
Phil Taylor,
Senior Vice President

[Signature Page - Credit Agreement]
S-7
CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH, (f/k/a CREDIT SUISSE, Cayman Islands Branch), as a Lender

By: 
Name: Nupur Kumar
Title: Vice President

By: 
Name: Vipul Dhadda
Title: Associate
BANK OF AMERICA, N.A., CANADA BRANCH, as a Lender

By: [Signature]

Name: Medina Sales de Andrade
Title: Vice President
BNP PARIBAS (Canada), as a Lender

By: 
Name: Cory Wallin
Title: Director

By:
Name: David Foltz
Title: Managing Director

[Signature Page - Credit Agreement]
CANADIAN IMPERIAL BANK OF
COMMERCE, as a Lender

By: ____________________________
Name: David Swain
Title: Managing Director

By: ____________________________
Name: Randy Geislinger
Title: Executive Director
ROYAL BANK OF CANADA, as a Lender

By: 
Name: Sonia G. Tibbatts
Title: Authorized Signatory
FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of April 29, 2011, is among LONE PINE RESOURCES INC., a Delaware corporation ("Parent"), CANADIAN FOREST OIL LTD., a corporation amalgamated under the laws of the Province of Alberta, Canada ("Borrower"), each of the lenders that is a signatory to, or which becomes a signatory to, the Credit Agreement (together with its successors and assigns, the "Lenders"), JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Administrative Agent (the "Administrative Agent") and the other agents party thereto.

WITNESSETH:

1. Parent, Borrower, the Administrative Agent, the Lenders and others as agents are parties to that certain Credit Agreement dated as of March 18, 2011 (the "Credit Agreement"), pursuant to which the Lenders agreed to make loans to, and extensions of credit on behalf of, Borrower.

2. The parties to the Credit Agreement intend to amend the Credit Agreement as set forth herein.

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

I. Amendments.

A. Section 2.7(a) of the Credit Agreement hereby is amended by replacing "C$300,000,000" with "C$350,000,000".

B. Subsection (i) of Section 4.2(u) of the Credit Agreement hereby is amended in its entirety to read as follows:

"(i) a repayment mechanism put in place by Borrower in connection with the initial Loan sufficient to cause the outstanding intercompany advances made by FST to Borrower (the "Intercompany Debt") to be no more than U.S.$100,000,000".

C. Section 4.2 of the Credit Agreement hereby is amended by inserting the following Subsection 4.2(x) at the end thereof:

"(x) The Administrative Agent and the Lenders shall have received acceptable evidence that the underwriters of that certain initial public offering of up to 19.9% of the Equity Interests of the Parent pursuant to (i) a registration statement filed with the U.S. Securities and Exchange Commission, and declared effective under the Securities Act of 1933, as amended, in the United States and (ii) a Canadian prospectus in Canada (the "Lone Pine IPO"), are obligated to purchase the Equity Interests of the Parent in accordance with the terms of the Lone Pine IPO underwriting agreement."

II. Effectiveness. This Amendment shall become effective as of the date hereof when the Administrative Agent shall have received counterparts hereof duly executed by Borrower, Parent, the Administrative Agent and each of the Lenders (or, in the case of any party as to which an executed counterpart shall not have been received, telegraphic, telex, or other written confirmation from such party of execution of a counterpart hereof by such party).

III. Reaffirmation of Representations and Warranties. To induce the Lenders and the Administrative Agent to enter into this Amendment, Parent and Borrower each hereby reaffirms, as of the date hereof, the following:

A. The representations and warranties of each Loan Party set forth in the Loan Documents to which it is a party are true and correct on and as of the date hereof (or, if stated to have been
made expressly as of an earlier date, were true and correct in all material respects as of such earlier date).

B. Each of Borrower and its Restricted Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted, and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

C. The execution, delivery and performance by Parent and Borrower of this Amendment are within Parent's and Borrower's corporate powers and have been duly authorized by all necessary corporate action. This Amendment has been duly executed and delivered by Parent and Borrower, and, when duly executed and delivered by the other parties hereto, will constitute, a legal, valid and binding obligation of Parent and Borrower, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

D. The execution, delivery and performance by Parent and Borrower of this Amendment (i) do not require any Governmental Approval or third party approvals, except such as have been obtained or made and are in full force and effect, (ii) will not violate any applicable Governmental Rule or the Organic Documents of Parent or Borrower or any order of any Governmental Authority, (iii) will not violate or result in a default under any indenture, agreement or other instrument binding upon Parent or Borrower or either of their assets, or give rise to a right thereunder to require any payment to be made by Parent or Borrower, and (iv) will not result in the creation or imposition of any Lien on any asset of Parent or Borrower (other than Liens created under the Loan Documents).

E. No Default under the Loan Documents has occurred and is continuing and Parent is in compliance with the financial covenant set forth in Article VI of the Credit Agreement.

F. No event or events have occurred which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect.

IV. Defined Terms. Except as amended hereby, terms used herein when defined in the Credit Agreement shall have the same meanings herein unless the context otherwise requires.

V. Reaffirmation of Credit Agreement. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as amended hereby, is hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement herein and in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.

VI. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ALBERTA AND CANADA APPLICABLE THEREIN.

VII. Severability of Provisions. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

VIII. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature
IX. **Headings.** Article and section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

X. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

XI. **No Oral Agreements.** THIS AMENDMENT, THE CREDIT AGREEMENT, AS AMENDED HEREBY, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[SIGNATURES BEGIN ON FOLLOWING PAGE]
IN WITNESS WHEREOF, Parent, Borrower, the undersigned Lenders, the Administrative Agent, and the other "agents" under the Credit Agreement have executed this Amendment as of the date first above written.

LONE PINE RESOURCES INC.

By: /s/ DAVID M. ANDERSON

Name: David M. Anderson
Title: President and Chief Executive Officer

CANADIAN FOREST OIL LTD.

By: /s/ DAVID M. ANDERSON

Name: David M. Anderson
Title: President

[Signature Page—First Amendment to Lone Pine Credit Agreement]

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SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of September 21, 2011, is among LONE PINE RESOURCES INC., a Delaware corporation (“Parent”), LONE PINE RESOURCES CANADA LTD., formerly known as Canadian Forest Oil Ltd., a corporation amalgamated under the laws of the Province of Alberta, Canada (“Borrower”), each of the lenders that is a signatory to, or which becomes a signatory to, the Credit Agreement (together with its successors and assigns, the “Lenders”), JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Administrative Agent (the “Administrative Agent”) and the other agents party thereto.

WITNESSETH:

1. Parent, Borrower, the Administrative Agent, the Lenders and others as agents are parties to that certain Credit Agreement dated as of March 18, 2011, as previously amended pursuant to that certain First Amendment to Credit Agreement, dated as of April 29, 2011 (as amended, the “Credit Agreement”), pursuant to which the Lenders agreed to make loans to, and extensions of credit on behalf of, Borrower.

2. The parties to the Credit Agreement intend to amend the Credit Agreement as set forth herein.

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

I. Amendment.

A. Section 2.7(b) of the Credit Agreement hereby is amended by (i) replacing the phrase “prior to February 15 of each calendar year” with the phrase “prior to (x) for the 2012 calendar year, March 31st and (y) for each calendar year thereafter, March 1st”, (ii) replacing the phrase “prepared by Borrower’s internal petroleum engineers and audited by an Approved Engineer” with the phrase “prepared by an Approved Engineer or prepared by Borrower and audited by an Approved Engineer”, and (iii) replacing the phrase “as of April 1” of such calendar year” with the phrase “as of May 1st of such calendar year”.

B. Section 2.7(c) of the Credit Agreement hereby is amended by (i) replacing the phrase “prior to August 15th of each calendar year” with the phrase “prior to September 1st of each calendar year” and (ii) replacing the phrase “as of October 1st of such calendar year” with the phrase “as of November 1st of such calendar year”.

C. Section 5.1(e) of the Credit Agreement hereby is amended in its entirety to read as follows:

“(e) By March 31st for the 2012 calendar year, and March 1st of each calendar year thereafter, a Reserve Report prepared by an Approved Engineer or prepared by Borrower and audited by an Approved Engineer (the “Independent Reserve Report”), and by September 1st of each calendar year, a Reserve Report prepared by Borrower (subject to the proviso contained in the first sentence of
Section 2.7(c)), utilizing the customary discount rates and price deck of the Administrative Agent and in form and substance acceptable to the Administrative Agent (the “Internal Reserve Report”);

D. Section 7.7(a) of the Credit Agreement hereby is amended in its entirety to read as follows:

“(a) At no time shall Borrower and Parent and its Restricted Subsidiaries have (i) Hedging Agreements rolling on a five-year basis relating to crude oil or natural gas liquids in place with respect to more than (A) 75% during the first three years, (B) 65% during the fourth year, and (C) 60% during the fifth year, of such rolling five-year basis, of reasonably anticipated (as of the date when entered into) crude oil or natural gas liquids Hydrocarbon production net of royalties from the “total proved oil and gas reserves” (as defined in the standards and guidelines of the Commission or in accordance with NI 51-101, provided that if both the Commission standards and guidelines and NI 51-101 are applicable to the Parent, the Commission standards and guidelines shall control) or (ii) Hedging Agreements rolling on a five-year basis relating to natural gas in place with respect to more than (A) 75% during the first three years, (B) 65% during the fourth year, and (C) 60% during the fifth year, of such rolling five-year basis, of reasonably anticipated (as of the date when entered into) natural gas Hydrocarbon production net of royalties from the “total proved oil and gas reserves” (as defined in the standards and guidelines of the Commission or in accordance with NI 51-101, provided that if both the Commission standards and guidelines and NI 51-101 are applicable to the Parent, the Commission standards and guidelines shall control), in either case which are attributable to the Hydrocarbon Interests of Borrower and its Restricted Subsidiaries as set forth in the most recently delivered Reserve Report.”

II. Borrowing Base. Each of the Administrative Agent, the Lenders, the Borrower and the Parent agree that, for the period from and including the Second Amendment Effective Date (as defined below) until the then scheduled redetermination as of May 1, 2012, but subject to Section 2.7 of the Credit Agreement in all respects, the Borrowing Base will be set at C$425,000,000.

III. Effectiveness. This Amendment shall become effective as of the date hereof (the “Second Amendment Effective Date”) when the Administrative Agent shall have received:

A. Counterparts hereof duly executed by Borrower, Parent, the Administrative Agent and each of the Lenders (or, in the case of any party as to which an executed counterpart shall not have been received, telegraphic, telex, or other written confirmation from such party of execution of a counterpart hereof by such party);

B. Any Loan Document requested by a Lender pursuant to Section 2.9(e) of the Credit Agreement;
C. Payment of (i) an upfront fee to the Administrative Agent for the account of each Lender in an amount equal to 60 basis points multiplied by the difference between the amount of such Lender's share of the Borrowing Base immediately prior to the Second Amendment Effective Date and the amount of such Lender's share of the Borrowing Base immediately after the Second Amendment Effective Date and (ii) any fees or compensation then due and owing to any Lender pursuant to the terms of the Credit Agreement.

IV. Reaffirmation of Representations and Warranties. To induce the Lenders and the Administrative Agent to enter into this Amendment, Parent and Borrower each hereby reaffirms, as of the date hereof, that the representations and warranties of each Loan Party set forth in the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof (or, if stated to have been made expressly as of an earlier date, were true and correct in all material respects as of such earlier date).

V. Defined Terms. Except as amended hereby, terms used herein when defined in the Credit Agreement shall have the same meanings herein unless the context otherwise requires.

VI. Reaffirmation of Credit Agreement. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as amended hereby, is hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement herein and in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.

VII. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ALBERTA AND CANADA APPLICABLE THEREIN.

VIII. Severability of Provisions. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

IX. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

X. Headings. Article and section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

XI. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assign.

XII. No Oral Agreements. THIS AMENDMENT, THE CREDIT AGREEMENT, AS AMENDED HEREBY, AND THE OTHER LOAN DOCUMENTS REPRESENT THE
FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[SIGNATURES BEGIN ON FOLLOWING PAGE]
IN WITNESS WHEREOF, Parent, Borrower, the undersigned Lenders and the Administrative Agent under the Credit Agreement have executed this Amendment as of the date first above written.

LONE PINE RESOURCES INC.

By: /s/ David M. Anderson
Name: David M. Anderson
Title: President and Chief Executive Officer

LONE PINE RESOURCES CANADA LTD.,
formerly known as Canadian Forest Oil Ltd.

By: /s/ David M. Anderson
Name: David M. Anderson
Title: President

[Signature Page - Second Amendment to Lone Pine Credit Agreement]
THIS THIRD AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of February 5, 2012, is among LONE PINE RESOURCES INC., a Delaware corporation (“Parent”), LONE PINE RESOURCES CANADA LTD., formerly known as Canadian Forest Oil Ltd., a corporation amalgamated under the laws of the Province of Alberta, Canada (“Borrower”), each of the lenders that is a signatory to, or which becomes a signatory to, the Credit Agreement (together with its successors and assigns, the “Lenders”), JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Administrative Agent (the “Administrative Agent”), and the other agents party thereto.

WITNESSETH:

1. Parent, Borrower, the Administrative Agent, the Lenders and others as agents are parties to that certain Credit Agreement dated as of March 18, 2011, as previously amended pursuant to that certain First Amendment to Credit Agreement, dated as of April 29, 2011, and that certain Second Amendment to Credit Agreement, dated as of September 21, 2011 (as amended, the “Credit Agreement”), pursuant to which the Lenders agreed to make loans to, and extensions of credit on behalf of, Borrower.

2. The parties to the Credit Agreement intend to amend the Credit Agreement as set forth herein.

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

I. Amendment.

A. The definition of “Senior Notes” contained in Section 1.1 of the Credit Agreement hereby is amended in its entirety to read as follows:

“Senior Notes” means any unsecured Indebtedness of Parent or Borrower or any of their Restricted Subsidiaries, as applicable, and any Guarantees thereof, which has terms (including interest, amortization, covenants and events of default), not more onerous to Parent and its Restricted Subsidiaries than those contained in the Loan Documents.”

B. Section 3.10(d) of the Credit Agreement is hereby amended in its entirety to read as follows:

“(d) As of the Effective Date, except as set forth in Schedule 3.10 or reflected in the financial statements referred to in Section 3.10(a), neither Parent, Borrower nor any of their Restricted Subsidiaries has any contingent liabilities, unusual long-term commitments or unrealized losses.”

II. Effectiveness. This Amendment shall become effective as of the date hereof when the Administrative Agent shall have received counterparts hereof duly executed by Borrower, Parent, the Administrative Agent and the Majority Lenders (or, in the case of any
party as to which an executed counterpart shall not have been received, telegraphic, telex, or other written
confirmation from such party of execution of a counterpart hereof by such party).

III. Reaffirmation of Representations and Warranties. To induce the Lenders and the
Administrative Agent to enter into this Amendment, Parent and Borrower each hereby reaffirms, as of the date
hereof, that the representations and warranties of each Loan Party set forth in the Loan Documents to which it is a
party are true and correct in all material respects on and as of the date hereof (or, if stated to have been made
expressly as of an earlier date, were true and correct in all material respects as of such earlier date).

IV. Defined Terms. Except as amended hereby, terms used herein when defined in the Credit
Agreement shall have the same meanings herein unless the context otherwise requires.

V. Reaffirmation of Credit Agreement. This Amendment shall be deemed to be an amendment
to the Credit Agreement, and the Credit Agreement, as amended hereby, is hereby ratified, approved and
confirmed in each and every respect. All references to the Credit Agreement herein and in any other document,
instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.

VI. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE
WITH THE LAWS OF THE PROVINCE OF ALBERTA AND CANADA APPLICABLE THEREIN.

VII. Severability of Provisions. Any provision of this Amendment held to be invalid, illegal or
unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity,
illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions
hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in
any other jurisdiction.

VIII. Counterparts. This Amendment may be executed in counterparts (and by different parties
hereto on different counterparts), each of which shall constitute an original, but all of which when taken together
shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by
telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

IX. Headings. Article and section headings used herein are for convenience of reference only, are
not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting,
this Amendment.

X. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of
the parties hereto and their respective successors and assigns.

XI. No Oral Agreements. THIS AMENDMENT, THE CREDIT AGREEMENT, AS
AMENDED HEREBY, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL
AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF
PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.
THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[SIGNATURES BEGIN ON FOLLOWING PAGE]
IN WITNESS WHEREOF, Parent, Borrower, the undersigned Lenders and the Administrative Agent under the Credit Agreement have executed this Amendment as of the date first above written.

LONE PINE RESOURCES INC.

By: /s/ DAVID M. ANDERSON
Name: David M. Anderson
Title: President and Chief Executive Officer

LONE PINE RESOURCES CANADA LTD.,
formerly known as Canadian Forest Oil Ltd.

By: /s/ DAVID M. ANDERSON
Name: David M. Anderson
Title: President

[Signature Page - Third Amendment to Lone Pine Credit Agreement]

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FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), dated as of April 12, 2013, is among LONE PINE RESOURCES INC., a Delaware corporation ("Parent"), LONE PINE RESOURCES CANADA LTD., formerly known as Canadian Forest Oil Ltd., a corporation amalgamated under the laws of the Province of Alberta, Canada ("Borrower"), each of the lenders that is a signatory to, or which becomes a signatory to, the Credit Agreement (together with its successors and assigns, the "Lenders"), JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Administrative Agent (the "Administrative Agent"), and the other agents party thereto.

WITNESSETH:

1. Parent, Borrower, the Administrative Agent, the Lenders and others as agents are parties to that certain Credit Agreement dated as of March 18, 2011, as previously amended pursuant to that certain First Amendment to Credit Agreement, dated as of April 29, 2011, that certain Second Amendment to Credit Agreement, dated as of September 21, 2011 and that certain Third Amendment to Credit Agreement, dated as of February 5, 2012 (as amended, the "Credit Agreement"), pursuant to which the Lenders agreed to make loans to, and extensions of credit on behalf of, Borrower.

2. The parties to the Credit Agreement intend to amend the Credit Agreement as set forth herein.

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

I. Amendment.

A. Section 2.7(i) of the Credit Agreement hereby is amended by replacing the phrase "shall exceed 10% of the amount of the then current Borrowing Base" with the phrase "shall exceed 5% of the amount of the then currently effective Borrowing Base".

B. Section 6.1 of the Credit Agreement hereby is amended in its entirety to read as follows:

"SECTION 6.1 Ratio of Total Debt to EBITDA. Parent will not permit its ratio of Total Debt outstanding to EBITDA (calculated for the last four consecutive fiscal quarter period then most recently ended for which financial statements are available) to be greater than (i) for any period on or before June 30, 2013, 4.50 to 1.0 and (ii) for any period after June 30, 2013, 4.00 to 1.0."

C. Section 7.5(g) of the Credit Agreement hereby is amended by replacing the phrase "shall exceed 10% of the amount of the then currently effective Borrowing Base" with the phrase "shall exceed 5% of the amount of the then currently effective Borrowing Base".
D. Section 7.7(a) of the Credit Agreement hereby is amended by inserting the following immediately prior to the period at the end of such subsection:

"; provided, however, that for the purposes of determining compliance with the requirements set forth in this Section 7.7(a) for Hedging Agreements for any period involving calendar year 2013, the specific Hedging Agreements described on Schedule 7.7(a) attached hereto shall not be included for the purposes of such calculation; provided further that Borrower, Parent and its Restricted Subsidiaries shall not enter into any Hedging Agreements relating to calendar year 2013 production without the prior written consent of the Required Lenders".

E. The Credit Agreement is hereby amended by inserting Schedule 7.7(a) attached hereto as Schedule 7.7(a) to the Credit Agreement following Schedule 7.5 thereto.

II. Borrowing Base. Each of the Administrative Agent, the Lenders, the Borrower and the Parent agree that, for the period from and including the Fourth Amendment Effective Date (as defined below) until the next scheduled redetermination as of November 1, 2013, but subject to Section 2.7 of the Credit Agreement in all respects, the Borrowing Base will be set at C$185,000,000.

III. Effectiveness. This Amendment shall become effective as of April 15, 2013 (the “Fourth Amendment Effective Date”) when the Administrative Agent shall have received

A. Counterparts hereof duly executed by Borrower, Parent, the Administrative Agent and the Required Lenders (or, in the case of any party as to which an executed counterpart shall not have been received, telegraphic, telex, or other written confirmation from such party of execution of a counterpart hereof by such party)

B. (i) An amendment fee for the account of each Lender executing this Amendment and returning its signature page to the Administrative Agent on or before 4:00 p.m., Houston time, April 15, 2013 of 5 basis points multiplied by the Commitment of such Lender and (ii) such other fees otherwise agreed in writing by the Borrower.

IV. Reaffirmation of Representations and Warranties. To induce the Lenders and the Administrative Agent to enter into this Amendment, Parent and Borrower each hereby reaffirms, as of the date hereof, that the representations and warranties of each Loan Party set forth in the Loan Documents to which it is a party are true and correct in all material respects on and as of the date hereof (or, if stated to have been made expressly as of an earlier date, were true and correct in all material respects as of such earlier date).

V. Defined Terms. Except as amended hereby, terms used herein when defined in the Credit Agreement shall have the same meanings herein unless the context otherwise requires.

VI. Reaffirmation of Credit Agreement. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as amended hereby, is hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement herein and in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.
VII. **Governing Law.** THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ALBERTA AND CANADA APPLICABLE THEREIN.

VIII. **Severability of Provisions.** Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

IX. **Counterparts.** This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

X. **Headings.** Article and section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

XI. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

XII. **No Oral Agreements.** THIS AMENDMENT, THE CREDIT AGREEMENT, AS AMENDED HEREBY, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[SIGNATURES BEGIN ON FOLLOWING PAGE]
IN WITNESS WHEREOF, Parent, Borrower, the undersigned Lenders and the Administrative Agent under the Credit Agreement have executed this Amendment as of the date first above written.

LONE PINE RESOURCES INC.

By: /s/ Shane K. Abel
Name: Shane K. Abel
Title: Vice President, Finance & Treasurer

LONE PINE RESOURCES CANADA LTD., formerly known as Canadian Forest Oil Ltd.

By: /s/ Shane K. Abel
Name: Shane K. Abel
Title: Vice President, Finance & Treasurer
FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO CREDIT AGREEMENT (this “Amendment”), dated as of July 26, 2013, is among LONE PINE RESOURCES INC., a Delaware corporation (“Parent”), LONE PINE RESOURCES CANADA LTD., formerly known as Canadian Forest Oil Ltd., a corporation amalgamated under the laws of the Province of Alberta, Canada (“Borrower”), each of the lenders that is a signatory to, or which becomes a signatory to, the Credit Agreement (together with its successors and assigns, the “Lenders”), JPMORGAN CHASE BANK, N.A., TORONTO BRANCH, as Administrative Agent (the “Administrative Agent”), and the other agents party thereto.

WITNESSETH:

1. Parent, Borrower, the Administrative Agent, the Lenders and others as agents are parties to that certain Credit Agreement dated as of March 18, 2011, as previously amended pursuant to that certain First Amendment to Credit Agreement, dated as of April 29, 2011, that certain Second Amendment to Credit Agreement, dated as of September 21, 2011, that certain Third Amendment to Credit Agreement, dated as of February 5, 2012, and that certain Fourth Amendment to Credit Agreement, dated as of April 12, 2013 (as amended, the “Credit Agreement”), pursuant to which the Lenders agreed to make loans to, and extensions of credit on behalf of, Borrower.

2. The parties to the Credit Agreement intend to amend the Credit Agreement as set forth herein.

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

I. Amendment.

A. Section 2.10(b)(1) of the Credit Agreement hereby is amended in its entirety to read as follows:

“(1) in the case of a Borrowing Base Deficiency resulting from a redetermination or reduction of the Borrowing Base, prepay, or cause to be prepaid, Loans in an aggregate principal amount equal to such deficiency, together with interest on the principal amount paid accrued as of the date of such prepayment and, if after prepaying all of the Loans (other than Bankers Acceptances) a Borrowing Base Deficiency remains as a result of a BA Exposure, pay to the Administrative Agent an amount equal to such remaining Borrowing Base Deficiency to be held as cash collateral as provided in Section 2.23 (m), and, if after prepaying all of the Loans (other than Bankers Acceptances) and providing cash collateral for all Bankers’ Acceptances pursuant to this Section, a Borrowing Base Deficiency remains as a result of an LC Exposure, pay to the Administrative Agent an amount equal to such remaining Borrowing Base Deficiency to be held as cash collateral as provided in Section 2.4(i); provided that Borrower shall be obligated to make (or cause to be made) such prepayment and/or deposit of cash collateral immediately as of the Deficiency Notification Date with respect to such deficiency;”.

Exhibit 10.1
[EXECUTION COPY]
B. Section 5.1(f) of the Credit Agreement hereby is amended in its entirety to read as follows:

“(f) Within fifteen (15) days following the end of each calendar month, a report titled “Monthly Financial Results” substantially in the form attached as Exhibit N, certified as being accurate by an Authorized Officer.”

C. Section 6.1 of the Credit Agreement hereby is amended in its entirety to read as follows:

“SECTION 6.1 Ratio of Total Debt to EBITDA. Parent will not permit its ratio of Total Debt outstanding to EBITDA (calculated for the last four consecutive fiscal quarter period then most recently ended for which financial statements are available) to be greater than (i) for any period on or before June 30, 2013, 5.75 to 1.0 and (ii) for any period after June 30, 2013, 4.00 to 1.0.”

D. The Credit Agreement hereby is amended by inserting Exhibit N attached to this Amendment as Exhibit N to the Credit Agreement.

II. Effectiveness. This Amendment shall become effective as of July 26, 2013 (the “Fifth Amendment Effective Date”) when the Administrative Agent shall have received:

A. Counterparts hereof duly executed by Borrower, Parent, the Administrative Agent and the Majority Lenders and acknowledgement of the Guarantors (or, in the case of any party as to which an executed counterpart shall not have been received, telegraphic, telex, or other written confirmation from such party of execution of a counterpart hereof by such party);

B. Duly executed counterparts of an Amended and Restated Demand Debenture and Negative Pledge from Borrower and Lone Pine Resources (Holdings) Inc., respectively, in form and substance acceptable to the Administrative Agent, in its reasonable discretion, together with such other documents or instruments as the Administrative Agent may reasonably request in connection therewith; and

C. Payment of (i) an amendment fee for the account of each Lender executing this Amendment and returning its signature page to the Administrative Agent on or before 4:00 p.m., Houston time, July 24, 2013 equal to 10 basis points multiplied by such Lender’s Applicable Percentage of the current Borrowing Base, (ii) such other fees otherwise agreed in writing by the Borrower, and (iii) all fees and expenses incurred or payable by the Administrative Agent (including, without limitation, reasonable fees and expenses of counsel for the Administrative Agent), arising in connection with the negotiations, preparation and execution of this Amendment and all other instruments and documents to be delivered in connection herewith as well as otherwise outstanding on the date hereof.

III. Reaffirmation of Representations and Warranties. To induce the Lenders and the Administrative Agent to enter into this Amendment, Parent and Borrower each hereby reaffirms, as of the date hereof, that the representations and warranties of each Loan Party set forth in the Loan Documents to which it is a party (as amended hereby) are true and correct in all
material respects on and as of the date hereof (or, if stated to have been made expressly as of an earlier date, were true and correct in all material respects as of such earlier date).

IV. Defined Terms. Except as amended hereby, terms used herein when defined in the Credit Agreement shall have the same meanings herein unless the context otherwise requires.

V. Reaffirmation of Credit Agreement. This Amendment shall be deemed to be an amendment to the Credit Agreement, and the Credit Agreement, as amended hereby, is hereby ratified, approved and confirmed in each and every respect. All references to the Credit Agreement herein and in any other document, instrument, agreement or writing shall hereafter be deemed to refer to the Credit Agreement as amended hereby.

VI. Governing Law. THIS AMENDMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ALBERTA AND CANADA APPLICABLE THEREIN.

VII. Severability of Provisions. Any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

VIII. Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy shall be effective as delivery of a manually executed counterpart of this Amendment.

IX. Headings. Article and section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

X. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

XI. No Oral Agreements. THIS AMENDMENT, THE CREDIT AGREEMENT, AS AMENDED HEREBY, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

[SIGNATURES BEGIN ON FOLLOWING PAGE]
IN WITNESS WHEREOF, Parent, Borrower, the undersigned Lenders and the Administrative Agent under the Credit Agreement have executed this Amendment as of the date first above written.

LONE PINE RESOURCES INC.
By: /s/ Shane K. Abel
Name: Shane K. Abel
Title: Vice President, Finance & Chief Financial Officer

LONE PINE RESOURCES CANADA LTD., formerly known as Canadian Forest Oil Ltd.
By: /s/ Shane K. Abel
Name: Shane K. Abel
Title: Vice President, Finance & Chief Financial Officer
CONSENT OF GUARANTORS

Each of the undersigned Guarantors hereby consent to the terms, provisions and conditions contained in this Fifth Amendment. Each Guarantor hereby acknowledges and agrees that (a) the execution, delivery and performance of the Fifth Amendment will not adversely affect or impair any of its obligations to Administrative Agent and the Lenders evidenced by or arising under or in respect of the applicable Guaranty or any other Loan Document, as applicable, (b) payment of all of the present and future Obligations owed by the Borrower is guaranteed to the Administrative Agent and the Lenders by each Guarantor under and pursuant to the applicable Guaranty, and (c) each Guaranty and each other Loan Document pursuant to which any Guarantor is a party, as applicable, is in full force and effect on the date hereof and each Guaranty is hereby ratified and confirmed.

LONE PINE RESOURCES INC.

By: /s/ Shane K. Abel
Name: Shane K. Abel
Title: Vice President, Finance & Chief Financial Officer

WISER OIL DELAWARE, LLC

By: Class A Manager of Wiser Oil Delaware, LLC Lone Pine Resources Inc.

By: /s/ Patrick R. McDonald
Name: Patrick R. McDonald
Title: Chairman

Signed at: Denver, CO, USA

By: Class B Manager of Wiser Oil Delaware, LLC

By: /s/ Mary S. Stawikey
Name: Mary S. Stawikey
Title: Manager

Signed at: Wilmington, DE, USA

LONE PINE RESOURCES (HOLDINGS) INC., formerly known as Forest Oil Energy Corporation

By: /s/ Tim Granger
Name: Tim Granger
Title: President

WISER DELAWARE LLC

By: Class A Manager of Wiser Delaware LLC Lone Pine Resources Inc.

By: /s/ Patrick R. McDonald
Name: Patrick R. McDonald
Title: Chairman

Signed at: Denver, CO, USA

By: Class B Manager of Wiser Delaware LLC

By: /s/ Mary S. Stawikey
Name: Mary S. Stawikey
Title: Manager

Signed at: Wilmington, DE, USA