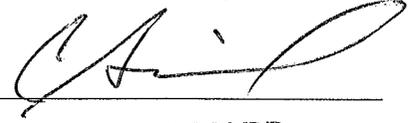


This is **Exhibit "14"** referred to in the Affidavit of Mark Horrox sworn before me this 5th day November, 2019.

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

CHRIS SIMARD
Barrister and Solicitor

ACCEL ENERGY CANADA LIMITED

as Chargor

and

THIRD EYE CAPITAL CORPORATION

as Lender

FIXED AND FLOATING CHARGE DEBENTURE

September 20, 2019

FIXED AND FLOATING CHARGE DEBENTURE

Fixed and floating charge debenture dated as of September 20, 2019 made by ACCEL Energy Canada Limited, as Chargor, to and in favour of Third Eye Capital Corporation, as Lender.

RECITALS:

- (a) The Lender has agreed to make certain credit facilities available to the Chargor on the terms and conditions contained in the Loan Agreement; and
- (b) in connection with the Loan Agreement, the Chargor is required execute and deliver this Debenture in favour of the Lender as security for the payment and performance of the Chargor's obligations under the Loan Agreement.

In consideration of the foregoing, the sum of \$10.00 now paid by the Lender to the Chargor and for other valuable consideration, including the mutual agreements contained herein (the receipt and adequacy of which consideration is hereby acknowledged by the Chargor), the Chargor agrees as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms.

As used in this Debenture, the following terms have the following meanings:

"Advance" means the advance made by the Lender under the Facility.

"Applicable Law" means, (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, determination, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any Authorization or other written approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the Assets of such Person, in each case whether or not having the force of law.

"Asset" means, with respect to any Person, any property (including real property), assets and undertakings of such Person of every kind and wheresoever situated, whether now owned or hereafter acquired (and, for greater certainty, includes any Equity Securities or like interest of such Person in any other Person).

"Board of Directors" means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person, (b) in the case of any limited liability company, the board of managers of such Person, (c) in the case of any partnership, the board of directors of the general partner of such Person and (d) in any other case, the functional equivalent of the foregoing.

“Business Day” means any day of the year, other than a Saturday, Sunday or any day on which chartered banks in Canada are closed for business in Toronto, Ontario or Calgary, Alberta.

“Change of Control” means (a) the occurrence of any transaction or event as a result of which any Person or group of Persons (other than the Chargor or other than the Lender) acting jointly or in concert (within the meaning of the *Securities Act* (Alberta)) shall purchase or acquire legal or beneficial ownership, either directly or indirectly, of 50% or more (by voting power) of the outstanding Equity Securities of the Chargor or (b) the direct or indirect Disposition of all or substantially all of the Assets of the Chargor to any Person or group of Persons.

“Charge” has the meaning specified in Section 3.1.

“Charged Property” has the meaning specified in Section 3.1.

“Chargor” means ACCEL Energy Canada Limited and its successors and permitted assigns.

“Collateral” means any and all Assets in respect of which the Lender has or is intended to have a Lien pursuant to a Security Document.

“Contaminant” means any waste, pollutant, hazardous substance, toxic substance, hazardous waste, special waste, petroleum or petroleum-derived substance or waste, asbestos in any form or condition, PCBs, or any hazardous or toxic constituent of any such substance or waste, in each case, which is listed or regulated under any Environmental Law.

“Debenture” means this fixed and floating charge debenture and all schedules attached to it, as it may be amended, modified, extended, renewed, restated, replaced or supplemented from time to time.

“Debt” of any Person means (without duplication):

- (a) all indebtedness of such Person for borrowed money, including bankers’ acceptances, letters of credit or letters of guarantee;
- (b) all indebtedness of such Person for the deferred purchase price of Assets of such Person or services, other than for Assets of such person and services purchased in the ordinary course of business and paid for in accordance with customary practice and not represented by a note, bond, debenture or other evidence of Debt;
- (c) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to Assets acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such Assets);
- (d) all obligations of such Person represented by a note, bond, debenture or other evidence of Debt;

- (e) all obligations capital leases and operating leases and all obligations under synthetic leases, in each case, in respect of which such Person is liable as lessee;
- (f) all obligations to purchase, redeem, retire or otherwise acquire for value (other than for other Equity Securities) any Equity Securities in the capital of the Person which, by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable), or upon the happening of any event (i) mature or are mandatorily redeemable pursuant to a sinking fund obligation or otherwise, (ii) are redeemable for cash or debt at the sole option of the holder, or (iii) provide for scheduled payments of dividends in cash, in each case, on or prior to any demand for payment issued by the Lender to the Chargor with respect to any Advance outstanding;
- (g) all obligations to deliver commodities, goods or services, including, without limitation, Petroleum Substances, in consideration of one or more advance payments for periods in excess of 120 days prior to the date of delivery, other than in the ordinary course of business; and
- (h) all Debt of another entity of a type described in clauses (a) through (f) which is directly or indirectly guaranteed by such Person.

The Debt of any Person shall include the Debt of any other entity (including a 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 relationship with such entity, except (other than in the case of general partner liability) to the extent that the terms of such Debt expressly provide that such Person is not liable therefor.

For the avoidance of doubt, "**Debt**" does not include obligations in respect of Swap Agreements, indemnities incurred in the ordinary course of business or in connection with the disposition of Assets (including, without limitation, indemnities granted to Individual Guarantors), any employee or director compensation, or obligations under operating leases.

"**Default**" means an event which, with the giving of notice or passage of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

"**Equity Securities**" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

"**Environmental Laws**" means, in respect of a Person, all Applicable Law and agreements between such Person and a Governmental Authority relating to pollution, public health, the protection of the environment, the release of hazardous

substances, wastes, air emissions and discharges to waster or public systems, materials and occupational health and safety.

“Environmental Liabilities” means all liabilities imposed by, under or pursuant to Environmental Laws or which relate to the existence of Contaminants on, under or about the Subject Properties.

“Equivalent Amount” means, on any day with respect to any two currencies, the amount obtained in one such currency (the **“first currency”**) when an amount in the other currency is converted into the first currency using the Royal Bank of Canada’s spot rate for the conversion of the applicable amount of the other currency into the first currency in effect as of 10:00 a.m. (Calgary time) on such day, if such day is a Business Day or, if such day is not a Business Day, then on the immediately preceding Business Day, or, in the absence of such spot rate on such day, using such other rate as the Lender may reasonably select.

“Event of Default” has the meaning specified in Section 4.1.

“Expenses” means all reasonable expenses, costs and charges incurred by or on behalf of the Lender in connection with this Debenture, the Charge or the Charged Property, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Charged Property, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Lender’s interest in any Charged Property, whether or not directly relating to the enforcement of the Loan Documents.

“Facility” means the single draw senior secured 1st lien loan facility in the maximum amount of the Cdn. \$800,000 to be made available under the Loan Agreement to the Chargor by the Lender in accordance with the provisions thereof.

“Fees” means the fees payable by the Chargor under the Loan Documents.

“Fixtures” means all fixtures (including trade fixtures), facilities and equipment, howsoever affixed or attached to real property or buildings or other structures on real property, now owned or hereafter acquired by the Chargor.

“GAAP” means, at any time, International Financial Reporting Standards as set out in the *CPA Canada Handbook - Accounting* at the relevant time applied on a consistent basis.

“Governmental Authority” means the government of Canada or any other nation, or of any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supranational bodies such as the European Union or the European Central Bank and including a

Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

“Impermissible Qualification” means, relative to the financial statements or notes thereto of the Chargor or the opinion or report of any independent auditors as to such financial statements or notes thereto, any qualification or exception to such financial statements, notes, opinion or report, as the case may be, which (a) is of a “going concern” or similar nature or (b) relates to any limited scope of examination of material matters relevant to such financial statements, if such limitation results from the refusal or failure of the Chargor to grant access to necessary information within the power of the Chargor to so grant.

“Leased Properties” means, collectively, the real properties forming the subject matter of the Leases.

“Leases” shall mean those leases described in Exhibit “1” to Schedule A hereto, as such leases may be amended, modified, supplemented or restated from time to time, together with all other instruments that may be issued pursuant thereto or in connection therewith from time to time and together with all P&NG Rights.

“Lender” means Third Eye Capital Corporation or one of its affiliates and its successors and permitted assigns.

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), conditional sale agreement, capital lease, operating lease or other title retention agreement or arrangement, defect of title, adverse claim, set off arrangement (other than a set off arrangement arising in the ordinary course) or any other arrangement or condition that in substance secures payment or performance of an obligation.

“Loan Agreement” means the binding agreement short-term senior secured term loan granted by the Chargor, as borrower, Regent Equipment Leasing Ltd., as guarantor, in favour of the Lender, as lender, agreed and accepted by the Chargor and Regent Equipment Leasing Ltd., as of September 13, 2019 as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Lender.

“Loan Documents” means the Credit Agreement and this Debenture and any other documents and agreements entered into pursuant to the Credit Agreement and this Debenture from time to time.

“Material Adverse Effect” means (a) a material adverse effect on the business, operations, results of operations, prospects, Assets, liabilities or financial condition of the Chargor taken as a whole, (b) a material adverse effect on the ability of the Lender to perform its obligations under any Loan Document, or (c) a material adverse effect on the rights and remedies of the Lender under any Loan Document.

“Material Agreements” means any agreement, contract or similar instrument to which the Chargor is a party or to which any of its Assets may be subject for which breach, non-performance, cancellation, termination or failure to renew could reasonably be expected to have a Material Adverse Effect.

“Obligations” means, collectively, (a) all debts, obligations, liabilities and indebtedness (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due, arising or owing by or otherwise payable by the Chargor to the Lender under or in connection with the Loan Documents in any currency, however or wherever incurred and whether incurred by the Chargor alone or jointly with another or others and whether as borrower, principal, guarantor or surety and in whatever name or style and whether in its own personal capacity or in its capacity as a partner or managing partner of any partnership in which it is a partner or managing partner, as applicable; (b) all other monetary obligations, including fees, costs, expenses and indemnities (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), whether primary, secondary, direct, contingent, fixed or otherwise, of the Chargor under the Loan Documents, and whether incurred by the Chargor alone or jointly with another or others and whether as borrower, principal, guarantor or surety and in whatever name or style and whether in its own personal capacity or in its capacity as a partner or managing partner of any partnership in which it is a partner or managing partner, as applicable; (c) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Chargor under or pursuant to the Loan Documents; and (d) the obligation of the Chargor to comply with paragraphs (a) through (c) above, inclusive, on demand by the Lender.

“Owned Properties” means, collectively, the land and premises owned by the Chargor on the date of this Debenture, but shall exclude lands and premises sold or otherwise disposed of as permitted in this Debenture as and from the date of such sale or disposition.

“P&NG Rights” means all of the right, title, estate and interest, whether contingent or absolute, legal or beneficial, present or future, vested or not, and whether or not an “interest in land”, of a Person in and to any, or such as are stipulated, of the following, by whatever name the same are known:

- (a) rights to explore for, drill for, produce, take, save or market Petroleum Substances from or allocated to its lands or lands with which the same have been pooled or unitized;
- (b) rights to a share of the production of Petroleum Substances from or allocated to lands or lands with which the same have been pooled or unitized;
- (c) rights to a share of the proceeds of, or to receive payments calculated by reference to the quantity or value of, the production of Petroleum Substances

from or allocated to lands or lands with which the same have been pooled or unitized;

- (d) rights in any of the lands described in paragraphs (a) through (c) of this definition or documents of title related thereto, including leases, subleases, licenses, permits, reservations, rights and privileges; and
- (e) rights to acquire any of the above rights described in paragraphs (a) through (d) of this definition,

and includes interests and rights known as working interests, royalty interests, overriding royalty interests, gross overriding interests, production payments, profits interests, net profits interests, revenue interests, net revenue interests and other economic interests.

“PCBs” means polychlorinated biphenyls.

“Permitted Liens” means, in respect of any Person, any one or more of the following:

- (a) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to Applicable Law against the Chargor or in respect of which no steps or proceedings to enforce such Lien have been initiated or which relate to obligations which are not due or delinquent or if due or delinquent, any Lien which the Chargor is in good faith contesting if such contest involves no risk of loss that could reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with GAAP has been established by the Chargor;
- (b) Liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of P&NG Rights or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate, for the Chargor’s portion of the costs and expenses of such development or operation, provided such costs or expenses are not due or delinquent or if due or delinquent, any Lien which the Chargor is in good faith contesting if such contest involves no risk of loss that could reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with GAAP has been established by the Chargor;
- (c) to the extent a Lien is created thereby, a sale or disposition of P&NG Rights resulting from any pooling or unitization agreement entered into in the ordinary course of business when, in the Chargor’s reasonable judgment, it is necessary to do so in order to facilitate the orderly exploration, development or operation of such properties, provided that, the Chargor’s resulting pooled or unitized interest is proportional (either on an acreage or reserve basis) to the interest contributed by it and is not materially less than the Chargor’s

interest in such P&NG Rights prior to such pooling or unitization and its obligations in respect thereof are not greater than its proportional share based on the interest acquired by it;

- (d) to the extent a Lien is created thereby, farm-out interests or overriding royalty interests, net profit interests, reversionary interests and carried interests in respect of the Chargor's P&NG Rights that are or were entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound industry practice;
- (e) Liens for penalties arising under non-participation provisions of operating agreements in respect of the Chargor's P&NG Rights or any related facilities, if such Liens would not reasonably be expected to have a Material Adverse Effect;
- (f) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Chargor (including rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of the property and Assets concerned or the use of the affected property and Assets or would not reasonably be expected to have a Material Adverse Effect;
- (g) any Lien or trust arising in connection with worker's compensation, employment insurance, pension and employment Applicable Law which the Chargor is in good faith contesting if such contest involves no risk of loss that could reasonably be expected to have a Material Adverse Effect and an adequate reserve in accordance with GAAP has been established by the Chargor;
- (h) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Chargor or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;
- (i) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title which, either alone or in the aggregate, do not materially detract from the value of the property and Assets concerned or the use of the affected property and Assets;
- (j) any right of first refusal in favour of any Person granted in the ordinary course of business with respect to all or any of the P&NG Rights or related facilities of the Chargor;
- (k) public and statutory Liens not yet due and similar Liens arising by operation of Applicable Law;

- (l) Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business;
- (m) Liens granted by the Chargor pursuant to this Debenture; and
- (n) Liens in existence on the date hereof which the Lender, in its discretion, has permitted in writing to remain outstanding;

“Person” means a natural person, sole proprietorship, corporation, limited liability company, trust, joint venture, association, company, partnership, institution, public benefit corporation, investment or other fund, Governmental Authority or other entity, and pronouns have a similarly extended meaning.

“Petroleum Substances” means oil, gas, coal seam gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, and all other liquid and gaseous hydrocarbons produced or to be produced in conjunction therewith from a well bore and all products, by-products, and other substances derived therefrom or the processing thereof, and all other minerals and substances produced in conjunction with such substances, including, but not limited to, sulfur, geothermal steam, water, carbon dioxide, helium, and any and all minerals, ores, or substances of value and the products and proceeds therefrom.

“PPSA” means the *Personal Property Security Act* (Alberta).

“Product” shall mean any products obtained pursuant to the Leases by:

- (a) processing Petroleum Substances; or
- (b) by reprocessing a product referred to in paragraph (a) of this definition,

and includes any products obtained by any subsequent reprocessing of the products obtained under paragraphs (a) and (b) of this definition.

“Receiver” has the meaning specified in Section 4.3(a).

“Secured Obligations” means, collectively, the Obligations and the Expenses.

“Security” means, at any time, the Liens in favour of the Lender in the Assets securing the obligations described in the applicable Security Documents.

“Security Documents” means this Debenture and any other security granted to the Lender as security for the Obligations.

“Specifically Mortgaged Lands” means the lands set forth in Exhibit “1” to Schedule “A”, together with any and all lands which may now or hereafter be pooled, unitized, grouped or otherwise combined for production or other purposes therewith, and including all Petroleum Substances within, upon or under such lands.

“Subject Properties” means collectively, the Owned Properties and the Leased Properties.

“Subsidiary” means, with respect to any Person (in this definition, the **“parent”**), at any date, (a) any corporation, limited liability company, association or other business entity of which securities or other ownership interests representing more than 50% of the voting power of all equity interests entitled to vote in the election of the Board of Directors thereof are, as of such date, owned, controlled or held by the parent and/or one or more subsidiaries of the parent, (b) any partnership, (i) the sole general partner or the managing general partner of which is the parent and/or one or more subsidiaries of the parent or (ii) the only general partners of which are the parent and/or one or more subsidiaries of the parent, and (c) any other Person that is otherwise Controlled by the parent and/or one or more subsidiaries of the parent.

“Swap Agreement” means any agreement with respect to any swap, forward, put, deferred premium put, hedge, future or derivative transaction or option or similar agreement, whether exchange traded, **“over-the-counter”** or otherwise, involving, or settled by reference to, one or more interest rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions.

“Wells” means the wells now or hereafter located on the Specifically Mortgaged Lands.

Section 1.2 Interpretation.

- (1) Capitalized terms used in this Debenture but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in this Debenture or the Loan Agreement to Liens permitted hereunder or thereunder and any right of the Chargor to create or suffer to exist Liens permitted hereunder or thereunder are not intended to and do not and will not subordinate the Charge to any such Lien or give priority to any Person over the Lender.
- (3) In this Debenture the words **“including”, “includes”** and **“include”** mean **“including (or includes or include) without limitation”**. The phrase **“the aggregate of”, “the total of”, “the sum of”,** or a phrase of similar meaning means **“the aggregate (or total or sum), without duplication, of”**. The expression **“Article”, “Section”, “Schedule”** or other subdivision followed by a number mean and refer to the specified Article, Section, Schedule or other subdivision of this Debenture.
- (4) Any reference in this Debenture to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Debenture into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.

- (6) The schedules attached to this Debenture form an integral part of it for all purposes of it.
- (7) Except as otherwise provided in this Debenture, any reference to this Debenture, the Loan Agreement or any other agreement refers to this Debenture, the Loan Agreement, or any other agreement as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented, novated and includes all schedules attached to it. Any reference in this Debenture to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

Section 1.3 Interest Act (Canada).

For purposes of the *Interest Act* (Canada), (i) whenever any interest or fee under this Debenture is calculated using a rate based on a year of 365 days, the rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate based on a year of 365 days, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by 365, (ii) the principle of deemed reinvestment of interest does not apply to any interest calculation under this Debenture, and (iii) the rates of interest stipulated in this Debenture are intended to be nominal rates and not effective rates or yields.

Section 1.4 Nominal Rates.

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Debenture. All interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, after as well as before maturity, default and judgment. The rates of interest specified in this Debenture are intended to be nominal rates and not effective rates. Interest calculated hereunder shall be calculated using the nominal rate method and not the effective rate method of calculation.

**ARTICLE 2
ACKNOWLEDGEMENT OF INDEBTEDNESS**

Section 2.1 Promise to Pay.

The Chargor, for value received, hereby acknowledges itself indebted to the Lender and promises to pay ON DEMAND to or to the order of the Lender, the principal sum of EIGHT HUNDRED THOUSAND DOLLARS (\$800,000) on presentation and surrender of this Debenture at the offices of the Lender located at 181 Bay Street, Suite 2830, Toronto, Ontario M5J 2T3, or at such other place as the Lender may designate by notice in writing to the Chargor, and to pay interest thereon from the date hereof at the rate per annum of twelve percent (12%) in like money at the same place, monthly, on the last day of each month; and, if the Chargor should at any time make default in the payment of any principal or interest, to pay interest on the amount in default both before and after demand, default and judgment, with interest on overdue interest at the same rate in lawful money of Canada at the same place on the same dates.

The Lender is the Person entitled to receive the principal of, and interest on, this Debenture and all other amounts payable hereunder.

ARTICLE 3 SECURITY

Section 3.1 Grant of Charge.

As security for the due payment and performance of all Secured Obligations, and subject to the provisions of Section 3.5 hereof, the Chargor hereby:

- (a) grants, assigns as security, conveys, mortgages, pledges and charges, as and by way of a fixed and specific mortgage, charge and pledge, to and in favour of the Lender, all of its present and future right, title, interest and estate in and to the property set forth in Paragraph 1 of Schedule "A" hereto, the Specifically Mortgaged Lands, the Leases and all Petroleum Substances produced from, the Specifically Mortgaged Lands, the Products, together with all of the Chargor's present and future interest in all rights, leases, licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, Wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with respect to or constructed or placed on the Specifically Mortgaged Lands or used in connection with the Specifically Mortgaged Lands and all accretions, additions and accessions thereto, including, without limitation, and any and all proceeds of any of the foregoing;
- (b) grants, assigns, conveys, transfers, mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Lender, and grants a continuing security interest to the Lender, in, all of the Chargor's present and after-acquired personal property including, without limitation, all present and after-acquired right, title and interest in and to all goods, chattel paper, securities, documents of title, instruments, intangibles, investment property and money (as such terms are defined in the PPSA), wherever located; and
- (c) grants, assigns as security, conveys, mortgages and charges, as and by way of a floating charge, to and in favour of the Lender, all of the right, title, interest and estate in and to real property and personal property of the Chargor not subject to the fixed charge in Section 3.1(a) or the security interest in Section 3.1(b), both present and future, of every nature and kind and wherever situate including, without limitation, the Chargor's interest in all rights, leases (including, without limitation, petroleum and/or natural gas leases), licenses, easements, rights-of-way, profits-à-prendre, interests in real property, structures, underground facilities, wells, power, fuel and water supply, storage, waste disposal, roads and other transportation facilities and fixed plant, milling, processing, service and other related infrastructures, buildings, erections, improvements and Fixtures now or hereafter with

respect to or constructed or placed on such real property or used in connection with such real property and all accretions, additions and accessions thereto, which the Chargor now has, may be possessed of, entitled to, or acquire, by way of amalgamation or otherwise, now or hereafter, and any and all proceeds of any of the foregoing.

In this Debenture, the mortgages, charges and security interests hereby created and provided for are called the “**Charge**” and the subject matter of the Charge is called the “**Charged Property**”.

Section 3.2 Obligations.

The Charge granted by this Debenture secures the payment and performance of the Secured Obligations.

Section 3.3 Crystallization of Floating Charge.

Without limiting its rights hereunder to crystallize the Charge set forth in Section 3.1(c) above in any other manner, the Lender, upon the occurrence of and during the continuance of an Event of Default, may to the extent permitted by Applicable Law crystallize and fix the Charge set forth in Section 3.1(c) above in respect of all or a portion of the Charged Property by notice in writing to the Chargor without any requirement for further intervention by the Lender (whether by the taking of possession, the appointment of a Receiver or otherwise), but without in any way limiting the powers, rights and remedies of the Lender hereunder in respect of the Charged Property.

Section 3.4 Attachment.

The Chargor acknowledges that: (i) value has been given; (ii) it has rights in the Charged Property or the power to transfer rights in the Charged Property to the Lender (other than after-acquired Charged Property); (iii) it has not agreed to postpone the time of attachment of the Charge; and (iv) it has received a copy of this Debenture. The Charge is intended to, and shall, attach to the existing Charged Property when the Chargor signs this Debenture, and to any other after-acquired Charged Property subsequently acquired by the Chargor immediately upon the Chargor acquiring any rights in such after-acquired Charged Property.

Section 3.5 Scope of Charge.

The Charge does not extend or apply to the last day of the term of any lease or sublease of real property or any agreement therefor now held or hereafter acquired by the Chargor, but the Chargor shall thereafter stand possessed of such last day in trust for the Lender to assign the same to any Person acquiring such term in the course of enforcement of the Charge.

Section 3.6 Chargor Remains Liable.

Notwithstanding the provisions of this Debenture: (i) the Chargor shall remain liable to perform all of its duties and obligations in regard to the Charged Property (including, without limitation, all of its duties and obligations arising under any leases, licenses, permits, reservations, contracts, agreements, instruments, contractual rights and governmental orders, authorizations, licenses and permits now or hereafter pertaining

thereto) to the same extent as if this Debenture had not been executed; (ii) the exercise by or on behalf of the Lender of any of its rights and remedies under or in regard to this Debenture shall not release the Chargor from such duties and obligations in respect of the Charged Property subject to Applicable Law; and (iii) the Lender (or any of them) shall have no liability for such duties and obligations by reason of the execution and delivery of this Debenture.

Section 3.7 Protective Disbursements.

If the Chargor fails to perform any of its covenants in this Debenture or otherwise, then the Lender may, in its absolute discretion, perform any covenant capable of being performed by it and, if the covenant requires the payment or expenditure of money, the Lender may make the payment but is under no obligation to do so. All sums paid or expended by the Lender are immediately payable by the Chargor, bear interest at the rate set forth in this Debenture and are secured by this Debenture, having the benefit of the Charge in priority to the indebtedness evidenced by this Debenture. No such performance or payment will relieve the Chargor from any default under this Debenture or the consequences of such default.

Section 3.8 Continuing Security.

This Debenture shall be a continuing obligation, shall cover and secure any ultimate balance of the Secured Obligations owing to the Lender, and shall be operative and binding notwithstanding that at any time or times the Secured Obligations may be zero, or that any payments from time to time may be made to the Lender, or any settlements of account effected, or any other thing whatsoever done, suffered or permitted, or any other action short of complete and irrevocable payment of all the Secured Obligations and any other amounts payable hereunder.

ARTICLE 4 EVENTS OF DEFAULT, ENFORCEMENT & REMEDIES

Section 4.1 Events of Default.

The occurrence of any one or more of the following events shall constitute an event of default under this Debenture (an “**Event of Default**”):

- (a) the Chargor fails to pay any amount of the Advance outstanding on demand;
- (b) the Borrower fails to pay any Obligations payable under the Loan Documents when they become due and payable;
- (c) the Borrower fails to pay legal and advisor fees of the Lender within five (5) Business Days of being invoiced therefor;
- (d) any representation or warranty or certification made or deemed to be made by the Chargor or any of their respective directors or officers in any Loan Document shall prove to have been **incorrect** in any material respect when made or deemed to be made;

- (e) the Chargor fails to perform, observe or comply with any other term, covenant or agreement contained in this Debenture or any other Loan Document to which it is a party;
- (f) the Chargor fails to pay the principal of, or premium or interest or other amount on, any of its Debt (excluding Debt under this Debenture) which is outstanding in an aggregate principal amount exceeding \$200,000.00 (or the Equivalent Amount in another currency) when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to the Debt; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such, if its effect is to accelerate, or permit the acceleration of the Debt; or any such Debt shall be declared to be due and payable prior to its stated maturity;
- (g) the Chargor fails to perform or observe any term, covenant or agreement contained in any Material Agreement or Swap Agreement on its part to be performed or observed where such failure could reasonably be expected to have a Material Adverse Effect; or any Material Agreement is terminated or revoked or permitted to lapse (other than in accordance with its terms and not as a result of default);
- (h) the Chargor repudiates its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part;
- (i) any one or more of the Loan Documents or any material provision thereof ceases to be, or is determined by a court of competent jurisdiction not to be, a legal, valid and binding obligation of the Chargor, enforceable by the Lender against the Chargor;
- (j) any of the Security at any time does not constitute a valid and perfected first priority Lien, subject only to Permitted Liens which rank by law in priority and subject to the provisions of the Intercreditor Agreement;
- (k) any judgment or order for the payment of money in excess of \$200,000.00 (or the Equivalent Amount in another currency) is rendered against the Chargor, except to the extent fully covered (other than for customary deductibles) by insurance pursuant to which the insurer has not denied coverage, and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (ii) there is a period of fifteen (15) consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;
- (l) the Chargor incurs any Environmental Liabilities which are not insured pursuant to an insurance policy maintained by the Chargor and for which it has received insurance proceeds in the amount of such Environmental Liabilities, and which will require expenditures, for any one occurrence, in

excess of \$200,000.00 (or the Equivalent Amount in another currency), or aggregating in any Financial Year on a consolidated basis, \$500,000.00 (or the Equivalent Amount in another currency);

- (m) there is a Change of Control;
- (n) the Chargor (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (iii) institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding up, administration, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any Applicable Law relating to bankruptcy, insolvency, reorganization or relief of debtors including any proceeding under applicable corporate law seeking a compromise or arrangement of, or stay of proceedings to enforce, some or all of the debts of such Person, or (z) the entry of an order for relief or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its Assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of thirty (30) days, such Person fails to diligently and actively oppose such proceeding, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, receiver-manager, administrator, custodian, monitor, trustee or other similar official for it or for any substantial part of its properties and Assets) occurs, or (iv) takes any corporate action to authorize any of the above actions;
- (o) there has occurred an event or development that could, in the sole opinion of the Lender, reasonably be expected to have a Material Adverse Effect; or
- (p) the audited consolidated financial statements of the Chargor are qualified by an Impermissible Qualification.

Section 4.2 Enforcement.

The Charge becomes and is enforceable against the Chargor upon the occurrence and during the continuance of an Event of Default.

Section 4.3 Remedies.

Whenever the Charge is enforceable, the Lender may, at any time, in its sole discretion, realize upon the Charged Property and the Lender shall have the following rights and remedies:

- (a) the Lender may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the “**Receiver**”) of the Charged Property and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Charged Property or any part thereof; and the term “Lender”

when used in this Section 4.3 shall include any Receiver so appointed and the agents, officers and employees of such Receiver;

- (b) the Lender may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of all or any part of the Charged Property;
- (c) the Lender may enter into and take possession of the Charged Property and require the Chargor to make the Charged Property available to the Lender;
- (d) the Lender may carry on or concur in the carrying on of all or any part of the business of the Chargor relating to the Charged Property;
- (e) the Lender may enforce any rights of the Chargor in respect of the Charged Property by any manner permitted by Applicable Law;
- (f) the Lender may sell, lease or otherwise dispose of all or any part of the Charged Property, either as a whole or in separate parcels, by public auction, public tender, private tender or private sale at such time or times as the Lender may determine, with or without notice to the Chargor, either for cash or upon credit or any other arrangement providing for deferred payment, upon such terms and conditions as the Lender may determine and without notice to the Chargor unless required by Applicable Law, with or without advertisement, and with or without a reserve bid as the Lender, in its sole discretion, may see fit, and the Lender may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time, and may execute and deliver to the purchaser or purchasers of the Charged Property or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, any officer of the Lender being hereby constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deeds or conveyances, upon the Charge becoming enforceable, and any such sale made as aforesaid shall be a perpetual bar both in Applicable Law and in equity against the Chargor and all other Persons claiming all or any part of the Charged Property by, from, through or under the Chargor;
- (g) the Lender may institute proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Charged Property;
- (h) the Lender may file proofs of claim and other documents to establish its claims in any proceeding relative to the Chargor;
- (i) the Lender may accept the Charged Property in satisfaction or partial satisfaction of the Charge upon notice to the Chargor of its intention to do so in the manner required by Applicable Law;
- (j) the collection of any proceeds arising in respect of the Charged Property; and

- (k) the Lender may exercise any other right or remedy permitted by Applicable Law, statute or equity, including, without limitation, all rights and remedies of a secured party under the PPSA and any other personal property security legislation in any other jurisdictions where the Charged Property may be located.

Section 4.4 Additional Rights.

In addition to the remedies set forth in Section 4.3 and elsewhere in this Debenture, whenever the Charge is enforceable, the Lender may:

- (a) require the Chargor, at the Chargor's expense, to assemble the Charged Property at a reasonable place or places designated by notice in writing and the Chargor agrees to so assemble the Charged Property promptly upon receipt of such notice;
- (b) require the Chargor, by notice in writing, to disclose to the Lender the location or locations of the Charged Property and the Chargor agrees to promptly make such disclosure when so required;
- (c) repair, process, modify, complete or otherwise deal with the Charged Property and prepare for the disposition of the Charged Property, whether on the premises of the Chargor or otherwise;
- (d) redeem any prior Lien against any Charged Property, procure the transfer of such Lien to itself, or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer (any accounts to be conclusive and binding on the Chargor);
- (e) pay any liability secured by any Lien against any Charged Property or discharge any Lien that may exist or be threatened against the Charged Property (the Chargor will promptly upon receipt of written notice reimburse the Lender for all such payments);
- (f) to facilitate the realization of the Charged Property, enter upon, occupy and use all or any of the premises, buildings and plant comprising the Charged Property and use all or any of the equipment and other personal property of the Chargor for such time as the Lender requires to facilitate such realization, free of charge (as between the Chargor and the Lender), and the Lender shall not be liable to the Chargor for any act, omission or neglect in so doing or in respect of any rent, charges, depreciation or damages incurred in connection with such actions, unless such act, omission or neglect is caused by gross negligence or wilful default of the Lender;
- (g) borrow for the purpose of carrying on the business of the Chargor or for the maintenance, preservation or protection of the Charged Property and grant a security interest in the Charged Property, whether or not in priority to the Charge, to secure repayment;

- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Charged Property, and give good and valid receipts and discharges in respect of the Charged Property and compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any third party to the Chargor; and
- (i) at any public sale, and to the extent permitted by Applicable Law on any private sale, bid for and purchase any or all of the Charged Property offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Charged Property without any further accountability to the Chargor or any other Person with respect to such holding, retention or disposition, except as required by Applicable Law. In any such sale to the Lender, the Lender may, for the purpose of making payment for all or any part of the Charged Property so purchased, use any claim for Secured Obligations then due and payable to it as a credit against the purchase price.

Section 4.5 Exercise of Remedies.

The remedies under Section 4.3 and Section 4.4 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Lender however arising or created. The Lender is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Lender in respect of the Secured Obligations including the right to claim for any deficiency.

Section 4.6 Appointment of Attorney.

Upon (and only upon) the Charge becoming enforceable, the Chargor irrevocably appoints the Lender (and each of its officers) as attorney of the Chargor (with full power of substitution) to do, make and execute in the name of and on behalf of the Chargor all such further acts, documents, matters and things which the Lender may reasonably deem necessary or advisable to accomplish the purposes of this Debenture for the recovery of all fees, tariffs and other sums of money that may become or are now due or owing to the Chargor in respect of the Charged Property and for the enforcement of all contracts, covenants or conditions binding on any lessee or occupier of the Charged Property or on any Person in respect of it, and this appointment shall take effect if the Charge has become enforceable, subject to all Applicable Laws. The Lender or its nominees and transferees are empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Charged Property and to deal with the Charged Property, to the same extent as the Chargor might do. All acts of any such attorney are hereby ratified and approved, and the attorney shall not be liable for any act, failure to act or any other matter or thing in connection therewith, except for its own gross negligence or wilful misconduct.

Section 4.7 Dealing with the Charged Property.

- (1) Neither the Lender, any Receiver nor any agent of any of them (including any civil enforcement agent) shall be: (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Charged Property; (ii) bound to institute

proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Charged Property or for the purpose of preserving any rights of any Persons; (iii) responsible for any loss occasioned by any sale or other dealing with the Charged Property or by the retention of or failure to sell or otherwise deal with the Charged Property; or (iv) bound to protect the Charged Property from depreciating in value or becoming worthless.

- (2) The Lender may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor and with other Persons, sureties or securities as they may see fit without prejudice to the Secured Obligations, the liability of the Chargor under this Debenture, the Credit Agreement or the other Credit Documents or the rights of the Lender in respect of the Charged Property.
- (3) The Lender shall not be obliged to exhaust their recourse against the Chargor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Charged Property in such manner as the Lender may consider desirable.

Section 4.8 Status of the Receiver.

- (1) Subject to all Applicable Laws, any Receiver appointed by the Lender is vested with the rights and remedies which could have been exercised by the Lender in respect of the Chargor or the Charged Property and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments including, without limitation, any or all of the powers of the Lender or of the officer of the Lender referred to above. The identity of the Receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Lender.
- (2) The Receiver shall, for all purposes relating to the Receiver's acts or defaults and remuneration, be deemed to be the agent of the Chargor and not of the Lender, and the Chargor shall be solely responsible for the Receiver's acts or defaults and remuneration. The Receiver may sell, lease, or otherwise dispose of Charged Property as agent for the Chargor or as agent for the Lender, as the Lender may determine in its discretion. The Chargor agrees to ratify and confirm all actions of the Receiver acting as agent for the Chargor, and to release and indemnify the Receiver in respect of all such actions.
- (3) All amounts from time to time received by the Lender or the Receiver may (but need not) be applied in the following order: (i) in discharge of all operating expenses and other outgoings affecting the Charged Property; (ii) in keeping in good standing all Liens on the Charged Property having priority over the Charge; (iii) in payment of the remuneration and disbursements of the Receiver (if any); (iv) in payment to the Lender of the amounts payable hereunder; (v) to such reserves against potential claims that the Lender or the Receiver in good faith believes should be maintained, until such potential claims are settled, and the balance, if any, shall be paid as determined by the Lender in its sole discretion.

- (4) The Lender, in appointing or refraining from appointing any Receiver, does not incur liability to the Receiver, the Chargor or otherwise and is not responsible for any misconduct or negligence of such Receiver.

Section 4.9 Powers of Privately Appointed Receiver.

Any Receiver appointed by instrument in writing shall, to the extent permitted by Applicable Law, have power to:

- (a) take possession of, collect and get in all or any part of the Charged Property and, for that purpose, to take proceedings in the name of the Chargor or otherwise, and to make any arrangement or compromise;
- (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plant and undertaking of or occupied or used by the Chargor without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Chargor;
- (d) borrow or raise money on all or any part of the Charged Property in priority to this Debenture or otherwise for such purposes as may be approved by the Lender; and
- (e) sell or lease or concur in selling or leasing all or any part of the Charged Property without notice and in such manner as may seem advisable to the Receiver (including, without limitation, sale by way of deferred payment arrangement), and to effect such sale by conveying in the name and on behalf of the Chargor or otherwise.

Section 4.10 Standards of Sale.

Without prejudice to the ability of the Lender to dispose of the Charged Property in any manner which is commercially reasonable and without limitation to the other provisions of this Debenture, the Chargor acknowledges that, in connection with any enforcement of the Charge provided for herein:

- (a) the Charged Property may be disposed of in whole or in part;
- (b) the Charged Property may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Charged Property may be the Lender or a customer of such Person;
- (d) any sale conducted by the Lender will be at such time and place, on such notice, in accordance with such procedures and on such terms and conditions as the Lender, in its sole discretion, may deem advantageous;

- (e) the Charged Property may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Charged Property) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Charged Property may be on such terms and conditions as to credit or otherwise as the Lender, in its sole discretion, may deem advantageous; and
- (g) the Lender may establish an upset or reserve bid or price in respect of the Charged Property.

Section 4.11 Dealings by Third Parties.

- (a) No Person dealing with the Lender or an agent or a Receiver is required to determine: (i) whether the Charge has become enforceable; (ii) whether the powers which such Person is purporting to exercise have become exercisable; (iii) whether any money remains due to the Lender by the Chargor; (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease shall be made; (v) the propriety or regularity of any sale or any other dealing by the Lender with the Charged Property; or (vi) how any money paid to the Lender has been applied.
- (b) Any *bona fide* purchaser of all or any part of the Charged Property from the Lender or any Receiver or agent will hold the Charged Property absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Chargor, which it specifically waives (to the fullest extent permitted by Applicable Law) as against any such purchaser and all rights of redemption, stay or appraisal which the Chargor has or may have under any rule of law now existing or hereafter adopted.

Section 4.12 No Right of Set-Off.

The principal, interest and other Secured Obligations secured by this Debenture shall be paid when due by the Chargor without regard to any equities existing between the Chargor and any other party including, without limitation, the Lender and without regard to any right of set-off or cross-claim or of any other claim or demand of the Chargor against the Lender.

**ARTICLE 5
COVENANTS**

Section 5.1 Covenants of the Chargor.

The Chargor covenants and agrees, acknowledging and confirming that the Lender is relying on such covenants and agreements, that:

- (a) **Restriction on Disposition.** The Chargor will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Charged Property, except as permitted in the Credit Agreement or any other Credit Document;
- (b) **Negative Pledge.** The Chargor will not create or suffer to exist any Lien over the Charged Property, except as permitted by the Credit Agreement;
- (c) **Perfection and Protection of Charge.** The Chargor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are reasonably requested by the Lender at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Charge including: (i) executing, recording and filing of financing or other statements, and paying all applicable taxes, fees and other charges payable, (ii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected Lien (subject only to Permitted Liens), and (iii) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Lender;
- (d) **Defend Charged Property.** The Chargor will defend the Charged Property from all adverse claims where the failure to do so would reasonably be expected to have, singly or in the aggregate, a Material Adverse Effect; and
- (e) **Quiet Possession.** Upon the occurrence and during the continuance of an Event of Default, the Lender shall be entitled to quiet possession of the Charged Property free from all Liens except for the Permitted Liens; subject to bankruptcy and insolvency laws and other similar laws of general application affecting the enforcement of creditors; to the discretion of the courts in granting equitable remedies, and to general principles of law and equity.

Section 5.2 Supplemental Debentures.

At any time and from time to time, at the request of the Lender, the Chargor shall execute supplemental debentures hereto for any purpose, including without limitation, to more particularly describe the Charged Property or to correct or amplify the description of the Charged Property, to better assure, convey and confirm unto the Lender any Charged Property or to update any Schedule herein. Upon the execution of any supplemental debenture under this Section 5.2 or any other modification agreed to by the Lender, this Debenture shall be modified in accordance therewith, and each supplemental debenture or modification shall form a part of this Debenture for all purposes and the Chargor shall be bound thereby.

Section 5.3 Expropriation

Should any interest in or any part of the Charged Property be taken by the exercise of the right of eminent domain or taken, purchased or expropriated by any Governmental Authority or taken by a power reserved in any grant, the Lender may release the Charged Property so taken or purchased and shall be fully protected in so doing upon being furnished with an opinion of its counsel to the effect that such Charged Property has been taken by exercise of the right of eminent domain or purchased or expropriated by any Governmental Authority or a power reserved in any grant. The proceeds of all Charged Property so taken, purchased or expropriated shall be paid over to the Lender and be applied as set forth in Section 6.14.

ARTICLE 6 GENERAL

Section 6.1 Credit Agreement Governs.

Notwithstanding anything to the contrary contained herein, this Debenture is issued subject always to the covenants, conditions, limitations and other provisions contained in the Credit Agreement. In the event of any conflict, discrepancy, difference or ambiguity in or between any of the provisions of this Debenture and any of the provisions of the Credit Agreement including, without limitation, in the amount payable thereunder, the principal sum for which this Debenture is expressed to be security or the interest payable thereunder and the interest rate on such principal sum, the provisions of the Credit Agreement shall prevail. For the avoidance of doubt, neither the Lender nor any subsequent holder of this Debenture may, at any time, claim any greater amount in respect of the principal amount of the Debenture than the aggregate amount of the Secured Obligations outstanding at that time. Payment to the Lender of interest for any period in respect of the Secured Obligations is deemed to be payment in satisfaction of the interest payment for the same period under this Debenture.

Section 6.2 Partial Release

No postponement or partial release or discharge of the Charge in respect of all or any part of the Charged Property for any reason whatsoever shall in any way operate or be construed so as to release and discharge the Charge in respect of the Charged Property except as therein specifically provided, or so as to release or discharge the Chargor from its liability to the Lender to fully pay and satisfy the Secured Obligations.

Section 6.3 Notices.

Any notice, direction or other communication given regarding the matters contemplated by this Debenture must be in writing and given in accordance with the Credit Agreement.

Section 6.4 Discharge.

The Charge will be discharged upon, but only upon, full and indefeasible payment and performance of the Secured Obligations and the Lender having no further obligations to the Chargor under the Credit Documents. Upon discharge of the Charge and at the request and expense of the Chargor, the Lender will execute and deliver to the Chargor such financing statements and other documents or instruments as the Chargor may reasonably

require and the Lender will redeliver to the Chargor against receipt and without recourse to or warranty by the Lender, or as the Chargor may otherwise direct the Lender, any Charged Property in its possession which has not been sold or otherwise applied pursuant to the terms hereof. Notwithstanding the foregoing, upon any sale, assignment, farm-out, conveyance, exchange, lease, release or abandonment or other disposal of any Charged Property (including sale-leaseback transactions) to any Person which is permitted in accordance with the Credit Agreement, at the request and expense of the Chargor, the Lender will execute and deliver to the Chargor such releases, discharges, financing change statements, no interest letters and other documents or instruments as the Chargor may reasonably require and the Lender will redeliver to the Chargor against receipt and without recourse to or warranty by the Lender, or as the Chargor may otherwise direct the Lender, any such Charged Property in its possession which has not been sold or otherwise applied by the Lender pursuant to the terms hereof.

Section 6.5 No Merger.

This Debenture shall not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Lender shall operate by way of merger of, or in any way affect, the Charge, which is in addition to, and not in substitution for, any other security held by the Lender in respect of the Secured Obligations. The representations, warranties and covenants of the Chargor in this Debenture survive the execution and delivery of this Debenture and any advances under the Credit Agreement. Notwithstanding any investigation made by or on behalf of the Lender, these covenants, representations and warranties continue in full force and effect.

Section 6.6 Further Assurances.

The Chargor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Lender may require and take all further steps relating to the Charged Property or any other property or Assets that the Lender may reasonably require for: (i) protecting the Charged Property; (ii) perfecting, preserving or protecting the Charge; and (iii) exercising all powers, authorities and discretions hereby conferred upon the Lender. After the Charge becomes enforceable, the Chargor will do all acts and things and execute and deliver all documents and instruments as the Lender may require for facilitating the sale or other disposition of the Charged Property in connection with its realization.

Section 6.7 Supplemental Security.

This Debenture is in addition and without prejudice to and supplemental to all other security now held or which may hereafter be held by the Lender.

Section 6.8 Successors and Assigns.

- (1) This Debenture creates a continuing Charge in the Charged Property and shall (i) be binding on the Chargor and its successors and assigns, and (ii) enure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and each of its respective successors, permitted transferees and permitted assigns. No other Person (including any other creditor of the Chargor) shall have any interest herein or any right or benefit with respect hereto.

- (2) Without limiting the generality of this Section 6.8, the Lender may assign all or otherwise transfer all or any part of, or may grant participation in all or any part of, its interest in this Debenture to any other Person, and such other Person shall then become vested with all the rights granted to the Lender in this Debenture or otherwise.
- (3) The Chargor may not assign, transfer or delegate any of its rights or obligations under this Debenture.
- (4) The Chargor agrees that its obligations hereunder and the Charge shall continue to be effective or be reinstated, as applicable, if at any time payment, or any part thereof, of all or any part of the Secured Obligations is rescinded or must otherwise be restored by the Lender upon the bankruptcy or reorganization of the Chargor or otherwise.

Section 6.9 Amalgamation.

The Chargor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Charge (i) subject to Section 3.5, extends to: (A) all of the property of the type and description set forth in Section 3.1 that any of the amalgamating corporations then owns, (B) all of the property of the type and description set forth in Section 3.1 that the amalgamated corporation thereafter acquires, (C) all of the property of the type and description set forth in Section 3.1 in which any of the amalgamating corporations then has any interest and (D) all of the property of the type and description set forth in Section 3.1 in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Lender in any currency, however or wherever incurred, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Charge attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Chargor**" includes, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Charged Property**" means all of the property and undertaking and interests described in (i) above, and the defined term "**Obligations**" means the obligations described in (ii) above.

Section 6.10 Dollars or "\$".

A reference herein to "\$", "Cdn \$" or the word "dollar" or "Dollars", without more, shall be a reference to lawful money of Canada.

Section 6.11 Severability.

If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Debenture to be illegal, invalid or unenforceable, that provision will be severed from this Debenture and the remaining provisions will remain in full force and effect.

Section 6.12 Amendment.

This Debenture may only be amended, supplemented or otherwise modified by written agreement executed by the Lender and the Chargor.

Section 6.13 Waivers, etc.

- (1) No consent or waiver by the Lender in respect of this Debenture is binding unless made in writing and signed by an authorized officer of the Lender. Any consent or waiver given under this Debenture is effective only in the specific instance and for the specific purpose for which it is given. No waiver of any of the provisions of this Debenture constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Lender in exercising a right under this Debenture does not operate as a waiver of, or impair, any right of the Lender however arising. A single or partial exercise of a right on the part of the Lender does not preclude any other or further exercise of that right or the exercise of any other right by the Lender.

Section 6.14 Application of Proceeds of Security.

All monies collected by the Lender upon the enforcement of the Lender's rights and remedies under the Loan Documents and the Liens created by them including any sale or other disposition of the Charged Property, together with all other monies received by the Lender under the Loan Documents, will be applied as determined by the Lender in its sole discretion.

Section 6.15 Governing Law.

- (1) This Debenture shall be governed by and construed in accordance with the laws of Alberta and the laws of Canada applicable therein.
- (2) The Chargor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Debenture. The Chargor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Lender to bring proceedings against the Chargor in the courts of any other jurisdiction.

Section 6.16 Time of the Essence.

Time shall be of the essence of this Debenture.

Section 6.17 Charging Clause.

For better securing to the Lender the repayment in the manner set out above of the principal sum set forth herein together with all other Secured Obligations, the Chargor hereby mortgages to the Lender all of its estate and interest in the Charged Property.

Section 6.18 Waiver of Financing Statement, Etc.

The Chargor hereby waives the right to receive from the Lender a copy of any financing statement, financing change statement or other statement or document filed or registered at any time in respect of this Debenture or any verification statement or other statement or document issued by any registry that confirms or evidences registration of or relates to this Debenture.

Section 6.19 Costs and Expenses.

- (1) The Chargor shall pay all Expenses incurred by the Lender in making this Debenture, advancing funds and enforcing its rights hereunder including, without limitation, the fees and disbursements of counsel to the Lender.
- (2) The Chargor shall indemnify the Lender and its directors, officers, employees, agents, partners, shareholders and representatives (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 reasonable fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any party hereto or any third party arising out of, in connection with, or as a result of any action, investigation, suit or proceeding (whether commenced or threatened) relating to or arising out of (i) the execution or delivery of the Loan Documents, or any amendment, amendment and restatement, modification or waiver of the provisions hereof or thereof, or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any loan under the Loan Agreement or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Chargor, and regardless of whether any Indemnitee is a party thereto.
- (3) All amounts due under this Section 6.18 shall be payable not later than 3 Business Days after demand therefor.

Section 6.20 Undertaking to Grant Fixed Charge.

If the Lender, acting reasonably, determines in its sole discretion that there has been a Material Adverse Effect, or a Default or Event of Default has occurred and is continuing, and the Lender considers it necessary for its adequate protection, the Chargor, at the request of the Lender, will forthwith grant or cause to be granted to the Lender, for the benefit of itself and the Lender, a fixed Lien (subject only to Permitted Liens which under Applicable Law rank in priority thereto) in such of the Chargor’s property as the Lender, in its sole

discretion, determines as security for all then present and future Obligations. The Chargor will:

- (a) do, make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required by the Lender to give effect to any provision of the amended, new or replacement Security Documents;
- (b) provide the Lender with such information as is reasonably required by the Lender to identify the property to be charged;
- (c) do all such things as are reasonably required to grant the Liens to be granted pursuant to the amended, new or replacement Security Documents;
- (d) provide the Lender with all corporate, partnership or other organizational resolutions and other action required for the Chargor to grant the amended, new or replacement Security Documents;
- (e) provide the Lender with an opinion of the Chargor's counsel confirming the due authorization, execution and delivery by the Chargor of all such agreements and instruments comprising the amended, new or replacement Security Documents in form and content satisfactory to the Lender, acting reasonably; and
- (f) assist the Lender in the registration or recording of such Security Documents in such public registry offices in Canada and any province thereof as the Lender, acting reasonably, deems necessary to protect the Liens created by such Security Documents.

[Remainder of page left intentionally blank.]

IN WITNESS WHEREOF each of the parties has executed and delivered this Debenture as of the date first above written.

ACCEL ENERGY CANADA LIMITED

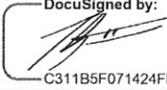
By:  _____
Authorized Signing Officer

THIRD EYE CAPITAL CORPORATION

By: _____
Authorized Signing Officer

IN WITNESS WHEREOF each of the parties has executed and delivered this Debenture as of the date first above written.

ACCEL ENERGY CANADA LIMITED

By: 

Authorized Signing Officer

THIRD EYE CAPITAL CORPORATION

By: 

Authorized Signing Officer

SCHEDULE "A"
LANDS AND PROPERTY INTERESTS

The Specifically Mortgaged Lands referred to in Section 3.1(a) to the Debenture to which this Schedule "A" forms a part consist of all of the present and after-acquired right, title, interest and estate of the Chargor in and to:

- (1) all Petroleum Substances (including, without limitation, petroleum, natural gas, oil and related hydrocarbons) or minerals in place or in storage within, upon or under the Specifically Mortgaged Lands (the interest of the Chargor therein being represented to be not less than that set forth in Exhibit "1" to this Schedule "A");
- (2) all rights, licenses, agreements, leases, permits, servitudes, privileges, easements, rights of way, rights of entry, rights of ingress and egress, and other surface rights, governmental or administrative authorizations, licenses, permits and consents and other rights now owned or hereafter acquired by the Chargor under which the Chargor derives, holds or maintains the right to enter upon, occupy and use the Specifically Mortgaged Lands (and any other lands used in connection with operations relating to such lands) including, without limitation, the right to drill for produce, store, gather, treat, process, ship, or transport Petroleum Substances and associated waste products now or hereafter produced or allocated to the Specifically Mortgaged Lands;
- (3) all Leases, licenses, permits, reservations, agreements, authorizations and other instruments (including, without limitation, such as may be described in Exhibit "1" to this Schedule "A") under which the Chargor derives, holds or maintains rights in and to the Specifically Mortgaged Lands or any Products, including agreements respecting the right to drill for, produce, store, gather, treat, process, ship, or transport hydrocarbons and associated waste products now or hereafter produced or allocated to the Specifically Mortgaged Lands, and all rights, benefits, privileges and advantages of the Chargor thereunder or derived therefrom;
- (4) all the estate or interest of the Chargor in and to any of the foregoing hydrocarbons or minerals, rights, licenses, permits and lands including, without limitation, all interests and rights known as a working interest, royalty interest, overriding royalty interest, gross overriding royalty interest, production payments, profits interest, net profits interest, revenue interest, net revenue interest and other interests in and to all such lands (including all stratigraphic formations from surface to basement) and leases and fractional or undivided interests in any of the foregoing; and
- (5) all buildings, structures, improvements, expansions, erections, works, and Fixtures now or hereafter brought, built, erected, constructed, placed or otherwise situate on the Specifically Mortgaged Lands,

and in particular, but without limitation, the rights and interests of the Chargor referred to in Exhibit "1" to this Schedule "A".

**EXHIBIT "1" OF SCHEDULE "A" TO THE DEBENTURE
GRANTED BY ACCEL ENERGY SERVICES CANADA LIMITED**

Leases and other Agreements