

This is **Exhibit "18"** referred to in the Affidavit of Mark Horrox sworn before me this 5th day November, 2019.

A handwritten signature in black ink, appearing to read 'C. Simard', is written over a horizontal line.

CHRIS SIMARD
Barrister and Solicitor

DIP FINANCING TERM SHEET

Dated as of November [●], 2019

WHEREAS Third Eye Capital Corporation ("**Third Eye**"), as administrative agent and the financial institutions and other lenders party thereto from time to time have made certain credit facilities available to ACCEL Canada Holdings Limited ("**ACCEL Holdings**") upon the terms and conditions contained in a credit agreement dated as of June 30, 2017 among ACCEL Holdings, as the borrower, ACCEL Energy Limited (the "**ACCEL Parent**"), ACCEL Energy Services Canada Limited ("**AESC**"), Michael Williams, Wayne Chodzicki, Jonathan Schroeder, Mark De Jager and Bobby Nolen, each as a guarantor, ACCEL Energy Canada Limited ("**ACCEL Energy**"), as a credit party, Third Eye, as the administrative agent, and the lenders party thereto, as amended most recently on January 30, 2019 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "**ACCEL Holdings 1 Credit Agreement**");

AND WHEREAS in connection with the ACCEL Holdings 1 Credit Agreement, Third Eye arranged for American Future Fuels Corporation ("**AFFC**") to make a US\$18,750,000 preferred share investment in the ACCEL Parent pursuant to a Preferred Share Investment Agreement dated June 30, 2017. In addition, on July 6, 2017, the ACCEL Parent issued warrants equal to 10.0% of the aggregate number of equity securities of the ACCEL Parent to Third Eye on behalf of the lenders under the ACCEL Holdings 1 Credit Agreement;

AND WHEREAS in addition to, and contemporaneously with, entering into the ACCEL Holdings 1 Credit Agreement, 2051820 Alberta Ltd., a wholly owned subsidiary of Third Eye, purchased certain facilities, machinery, equipment and other tangible property and miscellaneous interests from ACCEL Energy for a purchase price of \$5,000,000 plus applicable HST (the "**Purchase Price**"), and thereafter pursuant to a sale-leaseback, leased such assets to ACCEL Energy pursuant to a Capital Lease Agreement dated July 6, 2017, as most recently amended on January 30, 2019 (the "**Lease**") for a rental amount equal to \$62,500 plus the Purchase Price to be paid on the maturity date of the Lease;

AND WHEREAS Third Eye, as administrative agent and the financial institutions and other lenders party thereto from time to time have made certain further credit facilities available to ACCEL Holdings upon the terms and conditions contained in a credit agreement dated as of November 3, 2017 among ACCEL Holdings, as borrower, the ACCEL Parent, AESC, Michael Williams, Wayne Chodzicki and Jonathan Schroeder, each as a guarantor, Third Eye, as administrative agent, and the lenders party thereto, as amended most recently on January 30, 2019 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "**ACCEL Holdings 2 Credit Agreement**");

AND WHEREAS in connection with the ACCEL Holdings 2 Credit Agreement, ACCEL Holdings issued warrants on November 3, 2017 equal to 10.0% of the aggregate number of equity securities of ACCEL Holdings to Third Eye on behalf of the lenders under the ACCEL Holdings 2 Credit Agreement;

AND WHEREAS in connection with the ACCEL Holdings 2 Credit Agreement, on October 11, 2019, Third Eye provided emergency financing in consideration for a \$1,000,000 promissory note from ACCEL Holdings, as the borrower, as guaranteed by the guarantors under the ACCEL Holdings 2 Credit Agreement, which formed part of the obligations under the ACCEL Holdings 2 Credit Agreement (the "**Agent Advance**");

AND WHEREAS Third Eye, as administrative agent and AFFC, as lender, provided \$20,100,000 to the ACCEL Parent and ACCEL Holdings upon the terms and conditions contained in a Promissory Note among the ACCEL Parent, ACCEL Holdings, Third Eye and AFFC, originally dated May 7, 2018 (and

most recently replaced by a Third Amended & Restated Promissory Note dated January 30, 2019, the "**AFFC Promissory Note**"). In connection with an amendment to such original Promissory Note, on August 15, 2018, ACCEL Holdings granted a debenture charging all of its property in favour of Third Eye, as administrative agent, to secure its obligations under the AFFC Promissory Note;

AND WHEREAS Third Eye, as administrative agent and the financial institutions and other lenders party thereto from time to time have made certain further credit facilities available to ACCEL Holdings upon the terms and conditions contained in a credit agreement dated as of August 15, 2018 among ACCEL Holdings, as the borrower, the ACCEL Parent, AESC, Michael Williams, Wayne Chodzicki and Jonathan Schroeder, each as a guarantor, Third Eye, as the administrative agent, and the lenders party thereto, as amended most recently on July 11, 2019 (as may be further amended, restated, supplemented or otherwise modified from time to time, the "**ACCEL Holdings 3 Credit Agreement**");

AND WHEREAS in connection with a special agent advance made pursuant to the ACCEL Holdings 3 Credit Agreement on October 19, 2018, ACCEL Holdings issued warrants equal to 5.0% of the aggregate number of equity securities of ACCEL Holdings to Third Eye on behalf of the lenders party to the ACCEL Holdings 3 Credit Agreement;

AND WHEREAS as agreed to in the Third Amendment to Credit Agreement dated July 11, 2019, the lenders under the ACCEL Holdings 3 Credit Agreement agreed to establish an interim draw facility not to exceed \$7,000,000, which was to expire September 25, 2019 (the "**Interim Facility**");

AND WHEREAS Third Eye, as administrative agent and the financial institutions and other lenders party thereto from time to time have made certain credit facilities available to ACCEL Canada Resources Limited, a wholly owned subsidiary of Michael Williams ("**ACRL**") upon the terms and conditions contained in a credit agreement dated November 9, 2018 among ACRL, as borrower, ACCEL Holdings and Michael Williams, each as a guarantor, Third Eye, as the administrative agent, and the lenders party thereto (as may be amended, restated, supplemented or otherwise modified from time to time, the "**ACRL Credit Agreement**", and together with the ACCEL Holdings 1 Credit Agreement, the ACCEL Holdings 2 Credit Agreement and the ACCEL Holdings 3 Credit Agreement, the "**ACCEL Credit Agreements**"). In connection therewith, ACRL purchased certain assets from ACCEL Holdings and leased such assets back to ACCEL Holdings pursuant to a Capital Lease dated November 9, 2018;

AND WHEREAS in connection with the ACRL Credit Agreement, ACCEL Holdings issued warrants on November 9, 2018 equal to 5.0% of the aggregate number of equity securities of ACCEL Holdings to Third Eye on behalf of the lenders party to the ACRL Credit Agreement;

AND WHEREAS Third Eye, as lender, provided a term loan to ACCEL Energy upon the terms and conditions contained in a Binding Agreement among ACCEL Energy and Regent Holdings LLC dated September 13, 2019 (as may be amended, restated, supplemented or otherwise modified from time to time, the "**AECL Agent Advance**"). In connection therewith, ACCEL Energy granted a debenture charging all of its property in favour of Third Eye, as lender, to secure its obligations under and in connection with the AECL Agent Advance;

AND WHEREAS the aggregate amount of principal and interest (including default rate interest) outstanding under and in connection with the ACCEL Credit Agreements, the Lease, the Interim Facility, the Agent Advance and the AECL Agent Advance was, [as of October 31, 2019, \$326,747,498.06](the "**TEC Prepetition Indebtedness**"). [As of October 31, 2019], the aggregate amount of principal and interest (including default rate interest) outstanding under and in connection with the AFFC Promissory Note was \$[22,872,921.12];

AND WHEREAS ACCEL Holdings and ACCEL Energy each wish to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Court of Queen's Bench of Alberta (the "**Court**");

AND WHEREAS pursuant to section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") ACCEL Holdings and ACCEL Energy have filed Notices of Intention to Make a Proposal in the District of Alberta, Division of Calgary, court and estate number 25-2573419 effective October 21, 2019 naming Deloitte Restructuring Inc. as the proposal trustee (collectively, the "**NOI Proceedings**");

AND WHEREAS pursuant to section 69(1) of the BIA, all proceedings against ACCEL Holdings and ACCEL Energy are stayed for a period of 30 days as a result of the NOI Proceedings;

AND WHEREAS ACCEL Holdings and ACCEL Energy have requested that the DIP Lenders (as defined below, each of which is a lender under one or more ACCEL Credit Agreement) provide each of them with loans in order to, among other things, fund certain of their obligations during the pendency of NOI Proceedings and the CCAA Proceedings;

AND WHEREAS each DIP Lender (as defined below) has agreed to provide the requested loans in accordance with the terms set out herein.

NOW THEREFORE, the parties, in consideration of the foregoing and the mutual agreements contained herein (the receipt and sufficiency of which are hereby acknowledged), agree as follows:

1. **Borrowers:** ACCEL Holdings and ACCEL Energy, together the "**Borrowers**" and each a "**Borrower**", acting jointly and severally.
2. **Guarantors:** ACCEL Holdings (other than with respect to its own obligations), ACCEL Energy (other than with respect to its own obligations), the ACCEL Parent, AESC, ACRL, and all direct and indirect subsidiaries of the Borrowers (other than ACCEL Energy and AESC) after the date hereof (collectively, the "**Guarantors**" and each a "**Guarantor**", together with the Borrowers, collectively referred to herein as the "**Credit Parties**" and, individually, a "**Credit Party**").
3. **DIP Lenders** [●], [●] and [●][*NTD: DIP Lenders to be identified, but all to be TEC affiliates and/or managed funds*] (together with any other entity party hereto from time to time as a lender as successor or assignee thereof, collectively, the "**DIP Lenders**", and each, individually, a "**DIP Lender**").

The obligations of the DIP Lenders shall be several (and not joint and several). No DIP Lender shall be responsible for the obligations of any other DIP Lender under this DIP Financing Term Sheet, and the failure by any DIP Lender to perform its obligations under this DIP Financing Term Sheet shall not affect the obligations of any other DIP Lender hereunder.
4. **DIP Agent:** Third Eye Capital Corporation, as administrative agent and as collateral agent (in such capacity, the "**DIP Agent**").

5. **Defined Terms** Capitalized terms used in this DIP Financing Term Sheet and not defined herein have the meanings given thereto in Schedule "A". Unless otherwise noted herein, all references herein to "dollars" or to "\$" means Canadian dollars.

6. **Purpose:** To provide for the short-term liquidity needs of the Borrowers pursuant to the Cash Flow Budget and in accordance with the Charging Order and the Initial Order while the Borrowers are under Court protection pursuant to the NOI Proceedings and the CCAA Proceedings.

7. **DIP Facility and Maximum Amount:** A super priority (debtor-in-possession), interim, revolving credit facility (the "**DIP Facility**") up to a maximum principal amount of \$30,000,000 (as such amount may be reduced from time to time pursuant to Section 16 hereof, the "**Maximum Amount**"), subject to the terms and conditions contained herein.

8. **Interest Rate and Default Interest:** Advances under the DIP Facility ("**DIP Advances**" and each a "**DIP Advance**") shall bear interest at a rate equal to 12% per annum. Interest shall accrue daily on the aggregate outstanding principal of the DIP Facility and shall be calculated and payable in cash in arrears on the first Business Day of each month.

All interest and fees will be calculated on the basis of a 365 day year and actual days lapsed, up to (but excluding) the date of actual payment from the funding date or the due date, as applicable; provided that whenever a rate of interest or fee hereunder is calculated on the basis of a year (the "**deemed year**") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year. The principle of deemed reinvestment of interest does not apply to any interest calculation in any DIP Financing Credit Documentation, and the rates of interest stipulated any DIP Financing Credit Documentation are intended to be nominal rates and not effective rates or yields.

Any amounts which are not paid when due and payable by any Borrower hereunder or in respect of any other DIP Financing Credit Documentation shall accrue interest (after as well as before maturity and judgment) on a daily basis up to and including the date of actual payment from the due date, at a rate equal to [16]% per annum, payable on demand by the DIP Agent.

9. **Fees:** A closing fee (together with any extension fee paid further to the terms of Section 14, the "**Fees**") in the amount of \$600,000 is to be paid by the Borrowers to the DIP Agent for the rateable benefit of the DIP Lenders as follows: (i) \$200,000 earned and payable on the date that the initial DIP Advance is made, (ii) if the DIP Facility has not otherwise been refinanced or repaid in full at such time, \$200,000 earned and payable on the date that is 30 days from the date of this DIP Financing Term Sheet and (iii) if the DIP Facility has not otherwise

been refinanced or repaid in full at such time, \$200,000 earned and payable on the date that is 60 days from the date of this DIP Financing Term Sheet.

10. **Use of Proceeds:**

The Borrowers are authorized to use DIP Advances (i) for working capital, including for restructuring costs in the NOI Proceedings or the CCAA Proceedings and for other general corporate purposes of the Borrowers; (ii) to make payments necessary to comply with or as contemplated under the Charging Order and the Initial Order; and (iii) to pay the fees and expenses of the beneficiaries of the Administration Charge and professional fees (including the DIP Lenders' and the Borrowers' legal counsel, the Monitor and the Monitor's legal counsel and such other agents, advisors and consultants of the Borrowers, in each case of the foregoing paragraphs (i) to (iii), consistent with (and as provided for in) the Cash Flow Budget; provided that no proceeds from the DIP Facility or the Collateral shall be used other than in accordance with this DIP Financing Term Sheet unless otherwise agreed in writing by the DIP Agent (on behalf of the DIP Lenders).

11. **Availability Under DIP Facility:**

For a DIP Advance, the applicable Borrower shall deliver a written request for such DIP Advance (a "**DIP Advance Request**") to the DIP Lenders, and the DIP Lenders shall, within three (3) Business Days of receipt thereof, advise the Borrowers of the satisfaction or non-satisfaction of the Funding Conditions, as determined by the DIP Agent (on behalf of the DIP Lenders) in its sole discretion. Each DIP Advance shall be made by the DIP Lenders to the applicable Borrower within one (1) Business Day of notifying the applicable Borrower of the satisfaction of the Funding Conditions.

DIP Advances shall be available in Canadian dollars.

12. **Conditions Precedent To Effectiveness:**

The effectiveness of this DIP Financing Term Sheet is subject to the satisfaction of the following conditions precedent as determined by the DIP Agent (on behalf of the DIP Lenders) in its sole discretion:

- (a) The DIP Agent and the DIP Lenders (or their respective counsel) shall have had a reasonable opportunity to review advance copies of, and shall be reasonably satisfied with, all material documents to be filed in respect of an initial order commencing the CCAA Proceedings in a form satisfactory to the DIP Agent (on behalf of the DIP Lenders), in its absolute discretion (the "**Initial Order**") and, among other things, the Initial Order shall appoint PricewaterhouseCoopers Inc. as the Monitor of the Borrowers;
- (b) The Court shall have issued an order (the "**Charging Order**") (either in the NOI Proceedings, or as part of the Initial Order in the CCAA Proceedings) in a form satisfactory to the DIP Agent (on behalf of the DIP Lenders), in its absolute discretion, approving this DIP Financing Term Sheet and the DIP Facility and granting the DIP Lenders a superpriority charge (the "**DIP**

Lenders' Charge") in favour of the DIP Agent for the benefit of itself and the DIP Lenders (collectively, the "**DIP Secured Parties**") on the Collateral of the Borrowers, securing all obligations, covenants and liabilities owing by the Borrowers and the other Credit Parties to the DIP Secured Parties hereunder or under any other related agreement, including, without limitation, all principal, interest, Fees, indemnities and the DIP Financing Fees and Expenses (collectively, the "**DIP Financing Obligations**"); the Charging Order shall provide that the DIP Lenders' Charge shall have priority over all Liens, except for the Permitted Priority Liens; and the Charging Order shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in a way that adversely impacts the rights and interests of the DIP Lenders in a material manner, without the consent of the DIP Agent (on behalf of the DIP Lenders);

- (c) The DIP Agent (on behalf of the DIP Lenders) (or its counsel) shall be satisfied that (i) the entering into of this DIP Financing Term Sheet and the other DIP Financing Credit Documentation, the granting of the DIP Lenders' Charge and the consummation of the transactions contemplated hereby has been approved by the Borrowers and the other Credit Parties and (ii) service has been effected on a list of parties acceptable to the DIP Agent (on behalf of the DIP Lenders);
- (d) The DIP Financing Credit Documentation shall be satisfactory to the DIP Agent (on behalf of the DIP Lenders), and shall have been executed by the Borrowers and the Guarantors, as applicable;
- (e) Upon entry of the Charging Order, the Borrowers and the other Credit Parties shall have obtained all governmental, regulatory and third party approvals required to be obtained to permit it to enter into the transactions contemplated by the terms hereof;
- (f) The DIP Lenders shall have received the Cash Flow Budget in accordance with the terms of this DIP Financing Term Sheet (which shall be satisfactory to the DIP Agent (on behalf of the DIP Lenders) in its sole discretion), and which shall provide, for greater certainty, for all payments to be made as required by and set forth in Section 24(t);
- (g) There shall be no material damage or destruction to any of the Collateral, nor any material depreciation in the value thereof and the Credit Parties' operations shall comply, in all material respects, with all applicable health and safety, environmental, labour and other applicable laws and regulations;
- (h) All expenses (including all legal fees and expenses) of the DIP Secured Parties incurred in connection with the DIP Facility

shall have been paid in full as and to the extent required under Section 18 (which expenses may be deducted from the initial DIP Advance, as applicable);

- (i) The DIP Secured Parties shall have received all “know your client” information they may require;
- (j) All of the representations and warranties of the Borrowers and the Guarantors as set forth herein and in any other DIP Financing Credit Documentation shall be true and correct in all respects; and
- (k) There shall be no Liens ranking in priority to the DIP Lenders' Charge, other than the Permitted Priority Liens.

13. **Conditions Precedent To DIP Advances:**

The DIP Lenders' obligation to make DIP Advances to any Borrower is subject to the satisfaction of the following conditions precedent as determined by the DIP Agent (on behalf of the DIP Lenders) in its sole discretion (collectively, the “**Funding Conditions**”):

- (a) This DIP Financing Term Sheet shall have become effective and all conditions precedent set out in Section 12 shall have been fulfilled;
- (b) The DIP Agent shall have received from the applicable Borrower a DIP Advance Request, substantially in the form attached hereto as Schedule “C”, which shall be executed by an officer of such Borrower, and shall certify, *inter alia*, that the DIP Advance Request is within the Maximum Amount, is consistent with the Cash Flow Budget, and that such Borrower and the other Credit Parties are in compliance with the DIP Financing Credit Documentation and the Restructuring Court Orders (as defined below);
- (c) The DIP Agent (on behalf of the DIP Lenders) shall be satisfied that each Borrower and each other Credit Party have complied with and are continuing to comply in all material respects with all applicable laws, regulations and policies in relation to its business other than (i) as may be permitted under the court orders made in the NOI Proceedings or the CCAA Proceedings applicable to the Borrowers (collectively, the “**Restructuring Court Orders**” and each a “**Restructuring Court Order**”) or (ii) as to which any enforcement in respect of noncompliance is stayed by a Restructuring Court Order, provided the issuance of such Restructuring Court Order (in each case) does not result in the occurrence of an Event of Default;
- (d) The requested DIP Advance shall not, if advanced to either Borrower, cause the aggregate amount of all outstanding DIP Advances to exceed the Maximum Amount or be greater than

the total DIP Advances projected to be required in the Cash Flow Budget, unless otherwise specifically approved by the DIP Agent (acting on behalf of the DIP Lenders);

- (e) All DIP Financing Fees and Expenses shall have been paid, or will be paid from the proceeds of the requested DIP Advance, as applicable, within such period of time as is acceptable to the DIP Agent (on behalf of the DIP Lenders) in its absolute discretion;
- (f) All of the representations and warranties of the Borrowers and the other Credit Parties as set forth herein and in any other DIP Financing Credit Documentation shall be true and correct in all respects;
- (g) No Default or Event of Default shall have occurred or will occur as a result of the requested DIP Advance;
- (h) The DIP Agent and the DIP Lenders are satisfied that no Material Adverse Change shall have occurred after the date of the issuance of the Charging Order or the Initial Order;
- (i) The DIP Secured Parties shall have valid and perfected superpriority Liens on the Collateral of the Borrowers pursuant to the Charging Order or the Initial Order and there are no Liens ranking in priority to the DIP Lenders' Charge, other than the Permitted Priority Liens;
- (j) Since the date of the Charging Order or the Initial Order there shall not have occurred any payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of the Initial Order or as otherwise provided for hereunder and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the Cash Flow Budget; and
- (k) The Charging Order and (for DIP Advances made after the commencement of the CCAA Proceedings) the Initial Order shall be in full force and effect and shall not have been reversed, modified, amended or stayed in a manner adverse to the interests of the DIP Lender.

14. Repayment:

The DIP Facility shall be repayable in full (including all accrued and unpaid interest thereon and all fees, costs and any other amounts due and payable in connection therewith) on the earlier of: (i) the occurrence of any Event of Default hereunder which is continuing and has not been cured; (ii) the implementation of a plan of compromise or arrangement within the CCAA Proceedings (a "**Plan**") which has been approved by the requisite majorities of the Borrowers' creditors and by order entered by the Court; (iii) conversion of the CCAA Proceedings

into a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iv) the sale of all or substantially all of the Collateral; and (v) February [●], 2020 [NTD: To be 90 days after the date of this DIP Financing Term Sheet] (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended for a 30 day period at the request of the Borrowers and with the prior written consent of the DIP Agent (on behalf of itself and the DIP Lenders) and on such terms and conditions as the DIP Agent (on behalf of itself and the DIP Lenders) may require, including, without limitation, the obligation of the Borrowers to pay the DIP Agent, for the rateable benefit of the DIP Lenders, an extension fee equal to \$200,000.

Subject to the terms above with respect to extensions of the Maturity Date, the Commitment shall expire on the Maturity Date and all amounts outstanding under the DIP Facility shall be repaid in full no later than the Maturity Date, without the DIP Lenders being required to make demand upon the Borrowers or to give notice that the DIP Facility has expired and the obligations are due and payable. The order of the Court sanctioning any Plan shall not discharge or otherwise affect in any way any of the obligations of the Borrowers to the DIP Agent and the DIP Lenders under the DIP Facility, other than after the permanent and indefeasible payment in cash to the DIP Agent and the DIP Lenders of all obligations under the DIP Facility on or before the date the Plan is implemented.

15. Prepayment:

Upon 5 days prior written notice to the DIP Agent, the Borrowers may prepay any amounts outstanding under the DIP Facility at any time prior to the Maturity Date, without any prepayment fee or penalty. In no event shall the DIP Lenders be obligated to accept any amount that would be contrary to any applicable law respecting interest to be charged. If the minimum interest is determined to be in excess of the maximum amount permitted by applicable law, then the minimum interest shall be reduced to the maximum amount that would be permitted by applicable law.

The Borrowers may borrow, repay and re-borrow DIP Advances, subject to the terms and conditions herein. Any amount repaid or prepaid under the DIP Facility (including those repaid in accordance with Section 16) shall be applied against amounts outstanding hereunder and in connection herewith by the DIP Agent in its sole and absolute discretion.

16. Mandatory Repayments:

Unless otherwise consented to in writing by the DIP Agent (on behalf of the DIP Lenders), DIP Advances to the Borrowers shall be forthwith repaid and the Maximum Amount shall be permanently reduced: (i) upon a sale, transfer, lease or other disposition of any of the Collateral out of the ordinary course of business, in an amount equal to the net cash proceeds of such sale (for greater certainty, net of reasonable costs and closing adjustments); (ii) upon receipt by any Credit Party of insurance proceeds with respect to the Collateral owned by it, (iii) upon receipt by any Credit Party of a refund or payment on account of Taxes

from any Governmental Entity, excluding refunds or payments on account of sales taxes, (iv) upon receipt by any Credit Party (or any of its advisors or agents on such Credit Party's behalf) of any amounts received after the date hereof from BP Canada Energy Group ULC or any of its affiliates and (v) upon receipt by any Credit Party (or any of its advisors or agents on such Credit Party's behalf) of any amounts related to any avoidance actions or avoidance transactions (including, without limitation, in connection with any acts of fraudulent preference, acts of fraudulent conveyance and/or transfers at under value).

17. **Evidence of Indebtedness:** The DIP Lenders' accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the DIP Lenders pursuant to the DIP Facility.
18. **Costs and Expenses:** The Borrowers shall pay all of the DIP Agent and the DIP Lenders' fees and out-of-pocket disbursements and any costs of realization or enforcement, in each case in connection with or otherwise related to the DIP Facility, the DIP Lenders' Charge, the other DIP Financing Credit Documentation or the NOI Proceedings and the CCAA Proceedings (collectively, the "**DIP Financing Fees and Expenses**").
19. **Documentation and DIP Financing Security:** The DIP Financing Obligations shall be secured by
 - (a) the DIP Lenders' Charge;
 - (b) such other documents as the DIP Agent (on behalf of the DIP Lenders) may request (which will include a fixed and floating charge debenture granted by each Borrower in favour of the DIP Agent (on behalf of itself and the DIP Lenders) and a securities pledge agreement from ACCEL Holdings in favour of the DIP Agent (on behalf of itself and the DIP Lenders); including those documents required in order to register or otherwise perfect the security interests comprising the DIP Lenders' Charge.

((a) and (b) collectively, the "**DIP Financing Security**").

The DIP Financing Security shall be in priority to all Liens pursuant to the Charging Order or the Initial Order, subordinate only to the Permitted Priority Liens. The DIP Financing Obligations shall also be secured by a fixed and floating charge debenture granted by each Guarantor (other than the Borrowers) in favour of the DIP Agent (on behalf of itself and the DIP Lenders), a securities pledge agreement from ACCEL Parent in favour of the DIP Agent (on behalf of itself and the DIP Lenders) and such other documents as the DIP Agent (on behalf of the DIP Lenders) may request including those documents required in order to register or otherwise perfect the security interests granted under any such documents (collectively, the "**Other Security**").

Notwithstanding the foregoing and subject to the concluding sentence

of this paragraph, no proceeds of any DIP Advance may be used to (a) investigate, object to or challenge in any way any claims of the DIP Lenders against the Credit Parties in respect of the DIP Facility, or (b) investigate, object to or challenge in any way the validity or enforceability of the Liens created under the DIP Financing Security. Nothing in this paragraph shall restrict the Borrowers or the Monitor, including the engagement by the Monitor of independent legal counsel, from conducting a claims process in accordance with any Restructuring Court Order (and receiving their fees, costs and expenses therefor).

The DIP Financing Security, the Other Security and the charges created hereby and in the Charging Order and the Initial Order shall be deemed to be valid and perfected by the granting of the Charging Order and the Initial Order. The DIP Agent and the DIP Lenders shall not be required to file any financing statement, mortgage, security notice, or similar instrument or take any other action to validate or perfect the security charges granted hereunder and in the Charging Order and the Initial Order, however the DIP Agent may register the DIP Financing Security (and/or any notice, certificate, instrument or other agreement associated therewith) in jurisdictions and at registries or public offices as the DIP Agent (on behalf of the DIP Lenders) may determine necessary or beneficial to protect the interests under the DIP Financing Security.

20. **Permitted Liens and Priority:**

All Collateral will be free and clear of all other Liens, except for the Permitted Liens.

21. **Cash Flow Budget:**

Attached hereto as Schedule "B" is the Cash Flow Budget as in effect on the date hereof, which is in form and substance satisfactory to the DIP Agent and the DIP Lenders.

By 12:00 noon Mountain Standard Time of every Thursday of each week following the granting of the Charging Order or the Initial Order, the Borrowers shall provide the DIP Agent (for distribution to the DIP Lenders) with (i) an updated Cash Flow Budget in form and substance satisfactory to and approved by the DIP Agent (on behalf of the DIP Lenders), together with (A) a comparison of the previous week's forecast to actual cash receipts and expenditures for each line item in the Cash Flow Budget (i.e. a week in arrears) and (B) an explanation of the differences (the "**Variance Report**") and (ii) a report showing the average daily barrel of oil equivalent produced by the Credit Parties for the immediately preceding week.

The Borrowers shall use commercially reasonable efforts, if requested by the DIP Agent, to cause its non-legal advisors to participate on weekly conference calls with the DIP Agent and the DIP Lenders and their respective advisors, agents and employees to discuss the revised Cash Flow Budget, the Variance Report, the Borrowers' current and projected operational performance, and any related financial matters.

22. **Monitor:**

The monitor in the CCAA Proceedings shall be PricewaterhouseCoopers Inc. (the "**Monitor**"). The Monitor shall be

authorized to have direct discussions with the DIP Lenders, and the DIP Lenders shall be entitled to receive information from the Monitor as may be requested by the DIP Agent from time to time.

23. **Representations and Warranties:**

Each Borrower and each other Credit Party represents and warrants to the DIP Agent and to the DIP Lenders, upon which the DIP Agent and each DIP Lender are relying in entering into this DIP Financing Term Sheet and the other DIP Financing Credit Documentation, as follows:

- (a) The DIP Financing Term Sheet and the other DIP Financing Credit Documentation and the transactions contemplated hereby and thereby:
 - (i) are within the powers of each Borrower and each other Credit Party;
 - (ii) have been duly executed and delivered by or on behalf the Borrowers and the other Credit Parties pursuant to the Initial Order;
 - (iii) do not conflict with or result in a breach of any of the terms or conditions of the constating documents of the Borrowers or the other Credit Parties, any applicable law, any contractual restrictions binding on or affecting the Credit Parties' material properties or any judgement, injunction, determination or award which is binding on the applicable Credit Party;
 - (iv) upon the granting of the Charging Order or the Initial Order, constitute legal, valid and binding obligations of the Borrowers and the other Credit Parties; and
 - (v) other than those already obtained (including the Initial Order), do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party, other than filings which may be made, but are not required, to register or otherwise record the DIP Lenders' Charge or the DIP Financing Security.
- (b) The Collateral is free and clear of all Liens other than Permitted Liens and, upon the granting of the Charging Order or the Initial Order, the DIP Lenders' Charge.
- (c) None of the reports, financial statements, certificates or other written information furnished by or on behalf of the Borrowers of the other Credit Parties to the DIP Lenders or their advisors in connection with the negotiation of this DIP Financing Term Sheet or delivered with respect thereto (as modified or supplemented by other information so furnished), contains any misstatement of material fact or omits to state any material fact

necessary to make the statements therein, taken as a whole, in the light of the circumstances under which it was made, not materially misleading; *provided that* to the extent any such reports, financial statements, certificates or other written information therein was based upon or constitutes a forecast or projection, each Borrower represents only that it has acted in good faith and utilized assumptions believed by it to be reasonable at the time made.

- (d) Each Borrower and each Credit Party has, in respect of all prior fiscal periods (i) filed all tax returns, except in respect of any prior fiscal period for which the due date for filing the applicable tax return has not yet occurred and (ii) paid all taxes owing for all prior fiscal periods except for any taxes that are not yet due and payable or that are being diligently contested in good faith by the applicable Credit Party and for which sufficient reserves have been set aside.
- (e) Each Credit Party, since the commencing of the NOI Proceedings, has maintained its obligations for payroll, source deductions, current normal cost pension liabilities, retail sales tax, goods and services tax and harmonized sales tax, as applicable, and is not in arrears in respect of payment of these obligations.
- (f) All representations and warranties made by the Borrowers and the other Credit Parties in all other DIP Financing Credit Documentation are true and correct in all respects.
- (g) No Default or Event of Default has occurred and is continuing.
- (h) Each Credit Party has been duly formed and is validly existing under the law of its jurisdiction of incorporation.
- (i) Each Credit Party maintains adequate insurance coverage, as is customary with companies in the same or similar business (except with respect to directors' and officers' insurance in respect of which no representation is made regarding adequacy of coverage) of such type, in such amounts and against such risks as is prudent for a business of its nature with financially sound and reputable insurers and that contain reasonable coverage and scope.
- (j) No Credit Party is aware of any introduction, amendment, repeal or replacement of any law or regulation being made or proposed which could reasonably be expected to have a material adverse effect on such Credit Party or its businesses.
- (k) No Credit Party has entered into any material transaction or other written contractual relationship with any related party except as disclosed to the DIP Agent in writing prior to the

effective date of this DIP Financing Term Sheet.

- (l) Other than as stayed pursuant to the Initial Order, the commencement of the CCAA Proceedings will not trigger any contractual provision that would entitle any officer or director of any Credit Party to claim additional compensation, bonus or severance.
- (m) There have been no extensions, supplements or amendments to the employment agreements of any senior officers or senior managers of any Credit Party earning \$150,000 (or its equivalent in an alternative currency) or more per annum, including all bonuses and other cash compensation, and there are no other written employment agreements for any such senior officers or senior managers.
- (n) All material payments to shareholders, directors and senior executives of the Credit Parties and any related party, whether under contract or otherwise, including bonus payments, transaction payments, change of control payments, management fees, consulting or advisory fees or amounts payable in respect of reimbursement, to the extent known and contemplated for future payments, have been included in the Cash Flow Budget (which, for certainty, do not include payments to any senior executive of any Credit Party related to salary deferral arrangements).
- (o) Other than as stayed pursuant to the Initial Order, there is not now pending or, to the knowledge of any of the senior officers or directors of any Credit Party, threatened against such Credit Party, nor has any Credit Party received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body.
- (p) All material contracts to which the Credit Parties are a party are in full force and effect and are valid, binding and enforceable in accordance with their terms and no Credit Party has any knowledge of any default that has occurred and is continuing thereunder (other than those defaults arising as a result of the commencement of the NOI Proceedings or the CCAA Proceedings).
- (q) No Credit Party has any defined benefit pension plans or similar plans.
- (r) Each Credit Party is and remains in compliance with the Restructuring Court Orders.
- (s) No Credit Party is liable for any indebtedness for borrowed money, except as disclosed in the NOI Proceedings and the

CCAA Proceedings.

- (t) Each Credit Party has disclosed to the DIP Agent and the DIP Lenders all liabilities in respect of its Licensee Management Rating, and such information is up to date and no further security deposit is required in connection therewith.

24. **Affirmative
Covenants:**

In addition to all of the other covenants and obligations contained herein, each Borrower and each other Credit Party covenants and agrees to perform and do each of the following until the DIP Facility is permanently and indefeasibly repaid in full and terminated:

- (a) allow the DIP Agent, the DIP Lenders and any of their agents and advisors, on reasonable notice during regular business hours, to enter on and inspect any Credit Party's assets and properties, and provide the DIP Agent, the DIP Lenders and their respective agents or advisors, on reasonable notice and during normal business hours, full access to all Credit Party's books and records, financial information and electronic data rooms of or maintained by any Credit Party and cause management and employees thereof to fully co-operate with the DIP Agent, the DIP Lenders and their agents and advisors;
- (b) cause management, the financial advisor and legal counsel of the Credit Parties, to cooperate with reasonable requests for information by the DIP Agent and the DIP Lenders and their respective advisors, in each case subject to solicitor-client privilege, all Restructuring Court Orders and applicable privacy laws and the Credit Parties' confidentiality obligations to third parties, in connection with matters reasonably related to the DIP Facility or compliance of the Credit Parties with their obligations pursuant to this DIP Financing Term Sheet and the other DIP Financing Credit Documentation;
- (c) provide to the DIP Agent (on behalf of the DIP Lenders) regular updates regarding the status of the NOI Proceedings and the CCAA Proceedings including, without limitation, reports on the progress of any Plan, Restructuring Option, the SISP and any information, which may otherwise be confidential, subject to same being maintained as confidential by the DIP Agent and the DIP Lenders;
- (d) provide the DIP Agent (on behalf of the DIP Lenders) with draft copies of all motions, applications, proposed orders or other material or documents that any of them intend to file within the NOI Proceedings or the CCAA Proceedings as soon as practically possible prior to any such filing;
- (e) use reasonable efforts to keep the DIP Agent and the DIP Lenders apprised on a timely basis of all material developments

with respect to the business and affairs of the Credit Parties;

- (f) deliver to the DIP Agent (on behalf of the DIP Lenders) the updated Cash Flow Budget and the Variance Reports as and when set out herein, and such other reporting and other information from time to time reasonably requested by the DIP Agent and the DIP Lenders. Without limiting the foregoing, the Borrowers shall use commercially reasonable efforts to deliver to the DIP Agent (on behalf of the DIP Lenders) copies of any financial reporting provided to the Monitor in a timely manner and forthwith provide to the DIP Agent (on behalf of the DIP Lenders) any reports or commentary received from the Monitor regarding the financial position of the Credit Parties;
- (g) conduct all activities in a manner consistent with the Cash Flow Budget;
- (h) promptly provide notice to the DIP Agent (on behalf of the DIP Lenders) and their counsel, and keep them otherwise apprised, of any material developments in respect of any material contract and of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Credit Parties;
- (i) comply in all material respects with applicable law, except to the extent not required to do so pursuant to the Initial Order or any Restructuring Court Order;
- (j) take all actions necessary or available to defend the Charging Order, the Initial Order and any other Restructuring Court Order from any appeal, reversal, modifications, amendment, stay or vacating to the extent that it would materially affect the rights and interests of the DIP Lenders;
- (k) use the proceeds of the DIP Facility only for the purposes described in Section 10, and in a manner consistent with the restrictions set out herein;
- (l) pay all DIP Secured Parties' costs and expenses no less frequently than every two weeks following the delivery of an invoice to the Borrowers, provided that the DIP Secured Parties shall provide reasonable estimates of such expenses for purposes of the Cash Flow Budget;
- (m) comply with the provisions of the Restructuring Court Orders; provided that if any Restructuring Court Order contravenes this DIP Financing Term Sheet or any of the DIP Financing Credit Documentation so as to adversely impact the rights or interests of the DIP Lenders in a material manner, the same shall be an

Event of Default hereunder;

- (n) within ten days of the granting of the Initial Order, apply for an order from the Court in a form satisfactory to the DIP Agent (on behalf of the DIP Lenders), in its absolute discretion, extending the stay of proceedings in the CCAA Proceedings, on notice to all material secured creditors of the Borrowers that did not receive notice of the application for the Initial Order;
- (o) no later than November [22][*NTD: Under review by TEC*], 2019, apply for an order from the Court (the "**SISP Order**") in a form satisfactory to the DIP Agent (on behalf of the DIP Lenders), in its absolute discretion, approving a Sales and Investment Solicitation Process respecting the business and/or assets of the Borrowers and/or the other Credit Parties (the "**SISP**");
- (p) preserve, renew and keep in full force its respective corporate existence and its respective material licenses, permits, approvals, etc. required in respect of its business, properties, assets or any activities or operations carried out therein, unless otherwise agreed by the DIP Agent (on behalf of the DIP Lenders) in its sole discretion;
- (q) upon request of the DIP Agent, complete all necessary Lien and other customary searches against the Credit Parties, together with all registrations, filings and recordings wherever the DIP Agent deems appropriate to satisfy the DIP Lenders that there are no Liens affecting the Collateral except, Permitted Liens;
- (r) use commercially reasonable efforts consistent with the Cash Flow Budget to (i) maintain the insurance in existence as at the date hereof with respect to the Collateral owned by it, or (ii) obtain insurance over such Collateral where none exists or has expired, on terms acceptable to the DIP Agent (on behalf of the DIP Lenders);
- (s) forthwith notify the DIP Agent (on behalf of the DIP Lenders) of (i) the occurrence of any Default or Event of Default, (ii) any event or circumstance that may negatively impact the Cash Flow Budget, including any material change in its contractual arrangements or with relationships with third parties, (iii) any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Credit Party, by or before any court, tribunal, Governmental Entity or regulatory body, which could be reasonably likely to result, individually or in the aggregate, in a judgment in excess of \$100,000, to the extent not stayed by the Restructuring Court Orders, (iv) any default or dispute with respect to any of its material contracts,

to the extent enforcement thereof is not stayed by the Restructuring Court Orders; and (v) the discovery (i) of any title defect in respect of any material oil and gas properties of any Credit Party, other than a minor title defect and (ii) that any material portion of the Collateral has been damaged or destroyed; and (vi) any event that could reasonably be expected to cause a Material Adverse Change; and

- (t) the Borrowers shall (i) pay, in full, from operating proceeds on or before November 26, 2019, (x) all amounts owing to Third Eye Capital Corporation (including, for certainty, all principal, interest, fees and other amounts) under and in connection with the Agent Advance and under and in connection with the AECL Agent Advance and (y) all amounts (including, for certainty, all principal, interest, fees and other amounts as applicable) owing in arrears as of the date of such payment to (A) 2051820 Alberta Ltd. under and in connection with the Lease and (B) the administrative agent and the lenders under in connection with the ACRL Credit Agreement and (ii) make, using operating proceeds, all further payments that will be due and owing under and in accordance with the terms of the Lease and the ACRL Credit Agreement after the date the payments are made in accordance with Section 24(t)(i)(y)(A) and Section 24(t)(i)(y)(A) above.

25. **Negative Covenants:** Each Borrower and each other Credit Party covenants and agrees not to do the following, other than with the prior written consent of the DIP Agent (on behalf of the DIP Lenders):

- (a) transfer, sell, lease or otherwise dispose of all or any part of its property, assets or undertaking after the date hereof (excluding dispositions of obsolete assets or dispositions in the ordinary course of business), except such transfers, sales, leases or other dispositions as are permitted pursuant to the Initial Order. For greater certainty, in the case of any transfer, lease, sale or other disposition of any Collateral, all proceeds of such transfer, lease, sale or other disposition shall be subject to Section 16;
- (b) other than as provided for hereunder, make any payment of principal, interest or fees in respect of existing (pre-filing) debt or obligations other than as may be permitted by the Initial Order or a Restructuring Court Order that does not result in an Event of Default, and is provided for in the Cash Flow Budget;
- (c) create or permit to exist indebtedness (including guarantees thereof or indemnities) other than (pre-filing) debt existing as of the date hereof, debt contemplated by this DIP Financing Term Sheet and post-filing trade payables;
- (d) make any payments not consistent with the Cash Flow Budget;

- (e) enter into any arrangement, directly or indirectly, with any Person whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which it intends to use for substantially the same purpose or purposes as the property being sold or transferred;
- (f) after the date hereof, enter into any hedging agreement;
- (g) acquire, create or cause to exist any subsidiary;
- (h) make any distribution, dividend, return of capital or other distribution in respect of, or any redemption of, equity securities (in cash, securities or other property or otherwise), unless permitted by the Initial Order or any Restructuring Court Order;
- (i) make any loans, advances, financial assistance or assurances (in the form of bonds, letters of credit, financial guarantees or otherwise), capital contribution, investments or acquisitions whether direct or indirect, other than as reflected in the Cash Flow Budget;
- (j) (i) enter into, renew, amend or modify any transaction or contractual relationship with any related party or (ii) make any payment with respect to, or perform any obligation under, an agreement with a related party other than in accordance with the Cash Flow Budget;
- (k) pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of legal, financial or other advisor of any party unless such fees, expenses or disbursements, as applicable, are reviewed and confirmed in advance by the DIP Agent (on behalf of the DIP Lenders), except for (i) fees, expenses and disbursements of the Monitor and its legal counsel and (ii) fees, expenses and disbursements of the respective legal, financial and other advisors of the Borrowers and the DIP Secured Parties;
- (l) create or permit to exist any Liens on any of its properties or assets other than the Permitted Liens;
- (m) challenge or fail to support the Liens and claims of the DIP Secured Parties;
- (n) seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any transaction other than as part of a Restructuring Option;
- (o) terminate any material contract or amend any material contract in any material manner except with the prior consent of the DIP

Agent (on behalf of the DIP Lenders);

- (p) change its name or locations of business, amalgamate, consolidate with or merge into, or enter into any similar transaction with any other entity except as part of a transaction under the SISP, and on terms and conditions satisfactory to the DIP Agent (on behalf of the DIP Lenders);
- (q) seek, obtain, support, make or permit to be made any Restructuring Court Order or any material change, amendment or modification to any Restructuring Court Order affecting the DIP Lenders, except with the prior written consent of the DIP Agent (on behalf of the DIP Lenders);
- (r) enter into any material settlement agreement or agree to any material settlement arrangements with any Governmental Entity or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against any one of them without the prior written consent of the DIP Agent (on behalf of the DIP Lenders), or make any payments or repayments to customers, outside the ordinary course of business, other than those set out in the Cash Flow Budget;
- (s) without the approval of the Court or the prior written consent of the DIP Agent (on behalf of the DIP Lenders) in its sole discretion, cease to carry on its business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business;
- (t) seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction;
- (u) after the date hereof, purchase any additional insurance in respect of any director or officer of any Credit Party, including any "tail" insurance, without the prior written consent of the DIP Agent (on behalf of the DIP Lenders);
- (v) change any of its organizational documents, its name, fiscal year end or accounting standards;
- (w) implement any key employee retention program, or seek to obtain, or consent to or fail to oppose a motion brought by any other Person for, approval by the Court of any charge in respect of any key employee retention program;
- (x) execute any documents that would materially adversely affect the rights of the DIP Secured Parties; and

- (y) make any payment in respect of post-employment benefit payments.

26. **Indemnity and Release:**

Each Credit Party agrees to indemnify and hold harmless the DIP Agent and the DIP Lenders and their respective directors, officers, employees, agents, attorneys, advisors and affiliates (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against or involve any Indemnified Person (collectively, "**Claims**") as a result of or arising out of or in any way related to or resulting from the DIP Facility, this DIP Financing Term Sheet or any other DIP Financing Credit Documentation (regardless of whether such Claim is made in the NOI Proceedings or the CCAA Proceedings or any other proceeding, including a bankruptcy or insolvency proceeding) and, upon demand, to pay and reimburse any Indemnified Person for any legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding (including, without limitation any inquiry or investigation) or claim (whether or not any Indemnified Person is a party to any action or proceeding out of which any such expenses arise); provided, however, no Credit Party shall be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability to the extent it resulted from the gross negligence or willful misconduct of such Indemnified Person as finally determined by a court of competent jurisdiction.

The indemnities granted under this DIP Financing Term Sheet shall survive any termination of the DIP Facility.

27. **Events of Default:**

The occurrence of any one or more of the following events shall constitute an event of default ("**Event of Default**") under this DIP Financing Term Sheet:

- (a) the failure of the Borrowers to pay any principal amount owing under this DIP Financing Term Sheet or any other DIP Financing Credit Documentation;
- (b) the failure of the Borrowers to pay any interest or Fees or any portion thereof owing under this DIP Financing Term Sheet or any other DIP Financing Credit Documentation when due;
- (c) the issuance of an order of the Court (including any Restructuring Court Order) or any other court of competent jurisdiction:
 - (i) dismissing the CCAA Proceedings or lifting the stay in the NOI Proceedings or the CCAA Proceedings to permit (A) the enforcement of any Lien against any

Credit Party, or a material portion of its property, assets or undertaking, or (B) the appointment of a receiver and manager, receiver, interim-receiver or similar official or the making of a bankruptcy order against any Credit Party;

- (ii) granting any Lien which is senior to or *pari passu* with the DIP Lenders' Charge, other than the Permitted Priority Liens;
 - (iii) staying, reversing, vacating or otherwise modifying the Charging Order or the Initial Order or any Restructuring Court Order in a manner materially adverse to the interests of the DIP Lenders; or
 - (iv) adversely impacting the rights and interests of the DIP Lenders in a material manner, without the prior written consent of the DIP Agent (on behalf of the DIP Lenders);
- (d) the filing of any pleading by any Credit Party seeking any of the matters set forth in clause (c) above or failure of any Credit Party to diligently oppose any party that brings an application or motion for the relief set out in paragraph (c) above and/or fails to secure the dismissal of such motion or application within thirty (30) days from the date such application or motion is brought;
- (e) unless consented to in writing by the DIP Agent (on behalf of the DIP lenders), the expiry without further extension of the stay of proceedings provided for in the Initial Order;
- (f) the failure of any Credit Party to comply with Section 24(t) and any negative covenants in this DIP Financing Term Sheet, which default has not been remedied or cured within three (3) Business Days;
- (g) a Restructuring Court Order is made, a liability arises or an event occurs, including any change in the business, assets, or conditions (financial or otherwise), of any Credit Party, that will in the DIP Agent's judgment materially further impair the Borrowers' or any other Credit Party's financial condition or ability to comply with its obligations under this DIP Financing Term Sheet, any other DIP Financing Credit Documentation, or any Restructuring Court Order or carry out a Plan or Restructuring Option acceptable to the DIP Agent (on behalf of the DIP Lenders) (a "**Material Adverse Change**");
- (h) there exists a net negative variance (excluding advisor fees and expenses) from the Cash Flow Budget in excess of 10% (or \$20,000, if 10% would equal an amount less than \$20,000) on

a line item basis and on a cumulative basis since the beginning of the period covered by the first Cash Flow Budget issued hereunder;

- (i) the Cash Flow Budget or any update thereof contemplates or forecasts an adverse change or changes from the then existing Cash Flow Budget and such change(s) constitute(s) a Material Adverse Change, or any updated Cash Flow Budget forecasts that borrowings under the DIP Facility will exceed the Maximum Amount at any time (unless and until the DIP Agent (on behalf of the DIP Lenders) consent to increase the Maximum Amount, which shall be in the DIP Lenders' sole and absolute discretion);
- (j) any representation or warranty by any Credit Party herein or in any DIP Financing Credit Documentation shall be incorrect or misleading in any material respect when made;
- (k) borrowings under the DIP Facility exceed the Maximum Amount at any time without the prior consent of the DIP Agent (on behalf of the DIP Lenders);
- (l) a material violation or breach of any Restructuring Court Order upon receipt by the Borrowers of notice from the DIP Lenders of such violation or breach;
- (m) an event of default has occurred under any of the DIP Financing Credit Documentation;
- (n) any proceeding, motion or application is commenced or filed by the Borrowers, or if commenced by another party, supported or otherwise consented to by the Borrowers, seeking the invalidation, subordination or otherwise challenging of the terms of the DIP Facility, the DIP Lenders' Charge, this DIP Financing Term Sheet, or any of the other DIP Financing Credit Documentation or, unless the Plan or Restructuring Option provides for repayment in full of the DIP Facility, the approval of any Plan or Restructuring Option which does not have the prior written consent of the DIP Agent (on behalf of the DIP Lenders);
- (o) any Plan is proposed or any Restructuring Option is consummated by the Borrowers that contravenes any provision of this DIP Financing Term Sheet or other DIP Financing Credit Documentation, unless the DIP Agent (on behalf of the DIP Lenders) has consented thereto;
- (p) except as set out in the Cash Flow Budget, or as otherwise agreed to in writing by the DIP Agent (on behalf of the DIP Lenders), the Borrowers or any other Credit Party are required by any Governmental Entity to make expenditures or pay

damages, fines, claims, costs or expenses to remediate, or in respect of, any environmental liabilities, and such requirement is not stayed by a Restructuring Court Order;

- (q) if the Borrowers or any other Credit Party pays or agrees to pay any of the legal, consulting or other professional fees and/or disbursements incurred by any other party in the NOI Proceedings or the CCAA Proceedings without the prior consent of the DIP Agent (on behalf of the DIP Lenders), other than the DIP Financing Fees and Expenses and the professional fees and disbursements of the beneficiaries to the Administration Charge;
- (r) the DIP Lenders' Charge ceases to be a valid, perfected and enforceable superpriority Lien senior to all other Liens other than Permitted Priority Liens;
- (s) the denial or repudiation by any Credit Party of the legality, validity, binding nature or enforceability of this DIP Financing Term Sheet, any other DIP Financing Credit Documentation or the DIP Lenders' Charge;
- (t) failure of the Credit Parties to perform or comply with any other term or covenant under this DIP Financing Term Sheet or any other DIP Financing Credit Documentation (other than as specified in subparagraphs (a), (b) and (f) above), and such default shall continue unremedied for a period of three (3) Business Days; and
- (u) if any Credit Party commences an action or takes any other proceeding to obtain any form of relief against the DIP Lenders or any affiliate thereof.

28. Remedies:

Upon the occurrence of an Event of Default that is continuing, and subject to the Restructuring Court Orders, the DIP Lenders may, in their sole discretion, elect to terminate the Commitment and declare the obligations in respect of the DIP Financing Credit Documentation to be immediately due and payable and cease making any further DIP Advances. Without limiting the foregoing remedies, upon the occurrence of an Event of Default that is continuing, the DIP Lenders may, in their sole discretion, elect to permanently reduce the Maximum Amount. In addition, upon the occurrence of an Event of Default that is continuing, the DIP Lenders may, in their sole discretion, subject to any Restructuring Court Order:

- (a) apply to a court for the appointment of a receiver, interim receiver or a receiver and manager over any of the Collateral, or for a bankruptcy order against the Borrowers or any one of them and for the appointment of a trustee in bankruptcy of the Borrowers or any one of them;

- (b) set-off or consolidate any amounts then owing by the DIP Lenders to the Borrowers or any other Credit Party against the obligations of the Borrowers and the Credit Parties to the DIP Lenders (in their capacities as such) hereunder;
- (c) exercise its unqualified right to credit bid up to the full amount of the outstanding DIP Financing Obligations (including, for certainty, all accrued interest) in any sale of the Collateral (or any part thereof), which credit bid may incorporate a credit bid of the TEC Prepetition Indebtedness (including, for certainty, any accrued interest);
- (d) subject to obtaining prior approval from the Court, exercise the powers and rights of a secured party under the *Personal Property Security Act* (Alberta) or any legislation of similar effect; and
- (e) subject to obtaining prior approval from the Court, exercise all such other rights and remedies under the DIP Financing Credit Documentation, the Restructuring Court Orders and applicable law.

29. **Taxes:**

All payments by the Borrowers and the other Credit Parties under this DIP Financing Term Sheet and the other DIP Financing Credit Documentation to the DIP Lenders, including any payments required to be made from and after the exercise of any remedies available to the DIP Lenders upon an Event of Default that is continuing, shall be made free and clear of and without reduction for or on account of, any present or future taxes, levies, imposts, duties, charges, fees, deductions or withholdings of any kind or nature whatsoever or any interest or penalties payable with respect thereto now or in the future imposed, levied, collected, withheld or assessed by any country or any political subdivision or any country (collectively "**Taxes**"); provided, however, that if any Taxes are required by applicable law to be withheld ("**Withholding Taxes**") from any amount payable to the DIP Lenders under any DIP Financing Credit Documentation, the amount so payable to the DIP Lenders shall be increased to the extent necessary to yield to the DIP Lenders on a net basis after payment of all Withholding Taxes the amount payable under such DIP Financing Credit Documentation at the rate or in the amount specified in such DIP Financing Credit Documentation, and the Borrowers shall provide evidence satisfactory to the DIP Lenders that the Taxes have been so withheld and remedied.

30. **Further Assurances:**

The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) and things as the DIP Agent (on behalf of the DIP Lenders) may reasonably request for the purpose of giving effect to this DIP Financing Term Sheet.

31. **Amendments, Waivers, Etc.:** No amendment of any provision of any DIP Financing Credit Documentation shall be effective unless agreed to by the applicable Credit Party and the DIP Agent (on behalf of the DIP Lenders) and, in the case of any material amendment, the Monitor.
- No waiver or delay on the part of the DIP Lenders in exercising any right or privilege hereunder or under any other DIP Financing Credit Documentation will operate as a waiver hereof or thereof unless made in writing by the DIP Agent (on behalf of the DIP Lenders) and delivered in accordance with the terms of this DIP Financing Term Sheet or the other applicable DIP Financing Credit Documentation and then such waiver shall be effective only in the specific instance and for the specific purpose given.
32. **Entire Agreement Conflict:** This DIP Financing Term Sheet, including the schedules hereto and the DIP Financing Credit Documentation, constitute the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this DIP Financing Term Sheet and any of the other DIP financing Credit Documentation, this DIP Financing Term Sheet shall govern.
33. **Assignment:** Each DIP Lender may assign this DIP Financing Term Sheet and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder, at any time. Neither this DIP Financing Term Sheet nor any right hereunder may be assigned by the Borrowers or any other Credit Party.
34. **Severability:** Any provision in this DIP Financing Term Sheet or any other DIP Financing Credit Documentation which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
35. **No Third Party Beneficiary:** No Person, other than the Borrowers, the other Credit Parties, the DIP Agent and each DIP Lender, is entitled to rely upon this DIP Financing Term Sheet and the parties expressly agree that this DIP Financing Term Sheet does not confer rights upon any party not a signatory hereto.
36. **Counterpart and Facsimile Signatures:** This DIP Financing Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission (including .pdf), each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
37. **Notices:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by fax or electronic mail to the attention of the Person as set forth below:

In the case of the DIP Agent (which shall be deemed to constitute notice to all DIP Lenders), to:

Third Eye Capital Corporation
 Brookfield Place, TD Canada Trust Tower
 181 Bay Street, Suite 2830
 Toronto, Ontario
 M5J 2T3

Attention: Operations
 Telephone: (416) 601-2270
 Telecopier: (416) 981-3393
 Email: ops@thirdeyecapital.com

With a copy to:

Bennett Jones LLP
 4500 Bankers Hall East
 855 - 2nd Street SW
 Calgary, Alberta T2P 4K7

Attention: Chris Simard/Karen Dawson
 Fax: (403) 298-3317
 Email: simardc@bennettjones.com;
dawsonk@bennettjones.com

In the case of the Borrowers to (which shall be deemed to constitute notice to all Credit Parties):

ACCEL Energy Canada Limited
 Livingston Place, South Tower
 1400, 222 3rd Avenue SW
 Calgary, Alberta
 T2P 0B4

Attention: Michael Williams
 Telephone: (832) 980-5055
 Email: mwilliams@accelenergy ltd.com

With a copy to:

Lawson Lundell LLP
 Suite 1600, Cathedral Place
 925 W Georgia Street
 Vancouver, British Columbia
 V6C 3L2

Attention: William L. Roberts
 Fax: (604) 641-4401
 Email: wroberts@lawsonlundell.com

In either case, with a copy to the Monitor:

PricewaterhouseCoopers Inc.
10088-102 Avenue NW, Suite 1501
Edmonton, Alberta
T5J 3N5

Attention: [●]
Email: [●]

Any such notice shall be deemed to be given and received when received, unless received after 5:00 Mountain Standard Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day

38. **Governing Law and
Jurisdiction:**

This DIP Financing Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein. Without prejudice to the ability of the DIP Lenders to enforce this DIP Financing Term Sheet in any other proper jurisdiction, each Credit Party irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of Alberta, and further acknowledge and agree that any disputes arising in respect of the DIP Financing Credit Documentation shall be heard by the Court.

IN WITNESS HEREOF, the parties hereby execute this DIP Financing Term Sheet as at the date first above mentioned.

DIP Agent:**THIRD EYE CAPITAL CORPORATION**

Per: _____
 Name: Arif N. Bhalwani
 Title: Managing Director

Borrower:**ACCEL CANADA HOLDINGS LIMITED**

Per: _____
 Name: _____
 Title: _____

Borrower:**ACCEL ENERGY CANADA LIMITED**

Per: _____
 Name: _____
 Title: _____

Guarantor:**ACCEL CANADA HOLDINGS LIMITED**

Per: _____
 Name: _____
 Title: _____

Guarantor:**ACCEL ENERGY CANADA LIMITED**

Per: _____
 Name: _____
 Title: _____

Guarantor:**ACCEL ENERGY LIMITED**

Per: _____
 Name: _____
 Title: _____

Guarantor:**ACCEL ENERGY SERVICES CANADA LIMITED**

Per: _____
 Name: _____
 Title: _____

Guarantor:**ACCEL CANADA RESOURCES LIMITED**

Per: _____
 Name: _____
 Title: _____

Commitment: \$[●]

DIP Lender:

[●]

Per: _____
Name: _____
Title: _____

Commitment: \$[●]

DIP Lender:

[●]

Per: _____
Name: _____
Title: _____

Commitment: \$[●]

DIP Lender:

[●]

Per: _____
Name: _____
Title: _____

SCHEDULE "A"

DEFINED TERMS

"**ACCEL Credit Agreements**" has the meaning given thereto in the Recitals.

"**ACCEL Energy**" has the meaning given thereto in Section 1.

"**ACCEL Holdings**" has the meaning given thereto in Section 1.

"**ACCEL Parent**" has the meaning given thereto in the Recitals.

"**ACRL**" has the meaning given thereto in the Recitals.

"**ACRL Credit Agreement**" has the meaning given thereto in the Recitals.

"**Administration Charge**" means the administration charge on the Collateral in an aggregate amount not to exceed \$250,000, and as provided for in the Initial Order.

"**AECL Agent Advance**" has the meaning given thereto in the Recitals.

"**AESC**" has the meaning given thereto in the Recitals.

"**Agent Advance**" has the meaning given thereto in the Recitals.

"**BIA**" has the meaning given thereto in the Recitals.

"**Borrower**" and "**Borrowers**" has the meaning given thereto in Section 1.

"**Business Day**" means any day other than a Saturday, Sunday or any other day in which banks in Toronto, Ontario or Calgary, Alberta are not open for business.

"**Cash Flow Budget**" means a 13-week cash flow budget of expected weekly receipts and all of the operating and capital expenditures to be made during each calendar week and in the aggregate for the period of time covered by the Cash Flow Budget, prepared by the Borrowers with the assistance of Deloitte Restructuring Inc. as the proposal trustee, which is attached as Schedule "B" to this DIP Financing Term Sheet, together with any subsequent detailed cash flow budget prepared by the Borrowers, with the assistance of the Monitor, and submitted by the Borrowers to the DIP Agent and approved by the DIP Agent (on behalf of the DIP Lenders).

"**CCAA**" has the meaning given thereto in the Recitals.

"**CCAA Proceedings**" has the meaning given thereto in the Recitals.

"**Charging Order**" has the meaning given thereto in Section 12(b).

"**Claims**" has the meaning given thereto in Section 26.

"**Collateral**" means all now owned or hereafter acquired property and assets of the Credit Parties, real and personal, tangible or intangible.

"Commitment" means (a) \$30,000,000, as such amount may be reduced from time to time in accordance with the terms of this DIP Financing Term Sheet or (b) with respect to a DIP Lender, the relevant amount designated as such opposite such DIP Lender's name on the signature pages hereto (or as assigned to it pursuant to Section 33) with respect to the DIP Facility.

"Court" has the meaning given thereto in the Recitals.

"Credit Parties" and **"Credit Party"** has the meaning given thereto in Section 2.

"Critical Suppliers' Charge" means a charge in favour of any power supplier to any Credit Party, in an aggregate amount not to exceed \$[●], and as provided for in the Initial Order.

"Default" means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

"D&O Charge" means a directors and officers liability charge on the Collateral in an aggregate amount not to exceed \$[●], and as provided for in the Initial Order.

"DIP Advance" and **"DIP Advances"** has the meanings given thereto in Section 8.

"DIP Advance Request" has the meaning given thereto in Section 11.

"DIP Agent" has the meaning given thereto in Section 4.

"DIP Facility" has the meaning given thereto in Section 7.

"DIP Financing Credit Documentation" means this DIP Financing Term Sheet, any other documentation in respect of the DIP Facility that is requested by the DIP Agent (on behalf of the DIP Lenders; which shall be in form and substance satisfactory to the DIP Agent), including the DIP Financing Security and the Other Security.

"DIP Financing Fees and Expenses" has the meaning given thereto in Section 18.

"DIP Financing Obligations" has the meaning given thereto in Section 12(b).

"DIP Financing Security" has the meaning given thereto in Section 19.

"DIP Lenders" and **"DIP Lender"** has the meaning given thereto in Section 3.

"DIP Lenders' Charge" has the meaning given thereto in Section 12(b).

"DIP Secured Parties" has the meaning given thereto in Section 12(b).

"Event of Default" has the meaning given thereto in Section 27.

"Fees" has the meaning given thereto in Section 9.

"Funding Conditions" has the meaning given thereto in Section 13.

"Governmental Entity" means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

"Guarantor" and **"Guarantors"** has the meaning given thereto in Section 2.

"Indemnified Persons" has the meaning given thereto in Section 26.

"Initial Order" has the meaning given thereto in Section 12(a).

"Lease" has the meaning given thereto in the Recitals.

"Liens" means all liens, hypothecs, charges, mortgages, trusts, deemed trusts (statutory or otherwise), encumbrances and security interests of every kind and nature whatsoever granted by the Credit Parties against the Collateral.

"Material Adverse Change" has the meaning given thereto in Section 27(g).

"Maturity Date" has the meaning given thereto in Section 14.

"Maximum Amount" has the meaning given thereto in Section 7.

"Monitor" has the meaning given thereto in Section 22.

"NOI Proceedings" has the meaning given thereto in the Recitals.

"Permitted Liens" means (i) the DIP Lenders' Charge, the DIP Financing Security and the Other Security; (ii) the D&O Charge; (iii) any charges created under the Initial Order or other order of the Court in the NOI Proceedings or the CCAA Proceedings in each case subsequent in priority to the DIP Lenders' Charge (including, for certainty, any Critical Suppliers' Charge), the limit and priority of each of which shall be acceptable to the DIP Agent (on behalf of the DIP Lenders) in the DIP Agent's discretion; (iv) validly perfected Liens existing prior to the date hereof (which for greater clarity rank subordinate to the DIP Lenders' Charge); (v) inchoate statutory Liens arising after the date of the Initial Order in respect of any accounts payable arising after the date of the Initial Order in the ordinary course of business, subject to the obligation to pay all such amounts as and when due; and (vi) Permitted Priority Liens.

"Permitted Priority Liens" means: (a) the Administration Charge; (b) statutory super-priority Liens for unpaid employee source deductions; (c) Liens for unpaid municipal or county property taxes or utilities to the extent that they are given first priority over other Liens by statute; and (d) such other Liens as may be agreed to in writing by the DIP Agent (on behalf of the DIP Lenders). For greater certainty, Liens arising from the construction, repair, maintenance and/or improvement of real or personal property, shall not be **"Permitted Priority Liens"**.

"Person" means an individual, partnership, corporation, business trust, joint stock company, limited liability company, unlimited liability company, trust, unincorporated association, joint venture, Governmental Entity or other entity of whatever nature.

"Plan" has the meaning given thereto in Section 14.

"Restructuring Court Order" and **"Restructuring Court Order"** have the meanings given thereto in Section 13(c).

"Restructuring Option" means any transaction involving the refinancing of the Borrowers and/or the other Credit Parties, the sale of all or substantially all of the assets of the Borrowers and/or the other Credit Parties (or the equity interests of the Borrowers and/or the other Credit Parties) or any other

restructuring of the Borrowers' and/or the Credit Parties' business and operations, including any liquidation, bankruptcy or other insolvency proceeding in respect of the Borrowers and/or any of the other Credit Parties.

"**SISP**" has the meaning given thereto in Section 24(o).

"**SISP Order**" has the meaning given thereto in Section 24(o).

"**Taxes**" has the meaning given thereto in Section 29.

"**TEC Prepetition Indebtedness**" has the meaning given thereto in the Recitals.

"**Variance Report**" has the meaning given thereto in Section 21.

"**Withholding Taxes**" has the meaning given thereto in Section 29.

SCHEDULE "B"
CASH FLOW BUDGET

See attached.

SCHEDULE "C"
FORM OF DIP ADVANCE REQUEST

Date: _____

Third Eye Capital Corporation

Brookfield Place, TD Canada Trust Tower
181 Bay Street, Suite 2830
Toronto, Ontario
M5J 2T3

Attention: Operations
Telephone: (416) 601-2270
Telecopier: (416) 981-3393
Email: ops@thirdeyecapital.com

Dear Sirs:

We refer to the DIP Financing Term Sheet dated November [●], 2019 among ACCEL Canada Holdings Limited and ACCEL Energy Canada Limited, each as a borrower, the guarantors party thereto, Third Eye Capital Corporation, as administrative agent and as collateral agent and the lenders signatory thereto (as the same may be amended, renewed, extended, modified and/or restated from time to time, the "**Loan Agreement**"). Capitalized terms used herein have the same meaning as in the Loan Agreement. The undersigned is an officer of [ACCEL Canada Holdings Limited][ACCEL Energy Canada Limited] and is authorized to make and deliver this notice on behalf of such Borrower pursuant to the Loan Agreement.

1. We hereby give notice of our request for a DIP Advance pursuant to Section 13(a) of the Loan Agreement, particulars of which are as follows:
 - (a) Drawdown Date: _____
 - (b) Amount: _____
 - (c) Payment Instructions (if any): _____
2. The undersigned hereby certifies that:
 - (a) the DIP Advance requested by this DIP Advance Request is consistent with the Cash Flow Budget and is within the Maximum Amount;
 - (b) each Credit Party is in compliance with the DIP Financing Credit Documentation and all Restructuring Court Orders;
 - (c) the Charging Order or the Initial Order is in full force and effect and has not been reversed, modified, stayed or amended; and

- (d) since the date of the Charging Order or the Initial Order there has been no payment, prepayment, redemption, purchase or exchange of any pre-filing indebtedness or equity, or amendment or modification of any of the terms thereof, except as permitted by the terms of the Charging Order or the Initial Order or as otherwise provided for under the DIP Financing Term Sheet, and the aggregate amount of all such pre-filing amounts do not exceed the amount set out therefor in the Cash Flow Budget.
3. All of the representations and warranties of the Credit Parties deemed to be made by such Credit Parties pursuant to the DIP Financing Credit Documentation are true and correct in all respects on the date hereof.
 4. There exists no Default or Event of Default on the date hereof and no Default or Event of Default will occur as a result of the DIP Advance requested by this DIP Advance Request.
 5. No Material Adverse Change has occurred since the date of the issuance of the Charging Order or the Initial Order.
 6. No Liens rank in priority to the DIP Lenders' Charge, other than Permitted Priority Liens.

Yours very truly,

[ACCEL Canada Holdings Limited][ACCEL Energy Canada Limited], as Borrower

Per: _____

Name:

Title: