CLERK'S STAMP

FORM 49

COURT FILE NUMBER	2001-08434
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF	CALGARY
MATTER	IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, C. C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF 12178711 CANADA INC., CALFRAC WELL SERVICES LTD., CALFRAC (CANADA) INC., CALFRAC WELL SERVICES CORP. and CALFRAC HOLDINGS LP, by its General Partner CALFRAC (CANADA) INC.
APPLICANTS:	12178711 CANADA INC., CALFRAC WELL SERVICES LTD., CALFRAC (CANADA) INC., CALFRAC WELL SERVICES CORP. and CALFRAC HOLDINGS LP, by its General Partner CALFRAC (CANADA) INC.
RESPONDENT:	Not Applicable
DOCUMENT	**SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4**
CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:	**BENNETT JONES LLP** Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7 Attn: Chris Simard / Kevin Zych / Justin Lambert Tel: 403.298.4485 / 416.777.5738 / 403.298.3046 Facsimile: 403.298.3100 Email: simardc@bennettjones.com/ zychk@bennettjones.com/ lambertj@bennettjones.com

SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON

Sworn/Affirmed on October 16, 2020

I, Ronald P. Mathison, of Calgary, Alberta, SWEAR AND SAY THAT:

I. INTRODUCTION

1. I am a co-founder, the Executive Chairman and a director of Calfrac Well Services Ltd. ("**Calfrac**"), a Director and Chairman of Calfrac (Canada) Inc. ("**CCI**") and a director and Chairman of 12178711 Canada Inc. ("**Calfrac Arrangeco**"), and as such I have personal knowledge of the matters hereinafter deposed to, save where stated to be based on information and belief, in which case I do believe such information to be true. I am authorized to swear this Affidavit on behalf of Calfrac, CCI, Calfrac Well Services Corp. ("**CWSC**"), and Calfrac Holdings LP ("**CHLP**"), by its General Partner, CCI (together, the "**Applicants**" or the "**Calfrac Entities**").

2. I have previously sworn the following Affidavits in these proceedings:

   (a) on July 13, 2020, I swore an Affidavit in support of an application for a Preliminary Interim Order (the "**Mathison Affidavit No. 1**");

   (b) on July 30, 2020, I swore an Affidavit in support of an application for an Interim Order (the "**Mathison Affidavit No. 2**");

   (c) on August 5, 2020, I swore a supplemental Affidavit also in support of the application for an Interim Order (the "**Mathison Supplemental Affidavit**");

   (d) on September 25, 2020, I swore an Affidavit in support of an application to determine the scope of production of records (the "**Mathison Affidavit No. 3**"), and

   (e) on October 2, 2020, I swore an Affidavit in support of the application for a Final Order (the "**Mathison Affidavit No. 4**")

   (collectively, the "**Mathison Affidavits**").

3. This is a Supplemental Affidavit to the Mathison Affidavit No. 4, to provide an update on certain matters since I swore the Mathison Affidavit No. 4 on October 2, 2020.

4. I also swear this Affidavit in support of the Calfrac Entities' application pursuant to sections 192(3) and 192(4) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), for a final order (the "**Final Order**") approving the arrangement of the Applicants (the "**Arrangement**") pursuant to the Applicants' Plan of Arrangement, as amended, under the CBCA (the "**Amended Plan of Arrangement**") and granting certain related relief. **Exhibit "1"** to this Affidavit is a blackline showing all changes as between the form of Final Order attached to the Application filed on October 2, 2020 and the current version of the Final Order being sought, as of today's date.

5. All capitalized terms not otherwise defined herein are intended to bear the meanings as defined in Calfrac's management information circular dated August 7, 2020 and prepared in connection with the Meetings (as defined below) (the "**Circular**", a copy of which was attached to the Mathison Affidavit No. 4 as Exhibit "1") and as supplemented by the Material Change Report of Calfrac (a copy of which was attached to the Mathison Affidavit No. 4 as Exhibit "8"), or in the Mathison Affidavits.

6. As with the Mathison Affidavit No. 4, all dollar figures stated herein are in Canadian dollars unless otherwise indicated, and all conversions from US dollars to Canadian dollars were made at the official Bank of Canada exchange rate for June 29, 2020, which was CAD $1.3682 to US $1.00 or US $0.7309 to CAD $1.00.

II. PRESS RELEASES

7. Since the Mathison Affidavit No. 4 was filed, the Calfrac Entities and Wilks Brothers have each issued several additional press releases, as follows:

   (a) on October 5, 2020, Calfrac issued a press release, "Calfrac Well Services Ltd. - Open Letter to Stakeholders". A true copy of Calfrac's press release is attached as **Exhibit "2"** to this Affidavit;

(b) on October 5, 2020, Wilks Brothers issued a press release, "Wilks Improves Terms of Premium Offer to Provide Calfrac Shareholders up to $0.25 in Cash for Each Calfrac Share". A true copy of Wilks Brothers' press release is attached as **Exhibit "3"** to this Affidavit;

(c) on October 6, 2020, Calfrac issued a press release, "Calfrac's Amended Recapitalization Transaction is Still the Best Way to Vote, for Both Shareholders and the Company". A true copy of Calfrac's press release is attached as **Exhibit "4"** to this Affidavit. Also on October 6, 2020, Calfrac provided a one-page guide titled, "Warrant Analysis - Amended Recapitalization Transaction" outlining the per share values of electing to retain shares or electing to receive cash proceeds across a range of enterprise values. A true copy of Calfrac's warrant analysis is attached as **Exhibit "5"** to this Affidavit;

(d) on October 7, 2020, Wilks Brothers issued a press release, "Calfrac Shareholders: Both ISS and Glass Lewis Have Reaffirmed Recommendations to Vote AGAINST the Amended Management Transaction". A true copy of Wilks Brothers' press release is attached as **Exhibit "6"** to this Affidavit;

(e) on October 8, 2020, Calfrac issued a press release, "Deal Certainty Remains with Calfrac: Three Key Problems with Wilks Brothers' Takeover Bid". A true copy of Calfrac's press release is attached as **Exhibit "7"** to this Affidavit;

(f) on October 9, 2020, Wilks Brothers issued a press release, "Wilks Announces Filing of Notice of Variation for its Improved Premium Offer and Responds to Calfrac's Latest Attempt to Intimidate Shareholders". A true copy of Wilks Brothers' press release is attached as **Exhibit "8"** to this Affidavit;

(g) on October 9, 2020, Calfrac issued a press release, "After Being Called Out, Wilks Brothers Admits to Newly-Weakened Offer". A true copy of Calfrac's press release is attached as **Exhibit "9"** to this Affidavit. Also on October 9, 2020, Calfrac issued a presentation titled "Clarity for Shareholders", referenced in the press release. A true copy of Calfrac's presentation is attached as **Exhibit "10"** to this Affidavit;

(h) on October 13, 2020, Calfrac issued a press release, "Calfrac Meetings are on Friday; Voting Deadline is Tomorrow; Stakeholders Should Still VOTE FOR the Amended Recapitalization Transaction". A true copy of Calfrac's press release is attached as **Exhibit "11"** to this Affidavit; and

(i) also on October 13, 2020, Wilks Brothers issued a press release, "Calfrac Shareholders: Protect Your Investment by Voting AGAINST the Amended Management Transaction ". A true copy of Wilks Brothers' press release is attached as **Exhibit "12"** to this Affidavit.

III. THE MEETINGS

8. As described in the Mathison Affidavit No. 4, today the Calfrac Entities held the Meetings, in-person at the Calgary Petroleum Club, 319 5th Avenue SW Calgary, Alberta.

Quorum, Attendance and Votes Cast

9. As directed in paragraph 13 of the Interim Order, quorum required for the Senior Unsecured Noteholders' Meeting was two or more persons entitled to vote at such Meeting present in person or represented by proxy. Attendance was counted to be in excess of two persons, representing US$385,981,000 aggregate principal amount of the Senior Unsecured Notes. Therefore, quorum was met. Votes representing US $385,981,000 aggregate principal amount of Senior Unsecured Notes were cast at the Senior Unsecured Noteholders' Meeting.

10. As directed in paragraph 13 of the Interim Order, quorum required for the Shareholders' Meeting was two or more persons entitled to vote at such Meeting present in person or represented by proxy. Attendance was counted to be in excess of two persons, representing 108,900,475 Common Shares. Therefore, quorum was met. Votes representing 108,900,475 Common Shares were cast at the Shareholders' Meeting.

Results of the Meetings

11. A press release providing the results of the Meetings was issued today, October 16, 2020, and a true copy of this press release is attached as **Exhibit "13"** to this Affidavit. True copies of the two Scrutineer Reports from the Meetings are also attached as **Exhibit "14"**

to this Affidavit. The voting results of the Shareholder Meeting will be filed, as required by applicable securities laws, on a report of voting results filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**").

12. A summary of the results of the Shareholder Meeting is set out in the table below. The majorities required for each of the Shareholders' Resolutions is as follows:

(a) on the Senior Unsecured Noteholders' Arrangement Resolution, Senior Unsecured Notes with an aggregate face value of US $385,102,000 (representing 99.77% of the total votes cast) voted in favour (thereby satisfying the required majority of 66-2/3%);

(b) the results of the Shareholders' votes on the Shareholders' Resolutions are provided in the table below. For context, the required majorities were:

(i) for the Federal Continuance Resolution (with a required majority of 66-2/3%);

(ii) for the Shareholders' Arrangement Resolution (with a required majority of 66-2/3%);

(iii) for the vote required under Multilateral Instrument 61-101 (with a required majority of more than 50%, and excluding Mr. Ronald Mathison and MATCO Capital);

(iv) on the Shareholders' TSX Note Exchange and Warrant Resolution:

(A) for the vote in respect of the Senior Unsecured Note Exchange (with a required majority of more than 50%, excluding the persons required to be excluded therefrom); and

(B) for the vote in respect of the Warrant Issuance (with a required majority of more than 50%, excluding the persons required to be excluded therefrom);

(v) for the Shareholders' TSX 1.5 Lien Notes Resolution (with a required majority of more than 50%, excluding the persons required to be excluded therefrom);

(vi) for the Shareholders' TSX Omnibus Incentive Plan Resolution (with a required majority of more than 50%); and

(vii) for the Shareholders' TSX Shareholder Rights Plan Resolution (with a required majority of more than 50%).

Matter Voted Upon	Outcome of Vote	Votes For		Votes Against		Voting Results Excluding Wilks Brothers	
		Number	%	Number	%	% FOR	% AGAINST
1. **Federal Continuance Resolution**: A special resolution to approve the continuance of the Calfrac Well Services Ltd. (the "**Company**") into the federal jurisdiction of Canada under the *Canada Business Corporations Act* ("**CBCA**")	Carried	74,933,924	69%	33,966,551	31%	93%	7%
2. **Shareholders' Arrangement Resolution**: A special resolution to approve an arrangement pursuant to Section 192 of the CBCA of the Company, 12178711 Canada Inc., Calfrac (Canada) Inc., Calfrac Well Services Corp. and Calfrac Holdings LP, by its general partner, Calfrac (Canada) Inc.	Carried	74,866,915	69%	34,033,560	31%	93%	7%
3. **Shareholders' Arrangement Resolution**: Excluding the votes of those shareholders required to be excluded pursuant to Multilateral Instrument 61-101	Carried	46,032,594	57%	34,033,560	43%	90%	10%
4. **Shareholders' TSX Note Exchange and Warrant Resolution**: A resolution to approve the common shares issuable pursuant to the arrangement, excluding the votes of applicable interested shareholders							
(a) In respect of the Senior Unsecured Note Exchange	Carried	50,795,894	91%	5,304,288	9%	91%	9%
(b) In respect of the Warrant Issuance	Carried	17,881,636	77%	5,304,288	23%	77%	23%
5. **Shareholders' TSX 1.5 Lien Notes Resolution**: A resolution to approve the issuance of the 1.5 Lien Notes, excluding the votes of applicable interested shareholders	Carried	44,534,940	57%	34,034,514	43%	89%	11%
6. **Shareholders' TSX Omnibus Incentive Plan Resolution**: A resolution to approve	Carried	74,908,042	69%	33,992,433	31%	93%	7%

	the institution and adoption of the Omnibus Incentive Plan							
7.	**Shareholders' TSX Shareholder Rights Plan Resolution**: A resolution to approve the adoption of the Shareholder Rights Plan	Carried	74,920,173	69%	33,980,302	31%	93%	7%

Information Pursuant to paragraph 42 of the Interim Order

13. As directed in paragraph 42 of the Interim Order, the Scrutineer at the Meetings was directed to:

    (a) with respect to the Senior Unsecured Noteholders' Meeting, separately tabulate the votes cast by:

        (i) the Initial Commitment Parties, the Additional Commitment Parties and their respective joint actors (collectively, the "**Commitment Parties**");

        (ii) Wilks Brothers and its joint actors (collectively, the "**Wilks Parties**"); and

        (iii) all other Senior Unsecured Noteholders;

    (b) with respect to the Shareholders' Meeting, separately tabulate the votes cast by:

        (i) the Wilks Parties;

        (ii) MATCO Investments Ltd. and Ronald P. Mathison and their joint actors (collectively, the "**MATCO Parties**");

        (iii) G2S2 and its joint actors;

        (iv) all other Commitment Parties; and

        (v) all other Existing Shareholders.

14. In respect of the Shareholders' Meeting, Calfrac was advised by the Scrutineer that, as none of the parties listed in paragraph 13(b) held their Common Shares, if any, in registered form, the Scrutineer was not able to identify the votes described above.

15. To the extent that the Scrutineer was not able to identify all the votes described above, the Calfrac Entities were directed in paragraph 42 (c) of the Interim Order to file evidence respecting the votes made by the MATCO Parties, the G2S2 Parties and the remaining Initial Commitment Parties and, with respect to the other Commitment Parties, to make best efforts to obtain information about the votes they cast.

16. Additionally, the Calfrac Entities were directed in paragraph 42 (c) of the Interim Order to file evidence respecting all Senior Unsecured Notes and Common Shares acquired by the MATCO Parties, the G2S2 Parties and the remaining Initial Commitment Parties (and to make best efforts to obtain such information regarding the other Commitment Parties).

17. Accordingly, on October 7, 2020, counsel for the Calfrac Entities sent letters to G2S2, the Ad Hoc Committee and the other Commitment Parties requesting the information that the Calfrac Entities were required to seek and report on. True copies of the letters sent to G2S2 and the Ad Hoc Committee are attached to this Affidavit as **Exhibits "15"** and **"16"**.

18. I am advised by Calfrac's counsel and believe that the remaining letters sent to the Commitment Parties were identical in form to those attached as Exhibits "15" and "16", with only grammatical changes. Calfrac is contractually prohibited from disclosing the identities of the other Commitment Parties.

19. MATCO purchased no Senior Unsecured Notes between July 13, 2020 and August 10, 2020 and voted all its Common Shares in favour of the resolutions listed in paragraph 12(b) above. However, as required by Multilateral Instrument 61-101 or the rules of the TSX, as applicable, its votes were not counted in the applicable votes pursuant to Multilateral Instrument 61-101, the approval of the issuance of the Warrants pursuant to the TSX Arrangement Resolution and the TSX 1.5 Lien Notes Resolution.

20. Wilks Brothers' purchases of Senior Unsecured Notes between July 13, 2020 and August 10, 2020, have already been reported in paragraph 15(e) of the Mathison Affidavit No. 3. Wilks Brothers did not vote its Unsecured Notes. I am advised by Bennett Jones and believe that, after the conclusion of voting at the Shareholders' Meeting, Bennett Jones asked Cassels to confirm that Wilks Brothers voted all of its 28,720,172 Common Shares

(the number of Common Shares that is has publicly disclosed it owns) against all the Shareholders' Resolutions. As at the time of my swearing of this Affidavit, Cassels had not replied to this query from Bennett Jones. However, based on Wilks Brothers' public statements, I believe that it voted 28,720,172 Common Shares against all the resolutions at the Shareholders' Meeting.

21. Attached as **Exhibit "17"** to this Affidavit is a true copy of a schedule of the information that the Calfrac Entities were directed in paragraph 42 of the Interim Order to report to the Court prior to the Final Order Application, including an explanation of the information that the Calfrac Entities were unable to obtain from the Commitment Parties.

IV. CBCA DIRECTOR

22. I am advised by Bennett Jones and believe that section 3.04 of the *Policy on Arrangements – Canada Business Corporations Act, section 192* requires the Affidavit to be provided to the CBCA Director include the following:

(a) a report on attendance and quorum at each meeting;

(b) a report of the results of ballots of each meeting to approve the arrangement, including separate tabulation of voting demonstrating any required "majority of minority" approvals;

(c) the issued Interim Order; and

(d) the draft Final Order being sought.

23. I am advised by Bennett Jones and believe that it is today providing the staff of the CBCA Director with this required information. A true copy of the form of Bennett Jones's letter that will be sent to the office of the CBCA Director is attached as **Exhibit "18"** to this Affidavit. I am advised by Bennett Jones and do verily believe that this Affidavit complies with these requirements.

24. Once the CBCA Director's response is received, we will notify the Court.

V. AMENDED CREDIT AGREEMENT

25. As I reported in paragraph 40(h), paragraph 44 and Exhibit "19" of the Mathison Affidavit No. 4, the Calfrac Entities and the First Lien Lenders have been working to finalize amended agreements to be consummated concurrently with the Amended Recapitalization Transaction. A true copy of the final form of the Amended and Restated First Lien Credit Agreement agreed between Calfrac and the First Lien Lenders is attached as **Exhibit "19"** to this Affidavit. The parties are still negotiating the Intercreditor Agreement, though I believe it is close to its final version. The Intercreditor Agreement will be provided to the Court as soon as possible once it is finalized.

VI. 1.5 LIEN DOCUMENTS

26. As I reported in paragraph 40(f) of the Mathison Affidavit No. 4, Calfrac intends to complete an offering (the "**New 1.5 Lien Offering**") of $60 million principal amount of new 10% senior secured convertible payment-in-kind notes of Calfrac (the "**New 1.5 Lien Notes**"). The parties are still negotiating the 1.5 Lien Indenture Agreement and 1.5 Lien Intercreditor Agreement, though I believe they are close to their final versions. Each Agreement will be provided to the Court as soon as possible once it is finalized.

VII. UPTAKE OF THE SHAREHOLDER CASH ELECTION

27. As part of the Recapitalization Transaction, Calfrac offered Shareholders the Shareholder Cash Election, pursuant to which they could elect to sell their Common Shares to Calfrac for $0.15 per share, on a pre-consolidation basis.

28. As of 7:00 PM Eastern Time on Wednesday, October 14, 2020, the deadline for Shareholders to exercise the Shareholder Cash Election, Shareholders had deposited 6,061,561 Common Shares pursuant to the Shareholder Cash Election. Therefore, Calfrac will be required to purchase these Common Shares for an aggregate purchase price of just over $910,000.

VIII. MEETING PROCEDURE CORRESPONDENCE

29. Between September 10 and October 13, 2020, counsel for Wilks Brothers and Calfrac exchanged correspondence in regard to procedures and processes for the Meetings. True

copies of the full exchange of email and letter correspondence in chronological order are attached to this Affidavit as Exhibits **"20"**, **"21"**, **"22"**, **"23"**, **"24"**, **"25"** and **"26"**.

IX. WITH PREJUDICE CORRESPONDENCE

30. On October 9, 12 and 13, 2020, Wilks Brothers and Calfrac exchanged the "with prejudice" correspondence attached to this Affidavit as Exhibits **"27"**, **"28"** and **"29"**.

X. RELIEF SOUGHT

31. I swear this Affidavit in support of the Final Order Application, and for no other or improper purpose.

SWORN (OR AFFIRMED) BEFORE ME at Calgary, Alberta, this 16th day of October, 2020.

A Commissioner for Oaths in and for the Province of Alberta

CHRIS SIMARD

RONALD P. MATHISON

EXHIBIT 1

THIS IS **EXHIBIT "1"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

COURT FILE NUMBER	2001-08434
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
MATTER	IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, C. C-44, AS AMENDED AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF 12178711 CANADA INC., CALFRAC WELL SERVICES LTD., CALFRAC (CANADA) INC., CALFRAC WELL SERVICES CORP. and CALFRAC HOLDINGS LP, by its General Partner CALFRAC (CANADA) INC.
APPLICANTS	12178711 CANADA INC., CALFRAC WELL SERVICES LTD., CALFRAC (CANADA) INC., CALFRAC WELL SERVICES CORP. and CALFRAC HOLDINGS LP, by its General Partner CALFRAC (CANADA) INC.
RESPONDENT	Not Applicable
DOCUMENT	**FINAL ORDER**
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**BENNETT JONES LLP** Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7 Solicitor: Chris Simard / Kevin Zych / Michael Shakra Telephone: 403-298-4485 / 416-777-5738 / 416-777-6236 Facsimile: 403-260-7024 / 416-862-6666 / 416-862-6666 Email: simardc@bennettjones.com/ zychk@bennettjones.com / shakram@bennettjones.com File Number: 044609-00111

DATE ON WHICH ORDER WAS PRONOUNCED: **October 28, 2020**

NAME OF JUDGE WHO MADE THIS ORDER: **D.B. Nixon**

LOCATION OF HEARING: **CALGARY, ALBERTA**

UPON the Application (the "**Final Order Application**") of 12178711 Canada Inc., Calfrac Well Services Ltd. ("**Calfrac**"), Calfrac (Canada) Inc. ("**CCI**"), Calfrac Well Services Corp., and Calfrac Holdings LP, by its general partner CCI (collectively, the "**Applicants**") for an Order (the "**Final Order**") pursuant to Section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") in connection with an arrangement involving the Applicants;

AND UPON reading:

(a) the Originating Application of the Applicants for a Preliminary Interim Order, dated July 13, 2020, and the Affidavit of Ronald P. Mathison sworn on July 13, 2020;

(b) the Application of the Applicants for an Interim Order dated July 30, 2020, and

(i) the Affidavit No. 2 of Ronald P. Mathison sworn July 30, 2020; and

(ii) the Supplemental Affidavit of Ronald P. Mathison sworn August 5, 2020;

(c) the Final Order Application, and:

(i) the Affidavit of Michael Olinek sworn October 2, 2020;

(ii) the Affidavit of James Peck sworn October 1, 2020;

(iii) the Affidavit No. 3 of Ronald P. Mathison sworn September 25, 2020 (the "**Mathison Affidavit No. 3**");

(iv) the Affidavit No. 4 of Ronald P. Mathison sworn October 2, 2020 (the "**Mathison Affidavit No. 4**")~~.~~**; and**

(v) the Supplemental Affidavit to the Mathison Affidavit No. 4 sworn October 16, 2020;

(collectively, the "Calfrac Affidavits"), along with the transcripts of questioning on the Calfrac Affidavits and the responses to the undertakings given in such questionings;

(d) the Preliminary Interim Order of this Court dated July 13, 2020 (the "**Preliminary Interim Order**"); and

(e) the Interim Order of this Court dated August 7, 2020 (the "**Interim Order**");

AND UPON being advised that notice of the Final Order Application ~~has been~~was given to the Director (the "**Director**") appointed under section 260 of the CBCA on October 16, 2020 and that the Director does not consider it necessary to appear;

AND UPON HEARING counsel for the Applicants, counsel for an ad hoc committee of Senior Unsecured Noteholders, counsel for G2S2 Capital Inc., counsel for the Agent, counsel for Wilks Brothers, LLC, and counsel for other interested parties;

FOR THE PURPOSES OF THIS ORDER:

(a) capitalized terms used but not otherwise defined in this Final Order shall have the meanings attributed to them in: (i) the Information Circular of the Applicants dated August 7, 2020 (the "**Circular**"), including as amended by Calfrac's material change report dated September 25, 2020 (the "**Material Change Report**") incorporated by reference therein; (ii) the plan of arrangement attached as Appendix "H" to the Circular, as amended as shown in Schedule B to the Material Change Report (the "**Plan of Arrangement**"); or (iii) the Mathison Affidavit No. 3, as applicable; and

(b) all references to "**Arrangement**" used herein mean the arrangement as set forth in the Plan of Arrangement.

IT IS HEREBY ORDERED AND DECLARED THAT:

Service and Compliance

1. There has been good and sufficient service, delivery and notice of this Application, the Preliminary Interim Order, the Interim Order, the Meetings (as postponed), the Noteholder Meetings Packages, the Shareholder Meeting Packages and the Plan of Arrangement to all Persons upon which service, delivery and notice were required by the terms of the Interim Order, and that the Meetings were duly called and conducted in conformity with the Interim Order and the CBCA or ABCA, as applicable.

2. Service of this Final Order shall be made on all persons who appeared on this Application, either by counsel or in person, and upon the Director, but is otherwise dispensed with.

Approval of the Arrangement

3. The Arrangement, as described in the Plan of Arrangement, is an arrangement within the meaning of section 192 of the CBCA.

4. The Court is satisfied that the Applicants have acted, and are acting, in good faith and with due diligence, and have complied with the provisions of the ABCA, the CBCA, the Preliminary Interim Order and the Interim Order in all respects relating to the Arrangement.

5. The Arrangement, as described in the Plan of Arrangement, and including the distribution of the New 1.5 Lien Notes, the New Common Shares and Warrants, along with procedures relating to the Shareholder Cash Election, contemplated thereby, is fair and reasonable both procedurally and substantively, including as it relates to the Existing Shareholders and the Senior Unsecured Noteholders.

6. The Arrangement shall be and is hereby approved pursuant to Section 192 of the CBCA.

7. Each of the Applicants, the Transfer Agent, CDS, DTC, the Depositary, the New 1.5 Lien Notes Trustee (in its capacity as trustee or as collateral agent) and the Warrant Agent are each authorized and directed to take all steps and actions necessary or appropriate to implement the Plan of Arrangement, and the other transactions contemplated thereby, in accordance with and subject to the terms of the Plan of Arrangement, including, without limitation, to enter into any agreements or other documents which are to come into effect in connection with the Arrangement, including, but not limited to, any agreements or other documents referenced or contemplated in this Final Order.

8. The Applicants are permitted to enter into the New 1.5 Lien Note Documents and the New 1.5 Lien Term Loan Documents (collectively, the "**New 1.5 Lien Documents**"), and incur the indebtedness contemplated thereunder (collectively, the "**New 1.5 Lien Obligations**"). The New 1.5 Lien Obligations shall have the priority:

   (a) with respect to the Existing Lenders and the First Lien Agent, as set out in the New Intercreditor Agreement; and

   (b) with respect to the Second Lien Noteholders and Second Lien Notes Trustee, the priority accorded to New First Lien Obligations as set out in section 8.5 of the Existing Intercreditor Agreement.

9. The Applicants are permitted to use the funds borrowed in connection with the 1.5 Lien Obligations to repay amounts owing to the Existing Lenders and, upon such repayment, the New 1.5 Lien Obligations shall, for all purposes, be Refinancing Indebtedness and New First Lien Obligations (as such terms are defined in the Existing Intercreditor Agreement) and Permitted Refinancing Indebtedness (as defined in the Second Lien Note Indenture) for all purposes of the Existing Intercreditor Agreement and be permitted pursuant to the Existing Intercreditor Agreement.

10. Pursuant to the First Lien Credit Agreement Amendment:

(a) the New 1.5 Lien Notes, the New 1.5 Lien Term Loans and the New 1.5 Lien Obligations shall, for all purposes, be Permitted Debt under the First Lien Credit Agreement; and

(b) all security interests securing the New 1.5 Lien Obligations pursuant to the New 1.5 Lien Documents shall, for all purposes, be Permitted Encumbrances under the First Lien Credit Agreement.

11. As of the Effective Date, and as at the times and sequences set forth in the Plan of Arrangement, the Plan of Arrangement and all associated steps and transactions shall be binding and effective as set out in the Plan of Arrangement, and on the terms and conditions set forth in this Final Order, upon the Applicants, the Senior Unsecured Noteholders, the Senior Unsecured Notes Trustee, all Existing Equity Holders, all holders of Released Claims, the Released Parties and all other Persons affected by the Plan of Arrangement, and for certainty, subject to Section 3.4 of the Plan of Arrangement.

12. The transactions contemplated by and to be implemented pursuant to or in connection with the Plan of Arrangement including, without limitation, the issuance of the New 1.5 Lien Notes, the New Common Shares and the Warrants, the execution of the New 1.5 Lien Documents, and the procedures relating to the Shareholder Cash Election, shall not be void or voidable under federal or provincial law and shall not constitute and shall not be, or be deemed to be, preferences, assignments, fraudulent conveyances, transfers at undervalue, or other reviewable transactions under any applicable federal or provincial legislation relating to preferences, assignments, fraudulent conveyances or transfers at undervalue.

13. From and after the Effective Date, any conflict between: (i) the Plan of Arrangement, and (ii) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, credit document, guarantee, indenture, trust indenture, note, loan agreement, commitment letter, instrument, agreement for sale, lease, license or other agreement, whether written or oral (each an "**Agreement**") and any and all amendments or supplements thereto existing between any Person and any of the Applicants prior to the Effective Date (excluding the

First Lien Credit Agreement or the Loan Documents (as defined in the First Lien Credit Agreement)), will be deemed to be governed by the terms, conditions and provisions of the Plan of Arrangement and this Final Order, which shall take precedence and priority.

No Default

14. From and after the Effective Time, all Persons, including, but not limited to, the Second Lien Noteholders and the Second Lien Notes Trustee (other than the Existing Lenders and the First Lien Agent) shall be deemed to have waived any and all defaults or events of default, accelerations, third party change of control rights or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any Agreement, arising on or prior to the ~~Effective Time~~**implementation of the Plan of Arrangement**, in each case relating to, arising out of, or in connection with, the Obligations, the Senior Unsecured Note Documents, the Senior Unsecured Notes and any failure to pay any principal, interest or other amount when due thereunder, the New 1.5 Lien Obligations, the New 1.5 Lien Documents, the First Lien Credit Agreement Amendment, the Support Agreement, the Commitment Letter, the Arrangement, the Arrangement Agreement, the Plan of Arrangement, the transactions contemplated under the Plan of Arrangement, the CBCA Proceedings, the Chapter 15 Proceedings, any orders issued in the CBCA Proceedings or Chapter 15 Proceedings, and any other proceedings commenced with respect to or in connection with the Plan of Arrangement and any and all amendments or supplements thereto, provided however that notwithstanding any provision of this Order or the Plan of Arrangement, nothing herein or therein shall affect the obligations of any of the Applicants to any employee thereof in their capacity as such, including any contract of employment between any Person and any of the Applicants. Any and all notices of default, accelerations or demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been void *ab initio*, rescinded and of no further force or effect, provided that nothing shall be deemed to excuse any of the Applicants and their respective successors and assigns from performing their obligations under the Plan of Arrangement or any document or agreement entered into in connection with implementation of the Plan of Arrangement.

15. The Applicants are entitled to seek leave at any time prior to the filing of the Articles of Arrangement to vary this Final Order or seek advice and directions as to the implementation of this Final Order.

Releases and Injunctions

16. From and after the Effective Date, at the time and in the sequence, as applicable, set forth in the Plan of Arrangement, the releases and injunctions set forth in Article 6 of the Plan of Arrangement shall be binding and effective as set out in the Plan of Arrangement.

US Securities Law Exemptions

17. This Final Order shall serve as the basis for reliance on the exemption provided by Section 3(a)(10) of the United States Securities Act of 1933, as amended (the "**US Securities Act**"), from the registration requirements otherwise imposed by the US Securities Act regarding the distribution of the New Common Shares pursuant to the Plan of Arrangement.

Foreign Proceeding

18. A senior officer of one or more of the Applicants is hereby authorized, as necessary, to act as the representative or foreign representative (the "**Foreign Representative**") of any of the Applicants in connection with these proceedings and with carrying out the terms of this Final Order, for, among other things, the purpose of having these proceedings recognized in any other jurisdiction whether in or outside of Canada, as necessary.

19. The Foreign Representative is hereby authorized to apply for foreign recognition and enforcement of the Final Order, as necessary, in any jurisdiction outside of Canada, including in the United States pursuant to the Chapter 15 Proceedings.

Extra-Territorial Assistance

20. This Final Order shall have full force and effect in all other Provinces and Territories of Canada and shall be enforced in the courts of each of the Provinces and Territories of

Canada in the same manner in all respects as if this Final Order had been made by the Court enforcing it.

21. This Court requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province in Canada and any judicial, regulatory or administrative tribunal or body or other court constituted pursuant to the Parliament of Canada, the legislature of any province and any court or any judicial, regulatory or administrative body of the United States, any state thereof or any other country in the aid of and to assist this Court in carrying out the terms of this Final Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants as may be necessary or desirable to give effect to this Final Order or to assist the Applicants and their respective agents in carrying out the terms of this Final Order.

Justice of the Court of Queen's Bench of Alberta

Document comparison by Workshare 10.0 on Friday, October 16, 2020 10:44:31 AM

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Total changes	11

EXHIBIT 2

THIS IS **EXHIBIT "2"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

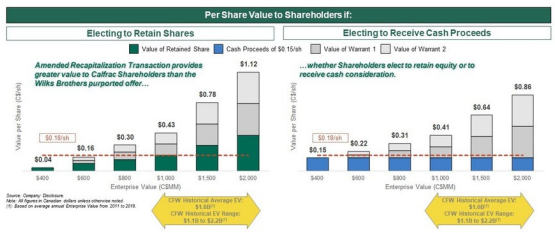
CHRIS SIMARD

Calfrac Well Services Ltd. - Open Letter to Stakeholders

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Oct 05, 2020, 06:00 ET

CALGARY, AB, Oct. 5, 2020 /CNW/ -

To cut through the noise and confusion of the misleading statements being made by Wilks Brothers, we are writing this letter to explain to our stakeholders, in clear and concise terms, why the Amended Recapitalization Transaction should be approved. This open letter will provide clarity to Calfrac stakeholders on the rationale behind the decisions made by the Calfrac Board of Directors.



The Facts on Shareholder Value Received at Various TEVs (CNW Group/Calfrac Well Services Ltd.)

We are limiting this letter to the two most important points:

1. **There are two executable outcomes available for Calfrac stakeholders, the Amended Recapitalization Transaction and the original Recapitalization Transaction. The Amended Recapitalization Transaction is clearly the better outcome for Shareholders, and is contractually supported by the holders of 78% of Calfrac's Unsecured Notes;**
2. **The cash and warrants offered to Shareholders under the Amended Recapitalization Transaction provide real value, and the opportunity for Shareholders to participate in a recovery of Calfrac's business in more normal industry conditions.**

Below are our observations and rationale on each of these points:

1. **The best outcome available for Shareholders is the Amended Recapitalization Transaction**. The Amended Recapitalization Transaction provides $0.15 per share cash (subject to possible proration) and two warrants for each Calfrac share held. Each Shareholder will receive the warrants regardless of whether that Shareholder elects cash or to retain their shares. The Amended Recapitalization Transaction is actionable and provides certainty but will only be completed if the requisite majority of Shareholders VOTE FOR at the October 16 meeting of Calfrac Shareholders. The alternate outcome, if sufficient Shareholder support is not received, is that the original Recapitalization Transaction, without cash or warrants to Shareholders, will proceed through CCAA. This alternate path is worse for Shareholders, and it does not require a Shareholder vote, or Second Lien Noteholder approval, as suggested by Wilks Brothers. The matter of Second Lien Approval has already been litigated in the courts. Either the Amended Recapitalization Transaction or the original Recapitalization Transaction will happen; there is no other executable option.

Why are the Wilks Brothers proposals not executable? Unsecured Noteholders are owed US$431.8 million, plus accrued interest. Without Unsecured Noteholder support, there can be no recapitalization of the Company. The fact that holders of 78% of the Unsecured Notes have contractually agreed to vote in favour of the Amended Recapitalization Transaction, and are explicitly unwilling to support the Wilks Brothers proposals, means that the only two recapitalization options that can be executed are the Amended Recapitalization Transaction (with Shareholder support) or the original Recapitalization Transaction (in CCAA, without Shareholder support).

What about the purported $0.18 per share cash takeover bid from Wilks Brothers? If Shareholders do not support the Amended Recapitalization Transaction, then the original Recapitalization Transaction will still proceed under CCAA. The Board of Directors believes that the consideration of $0.15 per share cash, plus the warrants, is a better outcome for Shareholders, and entails dramatically less risk than relying on a highly uncertain path to completion for the Wilks Brothers takeover bid. Put simply, in a CCAA outcome, any new transaction that emerges with Unsecured Noteholder support would very likely be worse for Shareholders than the $0.15 per share cash plus two warrants. The best choice is to VOTE FOR the Amended Recapitalization Transaction, and for Shareholders to elect cash or shares, plus warrants.

2. The cash and warrants offered to Shareholders under the Amended Recapitalization Transaction provide real value and the opportunity for Shareholders to participate in a recovery of Calfrac's business in more normal industry conditions.

The Amended Recapitalization Transaction provides Shareholders with the ability to realize the current market trading price of their Shares in cash (subject to possible proration) if they so elect, as well as continuing to participate in a recovery of Calfrac's business through ownership of the warrants. If Calfrac returns to its historical average enterprise value during the last decade prior to 2020, the warrants provided to Shareholders under the Amended Recapitalization Transaction would be worth $0.26 to $0.71 per share (based on an enterprise value range of $1.1 to $2.2 billion). Even at half of the bottom end of this range, at $550 million enterprise value, the warrants would deliver $0.05 per share of value to Shareholders. The warrants, combined with the cash consideration, are superior to the Wilks Brothers takeover bid. It is intended that the warrants be listed creating a market should a Shareholder wish to monetize the warrants. The Calfrac Board of Directors has worked hard to deliver value for our Shareholders in an extremely difficult environment, and Shareholders should be clear that VOTING FOR is the only path to achieve the value available under the Amended Recapitalization Transaction.

Does anyone believe that Wilks Brothers is acting altruistically for the Shareholders? Or is it more likely that it is acting in its own narrow self-interest? Let's look at its actions. Wilks Brothers remains a Wolf in Sheep's Clothing!

Wilks Brothers had an opportunity to enter into a co-operative transaction with Calfrac and was repeatedly invited to do so. While feigning interest in collaborative discussions, Wilks Brothers concurrently bought up more than half of the Company's Second Lien Notes to try to gain leverage in negotiations, in an attempt to buy the U.S. assets of the Company at an unrealistic, low-ball price. The offers from Wilks Brothers did not consider the consequences to Calfrac's lenders and other stakeholders.

When these offers were rejected, and the Calfrac Board of Directors reached an agreement with other stakeholders on a more constructive solution, Wilks Brothers proceeded to litigate against the Company at every possible juncture. Wilks Brothers has tried in court, several times, to push Calfrac into insolvency. After failing in court to derail the transaction recommended by the Calfrac Board of Directors, Wilks Brothers initiated a takeover bid with multiple conditions. There is a high risk of the Wilks Brothers takeover bid never being completed, yet Wilks Brothers continues to ignore this reality to seek to have Shareholders forego the improved consideration under the Amended Recapitalization Transaction. Wilks Brothers wishes to acquire, or at least control Calfrac, at a low-ball price. Litigation, and trying to push Calfrac into insolvency, are means to achieve this goal.

We trust these points clearly explain to Calfrac stakeholders the rationale behind the decisions and recommendations of the Calfrac Board of Directors, and we thank you for your support at the upcoming meetings to be held on October 16, 2020.

The Facts on Shareholder Value Received at Various TEVs

- Wilks Brothers' proposal removes shareholders' ability to participate in Calfrac upside in a recovery to industry conditions
- Wilks Brothers $0.18 per share cash is materially below the value from the Amended Recapitalization Transaction in a recovery to industry conditions

Shareholders and Senior Unsecured Noteholders should continue to VOTE FOR the Amended Recapitalization Transaction only on the White Management Proxy/VIF. DO NOT vote on the Wilks Brothers' Blue Proxy/VIF.

TAKE NO ACTION with respect to the Wilks Brothers hostile take-over bid and DO NOT TENDER your Shares to the Wilks Brothers Offer. Any Shareholder that has already tendered to the Wilks Brothers Offer should WITHDRAW their Shares immediately and, if they wish to receive cash, avail themselves of the cash election under the Amended Recapitalization Transaction while still retaining their warrants.

Shareholders and Unsecured Noteholders are reminded that the meetings previously scheduled for September 29, 2020, have been postponed to October 16, 2020.

Any questions or requests for further information regarding voting at the meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll free in North America at 1 (877) 659-1822 or at (416) 867-2272 outside North America, or (ii) e-mail to contactus@kingsdaleadvisors.com.

Further details regarding the Special Committee's and Board's recommendation as well as a presentation providing information about the Amended Recapitalization Transaction are available in the Board's Directors' Circular available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com.

If you have any questions regarding the above, or related to the Amended Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or

statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended Recapitalization Transaction; potential outcomes for Shareholders, including in the event that the Amended Recapitalization Transaction is approved or not and the possible consequences of a CCAA proceeding; the viability of the Wilks Brothers Offer; the potential motivations and intentions behind the Wilks Brothers actions; Calfrac's intentions to list the warrants for trading; the potential future value of the warrants; and Calfrac's expectations and intentions with respect to the foregoing.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Amended Recapitalization Transaction will be completed as proposed; the written statements of intention of the Consenting Noteholders; precedent decisions by Canadian securities regulators with respect to the scope of exemptive relief available under take-over bid legislation; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; decisions by Canadian securities regulators and/or the courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach

any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Unsecured Noteholders to vote in favour of the Amended Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy, Telephone: (403) 266-6000, Fax: (403) 266-7381

Related Links

http://www.calfrac.com

EXHIBIT 3

THIS IS **EXHIBIT "3"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Wilks Improves Terms of Premium Offer to Provide Calfrac Shareholders up to $0.25 in Cash for Each Calfrac Share

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Oct 05, 2020, 08:00 ET

CISCO, Texas, Oct. 5, 2020 /CNW/ - Wilks Brothers, LLC ("Wilks") today announced that it has improved the terms of its Premium Offer to acquire all of the issued and outstanding common shares ("Shares") of Calfrac Well Services Ltd. ("Calfrac") (TSX: CFW). In accordance with the terms of the amendment, Wilks will agree to provide tendering Shareholders up to $0.25 in cash per Share and a minimum cash consideration of $0.18 per Share.

The exact amount of additional value above the current $0.18 cash per Share that will be provided to tendering Shareholders is subject to the number of Shares deposited pursuant to the Premium Offer and the aggregate purchase price for all Shares acquired pursuant to the Premium Offer not exceeding $21,103,250. If all Shareholders other than MATCO, the officers and directors of Calfrac and Wilks deposit their Shares to the Premium Offer, Shareholders would receive $0.25 in cash per Share.

The amendment to Wilks' Premium Offer follows the disclosure by the officers and directors of Calfrac (including Mr. Mathison) in Calfrac's Director's Circular dated September 24, 2020 that they do not intend to deposit their Shares to the Premium Offer. In fact, some or all of these

insiders may be contractually prohibited from doing so. As a result, Wilks has determined that the value that would otherwise be paid to them should be unlocked and directed to the other Shareholders of Calfrac, to a maximum of $0.25 in cash per Share.

The aggregate cash consideration of $21,103,250 that Wilks is prepared to provide to Calfrac Shareholders is more than 110% higher than the $10 million aggregate cash consideration that Calfrac has announced they are prepared to make available to Shareholders through the cash alternative under the Amended Management Transaction.

Wilks' announcement today results in the following clear choice for Shareholders: Receive up to $0.25 cash (and no less than $0.18 cash) per Share under the Wilks' Premium Offer vs. no more than a likely outcome of $0.12 cash under the Amended Management Transaction. Wilks' Premium Offer provides a premium of no less than 50% and up to 108% over the cash consideration under the Amended Management Transaction.

As before, the Wilks' Premium Offer continues to represent overwhelmingly superior value for Shareholders when compared with the Amended Management Transaction.

Wilks also announced that it is adding a condition to the Premium Offer to preserve the status quo with respect to Calfrac's issued shares in order to ensure that current Shareholders actually receive the consideration under the Wilks' Premium Offer. As support for Calfrac's Amended Management Transaction continues to disappear in the face of the overwhelmingly superior value provided by Wilks' Premium Offer, Calfrac is resorting to increasingly desperate measures, including threatening to take back the value it has offered to current Shareholders. Wilks will not permit that. Calfrac Shareholders right to choose a premium recovery will not be subjected to threats. The new condition will protect value for the current shareholders of Calfrac.

Wilks anticipates that the Notice of Amendment and related documents will be mailed to Shareholders and posted on SEDAR within the next ten days.

The choice, and path forward, for Calfrac Shareholders remains clear: Vote the BLUE Proxy AGAINST the Amended Management Transaction.

Click here **for voting instructions or learn more at** www.afaircalfrac.com.

The deadline to submit your blue proxy is October 13, 2020 at 11:59 p.m. MST.

If you have already voted AGAINST the Amended Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED) AND RELATED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES

BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Wilks' Premium Offer, the reaction of the market and Calfrac's shareholders, creditors and customers to the Wilks' Premium Offer, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the Amended Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 4

THIS IS **EXHIBIT "4"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Calfrac's Amended Recapitalization Transaction is Still the Best Way to Vote, for Both Shareholders and the Company

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Oct 06, 2020, 06:00 ET

The Board Recommends that Shareholders VOTE FOR on the white proxy form.

CALGARY, AB, Oct. 6, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) today summarized the current status of its Amended Recapitalization Transaction:

What Shareholders Need to Know:

Calfrac's Offer: **At your election:**

(i) **Cash of $0.15 per share; or retain your Calfrac shares.** (The cash amount is subject to possible proration.); **plus**

(ii) **in either case**: Shareholders will also receive **two warrants for each share held**, exercisable for a period of three years at a price of $0.05 per share.

Potential Value of the Calfrac Warrants: Using conventional finance methods: **$0.05 per share now**, but with the potential to be worth **$0.26 to $0.71** per share, if Calfrac's enterprise value returns to its historical average. More details in respect of the warrant analysis will be posted on our website under the Recapitalization Transaction Information tab which can be found here.

Important Reasons to Accept the Calfrac Offer:

(i) Deal certainty.

Calfrac's transaction can be readily completed. It is contractually supported by 78% of Unsecured Noteholders. (The Unsecured Notes balance due is US$431.8 million.)

This is the **only transaction** being voted on at the meetings on October 16, 2020.

As discussed below, the Wilks Brothers Offer is conditional, uncertain and appears to be in violation of applicable securities laws.

Calfrac's Amended Recapitalization Transaction will proceed if Calfrac Shareholders vote **FOR,** which is the best result.

(ii) The alternative plan is significantly less favourable for Shareholders.

If the Shareholder votes are negative, then the original Recapitalization Transaction will still proceed. Calfrac has agreed with a majority of Unsecured Noteholders to apply to implement the original Recapitalization Transaction under the CCAA in this event. This agreement was made to deliver the incremental consideration to Shareholders under the Amended Recapitalization Transaction.

The cash alternative and the warrants for Shareholders are only available under the Amended Recapitalization Transaction if Shareholder approval is obtained.

The Wilks Brothers Takeover Bid -- Issues and Problems

Overall:

The Wilks Brothers takeover bid is still a mirage. It exists to try to entice Shareholders to vote against the Calfrac Amended Recapitalization Transaction. The Wilks Brothers takeover bid has no clear path to implementation. Its principal purpose is to disrupt the Amended

Recapitalization Transaction.

Even if the Wilks Brothers takeover bid could be completed, it would be a change of control under all of Calfrac's loan documents, triggering an immediate insolvency. The Amended Recapitalization Transaction does not face this hurdle.

A failure of the upcoming Calfrac Shareholder vote may also push Calfrac into insolvency, which Wilks Brothers has sought several times already.

What are the Conditions to the Wilks Brothers Offer?

No one knows, because on October 5, 2020, Wilks Brothers announced that it has added a new condition to its offer without disclosing any of the details. Wilks Brothers has said that it will not disclose the details of this condition until its formal notice of amendment is filed, within ten days. This additional undisclosed condition – which appears to be a violation of Canadian takeover bid rules – creates even more uncertainty about whether Shareholders could ever receive any recovery under the Wilks Brothers Offer.

Adverse Amendments to the Wilks Brothers Offer:

Wilks Brothers seeks to adversely change its offer structure – seemingly in violation of Canadian takeover bid rules.

As described above, Wilks Brothers has, most unfairly, failed to disclose the details of its new takeover bid condition, announced on October 5. Wilks Brothers vaguely announced that it will be adding another condition to "preserve the status quo with respect to Calfrac's issued shares". The addition of new conditions to an outstanding takeover bid appears to be a violation of Canadian takeover bid rules.

Furthermore, Wilks Brothers has sought to cap the amount of cash it would need to pay under its offer at $21,103,250. This amendment also appears to be a violation of Canadian takeover bid rules. The capped cash amount provided in the Wilks Brothers Offer would equate to approximately $0.01 for each of Calfrac's pro forma shares outstanding after the original Recapitalization Transaction is completed, but it is certainly not clear what is intended.

Does anyone seriously believe that Wilks Brothers does not already know what its new takeover bid condition will say?

Does Wilks Brothers intend to provide details at a time that is too late for Shareholders to consider before making their decisions for the October 16 meetings?

The Wilks Brothers Offer, regardless of its offer price, continues to be unlikely to be completed.

Conclusion

The Board of Directors of Calfrac urges Shareholders:

(i) to continue to ignore the noise;

(ii) to focus on Shareholder economics;

(iii) to carefully consider deal certainty;

(iv) to consider the downside risks of the alternatives; and

(v) to look at all of the terms and conditions involved (including the newly added and as yet unclear condition).

Calfrac remains of the opinion that Shareholders should VOTE FOR the Amended Recapitalization Transaction.

Shareholders and Unsecured Noteholders are reminded that the meetings previously scheduled for September 29, 2020, have been postponed to October 16, 2020.

Any questions or requests for further information regarding voting at the meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll free in North America at 1 (877) 659-1822 or at (416) 867-2272 outside North America, or (ii) e-mail to

contactus@kingsdaleadvisors.com.

Further details regarding the Amended Recapitalization Transaction are available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com.

If you have any questions regarding the above, or related to the Amended Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended Recapitalization Transaction; potential outcomes for Shareholders, including in the event that the Amended Recapitalization Transaction is approved or not and the possible consequences of a CCAA proceeding; the potential future value of the warrants; the executability of the Amended Recapitalization Transaction; the viability of and conditions to the Wilks Brothers Offer, including the value per share of the Wilks Brothers Offer under certain scenarios; potential outcomes if the Wilks Brothers Offer is successful or not; the potential motivations and intentions behind the Wilks Brothers actions and omissions; and Calfrac's expectations and intentions with respect to the foregoing.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it

believes are appropriate in the circumstances, including, but not limited to, the following: the Amended Recapitalization Transaction will be completed as proposed; the written statements of intention of the Consenting Noteholders; precedent decisions by Canadian securities regulators with respect to the scope of exemptive relief available under takeover bid legislation; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; decisions by Canadian securities regulators and/or the courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Unsecured Noteholders to vote in favour of the Amended Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy, (403) 266-6000

Related Links

http://www.calfrac.com

EXHIBIT 5

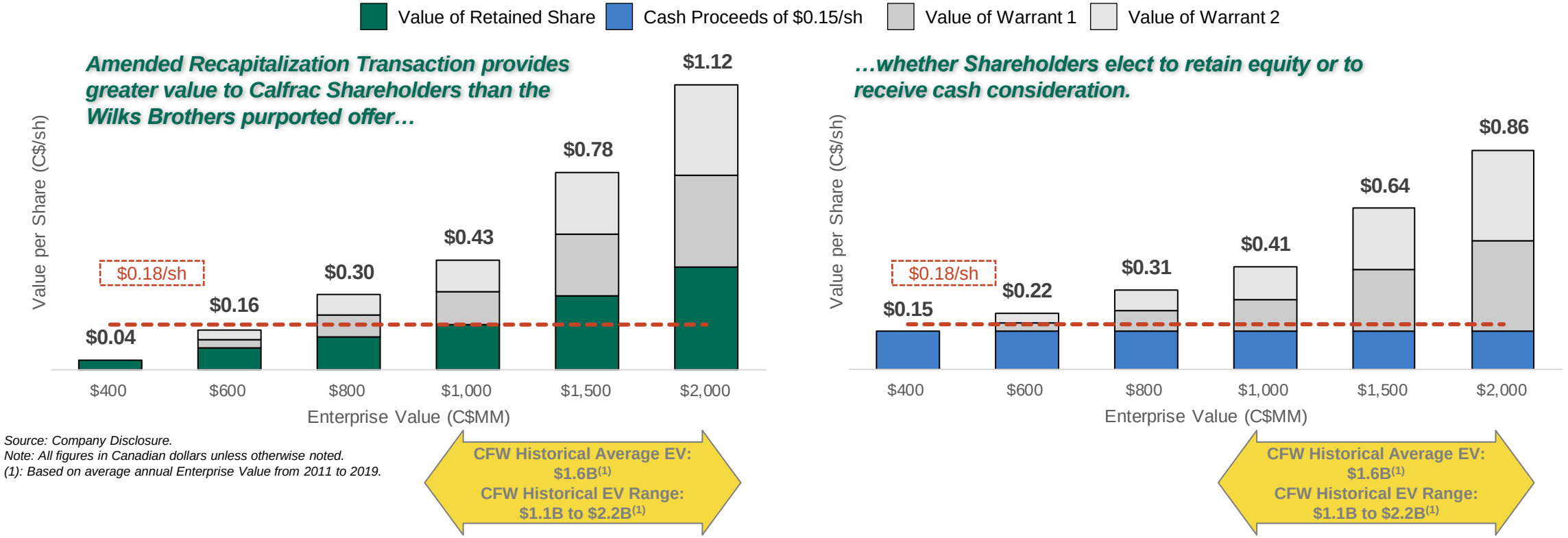
THIS IS **EXHIBIT "5"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Per Share Value to Shareholders if:

Electing to Retain Shares

Electing to Receive Cash Proceeds



Source: Company Disclosure.
Note: All figures in Canadian dollars unless otherwise noted.
(1): Based on average annual Enterprise Value from 2011 to 2019.

EXHIBIT 6

THIS IS **EXHIBIT "6"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Calfrac Shareholders: Both ISS and Glass Lewis Have Reaffirmed Recommendations to Vote AGAINST the Amended Management Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Oct 07, 2020, 08:00 ET

CISCO, Texas, Oct. 7, 2020 /CNW/ - Wilks Brothers, LLC ("Wilks") is pleased to announce that both leading independent proxy advisory firms, Institutional Shareholder Services ("ISS") and Glass Lewis & Co. ("Glass Lewis"), have concluded exactly as they did before: Shareholders should VOTE AGAINST the Amended Management Transaction at the special meeting of shareholders of Calfrac Well Services Ltd ("Calfrac") (TSX: CFW), to be held on October 16, 2020 (the "Meeting").

- Nothing has changed. ISS and Glass Lewis published updates to their voting recommendations for Shareholders and reaffirmed their strong recommendations that Shareholders **VOTE AGAINST** the Amended Management Transaction;
- ISS and Glass Lewis reports outline the numerous infirmities in the Amended Management Transaction and the serious risks to Calfrac's survival and to shareholders' interests if Calfrac's transaction is approved;
- Not surprisingly, Calfrac has failed to disclose the renewed ISS and Glass Lewis recommendations to its Shareholders; and
- Wilks' amended Premium Offer continues to represent the only direct path to superior value for shareholders.

ISS and Glass Lewis made their independent proxy voting recommendation to vote **AGAINST** the Amended Management Transaction after carefully reviewing the facts and arguments made by both Calfrac and Wilks, including Calfrac's recent "carrot and stick" approach to threaten its Shareholders into supporting its insider deal, and Wilks' direct response to further improve its Premium Offer and provide Shareholders with up to $0.25 cash per Calfrac Share under the terms of the Premium Offer.

ISS stated the following in recommending that Shareholders vote the **BLUE** proxy **AGAINST** the Amended Management Transaction:

> *"Given that Wilks' debt reduction plan continues to offer superior value to shareholders and its revised premium takeover bid continues to mitigate the risk associated with renewed debtholder negotiations, ISS continues to advise shareholders to use the dissident (blue) proxy card to vote AGAINST the Amended Recapitalization Transaction."*

Glass Lewis offered these sage assessments in recommending that Shareholders vote **AGAINST** the Amended Management Transaction:

> *"Further, we believe Wilks has pointed out certain factors that call into question Calfrac's ability to adequately address its liquidity and solvency issues under either Recapitalization Transaction proposed by management and the board, and whether*

the Company's business will recover quickly enough to enable Calfrac to continue as a going concern and avoid CCAA proceedings even if shareholders approve the Amended Recapitalization Transaction."

"Thus, even upon approval and implementation of the Amended Management Transaction, there appears to be a real risk that Calfrac will remain insolvent in the medium term, which would be to the detriment of its remaining security holders, especially any shareholders hoping to realize additional recovery of value through their Calfrac common shares and warrants. The factors discussed above raise significant doubt, in our view, as to if and when the Company will potentially recover to its historical valuation range, as assumed by the board under its valuation analyses of the consideration payable to common shareholders under the Amended Recapitalization Transaction."

"In light of these considerations, we would caution shareholders to discount the potential total value per share (cash, retained shares and warrants) that the Company suggests would be realized by common shareholders if the Company completes the proposed recapitalization transaction, if the Company's business recovers and if its enterprise value returns to historical levels."

"In this regard, we note that the all-cash consideration offered under the Wilks Offer of between C$0.18 and C$0.25 per share is more attractive than the stated value of the cash election under management's recapitalization proposal of C$0.15 per share, as well as the more likely cash value under management's proposal of only C$0.09 to C$0.12 per share, based on expected shareholder elections. While some present value may reasonably be ascribed to any retained Calfrac shares and warrants, the aggregate value reasonably expected to be realized by Calfrac common shareholders under the Amended Recapitalization Transaction likely doesn't exceed the C$0.25 per share offered in the Wilks Offer, in our assessment."

"Turning to the actual availability of the Wilks Offer, we note that, according to the board, there are only two options: the Amended Recapitalization Transaction, or the Original Recapitalization Transaction, the latter of which the Company intends to implement through CCAA proceedings without shareholder approval pursuant to an agreement it reached with the Company's noteholders. If these were truly the only two

options for common shareholders, though we wholly object to the board's "carrot and stick" approach in seeming to coerce common shareholders to accept a deal that provides inferior terms to those of insiders and that of an all-cash offer made by another shareholder, we might nevertheless agree that the Amended Recapitalization Transaction appears to be the best that common shareholders were going to get from this board. However, based on our reading of the terms and conditions of the Wilks Offer, and having considered the board's and Dissident's respective arguments on the matter, we believe the Wilks Offer is indeed a viable and realistic alternative for common shareholders to either recapitalization transaction proposed by management."

Another independent analyst, Cormark Securities Inc., stated in a note:

"We are increasing our target from $0.18 to $0.25 to reflect our belief that the new Wilks proposal is materially superior for non-interested shareholders compared to Management's current (amended) recapitalization proposal. We are reiterating our Tender rating on the stock."

We could not have said it any better ourselves.

In the face of rising and increasingly vocal opposition to their Amended Management Transaction, Calfrac will likely continue to put out further press releases in the days ahead attempting to mislead the market and its shareholders on the Wilks' Premium Offer, its terms and core issues of value. Shareholders should ignore them. Calfrac's views and (desperate) positions are simply not supported by the facts or by the independent experts.

The choice, and path forward, for Calfrac Shareholders continues to remain crystal clear: Vote the BLUE Proxy AGAINST the Amended Management Transaction.

Click here for voting instructions or learn more at www.afaircalfrac.com.

The deadline to submit your blue proxy is October 13, 2020 at 11:59 p.m. MST.

If you have already voted AGAINST the Amended Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED) AND RELATED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR

ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-

looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Wilks Premium Offer, the reaction of the market and Calfrac's shareholders, creditors and customers to the Wilks' Premium Offer, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the amended Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 7

THIS IS **EXHIBIT "7"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Deal Certainty Remains with Calfrac; Three Key Problems with Wilks Brothers' Takeover Bid

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Oct 08, 2020, 06:00 ET

The Board Recommends that Shareholders VOTE FOR on the white proxy form.

CALGARY, AB, Oct. 8, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) responded today to the latest press release from Wilks Brothers, particularly highlighting the continuing deficiencies and omissions in the information that Wilks Brothers has provided to Calfrac Shareholders. As before, the Wilks Brothers offer is conditional, uncertain and appears to be in violation of applicable securities laws.

Calfrac's Amended Recapitalization Transaction continues to offer deal certainty, while the Wilks Brothers takeover bid will result in a significant risk of no cash to Shareholders; NOT the $0.18 or $0.25 cash being advertised.

Three Key Problems with the Wilks Brothers Offer

The **three key problems with** Wilks Brothers' takeover bid and its new undisclosed condition are:

--- **material risk that the Wilks Brothers takeover bid may confuse Shareholders into not receiving ANY cash,** because if the Amended Recapitalization Transaction is not approved, then Calfrac will complete a CCAA transaction and the Wilks Brothers takeover bid conditions

will not be met;

--- **material uncertainty whether the soon-to-be-revised Wilks Brothers' takeover bid actually works**, **or is even permissible** under securities laws; and

--- **material uncertainty whether**, if Wilks Brothers were to actually be successful in defeating the Calfrac Shareholder votes at the upcoming meeting, **Calfrac can still survive intact.**

The Wilks Brothers New, Unknown Mystery Condition Increases the Clear and Present Risk to Shareholders

Wilks Brothers has announced that it will be amending the conditions to its takeover bid, possibly due to a structural error in the original offer, but only Wilks Brothers knows for sure.

Whatever is going on, Wilks Brothers has steadfastly refused to say what the new conditions will be. According to its own press release, it plans to make this disclosure right before, or just after, the deadline for Shareholders to submit their votes on Calfrac's Amended Recapitalization Transaction (which is quickly approaching). **This disclosure delay by Wilks Brothers is both intentional and patently unfair to Shareholders.**

Irrespective of the new mystery condition, the fact remains that the only certain path to cash consideration is the Amended Recapitalization Transaction. By far the most likely outcome, if the Amended Recapitalization Transaction does not receive Shareholder support, is a CCAA outcome where Shareholders will receive no cash consideration or warrants.

Can Wilks Brothers' Takeover Bid Actually Work?

Wilks Brothers' proposal to adversely amend its takeover bid will immediately open the question of whether such an amendment is even permissible under securities laws, or whether an entirely new takeover bid, or other deal structure, will be required.

Wilks Brothers has also announced that it will be amending the aggregate purchase price for all Shares acquired to not exceed **$21,103,250**.

The type of amendments that Wilks Brothers is proposing, including adding conditions to an existing offer, could: (i) cause the offer to no longer be available to all Shareholders at the time of expiry; (ii) potentially result in all Shareholders at the time of expiry not being offered identical consideration; and/or (iii) result in disproportionate take-up; each of which is **incompatible with securities laws. In plain terms, the Wilks Brothers deal structure appears to not work, now or later.**

Of note, the capped cash amount provided in the Wilks Brothers offer would equate to only about $0.01 for each of Calfrac's pro forma shares outstanding after the original Recapitalization Transaction is completed, as opposed to the $0.25 portrayed by Wilks Brothers.

In any event, it is certainly not clear that the Wilks Brothers takeover bid is actually legal or workable.

What Does Wilks Brothers Think Will Happen if It Defeats the Amended Recapitalization Transaction?

Is Wilks Brothers motivated to pay out cash to Shareholders, or to push Calfrac into insolvency as it is actively pursuing in the courts?

Some observers seem to have missed the point that if the Amended Recapitalization Transaction is defeated next week, the alternative outcome is not the Wilks Brothers offer.

As has been disclosed multiple times, Unsecured Noteholders are still owed US$431.8 million, plus accrued interest. Without Unsecured Noteholder support, there can be no recapitalization of the Company. The fact that holders of 78% of the Unsecured Notes have contractually agreed to vote **in favour** of the Amended Recapitalization Transaction, and are **explicitly unwilling to support the Wilks Brothers proposals**, means that the only two recapitalization options that can be executed are the Amended Recapitalization Transaction (with Shareholder support) or the original Recapitalization Transaction (in CCAA, without Shareholder support). Shareholders must not be fooled by the mirage that Wilks Brothers has created.

If Shareholders do not support the Amended Recapitalization Transaction, then the original Recapitalization Transaction will still proceed under CCAA. The Board of Directors believes that the consideration of **$0.15 per share cash plus two warrants per share,** under the Amended Recapitalization Transaction, is a significantly better outcome for Shareholders than a CCAA path. The Amended Recapitalization Transaction is a clear and certain path for Shareholders. The Wilks Brothers takeover bid is highly uncertain in terms of execution, conditions, and the likelihood of ever being completed. The principal purpose of the Wilks Brothers takeover bid is to distract Shareholders and disrupt the Amended Recapitalization Transaction.

In addition, even if the Wilks Brothers takeover bid could be completed (which is extremely unlikely), it would be a change of control under all of Calfrac's loan documents, triggering an immediate insolvency. **The Amended Recapitalization Transaction does not face this hurdle.**

Thus, a failure of the upcoming Calfrac Shareholder vote may also push Calfrac into insolvency, accomplishing what Wilks Brothers has sought several times already**, at great expense to all involved**.

Is There a Secret Wilks Brothers Agenda?

Wilks Brothers has failed to ever deal with any sort of a plan for such a fundamental matter as the plainly visible conflicts of interest that would arise between Calfrac and ProFrac.

That is because Wilks Brothers likely never intends to maintain two companies. If the **Wilks Brothers agenda includes the imminent, but undisclosed, merger of Calfrac and ProFrac**, the imbalanced negotiating situation would leave the Calfrac Shareholders bereft of alternatives and vulnerable to be fleeced by its majority shareholder, whose greater economic interest would clearly be on the opposite side of the deal.

Conclusion

The summary outlined above leads the Board of Directors of Calfrac to once again urge Shareholders:

(i) to focus on Shareholder economics;
(ii) to carefully consider deal certainty;
(iii) to consider the downside risks of the alternative; and
(iv) to look at all of the terms and conditions involved (including any newly added and as yet unclear conditions).

Shareholders and Unsecured Noteholders are reminded that the meetings previously scheduled for September 29, 2020, have been postponed to October 16, 2020.

Any questions or requests for further information regarding voting at the meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll free in North America at 1 (877) 659-1822 or at (416) 867-2272 outside North America, or (ii) e-mail to contactus@kingsdaleadvisors.com.

Further details regarding the Amended Recapitalization Transaction are available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com.

If you have any questions regarding the above, or related to the Amended Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended

Recapitalization Transaction; potential outcomes for Shareholders, including in the event that the Amended Recapitalization Transaction is approved or not and the possible consequences of a CCAA proceeding; the executability of the Amended Recapitalization Transaction; the viability of and conditions to the Wilks Brothers Offer, including the value per share of the Wilks Brothers Offer under certain scenarios; potential outcomes if the Wilks Brothers Offer is successful or not; the potential motivations and intentions behind the Wilks Brothers actions and omissions; and Calfrac's expectations and intentions with respect to the foregoing.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Amended Recapitalization Transaction will be completed as proposed; the written statements of intention of the Consenting Noteholders; precedent decisions by Canadian securities regulators with respect to the scope of exemptive relief available under takeover bid legislation; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; decisions by Canadian securities regulators and/or the courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach

any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Unsecured Noteholders to vote in favour of the Amended Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

For further information: Scott Treadwell, Vice President, Capital Markets and Strategy, (403) 266-6000

Related Links

http://www.calfrac.com

EXHIBIT 8

THIS IS **EXHIBIT "8"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Wilks Announces Filing of Notice of Variation for its Improved Premium Offer and Responds to Calfrac's Latest Attempt to Intimidate Shareholders

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Oct 09, 2020, 08:00 ET

CISCO, Texas, Oct. 9, 2020 /CNW/ - Wilks Brothers, LLC ("Wilks") today announced that, further to its October 5, 2020 announcement, its affiliate, THRC Holdings, L.P., has formally amended the terms of its take-over bid (the "Premium Offer") for all of the issued and outstanding common shares of Calfrac Well Services Ltd. ("Calfrac") (TSX: CFW). Wilks' Premium Offer will remain open until 5:00 p.m. (Toronto time) on December 23, 2020, subject to its terms. The Notice of Variation, Amended Letter of Transmittal and Amended Notice of Guaranteed Delivery were filed with securities regulators in Canada yesterday and will be mailed to Calfrac Shareholders.

KEY POINTS FOR CALFRAC SHAREHOLDERS:

- **Shareholders can receive up to $0.25 in cash per Calfrac Share and a minimum cash consideration of $0.18 per Calfrac Share, subject to the aggregate purchase price for all Calfrac Shares acquired pursuant to the Premium Offer not exceeding $21,103,250.**
- **Cash consideration is more than 110% higher than the $10 million aggregate cash consideration under Calfrac's Amended Management Transaction.**
- **Wilks' Premium Offer contains no new conditions.**
- **Wilks' Premium Offer is the only transaction that does not require Court approval or the consent of Calfrac or any of its creditors.**
- **Wilks' Premium Offer is the only transaction that has the full support of ISS, Glass Lewis and other independent advisory firms.**
- **Wilks' Premium Offer is simple, straightforward and available to Shareholders if they Vote AGAINST the Amended Management Transaction and any Management Transaction is not approved by the Courts.**
- **Calfrac's threat that the Premium Offer will disappear because a CCAA Court will rubberstamp Calfrac's Management Transaction, is misleading and not rooted in any reality. A CCAA Court is not a rubberstamp.**
- **Calfrac's recent actions are just another desperate and feeble attempt to divert Shareholders' attention from Wilks' superior Premium Offer.**

The economics for Calfrac Shareholders are crystal clear:

> **Under the Wilks Premium Offer, you can receive cash recovery of up to $0.25 per Share, but no less than $0.18 per Share; OR**
>
> Under the Amended Management Transaction, you can receive, at most, cash recovery of between $0.089 to $0.118 per Share.

STRAIGHT TALK FROM WILKS

Wilks has improved its Premium Offer to further enhance recovery for current Shareholders of Calfrac. As a result, Wilks has determined that no further conditions to the Premium Offer are required. The Wilks' Premium Offer is straightforward and gimmick free.

As promised, Wilks' Premium Offer will remain open to Shareholders even if Calfrac "pivots" to a CCAA proceeding after Shareholders vote down the Amended Management Transaction. This is because a CCAA Court is not a rubberstamp for the Management Transaction, as Calfrac suggests. A CCAA filing by Calfrac provides a forum for debtholder negotiations and for the development of true value enhancing transactions that benefit Calfrac and all stakeholders.

However, if a CCAA process ultimately results in Calfrac's original Management Transaction (or any amendment, variation or replacement) being approved by the Court of Queen's Bench of Alberta (the "Court"), before Wilks is able to purchase shares via the Premium Offer, the conditions to the Premium Offer will not have been met. The Premium Offer has always been conditioned on the Management Transaction not being approved by the Court, in any process.

Calfrac Shareholders should know that Wilks' believes Calfrac's original Management Transaction is wholly incapable of being approved in any CCAA proceeding, in any event; it will be irrevocably tainted by having been voted down by Shareholders and/or rejected by the Court in the CBCA proceeding. Further, any such transaction would require the express approval of the holders of the second lien notes, which will not be provided. Calfrac cannot hide from the fact that its plan to proceed in this manner under the CCAA is fundamentally flawed. No one should be fooled by Calfrac's claim that it can have the Court "rubberstamp" a rushed, and clearly unfair, CCAA plan. If Calfrac commences a proceeding under the CCAA, Wilks expects that such a restructuring process will be like all other CCAAs, fair, transparent and value-maximizing. Moreover, any attempt by Calfrac to try to implement the original Management Transaction via the CCAA would also be an impermissible defensive tactic under Canadian securities laws while the Premium Offer is pending. Bottom line, Calfrac's threats to Shareholders are baseless.

Following Shareholders' voting down the Amended Management Transaction, Wilks will be applying to the Canadian securities regulators to shorten the period for which the Premium Offer must remain outstanding in order to be able to take up shares under the Premium Offer well before the current December 23, 2020 statutory deadline, to get cash into Shareholders hands sooner.

CALFRAC'S RECORD TO DATE SPEAKS VOLUMES

Calfrac's Board and the self-selected group of unsecured creditors and insiders it has aligned itself with have demonstrated that they will say and do anything to try to push through a deal that independent experts agree is bad for both Calfrac and its stakeholders. Calfrac's record to date speaks volumes:

- The current Board and management have overseen a catastrophic loss in Shareholder value and have no reasonable plan to address this;
- Instead of exploring value maximizing transactions, Calfrac launched its original Management Transaction; a transaction that would leave Calfrac as a highly leveraged company while effecting an unprecedented transfer of value to a group of insiders and self-selected unsecured noteholders at the expense of Calfrac's Shareholders;
- This transfer of value is to be accomplished principally through the issue of $60 million of 1.5 Lien notes, which are convertible at $0.02665/share, which is an eye-watering discount to the $0.15 value that Calfrac itself has ascribed to its shares in the Amended Management Transaction. This does nothing but confer substantial value to the Calfrac insiders and the self-selected unsecured creditors who would provide this financing;
- Only after Wilks launched the Premium Offer to protect Shareholders did Calfrac grudgingly increase the recoveries to Shareholders via the "Amended Management Transaction" that contains cash caps, gimmicks and other features that are a true "bait and switch". The market was not fooled and immediately recognised that the Amended Management Transaction fell woefully short of the superior value offered under Wilks' Premium Offer; and
- Finally, unwilling to provide additional value to Shareholders, Calfrac then resorted to threats, intimidation and the classic "carrot and stick" approach with its Shareholders, threatening to use a CCAA Court as a rubberstamp to force the Management Transaction through. This campaign is shameful, and nothing more than a blatant effort to try to intimidate shareholders into approving the Management Transaction and preserve the enormous financial windfall for the Chairman and the self-selected group of unsecured noteholders.

Shareholders have endured enough disregard from Calfrac. Its actions speak louder than its words.

In the coming (final) days before the October 16 Shareholder vote, Wilks expects Calfrac will continue to make a lot of noise. Shareholders should ignore it. Calfrac's campaign is spinning out of control and they are trying to drag Shareholders down with them. Calfrac's noise cannot change the fact that its Amended Management Transaction is a bad deal for Calfrac and its Shareholders. Independent leading proxy advisory firms, ISS and Glass Lewis, agree. They have both strongly recommended that Calfrac shareholders vote AGAINST the Amended Management Transaction. Another independent analyst, Cormark Securities Inc., has stated that it views the Wilks' Premium Offer as "materially superior for non-interested shareholders" when compared to the Amended Management Transaction.

Wilks' Premium Offer is the clear path for Shareholders to achieve a superior recovery on their investment.

To preserve their right to the Premium Offer recovery, Calfrac Shareholders must first vote down the Amended Management Transaction. Vote the BLUE Proxy AGAINST the Amended Management Transaction.

Click here **for voting instructions or learn more at** www.afaircalfrac.com**.**

The deadline to submit your blue proxy is October 13, 2020 at 11:59 p.m. MST.

If you have already voted AGAINST the Amended Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED) AND RELATED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Wilks Premium Offer, the reaction of the market and Calfrac's shareholders, creditors and customers to the Wilks' Premium Offer, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the amended Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 9

THIS IS **EXHIBIT "9"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

After Being Called Out, Wilks Brothers Admits to Newly-Weakened Offer

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Oct 09, 2020, 11:20 ET

CALGARY, AB, Oct. 9, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) has reviewed the Notice of Change and Variation in the Wilks Brothers Takeover Bid filed on October 8, 2020 (the "**Notice of Change**") and the Wilks Brothers latest news release disinformation, and has the following observations.

The Notice of Change validates what Calfrac has suspected all along – the Wilks Brothers Takeover Bid is its primary tool in seeking to derail Calfrac's Amended Recapitalization Transaction. Calfrac has consistently stated that the Takeover Bid is a mirage intended to mislead shareholders into voting against the Amended Recapitalization Transaction, because the terms of the Takeover Bid will not be met.

The Notice of Change confirms that the Takeover Bid will not proceed if the original Recapitalization Transaction is completed in CCAA; which is exactly what will happen if the Amended Recapitalization Transaction under the CBCA is not approved by Shareholders at the meeting next Friday. Calfrac has agreed with a majority of Unsecured Noteholders to implement the original Recapitalization Transaction in a CCAA, and this IS the most likely outcome if Shareholder approval is not obtained. The Takeover Bid is highly unlikely to proceed.

Any Shareholder who has been misled by Wilks Brothers into tendering to the Takeover Bid can and should immediately withdraw their tender and VOTE FOR the Amended Recapitalization Transaction. Please contact the Company or Kingsdale Advisors at the coordinates below for help in changing your votes.

The Wolf is Forced Out of the Sheep's Clothing

Wilks Brothers announced amendments to its Takeover Bid on October 5, 2020, but sought to conceal the true conditions that would apply. In its release it stated: "Wilks is also announcing that it is adding a condition to the Premium Offer". Now, this morning it has somehow concluded that "Wilks Premium Offer contains no new conditions". Which one is it?

Wilks Brothers has engaged in half-truths and deceptions throughout this process. At the same time as it provided Calfrac with confirmation that the non-disclosure agreement negotiated between the parties in June had no remaining issues to be discussed and would be imminently signed, it was purchasing a blocking position in the Second Lien Notes. This strategy was the first step in seeking to impose its self-serving conditions on stakeholders, and pry away the segment of Calfrac's business that Wilks Brothers covets most, at an unprecedented discount.

Consensual restructurings like the one the Wilks Brothers is seeking to impose at the barrel of a gun are not realistic business outcomes. This is especially true when they are proposed by a party that has been intentionally misleading, and that has disregarded its contractual commitments (as confirmed by the same Court that will be tasked with approving the Amended Recapitalization Transaction).

Wilks Brothers has very recently boldly confirmed that its offer is a contract between it and Calfrac's shareholders that is unaffected by credit hierarchies or CCAA proceedings. Concurrently, Wilks Brothers has asserted several times that it would waive its condition that the Amended Recapitalization Transaction be terminated as a condition to its Takeover Bid.

By announcing a new condition, delaying the public disclosure of the details associated with it, and then concluding that no new condition has been inserted, Wilks Brothers continues to seek to mislead Shareholders in order to supplant the Amended Recapitalization Transaction.

Calfrac and its Shareholders have first-hand experience that shows Wilks Brothers cannot be trusted to stand behind its commitments.

What Should be Plain and Clear to Shareholders by Now

The Amended Recapitalization Transaction will be voted on by Shareholders next week. If the VOTE FOR is carried, then Shareholders will elect either $0.15 per share cash (subject to possible proration) or shares, plus two warrants with a strike price of $0.05 per share. If the Amended Recapitalization Transaction does not receive sufficient support, Calfrac has agreed to implement the original Recapitalization Transaction in a CCAA process. In a CCAA context, Shareholders will not be entitled to vote, and will not be offered any cash or warrants.

VOTING FOR the Amended Recapitalization Transaction still leads to the best outcome for Shareholders.

Why Will the Amended Recapitalization Transaction Proceed?

As has been disclosed multiple times, Unsecured Noteholders are still owed US$431.8 million, plus accrued interest. Without Unsecured Noteholder support, there can be no recapitalization of the Company. The fact that holders of 78% of the Unsecured Notes have contractually agreed to VOTE FOR the Amended Recapitalization Transaction, and are **explicitly unwilling to support the Wilks Brothers proposals**, means that the only two recapitalization options that can be executed are the Amended Recapitalization Transaction (with Shareholder support) or the original Recapitalization Transaction (in CCAA, without Shareholder support).

The Board of Directors believes that the consideration of **$0.15 per share cash plus two warrants per share,** under the Amended Recapitalization Transaction, is a significantly better outcome for Shareholders than a CCAA path. The Amended Recapitalization Transaction is a clear and certain path for Shareholders. The Wilks Brothers Notice of Change confirms Calfrac's view that the Takeover Bid conditions will not be met, and that Shareholders who tender to the Wilks Brothers Takeover Bid will therefore receive no cash.

What To Do Now? Act Before it is Too Late!

The best alternative for Shareholders is the same as it was before:

If Shareholders have VOTED FOR the Amended Recapitalization Transaction, then they should take no action.

If Shareholders have not yet voted, or wish to change their vote as a result of this new information, then they should VOTE FOR on the white proxy form.

Shareholders should TAKE NO ACTION with respect to the Wilks Brothers hostile Takeover Bid and DO NOT TENDER your Shares to it. Any Shareholder that has already tendered to the Wilks Brothers Offer should WITHDRAW their Shares immediately and, if they wish to receive cash, avail themselves of the cash election under the Amended Recapitalization Transaction, and also receive their warrants.

Calfrac has prepared a presentation for shareholders which can be found at the link below.

Presentation for Shareholders

Shareholders and Unsecured Noteholders are reminded that the meetings previously scheduled for September 29, 2020, have been postponed to October 16, 2020, and the deadline to vote is quickly approaching. Shareholders are advised to check with their intermediaries for their specific proxy cut-off to ensure they do not miss the opportunity to vote their shares for this important matter.

Any questions or requests for further information regarding voting at the meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll free in North America at 1 (877) 659-1822 or at (416) 867-2272 outside North America, or (ii) e-mail to contactus@kingsdaleadvisors.com.

Further details regarding the Amended Recapitalization Transaction are available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com.

If you have any questions regarding the above, or related to the Amended Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Calfrac's common shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells

drilled throughout western Canada, the United States, Argentina and Russia.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended Recapitalization Transaction; potential outcomes for Shareholders, including in the event that the Amended Recapitalization Transaction is approved or not and the possible consequences of a CCAA proceeding; the executability of the Amended Recapitalization Transaction; the viability of and conditions to the Wilks Brothers Offer, including the value per share of the Wilks Brothers Offer under certain scenarios; potential outcomes if the Wilks Brothers Offer is successful or not; the potential motivations and intentions behind the Wilks Brothers actions and omissions; and Calfrac's expectations and intentions with respect to the foregoing.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Amended Recapitalization Transaction will be completed as proposed; the written statements of intention of the Consenting Noteholders; precedent decisions by Canadian securities regulators with respect to the scope of exemptive relief available under takeover bid legislation; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers, including the reaction of the market and Calfrac's Shareholders, creditors and customers to the Wilks Brothers Take Over Bid; decisions by Canadian securities regulators and/or Canadian and United States courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Unsecured Noteholders to vote in favour of the Amended Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

Related Links

http://www.calfrac.com

EXHIBIT 10

THIS IS **EXHIBIT "10"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

October 9, 2020

Calfrac Well Services Ltd.

Clarity for Shareholders

Legal Disclosure

THIS PRESENTATION DOES NOT OFFER ANY SECURITIES FOR SALE, OR SOLICIT ANY SECURITIES FOR PURCHASE. SUCH OFFERING, IF ANY, WILL BE MADE ONLY BY MEANS OF A CONFIDENTIAL OFFERING CIRCULAR. SUCH CONFIDENTIAL OFFERING CIRCULAR WILL SUPERSEDE ANY INFORMATION SET FORTH IN THIS PRESENTATION.

Any securities to be offered by the Company will not be and have not been registered under the Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Certain statements contained in this Presentation constitute forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "continue", "estimate", "forecast", "expect", "may", "will", "intend", "could", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Presentation should not be unduly relied upon. Other than as required by applicable laws, we do not intend, and do not assume any obligation, to update these forward-looking statements. In particular, this Presentation contains forward-looking statements pertaining to the following:

- the expected completion of the Amended Recapitalization Transaction or any transaction under the CCAA;
- the expected future recoveries for stakeholders under the Amended Recapitalization Transaction and the Wilks Brothers Proposal;
- the expected recovery of the Company's business from historic lows;
- the risks of future adverse events;
- anticipated pro forma ownership of the Company's common shares;
- the Company's expected pro forma capital structure;
- the relative risks associated with execution of the Amended Recapitalization Transaction, the Wilks Brothers Proposal and any transaction under the CCAA; and
- Calfrac’s ability to survive intact if Wilks Brothers defeats the vote at the upcoming shareholder meeting.

The forward-looking statements contained in this Presentation are based on certain assumptions and analyses made by the Company in light of our experience and perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances, including, but not limited to, the assumptions that the Amended Recapitalization Transaction will be implemented as described in our recently filed information circular. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of risks associated with the implementation of the Amended Recapitalization Transaction, including the requirement to obtain all necessary approvals in respect thereof, and the risk factors set forth in our recently filed information circular, as well as our financial statements and annual information form filed and available on SEDAR at www.sedar.com.

Amended Recapitalization Transaction Vs. Wilks Brothers Offer

	Amended Recapitalization Transaction		Wilks Brothers Offer
Timing	▪ Close November 2020	FASTER	▪ Expires December 23, 2020
Risks	▪ CBCA court approval scheduled for Oct. 30, 2020	LESS RISK	▪ Does not apply if Amended Recapitalization Transaction is completed in CBCA or in CCAA without cash and warrants (most likely alternative if CBCA vote not successful) ▪ Risk of time until expiry
Stakeholder Support	▪ Calfrac's Board ▪ First Lien Lenders ▪ Executed support agreements with 78% of Unsecured Notes	CLEAR SUPPORT	▪ None
Cash and Warrants	▪ $0.15/sh(1) ▪ 2 Warrants per CFW Share with $0.05/sh strike price	CERTAIN CASH + WARRANTS	▪ $0.00 if the Amended Recapitalization Transaction is completed in either CCAA or CBCA without cash and warrants

Shareholders and Senior Unsecured Noteholders should continue to VOTE FOR the Amended Recapitalization Transaction only on the White Management Proxy/VIF. DO NOT vote on the Wilks Brothers' Blue Proxy/VIF. TAKE NO ACTION with respect to the Wilks Brothers hostile take-over bid and DO NOT TENDER your Shares to the Wilks Brothers Offer.

(1) Subject to proration.

Amended Recapitalization Transaction is the Best Outcome

VOTING FOR the Amended Recapitalization Transaction

Shareholder Choice of:

- **$0.15/sh Cash[(1)] Plus 2 Warrants @ $0.05/sh Strike Price**
- **Retain Share Plus 2 Warrants @ $0.05/sh Strike Price**

→ **Final Order October 2020**

Shareholders Vote Against the Amended Recapitalization Transaction

→ **Calfrac Files CCAA to Complete Original Recapitalization Transaction**

- **Original Recapitalization Transaction Proceeds** → **Shareholders Receive no Cash or Warrants; Wilks Brothers Takeover Bid Conditions NOT Met**
- **Wilks Brothers Do Not Meet Conditions, No Shares are Purchased for Cash** → **Wilks Brothers Offer Condition Not Met and Shareholders Receive No Cash**

VOTING FOR the Amended Recapitalization Transaction is the best and by far the most likely path for Shareholders to receive cash, plus 2 warrants at $0.05/sh strike price.

(1) *Subject to proration.*

The Key Problem with the Wilks Brothers Offer

CALFRAC CANNOT REPAY ITS UNSECURED NOTES

Calfrac has agreed to complete the Amended Recapitalization Transaction in either CBCA or CCAA.

Wilks Brothers Offer does not apply if the Amended Recapitalization Transaction is completed in either court.

Wilks Brothers confirmed they will not have to pay for any shares deposited under their Takeover Bid if the Amended Recapitalization Transaction proceeds in either CBCA or CCAA.

Wilks Brothers Offer is a Mirage Aiming to Mislead Shareholders

- **The following Wilks Brothers conditions create a MATERIAL RISK that there will be no cash for Shareholders**
- **The only way to be certain of receiving cash is to VOTE FOR the Amended Recapitalization Transaction**

CONDITIONS to Wilks Brothers Takeover Offer	What This Means for Shareholders
Requirement that Amended Recapitalization Transaction Not Be Completed in CBCA or CCAA	▪ Calfrac proceeds to execute original Recapitalization Transaction in CCAA, Shareholders receive no cash/warrants
Minimum Take-up	▪ If less than 50% of shares not already owned by Wilks Brothers are tendered, Wilks Brothers cannot take-up and pay for ANY shares under their offer ▪ Waiving this condition requires regulatory approval and is without precedent, making it highly unlikely

Wilks Brothers Takeover Bid is a mirage intended to trick Shareholders into voting against the Amended Recapitalization Transaction. Shareholders will receive no cash from Wilks Brothers

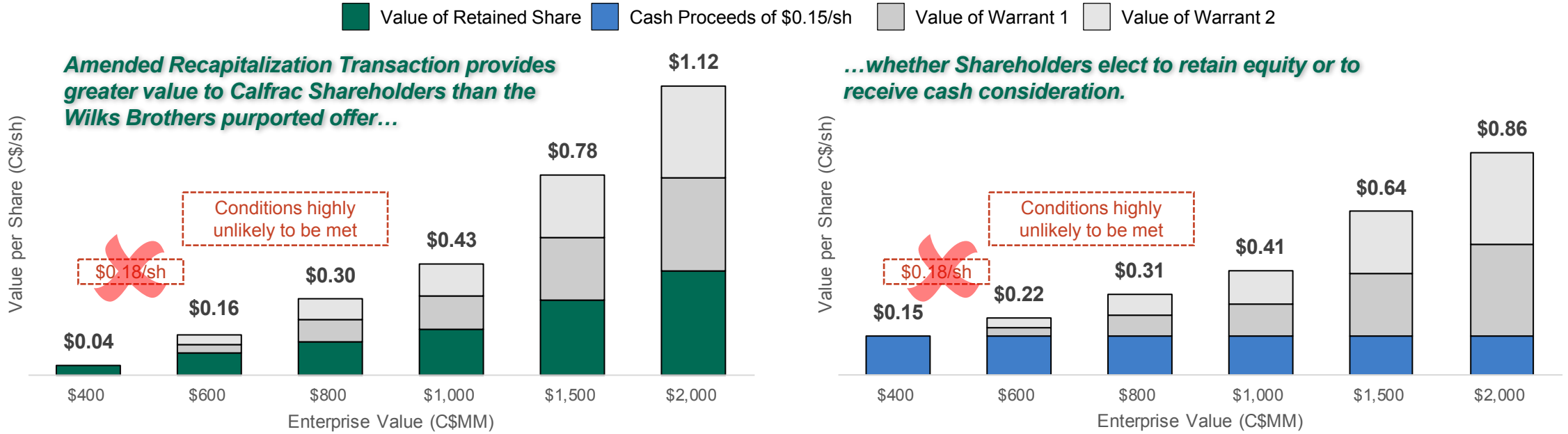
The Facts on Shareholder Value Received at Various TEVs

- **Wilks Brothers' proposal removes shareholders' ability to participate in Calfrac upside in a recovery to industry conditions**
- **Wilks Brothers do not intend to pay any cash to shareholders. Even if conditions are met, $0.18/sh cash is materially below the value from the Amended Recapitalization Transaction in a recovery of industry conditions**

Per Share Value to Shareholders if:

Electing to Retain Shares

Electing to Receive Cash Proceeds



Historical Average EVs		
2019 Average	*(C$B)*	$1.3
2018 Average	*(C$B)*	$1.7
2015 - 2019 Average	*(C$B)*	$1.4

CFW Historical Average EV: $1.6B[(1)]
CFW Historical EV Range: $1.1B to $2.2B[(1)]

CFW Historical Average EV: $1.6B[(1)]
CFW Historical EV Range: $1.1B to $2.2B[(1)]

Source: Company Disclosure.
Note: All figures in Canadian dollars unless otherwise noted.
(1) Based on average annual Enterprise Value from 2011 to 2019.

EXHIBIT 11

THIS IS **EXHIBIT "11"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Calfrac Meetings are on Friday; Voting Deadline is Tomorrow; Stakeholders Should Still VOTE FOR the Amended Recapitalization Transaction

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Oct 13, 2020, 08:16 ET

- ***The Amended Recapitalization Transaction is the only viable transaction available to Calfrac Shareholders. It is the only transaction being voted on at the meetings on Friday, October 16, 2020***
- Shareholders and Unsecured Noteholders should continue to **VOTE FOR** the Amended Transaction only on the white proxy/VIF. **DO NOT** vote on the Wilks Brothers blue proxy/VIF
- Voting deadline for the white proxy/VIF is no later than Wednesday, October 14 at 5 p.m. (Calgary time)
- ***Any questions or requests for further information regarding voting at the meetings should be directed to Kingsdale Advisors toll free 1 -877- 659-1822 or by email at contactus@kingsdaleadvisors.com***
- Shareholders and Unsecured Noteholders that have **VOTED FOR** the Amended Recapitalization Transaction should **TAKE NO FURTHER ACTION. DO NOT TENDER** your Shares to the Wilks Brothers Offer. If you have already tendered **WITHDRAW** your Shares immediately

CALGARY, AB, Oct. 13, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) today summarized for stakeholders **the key points** about its Amended Recapitalization Transaction prior to the imminent voting deadline.

Calfrac's Amended Recapitalization Transaction

1. ***Shareholders and Unsecured Noteholders should take note of the imminent deadline to vote for the upcoming Calfrac meetings and should VOTE TODAY, if they have not already done so. The Board recommends that Shareholders VOTE FOR on the white proxy/VIF. If you require voting assistance, please contact Kingsdale Advisors as set out below.***
2. ***The highest deal certainty is still available in Calfrac's offer to its Shareholders: the opportunity to either receive $0.15 per share in cash (subject to possible proration) or to retain their Shares, as they prefer; plus two new Calfrac warrants (regardless of whether a Shareholder elects cash or retains their Shares). The warrants are valuable; and they provide Shareholders with a meaningful option on the future of Calfrac, in more normal industry conditions.***
3. ***The Amended Recapitalization Transaction is the only viable transaction available to Calfrac Shareholders. It is the only transaction being voted on at the meetings on Friday. If Shareholder approval is not received on Friday, the Company and the Consenting Noteholders have agreed to subsequently apply to the Court to complete the original Recapitalization Transaction in CCAA proceedings.*** Shareholders would not receive the two Warrants or have the right to elect $0.15 cash for their Shares under the original Recapitalization Transaction.
4. ***The Unsecured Noteholders, owed USD $431.8 million (plus interest), remain in full support of the Amended Recapitalization Transaction, and are explicitly unwilling to support the Wilks Brothers proposals.*** No material transaction involving Calfrac can be completed without the support of the Unsecured Noteholders.

The Wilks Brothers Takeover Bid Offer

1. ***It is highly unlikely that the very conditional Wilks Brothers Offer can be completed.*** After repeatedly telling Shareholders that the Wilks Brothers Offer is available in a CCAA proceeding, Wilks Brothers has recently indicated that the Wilks Brothers Offer is, in fact, conditional on the original Recapitalization Transaction not being completed in a CCAA proceeding. This condition means that there is no reasonable prospect that the Wilks Brothers Offer will be available to Shareholders.
2. ***The Wilks Brothers Offer is still a mirage; which was further weakened by its most recent amendment.*** The primary reason Wilks Brothers is making its Offer is to mislead Shareholders into voting against the Amended Recapitalization Transaction, in a transparent effort to force Calfrac into insolvency so Wilks Brothers can seek to achieve its true objective, which is to buy the Company's assets at a hugely distressed price.
3. ***Wilks Brothers still seeks to cloak itself as acting altruistically on behalf of Calfrac's Shareholders. No reasonable person thinks that Wilks Brothers is spending millions of dollars on non-stop litigation to push Calfrac into insolvency for reasons other than its own self-interest. Wilks Brothers issued a deliberately misleading announcement of the amendment to its Offer, and its on-again, off-again approach to disclosing whether a new condition was being introduced or had been waived, underlines that the whole endeavor is primarily a tool to derail the Amended Recapitalization Transaction.***
4. ***The history of Wilks Brothers with Calfrac should tell Shareholders all they need to know, and serves as an important motivator to stay steadfastly with Calfrac's Amended Recapitalization Transaction and to VOTE FOR.***

We trust that these points clearly summarize for Calfrac stakeholders the key matters considered by Calfrac's Board of Directors, and we thank you for your support at the Shareholder and Senior Unsecured Noteholder meetings to be held on Friday, October 16, 2020.

Shareholders and Unsecured Noteholders should continue to **VOTE FOR** the Amended Recapitalization Transaction only on the white proxy/VIF. **DO NOT** vote on the Wilks Brothers blue proxy/VIF. Shareholders and Unsecured Noteholders that have **VOTED FOR** the Amended Recapitalization Transaction should **TAKE NO FURTHER ACTION**.

TAKE NO ACTION with respect to the Wilks Brothers hostile take-over bid and **DO NOT TENDER** your Shares to the Wilks Brothers Offer. Any Shareholder that has already tendered to the Wilks Brothers Offer should **WITHDRAW** their Shares immediately and, if they wish to receive cash, avail themselves of the cash election under the Amended Recapitalization Transaction while still retaining their warrants.

Any questions or requests for further information regarding voting at the meetings or revoking proxies should be directed to Kingsdale Advisors by: (i) telephone, toll free in North America at 1 (877) 659-1822 or at (416) 867-2272 outside North America, or (ii) e-mail to contactus@kingsdaleadvisors.com.

Further details regarding the Amended Recapitalization Transaction are available on Calfrac's SEDAR profile at www.sedar.com and on Calfrac's website at www.calfrac.com.

A link to our latest presentation comparing the merits of the Amended Recapitalization Transaction to the Wilks Brothers Offer can be found here.

If you have any questions regarding the above, or related to the Amended Recapitalization Transaction, please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Calfrac's Shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

All references to "$" are to Canadian dollars, unless otherwise indicated.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended

Recapitalization Transaction; potential outcomes for Shareholders, including in the event that the Amended Recapitalization Transaction is approved or not and the possible consequences of a CCAA proceeding; the potential future value of the warrants; the executability of the Amended Recapitalization Transaction; the viability of and conditions to the Wilks Brothers Offer; the potential motivations and intentions behind actions and omissions taken by Wilks Brothers; and Calfrac's expectations and intentions with respect to the foregoing.

These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Amended Recapitalization Transaction will be completed as proposed or that CCAA proceedings will be commenced if the Amended Recapitalization Transaction does not proceed; the written statements of intention of the Consenting Noteholders; precedent decisions by Canadian securities regulators with respect to the scope of exemptive relief available under takeover bid legislation; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; decisions by Canadian securities regulators and/or the courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach

any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure of existing Shareholders and Unsecured Noteholders to vote in favour of the Amended Recapitalization Transaction; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

Related Links

http://www.calfrac.com

EXHIBIT 12

THIS IS **EXHIBIT "12"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Calfrac Shareholders: Protect Your Investment by Voting AGAINST the Amended Management Transaction

NEWS PROVIDED BY
Wilks Brothers, LLC. →
Oct 13, 2020, 08:00 ET

- PROXY ADVISORS UNANIMOUSLY AGREE SHAREHOLDERS SHOULD VOTE AGAINST: ISS and Glass Lewis continue to recommend that Shareholders VOTE AGAINST the Amended Management Transaction to protect their investment and right to a premium recovery.
- WILKS' PREMIUM OFFER REMAINS THE SUPERIOR CHOICE: No matter how you look at it, $0.18 cash per share (and up to $0.25 cash per share) from Wilks remains the best option for Calfrac's shareholders.
- LEADING INDEPENDENT INDUSTRY EXPERTS SOUND THE ALARM ON CALFRAC: Independent analysts are warning that Calfrac will likely be in bankruptcy protection within months if the Amended Management Transaction is completed. Shareholders would be most affected, which is why the Amended Management Transaction is a bad deal for everyone.
- WHEN THE SMOKE CLEARS, THE WILKS' PREMIUM OFFER REMAINS: No one is falling for Calfrac's 'smoke and mirror' approach to try to mislead shareholders on the feasibility of the Premium Offer. The simple truth is that the Premium Offer is the best, most direct path to a premium recovery and does not require Court or creditor approval.
- VOTE AGAINST CALFRAC TODAY: Use the BLUE proxy form TODAY to vote AGAINST the Amended Management Transaction and let Calfrac know that shareholders deserve better.

CISCO, Texas, Oct. 13, 2020 /CNW/ - Wilks Brothers, LLC ("Wilks") reminds shareholders of Calfrac Well Services Ltd. ("Calfrac") (TSX: CFW) to vote AGAINST Calfrac's amended Recapitalization Transaction (the "Amended Management Transaction") at the special meeting of Shareholders to be held on October 16, 2020 (the "Meeting"). **The deadline to submit your BLUE proxy and VOTE AGAINST is today at 11:59 p.m. MST.**

This has been a long but very important campaign to ensure that Calfrac's shareholders are protected and treated fairly. Calfrac has fought tooth and nail, up to the very end, to try to ensure that its shareholders would not benefit from a premium recovery. Whether Calfrac fails or succeeds in its attempts to minimize shareholder recovery is up to you. Every vote is important to the outcome. As you evaluate this important choice, consider the following:

- The Amended Management Transaction benefits ONLY the Executive Chairman and a self-selected group of unsecured creditors.
- Calfrac's efforts to expropriate shareholder value would have been successful if Wilks did not stand up for shareholders' rights and propose the Premium Offer.
- Even when presented with the opportunity to beat the Premium Offer, Calfrac balked.
- Any transaction pursued by Calfac will be significantly more conditional than Wilks' Premium Offer: Calfrac requires shareholder approval, creditor approval, Court approval, and satisfaction of a very long list of conditions precedent.
- Courts are not rubberstamps, as Calfrac has (remarkably) suggested. The claim that a plan can be immediately implemented in CCAA is illusory. The Premium Offer will be completed long before that happens.
- Independent industry experts have carefully evaluated the two options for shareholders and weighed all of these considerations. Their conclusion: Wilks' Premium Offer is the best choice for shareholders.

In the face of Calfrac's continued rhetoric to try to salvage their insider deal, Wilks has prepared a presentation for shareholders that sets the record straight (again).

View Shareholder Presentation.

The choice, and path forward, for Calfrac Shareholders remains clear: Vote the BLUE Proxy TODAY, AGAINST the Amended Management Transaction.

Click here for voting instructions or learn more at www.afaircalfrac.com.

The deadline to submit your blue proxy is TODAY, October 13, 2020 at 11:59 p.m. MST.

If you have already voted AGAINST the Amended Management Transaction using the BLUE proxy, you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, you are encouraged to vote using only the BLUE proxy. Please disregard any other proxies you receive. If you have already submitted a proxy solicited by Management, you may still change your vote and protect your economic interests by voting your BLUE proxy today. The later dated proxy will supersede any earlier proxy submitted.

Need help voting? Please contact Laurel Hill Advisory Group as noted below.

QUESTIONS/ VOTING/ TENDERING ASSISTANCE

Shareholders who have questions or require voting or tendering assistance, may contact our communications advisor, proxy solicitation agent, information agent and depositary, Laurel Hill Advisory Group, by phone, toll-free at 1-877-452-7184 (North America) or +1-416-304-0211 (outside North America) or by e-mail at assistance@laurelhill.com.

NOTICE

THIS ANNOUNCEMENT IS FOR INFORMATIONAL PURPOSES ONLY AND DOES NOT CONSTITUTE OR FORM PART OF THE OFFER OR AN INVITATION TO PURCHASE, OTHERWISE DISPOSE OF OR A SOLICITATION OF AN OFFER TO SELL, ANY SECURITY. WILKS HAS FILED A TAKE-OVER BID CIRCULAR (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED) AND RELATED MATERIALS WITH VARIOUS SECURITIES COMMISSIONS IN CANADA PURSUANT TO WHICH THE OFFER IS MADE. THE TAKE-OVER BID CIRCULAR CONTAINS IMPORTANT INFORMATION ABOUT THE OFFER AND SHOULD BE READ IN ITS ENTIRETY BY CALFRAC SHAREHOLDERS AND OTHERS TO WHOM THE OFFER IS ADDRESSED. CALFRAC SHAREHOLDERS (AND OTHERS) WILL BE ABLE TO OBTAIN, AT NO CHARGE, A COPY OF THE OFFER TO PURCHASE, TAKE-OVER BID CIRCULAR AND VARIOUS ASSOCIATED DOCUMENTS

ON THE SYSTEM FOR ELECTRONIC DOCUMENT ANALYSIS AND RETRIEVAL (SEDAR) AT WWW.SEDAR.COM. THE OFFER WILL NOT BE MADE IN, NOR WILL DEPOSITS OF SECURITIES BE ACCEPTED FROM A PERSON IN, ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. HOWEVER, WILKS MAY, IN ITS SOLE DISCRETION, TAKE SUCH ACTION AS IT DEEMS NECESSARY TO EXTEND THE OFFER IN ANY SUCH JURISDICTION.

ADDITIONAL DISCLOSURE

Wilks is relying on the exemption under section 9.2(4) of National Instrument 51-102 - Continuous Disclosure Obligations and exemptive relief provided by the Alberta Securities Commission in an Order dated August 4, 2020 (the "**Order**") to make this public broadcast solicitation. The following information is provided in accordance with corporate and securities laws applicable to public broadcast solicitations. This solicitation is being made by Wilks, and not by or on behalf of the management of Calfrac. Wilks has engaged Laurel Hill Advisory Group to act as our communications advisor and proxy solicitation agent.

Based upon publicly available information, Calfrac's registered office is at 4500, 855-2nd Street S.W. Calgary, Alberta, Canada, T2P 4K7, and its head office is at 411-8th Avenue S.W. Calgary, Alberta, Canada, T2P 1E3. Wilks is soliciting proxies in reliance upon the public broadcast exemption to the solicitation requirements under applicable Canadian corporate and securities laws (including the Order), conveyed by way of public broadcast, including press release, speech or publication, and by any other manner permitted under applicable Canadian laws. In addition, this solicitation may be made by mail, telephone, facsimile, email or other electronic means as well as by newspaper or other media advertising and in person. All costs incurred for the solicitation will be borne by Wilks.

Wilks and Dan and Staci Wilks together hold 28,720,172 Common Shares, representing approximately 19.78% of the issued and outstanding Common Shares of Calfrac on the basis of Calfrac's disclosure in its management information circular dated August 17, 2020. that there are 145,616,827 Common Shares outstanding.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Certain information in this Press Release may constitute "forward-looking information", as such term is defined in applicable Canadian securities legislation, about the objectives of Wilks as they relate to Calfrac. All statements other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions.

Material factors or assumptions that were applied in providing forward-looking information include, but are not limited to: the intention of Wilks to make a formal take-over bid for the shares of Calfrac and the results of such bid; that required regulatory approvals will be obtained on terms satisfactory to Wilks; the reaction of Calfrac's Board and management to the Bid; the response to and outcome of any applications to Courts or regulators relating to the transactions described herein or otherwise that may be made by or against Calfrac or Wilks; the intention of Wilks to apply to securities regulators for discretionary relief from certain statutory requirements applicable to the bid and the results of such application.

Forward-looking information contained in this Press Release reflects current reasonable assumptions, beliefs, opinions and expectations of Wilks regarding future events and operating performance of Calfrac and speaks only as of the date of this Press Release. Such forward-looking information is based on currently publicly available competitive, financial and economic data and operating plans and is subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Calfrac, or general industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. Many other factors could also cause Calfrac's actual results, performance or achievements to vary from those expressed or inferred herein, including, without limitation, the success of the proposed Wilks Premium Offer, the reaction of the market and Calfrac's shareholders, creditors and customers to the Wilks' Premium Offer, the impact of legislative, regulatory, competitive and technological changes; the state of the economy; credit and equity markets; the financial markets in general; price volatility; interest rate and exchange rate fluctuations; general economic conditions and other risks involved in the hydraulic fracking industry. The impact of any one factor on a particular piece of forward-looking information is not determinable with certainty as such factors are interdependent upon other factors, and Wilks' course of action would depend upon its assessment of the future considering all information then available.

Should any factor affect Calfrac in an unexpected manner, or should any assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the events predicted. All of the forward-looking information reflected in this Press Release is qualified by these cautionary statements. There can be no assurance that the results or developments anticipated by Wilks will be realized or, even if substantially realized, that they will have the expected consequences for Calfrac, Calfrac's shareholders or Wilks. Forward-looking information is provided, and forward-looking statements are made as of the date of this Press Release and except as may be required by applicable law, Wilks disclaims any intention and assumes no obligation to publicly update or revise such forward-looking information or forward-looking statements whether as a result of new information, future events or otherwise. Nothing herein shall be deemed to be an acknowledgement or acceptance by Wilks that the terms of the amended Management Transaction are legally permissible, appropriate or capable of implementation.

SOURCE Wilks Brothers, LLC.

EXHIBIT 13

THIS IS **EXHIBIT "13"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Calfrac Shareholders and Unsecured Noteholders Overwhelmingly Approve Amended Recapitalization Transaction

NEWS PROVIDED BY
Calfrac Well Services Ltd. →
Oct 16, 2020, 17:56 ET

CALGARY, AB, Oct. 16, 2020 /CNW/ - Calfrac Well Services Ltd. ("**Calfrac**" or the "**Company**") (TSX: CFW) today announced that Calfrac's Shareholders and Unsecured Noteholders have overwhelmingly approved the Company's Amended Recapitalization Transaction to be implemented pursuant to a Plan of Arrangement under Section 192 of the *Canada Business Corporations Act*.

At the meeting of Shareholders held today, each of the resolutions in connection with the approval of the Amended Recapitalization Transaction was approved. Excluding Common Shares voted by Wilks Brothers, LLC, no more than 4% of the issued and outstanding Common Shares were voted against any of such resolutions.

At the meeting of Unsecured Noteholders held today, the Amended Recapitalization Transaction was approved by approximately 99.8% of the votes cast.

A report of voting results outlining the results of each of the applicable Shareholder votes will be filed on the Company's profile at www.sedar.com.

In addition, Calfrac announces that pursuant to the Amended Recapitalization Transaction, Shareholders have elected to receive the Shareholder Cash Election of $0.15 per Common Share in respect of an aggregate of 6,061,561 Common Shares (each on a pre-consolidation

basis), representing an aggregate cash election amount of approximately $910,000.

The hearing to seek Court approval of the Plan of Arrangement is currently scheduled for 10:00 a.m. (MT) on October 28, 2020, or such other date as may be set by the Court. Subject to obtaining Court approval of the Plan of Arrangement and the satisfaction or waiver of the other conditions to the implementation of the Plan of Arrangement, the Company intends to complete the Amended Recapitalization Transaction in early November.

Greg Fletcher, Calfrac's Lead Independent Director commented "We are grateful for the support of our Noteholders and Shareholders in this process and will now shift our focus to securing Court approval for the Amended Recapitalization Transaction."

Lindsay Link, Calfrac's President and Chief Operating Officer added "I want to thank our team and advisors for their efforts in delivering this result. At the same time, I am proud of our operations staff for continuing to deliver on Calfrac's Brand Promise over these last several months. The strength of our client and vendor relationships has been proven during this period, and for those partnerships we are grateful."

Calfrac's Common Shares are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW". Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells drilled throughout western Canada, the United States, Argentina and Russia.

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward-looking statements and information relating to the completion of the proposed Amended Recapitalization Transaction, timing of the Court hearing to approve the Plan of Arrangement and Calfrac's expectations and intentions with respect to the foregoing. These forward-looking statements and information are based on certain key expectations and assumptions made by Calfrac in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors it believes are appropriate in the circumstances, including, but not limited to, the following: the Amended

Recapitalization Transaction will be completed as proposed; economic and political environment in which Calfrac operates; Calfrac's expectations for its customers' capital budgets and geographical areas of focus; the effect unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; Calfrac's existing contracts and the status of current negotiations with key customers and suppliers; the effectiveness of cost reduction measures instituted by Calfrac; and the likelihood that the current tax and regulatory regime will remain substantially unchanged. Although Calfrac believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information as Calfrac cannot give any assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with: Calfrac's ability to continue to manage the effect of the COVID-19 pandemic on its operations; actions taken by Wilks Brothers; decisions by Canadian securities regulators and/or the courts; default under the Company's credit facilities and/or the Company's senior secured notes due to a breach of covenants therein; failure to reach any additional agreements with the Company's lenders; the impact of events of defaults in respect of other material contracts of the Company, including but not limited to, cross-defaults resulting in acceleration of amounts payable thereunder or the termination of such agreements; failure to receive any applicable regulatory approvals in respect of the Amended Recapitalization Transaction; global economic conditions; along with those risk and uncertainties identified under the heading "Risk Factors" and elsewhere in the Management Information Circular dated August 17, 2020, as supplemented by the Material Change Report dated September 25, 2020, and Company's annual information form dated March 10, 2020, each as filed on SEDAR at www.sedar.com.

The forward-looking statements and information contained in this press release are made as of the date hereof and Calfrac does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. This press release is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent an exemption from registration under the Securities Act of 1933.

SOURCE Calfrac Well Services Ltd.

For further information: please contact Scott Treadwell, Vice President, Capital Markets and Strategy at (403) 266-6000.

Related Links

http://www.calfrac.com

EXHIBIT 14

THIS IS **EXHIBIT "14"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

CALFRAC HOLDINGS LP

MEETING OF SENIOR UNSECURED NOTEHOLDERS

Held on October 16th, 2020

Final Scrutineers Report

Senior Unsecured Noteholders' Arrangement Resolution

We, the undersigned scrutineers, hereby report that that the result of the vote by ballot with respect to the above matter is as follows:

	PRINCIPAL VALUE VOTED	% OF PRINCIPAL VOTED	% of votes cast	VOTES REPRESENTED	% OF VOTES REPRESENTED	% of votes cast
FOR the motion	$385,102,000	89.18%	99.77%	385,102	89.18%	99.77%
AGAINST the motion	$879,000	0.20%	0.23%	879	0.20%	0.23%
Total	$ 385,981,000			385,981		

TOTAL PRINCIPAL OUTSTANDING: $431,818,000

TOTAL PRINCIPAL VOTED: $385,981,000

TOTAL % OF VOTES FOR: 99.77%

TOTAL VOTES OUTSTANDING: 431,818

TOTAL VOTES CAST: 385,981

TOTAL % OF VOTES FOR: 99.77%

Grant Hughes
Scrutineer

Neil Tolentino
Scrutineer

Prepared By: KINGSDALE Advisors

Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #1
Continuance Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	74,933,924	68.81%
AGAINST the motion	33,966,551	31.19%
Total	108,900,475	

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

If Computershare has mailed voting instruction forms directly to NOBOs on behalf of the issuer, these have been distributed on the basis of electronic files received by Computershare from intermediaries or their agents. Although Computershare reconciles these records to the Form 54-101F4 Omnibus Proxy delivered to us as required under National Instrument 54-101, in some cases insufficient securities may be held within intermediary positions at The Canadian Depository for Securities, Limited as at record date to support all securities represented. In these cases, if the situation cannot be rectified, over voting rules are applied as directed by the Chair.

Upon receipt of any cumulative reports of beneficial holder voting compiled and submitted by one or more third parties, Computershare reviews the total votes received for each intermediary and reconciles the number to the position available to the intermediary on any omnibus proxy or supplemental omnibus proxy received. In the event the intermediary's position is insufficient to allow for the tabulation of the entire vote, Computershare may, but shall not be required to, take steps to rectify the situation. In the event the situation is not rectified, over voting rules are applied as directed by the Chair.

Acting on the direction of the Chair of the meeting, Computershare may have included in our reports, the details of beneficial holders attending in person, whose ownership or previous voting status we cannot confirm or verify but whose identity may be supported by documentation, such as a VIF issued by a third party. In such cases, Computershare makes no warranty or representation as to the accuracy of the numbers included as a result of the direction from the Chair, and assumes no liability or responsibility whatsoever for their inclusion in our report as Scrutineer.

Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #2

Shareholders' Arrangement Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	74,866,915	68.75%
AGAINST the motion	34,033,560	31.25%
Total	108,900,475	

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

If Computershare has mailed voting instruction forms directly to NOBOs on behalf of the issuer, these have been distributed on the basis of electronic files received by Computershare from intermediaries or their agents. Although Computershare reconciles these records to the Form 54-101F4 Omnibus Proxy delivered to us as required under National Instrument 54-101, in some cases insufficient securities may be held within intermediary positions at The Canadian Depository for Securities, Limited as at record date to support all securities represented. In these cases, if the situation cannot be rectified, over voting rules are applied as directed by the Chair.

Upon receipt of any cumulative reports of beneficial holder voting compiled and submitted by one or more third parties, Computershare reviews the total votes received for each intermediary and reconciles the number to the position available to the intermediary on any omnibus proxy or supplemental omnibus proxy received. In the event the intermediary's position is insufficient to allow for the tabulation of the entire vote, Computershare may, but shall not be required to, take steps to rectify the situation. In the event the situation is not rectified, over voting rules are applied as directed by the Chair.

Acting on the direction of the Chair of the meeting, Computershare may have included in our reports, the details of beneficial holders attending in person, whose ownership or previous voting status we cannot confirm or verify but whose identity may be supported by documentation, such as a VIF issued by a third party. In such cases, Computershare makes no warranty or representation as to the accuracy of the numbers included as a result of the direction from the Chair, and assumes no liability or responsibility whatsoever for their inclusion in our report as Scrutineer.

Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #2

Shareholders' Arrangement Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	46,032,594*	57.49%
AGAINST the motion	34,033,560	42.51%
Total	80,066,154	

PASS: 50%

* **Insider restricted shares to remove for majority of Minority Voting: 28,834,321 FOR VOTES**

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

If Computershare has mailed voting instruction forms directly to NOBOs on behalf of the issuer, these have been distributed on the basis of electronic files received by Computershare from intermediaries or their agents. Although Computershare reconciles these records to the Form 54-101F4 Omnibus Proxy delivered to us as required under National Instrument 54-101, in some cases insufficient securities may be held within intermediary positions at The Canadian Depository for Securities, Limited as at record date to support all securities represented. In these cases, if the situation cannot be rectified, over voting rules are applied as directed by the Chair.

Upon receipt of any cumulative reports of beneficial holder voting compiled and submitted by one or more third parties, Computershare reviews the total votes received for each intermediary and reconciles the number to the position available to the intermediary on any omnibus proxy or supplemental omnibus proxy received. In the event the intermediary's position is insufficient to allow for the tabulation of the entire vote, Computershare may, but shall not be required to, take steps to rectify the situation. In the event the situation is not rectified, over voting rules are applied as directed by the Chair.

Acting on the direction of the Chair of the meeting, Computershare may have included in our reports, the details of beneficial holders attending in person, whose ownership or previous voting status we cannot confirm or verify but whose identity may be supported by documentation, such as a VIF issued by a third party. In such cases, Computershare makes no warranty or representation as to the accuracy of the numbers included as a result of the direction from the Chair, and assumes no liability or responsibility whatsoever for their inclusion in our report as Scrutineer.

Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #3

Shareholders' TSX Note Exchange and Warrant Issuance Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	50,795,894 **	90.54 %
AGAINST the motion	5,304,288 **	9.46 %
Total	56,100,182	

PASS: 50%

**** Insider restricted shares to <u>remove</u> for majority of Minority Voting for <u>Note Exchange</u>: 24,080,121 FOR VOTES and 28,720,172 AGAINST VOTE**

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

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Upon receipt of any cumulative reports of beneficial holder voting compiled and submitted by one or more third parties, Computershare reviews the total votes received for each intermediary and reconciles the number to the position available to the intermediary on any omnibus proxy or supplemental omnibus proxy received. In the event the intermediary's position is insufficient to allow for the tabulation of the entire vote, Computershare may, but shall not be required to, take steps to rectify the situation. In the event the situation is not rectified, over voting rules are applied as directed by the Chair.

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Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #3

Shareholders' TSX Note Exchange and Warrant Issuance Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES		
FOR the motion	17,881,636	**	77.12 %
AGAINST the motion	5,304,288	**	22.88 %
Total	23,185,924		

PASS: 50%

**** Insider restricted shares to <u>remove</u> for majority of Minority Voting for <u>Warrant Exchange</u>:**
56,994,379 FOR VOTES and 28,720,172 AGAINST VOTES

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

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Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #4

Shareholders' TSX 1.5 Lien Notes Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	44,534,940***	56.68%
AGAINST the motion	34,034,514	43.32%
Total	78,569,454	

PASS: 50%

*** **Restricted shares to remove for majority of Minority Voting: 30,331,021 FOR VOTES**

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

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Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #5

Shareholders' TSX Omnibus Incentive Plan Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	74,908,042	68.79%
AGAINST the motion	33,992,433	31.21%
Total	108,900,475	

Christopher Parsons
Scrutineer

Stephen Banddla
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

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Computershare

CALFRAC WELL SERVICES LTD

SPECIAL MEETING OF SHAREHOLDERS

HELD ON OCTOBER 16, 2020

REPORT ON BALLOT

MOTION #6

Shareholders' TSX Shareholder Rights Plan Resolution

We, the undersigned scrutineers, hereby report that the result of the vote by ballot with respect to the above matter is as follows:

	NUMBER OF VOTES	
FOR the motion	74,920,173	68.80%
AGAINST the motion	33,980,302	31.20%
Total	108,900,475	

Christopher Parsons
Scrutineer

Stephen Bandola
Scrutineer

The figures reported by Computershare in its capacity as Scrutineer represent our tabulation of proxies returned to us by registered securityholders and, if Computershare has mailed voting instruction forms (VIFs) directly to non-objecting beneficial owners (NOBOs) on behalf of the issuer, VIFs returned directly to us by NOBOs, combined with cumulative reports of beneficial holder voting compiled and submitted by one or more third parties. As such, Computershare is only responsible for, and warrants the accuracy of our own tabulation of proxies and VIFs. Computershare is not responsible for and does not warrant the accuracy of the cumulative reports of beneficial holder voting submitted by any third party.

If Computershare has mailed voting instruction forms directly to NOBOs on behalf of the issuer, these have been distributed on the basis of electronic files received by Computershare from intermediaries or their agents. Although Computershare reconciles these records to the Form 54-101F4 Omnibus Proxy delivered to us as required under National Instrument 54-101, in some cases insufficient securities may be held within intermediary positions at The Canadian Depository for Securities, Limited as at record date to support all securities represented. In these cases, if the situation cannot be rectified, over voting rules are applied as directed by the Chair.

Upon receipt of any cumulative reports of beneficial holder voting compiled and submitted by one or more third parties, Computershare reviews the total votes received for each intermediary and reconciles the number to the position available to the intermediary on any omnibus proxy or supplemental omnibus proxy received. In the event the intermediary's position is insufficient to allow for the tabulation of the entire vote, Computershare may, but shall not be required to, take steps to rectify the situation. In the event the situation is not rectified, over voting rules are applied as directed by the Chair.

Acting on the direction of the Chair of the meeting, Computershare may have included in our reports, the details of beneficial holders attending in person, whose ownership or previous voting status we cannot confirm or verify but whose identity may be supported by documentation, such as a VIF issued by a third party. In such cases, Computershare makes no warranty or representation as to the accuracy of the numbers included as a result of the direction from the Chair, and assumes no liability or responsibility whatsoever for their inclusion in our report as Scrutineer.

EXHIBIT 15

THIS IS **EXHIBIT "15"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW
Calgary, Alberta, Canada T2P 4K7
Tel: 403.298.3100 Fax: 403.265.7219

Chris Simard
Direct Line: 403.298.4485
e-mail: simardc@bennettjones.com
Our File No.: 44609.111

October 7, 2020

Via Email

Ms. Paola Calce
Clarke Inc.
401 Bay St., Suite 2704
Toronto, ON M5H 2Y4

Dear Ms. Calce:

Re: In the Matter of 12178711 Canada Inc., Calfrac Well Services Ltd. et al. – Action No. 2001-08434 (the "CBCA Proceedings")

We are counsel to Calfrac Well Services Ltd. and the other Applicants in the above referenced CBCA Proceedings (collectively, "**Calfrac**"). As you are aware, meetings of the holders of Calfrac's Common Shares and the holders of Calfrac's Senior Unsecured Notes will be held on September 17, 2020, at which time those holders will be asked to vote on Calfrac's Arrangement, that is being advanced in the CBCA Proceedings (the "**Arrangement**").

On August 7, 2020, the Court of Queen's Bench of Alberta (the "**Court**") granted an Interim Order in the CBCA Proceedings, a copy of which is attached for your reference. Pursuant to paragraph 42 of that Interim Order, Calfrac is required to file evidence with the Court, describing the following information:

(a) the votes cast in the Meetings by the parties described in paragraph 42(c) of the Interim Order; and

(b) all Senior Unsecured Notes and all Common Shares of Calfrac acquired by the parties described in paragraph 42(d) of the Interim Order.

As your client G2S2 Capital Inc. ("**G2S2**") is an Initial Commitment Party, can you kindly advise us in writing of the following information:

(a) no later than 5:00 p.m. Mountain Time on Wednesday, October 14, 2020, of all Senior Unsecured Notes and Common Shares acquired by G2S2 and its joint actors between July 13, 2020 and August 10, 2020; and;

(b) no later than 12:00 p.m. Mountain Time on Friday, October 16, 2020, the votes that were cast by G2S2 and its joint actors, in each of the Meetings on October 16, 2020

(and whether such votes were cast in favour of, or against, the resolutions at the Meetings).

We thank you in advance for your anticipated assistance with this request. Should you have any questions, please do not hesitate to contact me.

Yours truly,

Chris Simard

CS:/dmk
Enclosure
cc: Client

EXHIBIT 16

THIS IS **EXHIBIT "16"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Bennett Jones

Bennett Jones LLP
4500 Bankers Hall East, 855 - 2nd Street SW
Calgary, Alberta, Canada T2P 4K7
Tel: 403.298.3100 Fax: 403.265.7219

Chris Simard
Direct Line: 403.298.4485
e-mail: simardc@bennettjones.com
Our File No.: 44609.111

October 7, 2020

Via Email

Mr. Robert J. Chadwick
Goodmans LLP
333 Bay Street, Suite 3400
Toronto ON M5H 2S7

Dear Mr. Chadwick:

Re: In the Matter of 12178711 Canada Inc., Calfrac Well Services Ltd. et al. – Action No. 2001-08434 (the "CBCA Proceedings")

We are counsel to Calfrac Well Services Ltd. and the other Applicants in the above referenced CBCA Proceedings (collectively, "**Calfrac**"). As you are aware, meetings of the holders of Calfrac's Common Shares and the holders of Calfrac's Senior Unsecured Notes will be held on October 16, 2020, at which time those holders will be asked to vote on Calfrac's Arrangement, that is being advanced in the CBCA Proceedings (the "**Arrangement**").

On August 7, 2020, the Court of Queen's Bench of Alberta (the "**Court**") granted an Interim Order in the CBCA Proceedings, a copy of which is attached for your reference. Pursuant to paragraph 42 of that Interim Order, Calfrac is required to file evidence with the Court, describing the following information:

(a) the votes cast in the Meetings by the parties described in paragraph 42(c) of the Interim Order; and

(b) all Senior Unsecured Notes and all Common Shares of Calfrac acquired by the parties described in paragraph 42(d) of the Interim Order.

As your clients (collectively, the "**Ad Hoc Committee**") are Commitment Parties, can you kindly advise us in writing of the following information:

(a) no later than 5:00 p.m. Mountain Time on Wednesday, October 14, 2020, of all Senior Unsecured Notes and Common Shares acquired by the Ad Hoc Committee or any of their joint actors between July 13, 2020 and August 10, 2020; and;

(b) no later than 12:00 p.m. Mountain Time on Friday, October 16, 2020, the votes that the Ad Hoc Committee or their joint actors cast in each of the Meetings on October 16,

2020 (and whether such votes were cast in favour of or against the resolutions at the Meetings).

We thank you in advance for your anticipated assistance with this request. Should you have any questions, please do not hesitate to contact me.

Yours truly,

Chris Simard

CS:/dmk
Enclosure
cc: Client

EXHIBIT 17

THIS IS **EXHIBIT "17"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Commitment Parties Acquisitions and Votes

INFORMATION REQUIRED BY PARAGRAPH 42 OF THE INTERIM ORDER (US $)

Party	**Votes in Senior Unsecured Noteholders' Meeting**	**Votes in Shareholders' Meeting**	**Acquisition of Senior Unsecured Notes between July 13 and August 10, 2020**	**Acquisition of Common Shares between July 13 and August 10, 2020**
MATCO Parties	For	For	None	None
G2S2 Parties	For	None	$37,899,000	None
Wilks Parties	Scrutineer has informed Calfrac that Wilk Parties did not vote.	No response received.	$29,431,000	None
Other Commitment Party 3	No acquisitions, voted in favour of all eligible resolutions.			
Other Commitment Party 4 .	No acquisitions, voted in favour of all eligible resolutions.			
Other Commitment Party 5	No acquisitions, voted in favour of all eligible resolutions.			
Other Commitment Party 6	No acquisitions, voted in favour of all eligible resolutions.			
Other Commitment Party 7	No acquisitions, voted in favour of all eligible resolutions.			
Other Commitment Party 8	*Did not respond to October 7, 2020 inquiry letter.*			
Other Commitment Party 9	*Did not respond to October 7, 2020 inquiry letter.*			
Other Commitment Party 10	*Did not respond to October 7, 2020 inquiry letter.*			
Other Commitment Party 11	*Did not respond to October 7, 2020 inquiry letter.*			
Other Commitment Party 12	*Did not respond to October 7, 2020 inquiry letter.*			

EXHIBIT 18

THIS IS **EXHIBIT "18"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Bennett Jones

PRIVATE & CONFIDENTIAL

October 16, 2020

Corporations Canada
235 Queen Street
Ottawa, Ontario
K1A 0H5
Attention: Karim Mikaël

VIA E-MAIL

Dear Mr. Mikaël:

Re: Calfrac Well Services Ltd. – Proposed Plan of Arrangement under section 192 of the *Canada Business Corporations Act*

Reference is made to our letter dated July 30, 2020 and other correspondence in respect of a proposed recapitalization transaction by way of a plan of arrangement (the "**Plan of Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Calfrac Well Services Ltd. ("**Calfrac**" or the "**Corporation**"), 12178711 Canada Inc. ("**ArrangeCo**"), Calfrac (Canada) Inc., Calfrac Well Services Corp. and Calfrac Holdings LP ("**Calfrac LP**"), by its general partner, Calfrac (Canada) Inc. (collectively, the "**Applicants**").

Please accept this letter as notice of our application to the Court of Queen's Bench of Alberta (the "**Court**") for a final order (the "**Final Order**") in respect of the Plan of Arrangement as required under section 192(5) of the CBCA and pursuant to subsection 3.04 of Corporations Canada Policy on arrangements – *Canada Business Corporations Act*, section 192 (the "**Policy Statement**"). The application for the Final Order will be heard by the Court on October 28, 2020.

Further, please be advised that, at the meetings of shareholders and senior unsecured noteholders held on October 16, 2020, the resolutions necessary to approve the Plan of Arrangement were obtained, as further described in the enclosures accompanying this letter.

Enclosures

In connection with the foregoing, and as required under subsection 3.04 of the Policy Statement, attached are the following documents:

1. issued interim order;

2. draft affidavit materials being filed with the Court, which include report on attendance and quorum at the meetings and a report of the results of ballots of each of the meetings (including separate tabulation of voting demonstrating any required "majority of minority" approvals); and

3. draft Final Order.

Should you have any questions or require any additional information please do not hesitate to contact Kevin Zych at 416-777-5738, Brent Kraus at 403-615-7562 or Drew Broughton at 780-945-4762.

Yours truly,

"*Drew Broughton"*

Drew Broughton, Partner

EXHIBIT 19

THIS IS **EXHIBIT "19"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

CDN.$290,000,000 REVOLVING CREDIT FACILITIES

AMENDED AND RESTATED CREDIT AGREEMENT

BETWEEN

CALFRAC WELL SERVICES LTD.
as Borrower

AND

HSBC BANK CANADA,
ATB FINANCIAL,
ROYAL BANK OF CANADA,
CANADIAN IMPERIAL BANK OF COMMERCE,
EXPORT DEVELOPMENT CANADA,
THE BANK OF NOVA SCOTIA
and such other persons as become parties hereto as lenders
as Lenders

AND

HSBC BANK CANADA
as Agent of the Lenders

AMENDED AND RESTATED AS OF •, 2020

HSBC Bank Canada
as Lead Arranger and Sole Bookrunner

HSBC Bank Canada
as Administration Agent

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AMENDED AND RESTATED CREDIT AGREEMENT

AMENDED AND RESTATED CREDIT AGREEMENT

THIS AGREEMENT originally made as of September 29, 2009, amended and restated as of December 22, 2009, further amended and restated as of September 27, 2011, further amended and restated as of October 10, 2012, further amended and restated as of February 18, 2015, further amended and restated as of September 27, 2017, further amended and restated as of April 30, 2019 and further amended and restated as of •, 2020

B E T W E E N:

CALFRAC WELL SERVICES LTD., a corporation existing under the laws of the Province of Alberta (hereinafter sometimes referred to as the "**Borrower**"),

OF THE FIRST PART,

- and -

HSBC BANK CANADA, ATB FINANCIAL, ROYAL BANK OF CANADA, CANADIAN IMPERIAL BANK OF COMMERCE, EXPORT DEVELOPMENT CANADA and THE BANK OF NOVA SCOTIA together with such other persons as become parties hereto as lenders, (hereinafter sometimes collectively referred to as the "**Lenders**" and sometimes individually referred to as a "**Lender**"),

OF THE SECOND PART,

- and -

HSBC BANK CANADA, a Canadian chartered bank, as agent of the Lenders hereunder (hereinafter referred to as the "**Agent**"),

OF THE THIRD PART.

WHEREAS the Borrower, certain of the Lenders and the Agent executed and delivered the credit agreement made as of September 29, 2009, as amended and restated as of December 22, 2009, as further amended and restated as of September 27, 2011 and as further amended and restated as of October 10, 2012 (the "**Original Credit Agreement**");

AND WHEREAS the Borrower, the Lenders and the Agent executed and delivered an amendment and restatement of the Original Credit Agreement pursuant to the amended and restated credit agreement made as of February 18, 2015, as amended and restated as of September 27, 2017 and as further amended and restated as of April 30, 2019 (as further amended and supplemented to the date hereof, the "**Existing Credit Agreement**");

AND WHEREAS the parties hereto have agreed to amend and restate the Existing Credit Agreement on the terms and conditions hereinafter set forth;

AND WHEREAS the Lenders have agreed to provide the Credit Facilities to the Borrower on the terms and conditions herein set forth;

AND WHEREAS the Lenders wish the Agent to act on their behalf with regard to certain matters associated with the Credit Facilities;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the parties hereto, the parties hereto covenant and agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

(1) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

"**2018 Senior Unsecured Note Documentation**" means, collectively, the note indenture, notes, guarantees and other documentation governing the 2018 Senior Unsecured Notes.

"**2018 Senior Unsecured Notes**" means the senior unsecured notes of Calfrac LP in the maximum aggregate amount of U.S.$650,000,000 due 2026 and issued and outstanding pursuant to an indenture dated on or about May 30, 2018 and other related documentation.

"**2020 1.5 Lien Intercreditor Agreement**" the intercreditor and priority agreement dated as of •, 2020 between, the Agent, Computershare Trust Company of Canada, the Borrower, Calfrac U.S. and Calfrac LP in respect of the 2020 1.5 Lien Notes.

"**2020 1.5 Lien Note Documentation**" means, collectively, the note indenture, supplemental indentures, notes, guarantees, security documents, the 2020 1.5 Lien Intercreditor Agreement and the other documentation governing the 2020 1.5 Lien Notes.

"**2020 1.5 Lien Convertible Notes**" means the 10% payment-in-kind convertible secured notes of the Borrower in the initial maximum aggregate amount of Cdn.$60,000,000 due 2023 and issued and outstanding pursuant to an indenture and supplemental indenture each dated on or about •, 2020 and other related documentation.

"**2020 1.5 Lien Non-Convertible Notes**" means the 10% payment-in-kind non-convertible secured notes of the Borrower in the initial maximum aggregate amount of Cdn.$10,000,000 due 2022 and issued and outstanding pursuant to an indenture and supplemental indenture each dated on or about •, 2020 and other related documentation.

"**2020 1.5 Lien Notes**" means, collectively, the 2020 1.5 Lien Convertible Notes and the 2020 1.5 Lien Non-Convertible Notes.

"**2020 Second Lien Intercreditor Agreement**" the intercreditor and priority agreement dated as of February 14, 2020 between, the Agent, Wilmington Trust, National Association, the Borrower, Calfrac U.S. and Calfrac LP in respect of the 2020 Second Lien Notes.

"**2020 Second Lien Note Documentation**" means, collectively, the note indenture, notes, guarantees, security documents, the 2020 Second Lien Intercreditor Agreement and the other documentation governing the 2020 Second Lien Notes.

"**2020 Second Lien Notes**" means the 10.875% secured notes of Calfrac LP in the maximum aggregate amount of U.S.$120,000,100 due 2026 and issued and outstanding pursuant to an indenture dated on or about February 14, 2020 and other related documentation.

"**Acceleration Notice**" means a written notice delivered by the Agent to the Borrower pursuant to Section 12.2 declaring all Obligations of the Borrower outstanding hereunder to be due and payable.

"**Acceptable Insured Receivables**" means, with respect to the Borrower and its Subsidiaries which have provided Security, the accounts receivable owing from Account Debtors which are located outside of Canada or the United States of America and which are insured for payment by Export Development Canada (or such other insurer acceptable to the Agent, acting reasonably); provided that (i) the Borrower has provided the Agent the insurance policy covering such accounts receivable, (ii) such insurance policy is acceptable to the Agent, acting reasonably, and (iii) the Borrower and its Subsidiaries are in compliance with all the terms and provisions of such insurance.

"**Account Debtor**" means a person who is obligated to pay or perform on or under any Account Receivable or a person who is obligated to pay or perform on or under any Acceptable Insured Receivable, as applicable.

"**Account Receivable**" means any right of the Borrower or a Subsidiary which has provided Security to payment for goods sold or leased or for services rendered in the ordinary course of business from Account Debtors which are located in Canada or the United States of America.

"**Accounting Change**" has the meaning set out in Section 1.4(2)(b).

"**Accounting Change Notice**" has the meaning set out in Section 1.4(2)(b).

"**Additional Compensation**" has the meaning set out in Section 13.3(1).

"**Adjustment Time**" means the time of occurrence of the last event necessary (being either the delivery of a Demand for Payment or the occurrence of a Termination Event) to ensure that all Obligations, Bank Product Obligations and Financial Instrument Obligations under any Lender Financial Instruments are thereafter due and payable.

"**Advance**" means an advance of funds made by the Lenders or by any one or more of them to the Borrower (including by way of overdraft under the Operating Facility), but does not include any Conversion or Rollover.

"**Affected Loan**" has the meaning set out in Section 13.4.

"**Affiliate**" means any person which, directly or indirectly, controls, is controlled by or is under common control with another person; and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under common control with") means the power to direct or cause the direction of the management and policies of any person, whether through the ownership of shares or by contract or otherwise.

"**Agency Fee Agreement**" means the amended and restated agency fee agreement dated as of September 27, 2017 granted by the Borrower in favour of the Agent respecting the payment of certain fees and other amounts to the Agent for its own account.

"**Agent's Accounts**" means the following accounts maintained by the Agent to which payments and transfers under this Agreement are to be effected:

(a) for Canadian Dollars:

HSBC Bank Canada
SWIFT: HKBCCATT
Cdn$ Account No.: (10)825-930405-010
Favour: HSBC Bank Canada
Ref: Calfrac Well Services Ltd.
Attn: Agency Services; and

(b) for United States Dollars:

SWIFT: CITIUS33
Account: 36351304
ABA: 021000089

Beneficiary: HSBC Bank Canada
SWIFT: HKBCCATT
US$ Account No.: (10)825-930405-020
Favour: HSBC Bank Canada
Ref: Calfrac Well Services Ltd.
Attn: Agency Services

or such other account or accounts as the Agent may from time to time designate by notice to the Borrower and the Lenders.

"**Agreement**" means this amended and restated credit agreement, as the same may be further amended, modified, supplemented or restated from time to time in accordance with the provisions hereof.

"**Anti-Money Laundering Laws**" means the USA Patriot Act; the Trading with the Enemy Act, and each of the foreign assets control regulations of the United States Treasury Department and any other enabling legislation or executive order relating thereto; the U.S. Money Laundering Control Act of 1986 and the regulations and rules promulgated thereunder, as amended from time

to time and any other federal or state laws relating to "know your customer" rules and regulations; the U.S. Bank Secrecy Act and the regulations and rules promulgated thereunder, as amended from time to time; and corresponding laws of (a) the European Union designed to combat money laundering and terrorist financing and (b) jurisdictions in which the Borrower operates or in which the proceeds of the Loans will be used or from which repayments of the Obligations will be derived including *the Canadian Proceeds of Crime (Money Laundering) and the Terrorism Financing Act* and the regulations promulgated thereunder.

"**Applicable Laws**" or "**applicable law**" means, in relation to any person, transaction or event:

(a) all applicable provisions of laws, statutes, rules and regulations from time to time in effect of any Governmental Authority; and

(b) all Governmental Authorizations to which the person is a party or by which it or its property is bound or having application to the transaction or event.

"**Applicable Pricing Rate**" as regards any Loan or the standby fees payable in accordance with Section 5.6, means, subject expressly to Section 10.4(a), when the Funded Debt to EBITDA Ratio is one of the following, the percentage rate per annum set forth opposite such ratio in the column applicable to the type of Loan in question or such standby fee:

Tier	**Funded Debt to EBITDA Ratio**	**Margin on Canadian Prime Rate Loans and U.S. Base Rate Loans**	**Margin on LIBOR Loans, Acceptance Fees for Bankers' Acceptances and Issuance Fees for Letters of Credit**	**Standby Fees on each Credit Facility**
I	less than 1.00:1.00	1.00% per annum	2.00% per annum	0.4000% per annum
II	equal to or greater than 1.00:1.00 and less than 1.50:1.00	1.25% per annum	2.25% per annum	0.4500% per annum
III	equal to or greater than 1.50:1.00 and less than 2:00:1.00	1.50% per annum	2.50% per annum	0.5000% per annum
IV	equal to or greater than 2:00:1.00 and less than 2:50:1.00	1.75% per annum	2.75% per annum	0.5500% per annum
V	equal to or greater than 2:50:1.00 and less than 3.00:1.00	2.00% per annum	3.00% per annum	0.6000% per annum
VI	equal to or greater than 3:00:1.00 and less than 3.50:1.00	3.00% per annum	4.00% per annum	0.8000% per annum

VII	equal to or greater than 3:50:1.00	3.50% per annum	4.50% per annum	0.9000% per annum

provided that:

(a) notwithstanding that the Applicable Pricing Rate is based upon the Funded Debt to EBITDA Ratio, if:

(i) the Total Debt to EBITDA Ratio exceeds 4.00:1.00, the above rates per annum applicable to Loans and standby fees shall be set at the following until such time as the Borrower has delivered to the Agent a Compliance Certificate certifying that the Total Debt to EBITDA Ratio is less than or equal to 4.00:1.00:

(A) in the case of Canadian Prime Rate Loans and U.S. Base Rate Loans, 3.50% per annum;

(B) in the case of LIBOR Loans, acceptance fees for Bankers' Acceptances and issuance fees for Letters of Credit, 4.50% per annum; and

(C) in the case of standby fees on each Credit Facility, 0.900% per annum; and

(ii) the Total Debt to EBITDA Ratio exceeds 3.00:1.00 but is less than or equal to 4.00:1.00, the above rates per annum applicable to Loans and standby fees shall be set at the following until such time as the Borrower has delivered to the Agent a Compliance Certificate certifying that the Total Debt to EBITDA Ratio is less than or equal to 3.00:1.00:

(A) in the case of Canadian Prime Rate Loans and U.S. Base Rate Loans, 3.00% per annum;

(B) in the case of LIBOR Loans, acceptance fees for Bankers' Acceptances and issuance fees for Letters of Credit, 4.00% per annum; and

(C) in the case of standby fees on each Credit Facility, 0.800% per annum;

(b) without duplication of (c) below, upon the occurrence of an Event of Default, the above rates per annum applicable to Loans shall each increase (as applicable) by 2.00% per annum if and for so long as the Event of Default subsists;

(c) without duplication of (b) above, from and after three (3) days following the date of delivery to the Agent of a notice of a Borrowing Base Shortfall, the above rates per annum applicable to Loans under the Credit Facilities shall each increase by 2.00% per annum if and for so long as the Borrowing Base Shortfall subsists;

(d) the above rates per annum applicable to Libor Loans are expressed on the basis of a year of 360 days;

(e) the above rates per annum applicable to all other Loans are expressed on the basis of a year of 365 days;

(f) issuance fees for Letters of Credit which are not "direct credit substitutes" (as determined by the Operating Lender or the Fronting Lender, as applicable, acting reasonably) within the meaning of the Capital Adequacy Requirements shall be 66⅔% of the rate specified above; and

(g) changes in the Applicable Pricing Rate shall be effective in accordance with Section 8.7.

"**Approved Securities**" means obligations maturing within one year from their date of purchase or other acquisition by the Borrower or a Subsidiary and which are, directly or indirectly (including through a money market fund administered by the Agent):

(a) issued by the Government of Canada or the United States of America or an instrumentality or agency thereof and guaranteed fully as to principal, premium, if any, and interest by the Government of Canada or the United States of America;

(b) issued by a province of Canada or a state of the United States of America, or an instrumentality or agency thereof, which has a long term debt rating of at least A by S&P, A2 by Moody's, or A by DBRS; or

(c) term deposits, guaranteed investment certificates, certificates of deposit, bankers' acceptances or bearer deposit notes, in each case, of any Canadian chartered bank or other Canadian financial institution or any bank or other financial institution incorporated under the laws of the United States of America or any state thereof which has a long term debt rating of at least A+ by S&P, A1 by Moody's, or A (high) by DBRS.

"**Arrangement Agreement**" has the meaning set out in Section 3.2(n).

"**Assigned Interests**" has the meaning set out in Section 2.20.

"**Assignment Agreement**" means an assignment agreement substantially in the form of Schedule B annexed hereto, with such modifications thereto as may be required from time to time by the Agent, acting reasonably.

"**Attributable Debt**" means, in respect of any lease (excluding any lease characterized as an operating lease under generally accepted accounting principles as in effect on December 31, 2018 entered into in the ordinary course of business) entered into by a person or a Subsidiary thereof as lessee, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with generally accepted accounting principles) of the lease payments of the lessee, including all rent and payments to be made by the lessee in connection with the return of the leased property, during the remaining term of the lease (including any period for which such lease has

been extended or may, at the option of the lessor, be extended) but excluding for certainty, (a) amounts required to be paid on account of insurance, taxes, assessments, utility, operating and labour costs and similar charges and (b) amounts payable by a lessee in connection with the exercise of any end of term purchase option, early buy out option or any similar amounts payable at the election of the lessee.

"**BA Discount Rate**" means:

(a) in relation to a Bankers' Acceptance accepted by a Schedule I Lender, the CDOR Rate;

(b) in relation to a Bankers' Acceptance accepted by a Schedule II Lender or Schedule III Lender, the lesser of:

(i) the Discount Rate then applicable to bankers' acceptances accepted by such Schedule II Lender or Schedule III Lender; and

(ii) the CDOR Rate plus 0.10% per annum,

provided that if both such rates are equal, then the "BA Discount Rate" applicable thereto shall be the rate specified in (i) above; and

(c) in relation to a BA Equivalent Advance:

(i) made by a Schedule II Lender or Schedule III Lender, the rate determined in accordance with subparagraph (b) of this definition; and

(ii) made by any other Lender, the CDOR Rate.

"**BA Equivalent Advance**" means, in relation to a Drawdown of, Conversion into or Rollover of Bankers' Acceptances, an advance in Canadian Dollars made by a Non-Acceptance Lender as part of such Loan.

"**Bail-In Action**" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"**Bail-In Legislation**" means with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"**Bankers' Acceptance**" means a draft in Canadian Dollars drawn by the Borrower, accepted by a Lender and issued for value pursuant to this Agreement.

"**Banking Day**" means, in respect of a Libor Loan, a day on which banks are open for business in Calgary, Alberta, Toronto, Ontario, New York, New York and London, England, and, for all other purposes, shall mean a day on which banks are open for business in Calgary, Alberta, Toronto, Ontario and New York, New York, but does not in any event include a Saturday or a Sunday.

"**Bank Product Affiliates**" means any Affiliate of a Lender which provides a Bank Product.

"**Bank Products**" means any facilities or services related to cash management, including treasury, depository, overdraft, credit or debit card, purchase card, electronic funds transfer, cash pooling and other cash management arrangements and commercial credit card and merchant card services provided to the Borrower or any of its Subsidiaries by any Lender or its Affiliates.

"**Bank Product Obligations**" means all obligations of the Borrower and its Subsidiaries arising under or in connection with Bank Products.

"**Basel III**" means the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking system", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision on 16 December 2010, each as amended, supplemented or restated from time to time.

"**Benchmark Replacement**" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by the Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the Libor Rate for syndicated credit facilities with United States Dollars denominated loans and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the Libor Rate with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Libor Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Libor Rate with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities with United States Dollars denominated loans at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "U.S. Base Rate," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice

for the administration of the Benchmark Replacement exists, in such other manner of administration as the Agent decides is reasonably necessary in connection with the administration of this Agreement).

"**Benchmark Replacement Date**" means the earlier to occur of the following events with respect to the Libor Rate:

(a) in the case of subparagraphs (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of the Libor Rate permanently or indefinitely ceases to provide the Libor Rate; or

(b) in the case of subparagraph (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the Libor Rate:

(a) a public statement or publication of information by or on behalf of the administrator of the Libor Rate announcing that such administrator has ceased or will cease to provide the Libor Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Libor Rate;

(b) a public statement or publication of information by the regulatory supervisor for the administrator of the Libor Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the Libor Rate, a resolution authority with jurisdiction over the administrator for the Libor Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the Libor Rate, which states that the administrator of the Libor Rate has ceased or will cease to provide the Libor Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Libor Rate; or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of the Libor Rate announcing that the Libor Rate is no longer representative.

"**Benchmark Transition Start Date**" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Agent or the Majority of the Lenders, as applicable, by notice to the Borrower, the Agent (in the case of such notice by the Majority of the Lenders) and the Lenders.

"**Benchmark Unavailability Period**" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the Libor Rate and solely to the extent that the Libor Rate has not been replaced with a Benchmark Replacement, the period (a) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the Libor Rate for all purposes hereunder in accordance with Section 13.6 and (b) ending at the time that a Benchmark Replacement has replaced the Libor Rate for all purposes hereunder pursuant to Section 13.6.

"**Borrowing Base**" means, without duplication, the amount in Canadian Dollars equal to the aggregate of:

(a) 75% of all Eligible Accounts Receivable owing by Account Debtors (i) rated BB+ or lower by S&P or the equivalent by a similar rating agency or (ii) not rated by S&P or any similar rating agency;

(b) 85% of all Eligible Accounts Receivable owing by Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency (and such other Account Debtors as are otherwise agreed to by the Borrower and the Majority of the Lenders, acting reasonably, at the request of the Borrower which is permitted up to one time per fiscal quarter);

(c) to the extent not included in subparagraphs (a) or (b) above, 85% of Acceptable Insured Receivables;

(d) 25% of the net book value of the property, plant and equipment (excluding property, plant and equipment (i) under construction and (ii) which are included in joint ventures unless title to such property, plant and equipment remains solely with the Borrower or the applicable Subsidiary and the Borrower or the applicable Subsidiary have the unfettered right to remove such property, plant and equipment from the joint venture in its sole discretion) of the Borrower and its Subsidiaries which have provided Security which property, plant and equipment is located in Canada and the United States of America and over which the Agent and the Lenders have a first ranking perfected Security Interest (and for the purposes of this provision the Lenders shall be deemed to have a first ranking perfected Security Interest over property, plant and equipment owned by the Borrower or any such Subsidiary which has granted Security which is located in the United States of America consisting of Titled Assets), provided that such property, plant and equipment shall only be included in the determination of the Borrowing Base up to a maximum of Cdn.$150,000,000; and

(e) 100% of Unencumbered Cash,

less:

(i) an amount equal to all due and payable but unpaid statutory source deductions of the Borrower and its Subsidiaries who have provided Security;

(ii) an amount equal to all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of the Borrower and its Subsidiaries who have provided Security; and

(iii) any other claims ranking in priority to the Security.

"**Borrowing Base Certificate**" means a report and certificate of the Borrower substantially in the form annexed hereto as Schedule I which, *inter alia*, provides:

(a) a calculation of the net book value of the property, plant and equipment of the Borrower and its Subsidiaries which have provided Security located in Canada or the United States of America subject to the exclusions contained in subparagraph (d) of the definition of "Borrowing Base" which assets are not included in the determination of the Borrowing Base;

(b) a summary of all Accounts Receivable and corresponding and offsetting accounts payable of the Borrower and its Subsidiaries which have provided Security from Account Debtors located in Canada or the United States of America as of the relevant calendar month end (including particulars of all Account Debtors and the age of such Accounts Receivable) which summary shall provide details of any Eligible Accounts Receivable subject to a *bona fide* dispute between the Account Debtor and the Borrower;

(c) evidence satisfactory to the Agent, acting reasonably, that all Acceptable Insured Receivables listed in the Borrowing Base Certificate are permitted pursuant to the definition of Acceptable Insured Receivables;

(d) a summary of all Unencumbered Cash;

(e) a summary of all due and payable but unpaid statutory source deductions, all due and payable but unpaid wages, vacation pay and other compensation for services rendered by employees of the Borrower and the Subsidiaries which have provided Security and any other claims ranking in priority to the Security; and

(f) the Borrower's calculation of the Borrowing Base as at the applicable calendar month end (including particulars of the basis on which the Borrower has made such calculation) together with a certificate of the Borrower certifying such calculation and the Borrowing Base; provided that it is acknowledged and agreed that the Lenders may re-determine the Borrowing Base in accordance with Section 2.23.

"**Borrowing Base Notice**" has the meaning set out in Section 2.23.

"**Borrowing Base Shortfall**" has the meaning set out in Section 2.23.

"**Calfrac LP**" means Calfrac Holdings LP, a limited partnership formed under the laws of the State of Delaware.

"**Calfrac U.S**." means Calfrac Well Services Corp., a corporation incorporated under the laws of the State of Colorado.

"**Canadian Dollars**" and "**Cdn.$**" mean the lawful money of Canada.

"**Canadian Prime Rate**" means, for any day, the greater of:

(a) the rate of interest per annum established from time to time by the Agent or the Operating Lender, as applicable, as the reference rate of interest for the determination of interest rates that the Agent or Operating Lender, as applicable, will charge to customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans in Canada; and

(b) the rate of interest per annum equal to the average annual yield rate for one month Canadian Dollar bankers' acceptances (expressed for such purpose as a yearly rate per annum in accordance with Section 5.4) which rate is shown on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) at 10:00 a.m. (Toronto time) on such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, plus 1.00% per annum,

provided that if both such rates are equal or if such one month bankers' acceptance rate is unavailable for any reason on any date of determination, then the "Canadian Prime Rate" shall be the rate specified in (a) above.

"**Canadian Prime Rate Loan**" means an Advance in, or Conversion into, Canadian Dollars made by the Lenders (or any of them) to the Borrower with respect to which the Borrower has specified or a provision hereof requires that interest is to be calculated by reference to the Canadian Prime Rate.

"**Capital Adequacy Requirements**" means Guideline A, effective November 2018 / January 2019, entitled "Capital Adequacy Requirement (CAR) – Simpler Approaches" and Guideline A-I, dated April 2014, entitled "Capital Adequacy Requirements (CAR)" each issued by the Office of the Superintendent of Financial Institutions Canada and all other guidelines or requirements relating to capital adequacy issued by the Office of the Superintendent of Financial Institutions Canada or any other Governmental Authority regulating or having jurisdiction with respect to any Lender, as amended, modified, supplemented, reissued or replaced from time to time.

"**Capital Expenditures**" means, for any period, any expenditure made by any person for the purchase, lease, license, erection, development, improvement, construction, repair or replacement of capital assets, and any expenditure pursuant to a capital lease or any other expenditure required to be capitalized, all as determined in accordance with generally accepted accounting principles.

"**Capitalization**" means, as at any date of determination, without duplication, the sum of (a) Equity and (b) all outstanding Total Debt, as determined for the Borrower and its Subsidiaries on a consolidated basis.

"**Cash Collateral**" has the meaning set out in Section 2.17.

"**Cash Collateral Account**" has the meaning set out in Section 2.17.

"**CDOR Rate**" means, on any date which Bankers' Acceptances are to be issued pursuant hereto, the per annum rate of interest which is the rate determined as being the arithmetic average of the annual yield rates applicable to Canadian Dollar bankers' acceptances having identical issue and comparable maturity dates as the Bankers' Acceptances proposed to be issued by the Borrower displayed and identified as such on the display referred to as the "CDOR Page" (or any display substituted therefor) of Reuters Limited (or any successor thereto or Affiliate thereof) as at approximately 10:00 a.m. (Toronto time) on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day (as adjusted by the Agent or the Operating Lender, as applicable, in good faith after 10:00 a.m. (Toronto time) to reflect any error in a posted rate or in the posted average annual rate); provided, however, if such a rate does not appear on such CDOR Page, then the CDOR Rate, on any day, shall be the Discount Rate quoted by the Agent or the Operating Lender, as applicable, (determined as of 10:00 a.m. (Toronto time) on such day) which would be applicable in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity dates to the Bankers' Acceptances proposed to be issued by the Borrower on such day, or if such day is not a Banking Day, then on the immediately preceding Banking Day; provided that, if the rate determined above shall ever be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"**CDOR Scheduled Unavailability Date**" has the meaning set out in Section 13.7(1)(a).

"**CDOR Successor Rate**" has the meaning set out in Section 13.7(1).

"**Change of Control**" means and shall be deemed to have occurred if and when:

(a) any person or persons "acting jointly or in concert" (within the meaning ascribed to such phrase in the Multi-Lateral Instrument 62-104 - Take-Over Bids and Issuer Bids) shall beneficially own, directly or indirectly, Voting Shares in the capital of the Borrower which have or represent more than 50% of all of the votes entitled to be cast by shareholders for an election of the board of directors of the Borrower;

(b) other than in the case of a Permitted Replacement, individuals who were elected as members of the board of directors of the Borrower by the most recent resolutions of the shareholders of the Borrower shall no longer constitute a majority of the board of directors of the Borrower at any time prior to the next following resolutions of the shareholders of the Borrower relating to the election of the same; or

(c) other than in the case of a Permitted Replacement, individuals who were members of the board of directors of the Borrower immediately prior to resolutions of the shareholders of the Borrower relating to the election of directors shall not constitute a majority of the board of directors following such election.

"**clearing house**" has the meaning set out in Section 6.4.

"**Closing Date Distribution**" has the meaning set out in Section 10.4(e).

"**Closing Date Drawdown Amount**" mean the amount of the Advance on the Syndicated Facility requested by the Borrower to be used in connection with the Closing Date Distribution which shall promptly be repaid by the Borrower with the proceeds of the 2020 1.5 Lien Non-Convertible Notes.

"**Collateral Investment**" has the meaning set out in Section 2.17.

"**Commitment**" means a Syndicated Facility Commitment or an Operating Facility Commitment.

"**Commodity Exchange Act**" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"**Common Share Proceeds**" has the meaning set out in Section 10.3(2).

"**Compliance Certificate**" means a certificate of the Borrower signed on its behalf by the president, chief financial officer, vice president finance or treasurer of the Borrower, substantially in the form annexed hereto as Schedule C, to be given to the Agent and the Lenders by the Borrower pursuant hereto.

"**Consolidated Net Tangible Assets**" means, as at any date of determination, all consolidated assets of the Borrower as shown in a consolidated balance sheet of the Borrower for such date, less the aggregate of the following amounts reflected upon such balance sheet:

(a) all goodwill, deferred assets, trademarks, copyrights and other similar intangible assets;

(b) to the extent not already deducted in computing such assets and without duplication, depreciation, depletion, amortization, reserves and any other account which reflects a decrease in the value of an asset or a periodic allocation of the cost of an asset; provided that no deduction shall be made under this subparagraph (b) to the extent that such account reflects a decrease in value or periodic allocation of the cost of any asset referred to in subparagraph (a) above; and

(c) non-controlling interests in a person not directly or indirectly owned or held by the Borrower or one of its Subsidiaries,

all as determined in accordance with generally accepted accounting principles.

"**Conversion**" means a conversion or deemed conversion of a Loan under a given Credit Facility into another type of Loan under the same Credit Facility pursuant to the provisions hereof, provided that, subject to Section 2.8 and to Article 6 with respect to Bankers' Acceptances, the conversion of a Loan denominated in one currency to a Loan denominated in another currency shall be effected by repayment of the Loan or portion thereof being converted in the currency in which it was denominated and readvance to the Borrower of the Loan into which such conversion was made.

"**Conversion Date**" means the date specified by the Borrower as being the date on which the Borrower has elected to convert, or this Agreement requires the conversion of, one type of Loan into another type of Loan and which shall be a Banking Day.

"**Conversion Notice**" means a notice substantially in the form annexed hereto as Schedule D to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

"**Covenant Relief Period**" mean, the period commencing on the date hereof and terminating on the earlier of:

(a) the Quarter End December 31, 2021 (to the extent the Borrower has delivered a Compliance Certificate certifying compliance with the financial covenants applicable as at such Quarter End);

(b) any prior Quarter End for which the Borrower has requested, in writing, the early termination of the Covenant Relief Period and has delivered a Compliance Certificate certifying:

(i) compliance with the applicable financial covenants contained in Section 10.3 as at such Quarter End;

(ii) the Funded Debt to EBITDA Ratio of less than or equal to 3.00:1.00 as at such Quarter End;

(iii) the truth and accuracy of the representations and warranties contained in Section 9.1; and

(iv) that no Default or Event of Default has occurred and is continuing or would occur immediately after termination of the Covenant Relief Period; or

(c) to the extent subparagraphs (a) and (b) do not apply, any subsequent Quarter End for which the Borrower has delivered a Compliance Certificate certifying compliance with the financial covenants applicable as at such subsequent Quarter End.

"**Credit Card Obligations**" means all obligations to the Lenders and the Bank Product Affiliates arising under corporate credit cards of the Borrower and the Material Subsidiaries.

"**Credit Facilities**" means, collectively, the Syndicated Facility and the Operating Facility, and "**Credit Facility**" means either one of such credit facilities.

"**Currency Excess**" has the meaning set out in Section 2.18.

"**Currency Excess Deficiency**" has the meaning set out in Section 2.18.

"**Currency Hedging Agreement**" means any currency swap agreement, cross currency agreement, forward agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by the Borrower or a

Subsidiary where the subject matter of the same is currency exchange rates or the price, value or amount payable thereunder is dependent or based upon currency exchange rates or fluctuations in currency exchange rates as in effect from time to time.

"**Current Assets**" and "**Current Liabilities**" mean the consolidated current assets and consolidated current liabilities (excluding the current portion of long term liabilities), respectively, of the Borrower and its Subsidiaries determined in accordance with generally accepted accounting principles as the same would be set forth or reflected on a consolidated balance sheet of the Borrower.

"**DBNA**" has the meaning set out in Section 6.4.

"**DBRS**" means DBRS Limited and any successors thereto.

"**Default**" means any event or condition which, with the giving of notice, lapse of time or upon a declaration or determination being made (or any combination thereof), would constitute an Event of Default.

"**Defaulting Lender**" means any Lender:

(a) that has failed to fund any payment or its portion of any Loan required to be made by it hereunder or to purchase any participation required to be purchased by it hereunder and under the other Documents;

(b) that has notified the Borrower, the Agent or any Lender (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;

(c) that has failed, within 3 Banking Days after request by the Agent, to confirm that it will comply with the terms of this Agreement relating to its obligations to fund prospective Loans;

(d) that has otherwise failed to pay over to the Agent, the Fronting Lender or any other Lender any other amount required to be paid by it hereunder within 3 Banking Days of the date when due, unless the subject of a good faith dispute;

(e) in respect of which a Lender Insolvency Event or a Lender Distress Event has occurred in respect of such Lender or its Lender Parent;

(f) that has, or that has a Lender Parent that has, become the subject of a Bail-In Action; or

(g) with respect to which the Agent has concluded, acting reasonably, and has advised the Lenders in writing, that it is of the view that there is a reasonable chance that such Lender shall become a Defaulting Lender pursuant to subparagraphs (a)to (f), inclusive, of this definition.

"**Demand for Payment**" means an Acceleration Notice or a Financial Instrument Demand for Payment.

"**Departing Agent**" has the meaning set out in Section 11.8.

"**Disclosed Litigation Matters**" means the outstanding litigation claims in Greece of each of Avenides, Papameris, Hainas and Iknainish relating to the Greek oil and gas operations indirectly conducted by the Borrower's predecessor, Denison Energy Inc., and which are described in the notes to the Borrower's most recent publicly released financial statements.

"**Discount Proceeds**" means the net cash proceeds to the Borrower from the sale of a Bankers' Acceptance pursuant hereto or, in the case of BA Equivalent Advances, the amount of a BA Equivalent Advance at the BA Discount Rate, in any case, before deduction or payment of the fees to be paid to the Lenders under Section 6.2.

"**Discount Rate**" means, with respect to the issuance of a bankers' acceptance, the rate of interest per annum, calculated on the basis of a year of 365 days, (rounded upwards, if necessary, to the nearest whole multiple of $1/100^{th}$ of one percent) which is equal to the discount exacted by a purchaser taking initial delivery of such bankers' acceptance, calculated as a rate per annum and as if the issuer thereof received the discount proceeds in respect of such bankers' acceptance on its date of issuance and had repaid the respective face amount of such bankers' acceptance on the maturity date thereof.

"**Distribution**" means:

(a) the declaration, payment or setting aside for payment of any dividend or other distribution on or in respect of any shares in the capital of the Borrower (including any return of capital); or

(b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any shares in the capital of the Borrower or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for shares in the capital thereof, including, without limitation, options, warrants, conversion or exchange privileges and similar rights,

and whether any of the foregoing is made, paid or satisfied in or for cash, property or any combination thereof.

"**Documents**" means this Agreement, the Security, the Agency Fee Agreement, the Fee Letter, the 2020 Second Lien Intercreditor Agreement, the 2020 1.5 Lien Intercreditor Agreement and all certificates, notices, instruments and other documents delivered or to be delivered to the Agent, the Operating Lender or the Lenders, or each, in relation to the Credit Facilities pursuant hereto or thereto and, when used in relation to any person, the term "Documents" shall mean and refer to the Documents executed and delivered by such person.

"**Drafts**" means drafts, bills of exchange, receipts, acceptances, demands and other requests for payment drawn or issued under a Letter of Credit.

"**Drawdown**" means:

(a) an Advance of a Canadian Prime Rate Loan, U.S. Base Rate Loan or Libor Loan;

(b) the issue of Bankers' Acceptances (or the making of a BA Equivalent Advance in lieu thereof) other than as a result of Conversions or Rollovers; or

(c) the issue of Letters of Credit

"**Drawdown Date**" means the date on which a Drawdown is made by the Borrower pursuant to the provisions hereof and which shall be a Banking Day.

"**Drawdown Notice**" means a notice substantially in the form annexed hereto as Schedule E to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

"**Early Opt-in Election**" means the occurrence of:

(a) a determination by the Agent or a notification by the Majority of the Lenders to the Agent (with a copy to the Borrower) that the Majority of the Lenders have determined syndicated credit facilities with United States Dollar denominated loans being executed at such time, or that include language similar to that contained in Section 13.6 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the Libor Rate, and

(b) the election by the Agent or the election by the Majority Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Agent of written notice of such election to the Borrower and the Lenders or by the Majority of the Lenders of written notice of such election to the Agent.

"**EBITDA**" of the Borrower in any financial period means the Net Income for such period, plus (in each case, on a consolidated basis):

(a) Interest Expense, to the extent deducted in determining Net Income;

(b) all amounts deducted in the calculation of Net Income in respect of the provision for income taxes (in accordance with generally accepted accounting principles);

(c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including depletion, depreciation, amortization and deferred taxes;

(d) losses attributable to non-controlling interests and extraordinary and non-recurring losses, costs and expenses of the Borrower (including all one-time costs incurred in connection with the disposition of assets or shares and restructuring costs), in each case, to the extent deducted in the calculation of Net Income;

(e) all amounts which would otherwise constitute EBITDA which are attributable to (i) assets acquired in such period or (ii) shares or other ownership interests in a person which becomes a Subsidiary of the Borrower acquired in such period; and

(f) non-cash stock-based compensation;

less (in each case, on a consolidated basis):

(g) earnings attributable to non-controlling interests and extraordinary and non-recurring earnings and gains of the Borrower, in each case, to the extent included in the calculation of Net Income;

(h) all cash payments during such period relating to non-cash charges which were added back in determining EBITDA in any prior period; and

(i) EBITDA attributable to (i) assets sold, transferred or otherwise disposed of in such period or (ii) shares or other ownership interests in a Subsidiary of the Borrower sold, transferred or otherwise disposed of in such period,

provided, however, that EBITDA (as defined above and without duplication) (a) of any Subsidiary whose jurisdiction of incorporation, formation or organization is a jurisdiction other than Canada, the United States of America, the United Mexican States, the Russian Federation, the Republic of Cyprus, Argentina, Colombia, Peru, Brazil, or any other country approved, from time to time, by the Majority of the Lenders, acting reasonably, (or any province, territory, state, district or federal subject thereof); and (b) derived from the operations of the Borrower or any Subsidiary in a jurisdiction other than Canada, the United States of America, the United Mexican States, the Russian Federation, the Republic of Cyprus, Argentina, Colombia, Peru, Brazil or any other country approved, from time to time by the Majority of the Lenders, acting reasonably, shall be excluded from the above calculation of EBITDA for all purposes of this Agreement.

"**EEA Financial Institution**" means:

(a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority;

(b) any entity established in an EEA Member Country which is a parent of an institution described in subparagraph (a) of this definition; or

(c) any institution established in an EEA Member Country which is a subsidiary of an institution described in subparagraph (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"**EEA Member Country**" means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"**EEA Resolution Authority**" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"**Eligible Accounts Receivable**" means an Account Receivable which:

(a) if it arises from the provision of services, such services have been performed for the Account Debtor under such Account Receivable and if it arises from the sale or lease of goods, title to such goods has passed to the Account Debtor under such Account Receivable or such goods have been shipped to the Account Debtor;

(b) is a valid and legally enforceable obligation of the Account Debtor and is not subject to any offset, counter-claim or other defence which has been asserted on the part of such Account Debtor or to any other claim on the part of such Account Debtor denying liability thereunder in full or in part;

(c) is due from an Account Debtor located in Canada or the United States of America or from an Account Debtor located outside of Canada or the United States of America which has been approved in writing by the Lenders, acting reasonably;

(d) is subject to a properly perfected security interest in favour of the Agent and the Lenders and not subject to any other Security Interest whatsoever other than (i) statutory liens and trusts arising by operation of law (and which, for certainty, have not been consensually created) which secure amounts which are neither due nor delinquent and (ii) Security Interests in favour of the holders of the 2020 1.5 Lien Notes and the 2020 Second Lien Notes;

(e) is evidenced by an invoice, purchase or service order or other similar written statement and has payment terms in accordance with the usual practice of the industry rendered to the appropriate Account Debtor, and is not evidenced by any instrument or chattel paper unless all necessary steps have been taken to perfect the security interest contained in such instrument or chattel paper;

(f) (i) with respect to an Account Debtor rated BB+ or lower by S&P or the equivalent by a similar rating agency, or not rated by S&P or any similar rating agency, is not outstanding more than 90 days after the invoice date of the relevant invoice, purchase order or other similar written statement and (ii) with respect to Account Debtors rated BBB- or higher by S&P or the equivalent by a similar rating agency (and such other Account Debtors as are otherwise agreed to by the Borrower and the Majority of the Lenders), is not outstanding more than 120 days after the invoice date of the relevant invoice, purchase order or other similar written statement (any such Account Receivable outstanding more than 90 or 120 days, as applicable, after the invoice date, a "**Delinquent Account Receivable**");

(g) is not owing from an Account Debtor which is Insolvent;

(h) is owing from an Account Debtor which is not an Affiliate of the Borrower or a Subsidiary or, if such Account Debtor is an Affiliate of the Borrower or a Subsidiary, only if such parties are dealing on fair market terms consistent with terms that would be agreed to by arms' length parties;

(i) the Account Debtor of the Account Receivable is not a Governmental Authority except to the extent the Account Receivable is assignable without consent or all necessary consents to assignment have been obtained and all applicable statutory

requirements for consent have been obtained and the Agent is satisfied as to the absence of setoffs, counterclaims and other defenses on the part of such Account Debtor; and

(j) is not, to the Borrower's and its Subsidiaries' actual knowledge, owing from a Sanctioned Person.

provided that:

(i) if Delinquent Accounts Receivable of any Account Debtor and its Affiliates to the Borrower and the Subsidiaries that have provided Security exceed 20% of the total Accounts Receivable owing by such Account Debtor and its Affiliates to the Borrower and its Subsidiaries that have provided Security and such Delinquent Accounts Receivable are not the subject of a *bona fide* dispute between the Account Debtor and the Borrower, then the Agent may, in its reasonable discretion, determine that all the Accounts Receivable of such Account Debtor and its Affiliates will not be Eligible Accounts Receivable; and

(ii) an Account Receivable which is at any time an Eligible Account Receivable, but which subsequently fails to meet any of the foregoing requirements, shall forthwith cease to be an Eligible Account Receivable.

"**Environmental Claims**" means any and all administrative, regulatory or judicial actions, suits, demands, claims, liens, notices of non-compliance or violation, investigations, inspections, inquiries or proceedings relating in any way to any Environmental Laws or to any permit issued under any such Environmental Laws including, without limitation:

(a) any claim by a Governmental Authority for enforcement, clean up, removal, response, remedial or other actions or damages pursuant to any Environmental Laws; and

(b) any claim by a person seeking damages, contribution, indemnification, cost recovery, compensation or injunctive or other relief resulting from or relating to Hazardous Materials, including any Release thereof, or arising from alleged injury or threat of injury to human health or safety (arising from environmental matters) or the environment.

"**Environmental Laws**" means all Applicable Laws with respect to the environment or environmental or public health and safety matters contained in statutes, regulations, rules, ordinances, orders, judgments, approvals, notices, permits or policies, guidelines or directives having the force of law.

"**Equity**" means the consolidated equity attributable to the shareholders of the Borrower and its Subsidiaries determined in accordance with generally accepted accounting principles on a consolidated basis as the same would be set forth or reflected on a consolidated balance sheet of the Borrower.

"**Equivalent Amount**" means, on any date, the equivalent amount in Canadian Dollars or United States Dollars, as the case may be, after giving effect to a conversion of a specified amount of United States Dollars to Canadian Dollars or of Canadian Dollars to United States Dollars, as the case may be, at the rate of exchange for Canadian interbank transactions established by the Bank of Canada and quoted at approximately the end of business (Toronto time) for the day in question or, if such determination is required to made prior to such time, as quoted at approximately the end of business (Toronto time) on the Banking Day immediately preceding the date of determination, or, if such rate is for any reason unavailable, at the spot rate quoted for wholesale transactions by the Agent or the Operating Lender, as applicable, at approximately noon (Toronto time) on that date in accordance with its normal practice.

"**EU Bail-In Legislation Schedule**" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"**Event of Default**" has the meaning set out in Section 12.1.

"**Extending Lender**" has the meaning set out in Section 2.20.

"**FATCA**" means (a) Sections 1471 through 1474 of the U.S. Code, as of the date of this Agreement (or any amended or successor version), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to the foregoing; and (b) any similar law adopted by any non-U.S. Governmental Authority pursuant to an intergovernmental agreement between such non-U.S. jurisdiction and the United States of America.

"**Federal Funds Rate**" means, for any day, the rate of interest per annum equal to (a) the weighted average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the annual rates of interest on overnight Federal funds transactions with members of the Federal Reserve Board of the United States of America (or any successor thereof) arranged by Federal funds brokers on such day, as published on the next succeeding Banking Day by the Federal Reserve Bank of New York (or any successor thereto) or, (b) if such day is not a Banking Day, such weighted average for the immediately preceding Banking Day for which the same is published or, (c) if such rate is not so published for any day that is a Banking Day, the average (rounded upwards, if necessary, to the next 1/100th of one percent per annum) of the quotations for such day on such transactions received by the Agent or the Operating Lender, as applicable, from three Federal funds brokers of recognized standing selected by the Agent or the Operating Lender, as applicable.

"**Federal Reserve Board**" or "**Federal**" means the Board of Governors of the Federal Reserve System of the United States of America or any successor thereof.

"**Fee Letter**" means the fee letter dated as of •, 2020 from the Agent to the Borrower and accepted and agreed to by the Borrower as •, 2020 respecting the payment of certain fees payable to HSBC Bank Canada and the other Lenders.

"**Final Order**" has the meaning set out in Section 3.2(p).

"**Financial Assistance**" means, with respect to any person and without duplication, any loan, Guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase,

equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other person or any obligation (contingent or otherwise) intended to enable another person to incur or pay any Total Debt or to comply with agreements relating thereto or otherwise to assure or protect creditors of the other person against loss in respect of Total Debt of the other person and includes any Guarantee of or indemnity in respect of the Total Debt of the other person and any absolute or contingent obligation to (directly or indirectly):

(a) advance or supply funds for the payment or purchase of any Total Debt of any other person;

(b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any person to make payment of Total Debt or to assure the holder thereof against loss;

(c) guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other person for, from, against or in respect of any losses, liabilities or damages in respect of Total Debt;

(d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof primarily for the purpose of enabling any person to make payment of Total Debt or to assure the holder thereof against loss; or

(e) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another person,

but shall not include endorsements of bills of exchange for collection or deposit in the ordinary course of the business of the Borrower or its Subsidiaries, or, for greater certainty, any performance guarantee provided by the Borrower or any Subsidiary which is not a guarantee of Total Debt.

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Total Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is such determinable amount.

"**Financial Covenant/Term**" has the meaning set out in Section 1.4(2)(b).

"**Financial Instrument**" means any Interest Hedging Agreement or Currency Hedging Agreement.

"**Financial Instrument Demand for Payment**" means a demand made by a Lender or Hedging Affiliate pursuant to a Lender Financial Instrument demanding payment of the Financial Instrument Obligations which are then due and payable relating thereto and shall include, without limitation, any notice under any agreement evidencing a Lender Financial Instrument which, when delivered, would require an early termination thereof and a payment by the Borrower or a Subsidiary in settlement of obligations thereunder as a result of such early termination.

"**Financial Instrument Obligations**" means obligations arising under Financial Instruments entered into by the Borrower or a Subsidiary to the extent of the net amount due or accruing due by the Borrower or such Subsidiary.

"**Former Lender**" has the meaning set out in Section 11.10.

"**Fronted LC**" means a Letter of Credit issued by the Fronting Lender for the account of the Syndicated Facility Lenders.

"**Fronting Lender**" means any Syndicated Facility Lender acceptable to the Borrower who agrees to issue Fronted LCs under the Syndicated Facility (and has executed and delivered an amendment hereto in accordance with Section 7.11(2) hereof).

"**Funded Debt**" means all Total Debt other than (i) the outstanding 2020 Second Lien Notes, (ii) the outstanding 2020 1.5 Lien Notes, and (iii) any Guarantees by the Borrower, Calfrac U.S., Calfrac LP or any other Subsidiary of the outstanding 2020 Second Lien Notes and the outstanding 2020 1.5 Lien Notes.

"**Funded Debt to Capitalization Ratio**" means, as at a Quarter End, the ratio of (a) Funded Debt less Unencumbered Cash, as at such Quarter End to (b) Capitalization.

"**Funded Debt to EBITDA Ratio**" means, as at a Quarter End, the ratio of (a) Funded Debt less Unencumbered Cash, as at such Quarter End to (b) EBITDA for the 12 months ending at such Quarter End.

"**Governmental Authority**" means any federal, provincial, state, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the operation thereof.

"**Governmental Authorization**" means an authorization, order, permit, approval, grant, license, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree or demand or the like issued or granted by law or by rule or regulation of any Governmental Authority.

"**Guarantee**" means any guarantee, undertaking to assume, endorse, contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any obligation of any person; provided that the amount of each Guarantee shall be deemed to be the amount of the obligation guaranteed thereby, unless the Guarantee is limited to a determinable amount in which case the amount of such Guarantee shall be deemed to be the lesser of such determinable amount or the amount of such obligation. For greater certainty, nothing contained in this Agreement shall restrict the ability of the Borrower or any Subsidiary to provide performance guarantees not related to or guaranteeing Total Debt.

"**Hazardous Materials**" means any substance or mixture of substances which, if released into the environment, would likely cause, immediately or at some future time, harm or degradation to the environment or to human health or safety and includes any substance defined as or determined to

be a pollutant, contaminant, waste, hazardous waste, hazardous chemical, hazardous substance, toxic substance or dangerous good under any Environmental Law.

"**Hedging Affiliate**" means any Affiliate of a Lender which enters into Financial Instrument.

"**Hostile Acquisition**" means the acquisition of outstanding securities of any person which constitutes a "take-over bid" pursuant to applicable corporate or securities legislation.

"**IFRS**" means International Financial Reporting Standards including International Accounting Standards and Interpretations together with their accompanying documents which are set by the International Accounting Standards Board, the independent standard-setting body of the International Accounting Standards Committee Foundation (the "**IASC Foundation**"), and the International Financial Reporting Interpretations Committee, the interpretative body of the IASC Foundation.

"**Indemnified Parties**" means, collectively, the Agent and the Lenders, including a receiver, receiver manager or similar person appointed under applicable law, and their respective shareholders, Affiliates, officers, directors, employees and agents, and "**Indemnified Party**" means any one of the foregoing.

"**Indemnified Third Party**" has the meaning set out in Section 14.3.

"**Information**" has the meaning set out in Section 16.1.

"**Insolvent**", in respect of any person, means:

(a) such person is unable to generally pay its debts as such debts become due;

(b) a decree or order of a court of competent jurisdiction is entered adjudging such person a bankrupt under the Bankruptcy and Insolvency Act (Canada), proceedings are commenced in a court of competent jurisdiction in respect of such person under the Winding-up and Restructuring Act (Canada), or any proceeding is commenced with respect to such person under the Companies' Creditors Arrangement Act (Canada);

(c) any case, proceeding or other action shall be instituted in any court of competent jurisdiction against such person, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to such person or of all or any substantial part of its assets, or any other like relief in respect of such person under any bankruptcy or insolvency law and:

(i) such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, or

(ii) such case, proceeding or other action shall continue undismissed, or unstayed and in effect, for any period of 10 consecutive Banking Days; or

(d) such person makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the Bankruptcy and Insolvency Act (Canada) or any comparable law, seeks relief under the Companies' Creditors Arrangement Act (Canada), the Winding-up and Restructuring Act (Canada) or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding.

"**Intellectual Property**" means, collectively, patents, patents pending, copyrights, proprietary processes or programs, industrial designs, trademarks, trademark applications, trade names and other intellectual property of every nature and kind.

"**Interest Expense**" means, for any period, without duplication, interest expense of the Borrower determined on a consolidated basis in accordance with generally accepted accounting principles as the same would be set forth or reflected in a consolidated statement of operations of the Borrower and, in any event and without limitation, shall include:

(a) all interest of the Borrower and its Subsidiaries accrued or payable in respect of such period, including capitalized interest;

(b) all fees of the Borrower and its Subsidiaries (including standby, commitment and stamping fees and fees payable in respect of letters of credit and letters of guarantee supporting obligations which constitute Total Debt) accrued or payable in respect of such period and which relate to any indebtedness or credit agreement, prorated (as required) over such period;

(c) any difference between the face amount and the discount proceeds of any bankers' acceptances, commercial paper and other obligations of the Borrower or any Subsidiary issued at a discount, prorated (as required) over such period; and

(d) all net amounts charged or credited to interest expense under any Interest Hedging Agreements in respect of such period.

"**Interest Hedging Agreement**" means any interest swap agreement, forward rate agreement, floor, cap or collar agreement, futures or options, insurance or other similar agreement or arrangement, or any combination thereof, entered into by the Borrower or a Subsidiary where the subject matter of the same is interest rates or the price, value or amount payable thereunder is

dependent or based upon the interest rates or fluctuations in interest rates in effect from time to time (but, for certainty, shall exclude conventional floating rate debt).

"**Interest Payment Date**" means:

(a) with respect to each Canadian Prime Rate Loan and U.S. Base Rate Loan, the first Banking Day of each calendar month; and

(b) with respect to each Libor Loan, the last day of each applicable Interest Period and, if any Interest Period is longer than 3 months, the last Banking Day of each 3 month period during such Interest Period,

provided that, in any case, the applicable Maturity Date or, if applicable, any earlier date on which a Credit Facility is fully cancelled or permanently reduced in full, shall be an Interest Payment Date with respect to all Loans then outstanding under such Credit Facility.

"**Interest Period**" means:

(a) with respect to each Canadian Prime Rate Loan and U.S. Base Rate Loan, the period commencing on the applicable Drawdown Date or Conversion Date, as the case may be, and terminating on the date selected by the Borrower hereunder for the Conversion of such Loan into another type of Loan or for the repayment of such Loan;

(b) with respect to each Bankers' Acceptance, the period selected by the Borrower hereunder and being of 1, 2, 3 or 6 months' duration, subject to market availability, (or, subject to the agreement of the Lenders, a longer or shorter period) commencing on the Drawdown Date, Rollover Date or Conversion Date of such Loan;

(c) with respect to each Libor Loan, the period selected by the Borrower and being of 1, 2, 3 or 6 months' duration (or, subject to the agreement of the Lenders, a longer or shorter period) commencing on the applicable Drawdown Date, Rollover Date or Conversion Date, as the case may be; and

(d) with respect to each Letter of Credit, the period commencing on the date of issuance of such Letter of Credit and terminating on the last day the Letter of Credit is outstanding,

provided that in any case: (i) the last day of each Interest Period shall be also the first day of the next Interest Period whether with respect to the same or another Loan; (ii) the last day of each Interest Period shall be a Banking Day and if the last day of an Interest Period selected by the Borrower is not a Banking Day the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next following the last day of the Interest Period selected unless such next following Banking Day falls in the next calendar month in which event the Borrower shall be deemed to have selected an Interest Period the last day of which is the Banking Day next preceding the last day of the Interest Period selected by the Borrower; and (iii) the last day of all Interest Periods for Loans outstanding under a given Credit Facility shall expire on or

prior to the Maturity Date applicable thereto, subject, however, in the case of Letters of Credit to the provisions of Section 7.2.

"**Investment**" means (a) any purchase or other acquisition of shares or other equity securities (other than Approved Securities) of any person (b) any loan or advance to or for the benefit of any person or (c) any capital contribution to any other person.

"**ISP 98**" has the meaning set out in Section 7.9.

"**Judgment Conversion Date**" has the meaning set out in Section 14.4.

"**Judgment Currency**" has the meaning set out in Section 14.4.

"**Lender BA Suspension Notice**" has the meaning set out in Section 13.2.

"**Lender Distress Event**" means, in respect of a given Lender, such Lender or its Lender Parent is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by guarantees or other support (including, without limitation, the nationalization or assumption of ownership or operating control by the Government of the United States of America, Canada or any other Governmental Authority) or is otherwise adjudicated as, or determined by any Governmental Authority having regulatory authority over such Lender or Lender Parent or their respective assets to be, insolvent, bankrupt or deficient in meeting any capital adequacy or liquidity standard of any such Governmental Authority.

"**Lender Financial Instrument**" means a Financial Instrument entered into between a Lender or a Hedging Affiliate and the Borrower or a Subsidiary.

"**Lender Financial Instrument Obligations**" means, collectively, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, mature or not) of the Borrower and its Subsidiaries under, pursuant or relating to any and all Lender Financial Instruments.

"**Lender Insolvency Event**" means, in respect of a given Lender, such Lender or its Lender Parent:

(a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);

(b) becomes insolvent, is deemed insolvent by applicable law or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;

(c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;

(d) (i) institutes, or has instituted against it by a regulator, supervisor or any similar Governmental Authority with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, (A) a proceeding pursuant to which such

Governmental Authority takes control of such Lender's or Lender Parent's assets, (B) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors' rights, or (C) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar Governmental Authority; or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (i) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

(e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);

(f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial portion of all of its assets;

(g) has a secured party take possession of all or a substantial portion of all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case, within 15 days thereafter;

(h) causes or is subject to any event with respect to it which, under the applicable law of any jurisdiction, has an analogous effect to any of the events specified in subparagraphs (a) to (g) above, inclusive; or

(i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing.

"**Lender Libor Suspension Notice**" has the meaning set out in Section 13.1.

"**Lender Parent**" means any person that directly or indirectly controls a Lender and, for the purposes of this definition, "control" shall have the same meaning as set forth in the definition of "Affiliate" contained herein.

"**Lenders**" means the financial institutions named on Schedule A attached hereto, together with such other persons as become parties hereto and, in the context of provisions hereunder relating to:

(a) the Syndicated Facility and Loans thereunder, means the Syndicated Facility Lenders; and

(b) the Operating Facility and Loans thereunder, means the Operating Lender,

and "**Lender**" means any one of them, as applicable and as the context requires.

"**Lenders' Counsel**" means the firm of Borden Ladner Gervais LLP or such other firm of legal counsel as the Agent may from time to time designate.

"**Letter of Credit**" or "**LC**" means a letter of credit in form satisfactory to and issued by:

(a) in the case of LCs issued under the Operating Facility, the Operating Lender; and

(b) in the case of LCs issued under the Syndicated Facility, subject to Section 7.11, the Fronting Lender, for the account of the Syndicated Facility Lenders;

in each case acting at the request of and in accordance with the instructions of the Borrower, to make payment in accordance with the terms and conditions thereof of an amount to or to the order of a third party.

"**Libor Loan**" means an Advance in, or Conversion into, United States Dollars made by the Lenders to the Borrower with respect to which the Borrower has specified that interest is to be calculated by reference to the Libor Rate, and each Rollover in respect thereof.

"**Libor Rate**" means, for each Interest Period applicable to a Libor Loan, the rate of interest per annum (rounded upward to the nearest whole multiple of 1/100th of 1.00%), expressed on the basis of a year of 360 days, determined by the Agent or the Operating Lender, as applicable, at approximately 11:00 a.m. (London, England time) on the second Banking Day prior to the first day of such Interest Period by reference to the rate set by ICE Benchmark Administration for deposits in United States Dollars (as set forth by any service selected by the Agent or the Operating Lender, as applicable, that has been nominated by ICE Benchmark Administration as an authorized information vendor for the purpose of displaying such rates) for a period equal to the Interest Period in question; provided, however, that, to the extent that such rate is not ascertainable pursuant to the foregoing provisions of this definition, the "Libor Rate" shall be the rate per annum determined by the Agent or the Operating Lender, as applicable, to be the average of the rates per annum at which deposits of United States Dollars are offered for such relevant Interest Period to major banks in the London interbank market in London, England by the Agent or the Operating Lender, as applicable (or an Affiliate thereof, if the Agent or the Operating Lender, as applicable, does not offer such deposits) at approximately 11:00 a.m. (London, England time) on the second Banking Day prior to the first day of such Interest Period; provided further that, with respect to Libor Loans made by any Lender, the Libor Rate shall be the quotient of (a) the rate determined as set forth above divided by (b) a percentage equal to (i) 100% minus (ii) the stated maximum annual rate (expressed as a percent and carried out to the third decimal) as prescribed by the Federal Reserve Board of all reserve requirements (without duplication and including, without limitation, any marginal, emergency, supplemental, special or other reserve requirements) issued from time to time and applicable to assets or liabilities consisting of "Eurocurrency Liabilities" as specified in Regulation D (or any successor regulation) applicable on the first day of such Interest Period to any member bank or the Federal Reserve Board in respect of Eurocurrency funding or liabilities; provided that the Libor Rate for each outstanding Loan shall be adjusted automatically as of the effective date of any change in clause (ii) above; provided that, if the rate determined above shall ever be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

"**Loan**" means a Canadian Prime Rate Loan, U.S. Base Rate Loan, Libor Loan, Bankers' Acceptance or BA Equivalent Advance or Letter of Credit outstanding hereunder.

"**Liquidity**" means (a) the lesser of (i) the most recently determined Borrowing Base and (ii) the maximum availability under the Credit Facilities) LESS (b) the Outstanding Principal.

"**Majority of the Lenders**" means:

(a) if there is only 1 or 2 Lenders, all of the Lenders; and

(b) at any other time:

(i) during the continuance of a Default or an Event of Default, two or more Lenders the Rateable Portions of all Outstanding Principal of which are, in the aggregate, at least 66⅔% of all Outstanding Principal; and

(ii) at any other time, two or more Lenders the Commitments of which are, in the aggregate, at least 66⅔% of the Commitments of all Lenders hereunder.

"**Material Adverse Change**" means any event, circumstance, occurrence or change which results in, or which would reasonably be expected to result in, a material adverse change in:

(a) the financial condition of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole;

(b) the ability of the Borrower or any of its Subsidiaries to observe or perform its obligations under the Documents to which it is a party or the validity or enforceability of such Documents or any material provision thereof;

(c) the property, business, operations, liabilities or capitalization of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole; or

(d) the Security, the priority thereof or any right or remedy of the Agent and the Lenders thereunder.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the financial condition of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole;

(b) the ability of the Borrower or any of its Subsidiaries to observe or perform its obligations under the Documents to which it is a party or the validity or enforceability of such Documents or any material provision thereof;

(c) the property, business, operations, liabilities or capitalization of the Borrower and its Subsidiaries on a consolidated basis and taken as a whole; or

(d) the Security, the priority thereof or any right or remedy of the Agent and the Lenders thereunder.

"**Material Subsidiary**" means (a) Calfrac LP; (b) Calfrac U.S.; and (c) any other Subsidiary of the Borrower which owns or holds, directly or indirectly (whether through the ownership of or investments in other Subsidiaries of the Borrower or otherwise), any ownership interest in any assets or properties which are included for the purposes of the determination of the Borrowing Base.

"**Maturity Date**" means, (a) in respect of the Syndicated Facility and the Obligations owing to a given Lender under or pursuant to the Syndicated Facility, the Syndicated Facility Maturity Date; and (b) in respect of the Operating Facility and the Obligations owing under or pursuant to the Operating Facility, the Operating Facility Maturity Date.

"**Moody's**" means Moody's Investors Services, Inc. and any successors thereto.

"**Net Income**" means, in respect of any period for which it is being determined, the net income of the Borrower determined on a consolidated basis in accordance with generally accepted accounting principles.

"**Non-Acceptance Lender**" means (a) a Lender which ceases to accept bankers' acceptances in the ordinary course of its business or (b) in respect of Lenders other than Schedule I Lenders, a Lender who, by notice in writing to the Agent and the Borrower, elects thereafter to make BA Equivalent Advances in lieu of accepting Bankers' Acceptances.

"**Non-Defaulting Lender**" has the meaning set out in Section 16.2(4).

"**Non-Extending Lender**" has the meaning set out in Section 2.20.

"**Notice of Non-Extension**" has the meaning set out in Section 2.20.

"**Obligations**" means, at any time and from time to time, all of the obligations, indebtedness and liabilities (present or future, absolute or contingent, matured or not) of the Borrower and its Subsidiaries to the Lenders or the Agent under, pursuant or relating to the Documents or the Credit Facilities and whether the same are from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and including, without limitation, all principal, interest, fees, legal and other costs, charges and expenses, and other amounts payable by the Borrower under this Agreement.

"**OFAC**" means the U.S. Office of Foreign Assets Control of the U.S. Department of the Treasury.

"**Officer's Certificate**" means a certificate or notice (other than a Compliance Certificate) signed by any one of the president, chief financial officer, a vice president, treasurer, assistant treasurer, controller, corporate secretary or assistant secretary of the Borrower or Subsidiary, as the case may be, (including, in the case of a partnership a certificate or notice signed by such an officer of a general partner of such partnership); provided, however, that Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices shall be executed on behalf of the Borrower by any one of the foregoing persons or such other persons as may from time to time be designated by written notice from the Borrower to the Agent or the Operating Lender, as applicable.

"**Operating Facility**" means the credit facility in the maximum principal amount of Cdn.$30,933,334 or the Equivalent Amount in United States Dollars to be made available to the Borrower by the Operating Lender in accordance with the provisions hereof, subject to any reduction in accordance with the provisions hereof.

"**Operating Facility Commitment**" means the commitment by a Lender under the Operating Facility to provide the amount of Canadian Dollars (or the Equivalent Amount thereof) set forth opposite its name in Schedule A annexed hereto, subject to any reduction in accordance with the terms hereof.

"**Operating Facility Extension Request**" has the meaning set out in Section 2.21.

"**Operating Facility Maturity Date**" means June 1, 2022 or such later date to which the same may be extended from time to time in accordance with Section 2.21.

"**Operating Lender**" means HSBC Bank Canada or any other Lender which hereafter has an Operating Facility Commitment.

"**Order**" has the meaning set out in Section 7.9.

"**Outstanding BAs Collateral**" has the meaning set out in Section 2.17.

"**Outstanding Principal**" means, at any time, the aggregate of (i) the principal amount of all outstanding Canadian Prime Rate Loans, (ii) the Equivalent Amount in Canadian Dollars of the principal of all outstanding U.S. Base Rate Loans and Libor Loans, (iii) the amounts payable at maturity of all outstanding Bankers' Acceptances and BA Equivalent Advances, (iv) the maximum amount available to be drawn under all outstanding Letters of Credit denominated in Canadian Dollars, and (v) the Equivalent Amount in Canadian Dollars of the maximum amount available to be drawn under all outstanding Letters of Credit denominated in United States Dollars.

"**Overdraft Loans**" has the meaning set out in Section 2.2.

"**Permitted Acquisition**" means an acquisition in respect of which each of the following criteria shall have been satisfied:

(a) the business or operating assets related to the acquisition are located in Canada or the United States of America;

(b) the acquisition is not a Hostile Acquisition and all, or substantially all, of the assets or equity, as applicable, of the target have been acquired;

(c) the person or assets acquired are in the same or similar line of business as the Borrower and its Subsidiaries;

(d) EBITDA in respect of the acquired business for the 12 months prior to such acquisition shall be positive;

(e) both before and after such acquisition (i) the Borrower shall be in compliance with the financial covenants set forth in Section 10.3 and (ii) additionally, the Funded Debt to EBITDA Ratio (including, for certainty, after giving *pro forma* effect to such acquisition) shall be less than 2.50:1.00 and the Borrower shall have delivered a *pro forma* Compliance Certificate after giving effect to the acquisitions;

(f) (i) the representations and warranties of the Borrower set forth in Section 9.1 shall be true and correct (including, for certainty, after giving *pro forma* effect to such acquisition) and (ii) no Default or Event of Default shall have occurred and be continuing both immediately prior to and after giving effect to the acquisition and the Borrower shall have delivered to the Agent and the Lenders and Officer's Certificate in connection therewith;

(g) if applicable, all Security contemplated pursuant hereto (together with a certified copy of the applicable constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably) shall be executed and delivered to the Agent and the Lenders in accordance with Section 11.1(3);

(h) the Agent shall have received due diligence materials including without limitation, the applicable purchase and sale agreement, financial information, any fairness opinions and appraisals, if applicable, satisfactory to the Agent, acting reasonably;

(i) the Agent shall have received satisfactory evidence that the business or assets acquired shall be free and clear of all Security Interests other than Permitted Encumbrances;

(j) the purchase price of such acquisition, together with the purchase price of all other acquisitions completed by the Borrower and its Subsidiaries in the current fiscal year, shall not exceed Cdn.$50,000,000; and

(k) to the extent the acquisition was funded, fully or partially, by proceeds of an Advance under the Credit Facilities, the Borrower shall deliver a Borrowing Base Certificate taking in to account the Advance and the Borrowing Base shall be re-determined (after giving effect to the Drawdown made in connection therewith) and the Outstanding Principal of all Loans under the Credit Facilities shall not exceed the Borrowing Base then in effect.

"**Permitted Capital Expenditure**" means a Capital Expenditure by the Borrower or any of its Subsidiaries provided that the amount of such Capital Expenditure together with all other Capital Expenditures in the current calendar year is not greater than 110% of the amounts provided for in the consolidated capital budget delivered with the most recent annual business plan in accordance with the provisions hereof and which consolidated capital budget has been accepted by the Lenders, acting reasonably.

"**Permitted Contest**" means action taken by or on behalf of the Borrower or a Subsidiary in good faith by appropriate proceedings diligently pursued to contest a Tax, claim or Security Interest, provided that:

(a) the person to which the Tax, claim or Security Interest being contested is relevant (and, in the case of a Subsidiary of the Borrower, the Borrower on a consolidated basis) has established reasonable reserves therefor if and to the extent required by generally accepted accounting principles;

(b) proceeding with such contest does not have, and would not reasonably be expected to have, a Material Adverse Effect; and

(c) proceeding with such contest will not create a material risk of sale, forfeiture or loss of, or interference with the use or operation of, a material part of assets of the Borrower and its Subsidiaries.

"**Permitted Debt**" means the following:

(a) the Obligations;

(b) Financial Instrument Obligations under and pursuant to Permitted Hedging;

(c) any Total Debt owing by (i) a Subsidiary of the Borrower which is not a Material Subsidiary or a Subsidiary which has provided Security to the Borrower or another Subsidiary, (ii) the Borrower to a Subsidiary which has provided Security and (iii) a Material Subsidiary or a Subsidiary which has provided Security to the Borrower or another Material Subsidiary or another Subsidiary which has provided Security, as applicable;

(d) Purchase Money Obligations; provided that the amount of such obligations do not, in the aggregate at any time, exceed Cdn.$25,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);

(e) the outstanding 2020 1.5 Lien Notes;

(f) the outstanding 2020 Second Lien Notes;

(g) Total Debt consisting of Financial Assistance permitted under Section 10.2(f);

(h) Bank Product Obligations; provided that the principal amount of the Credit Card Obligations do not, in the aggregate at any time, exceed Cdn.$5,000,000 (or the Equivalent Amount thereof); and

(i) subject expressly to Section 10.4(c), Total Debt which is not otherwise Permitted Debt, provided that, (A) subject to subparagraph (B) hereof, the principal amount of such obligations do not, in the aggregate at any time, exceed Cdn.$20,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and (B) notwithstanding subparagraph (A) hereof, if the

Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds 5.00:1.00 (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed 5.00:1.00), the principal amount of such obligations do not, in the aggregate at any time, exceed Cdn.$5,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and further provided that any Total Debt permitted at the time incurred shall continue to be permitted and not subject to repayment as a result of subparagraph (B).

"**Permitted Disposition**" means, in respect of the Borrower or any of its Subsidiaries, any of the following:

(a) a sale or disposition by the Borrower or such Subsidiary in the ordinary course of business and in accordance with sound industry practice of tangible personal property that is obsolete, no longer useful for its intended purpose or being replaced in the ordinary course of business;

(b) a sale or disposition of any property or assets by a Subsidiary or a Material Subsidiary to the Borrower or a Material Subsidiary which has provided Security or by the Borrower to a Material Subsidiary which has provided Security;

(c) a sale or disposition by the Borrower or any Subsidiary of its interest in machinery, equipment or other tangible personal property for which Purchase Money Obligations were incurred and (i) such Purchase Money Obligations are fully repaid concurrently with such sale or disposition and (ii) such sale or disposition is made in the ordinary course of business at fair market value to a person at arm's length from the Borrower and its Subsidiaries;

(d) a sale or disposition of any property or assets located outside of Canada or the United States of America by the Borrower or any of its Subsidiaries;

(e) the sale of Accounts Receivable pursuant to Permitted Factoring Transactions; and

(f) a sale or disposition of any property or assets by the Borrower or a Subsidiary which is not otherwise a Permitted Disposition and which, whether in one or a series of transactions, in aggregate, have a fair market value which do not exceed Cdn.$20,000,000 in any calendar year.

"**Permitted Encumbrances**" means as at any particular time any of the following encumbrances on the property or any part of the property of the Borrower or any Subsidiary:

(a) liens for taxes, assessments or governmental charges not at the time due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(b) deemed liens and trusts arising by operation of law in connection with workers' compensation, employment insurance and other social security legislation, in each case, which secure obligations not at the time due or delinquent or, if due or

delinquent, the validity of which is being contested at the time by a Permitted Contest;

(c) liens under or pursuant to any judgment rendered, or claim filed, against the Borrower or a Subsidiary, which the Borrower or Subsidiary (as applicable) shall be contesting at the time by a Permitted Contest;

(d) undetermined or inchoate liens and charges incidental to construction or current operations which have not at such time been filed pursuant to law against the Borrower or a Subsidiary or which relate to obligations not due or delinquent or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(e) easements, rights of way, servitudes or other similar rights in land (including, without in any way limiting the generality of the foregoing, rights of way and servitudes for railways, sewers, drains, gas and oil and other pipelines, gas and water mains, electric light and power and telecommunication, telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which individually or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;

(f) any builder's, mechanic's, garageman's, labourer's or materialman's lien or other similar lien arising in the ordinary course of business or out of the construction or improvement of any land or arising out of the furnishing of materials or supplies, provided that such lien secures monies not at the time overdue, or, if due or delinquent, the validity of which is being contested at the time by a Permitted Contest;

(g) encumbrances incidental to the conduct of business or the ownership of property and assets not incurred in connection with the borrowing of money or obtaining credit and which do not, in the aggregate, detract in any material way from the value or usefulness of the property and assets of the Borrower and its Subsidiaries;

(h) any claim or encumbrance from time to time consented to by the Majority of the Lenders;

(i) in respect of any land, any defects or irregularities in the title to such land which are of a minor nature and which, in the aggregate, will not materially impair the use of such land for the purposes for which such land is held;

(j) security given by the Borrower or a Subsidiary to a public utility or any municipality or governmental or other public authority when required by such utility or municipality or other authority in connection with the operations of the Borrower or Subsidiary (as applicable), all in the ordinary course of its business which individually or in the aggregate do not materially detract from the value of

the asset concerned or materially impair its use in the operation of the business of the Borrower and its Subsidiaries, taken as a whole;

(k) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions and reservations to title;

(l) Security Interests in favour of the Lenders or the Agent on behalf of the Lenders;

(m) the Security;

(n) any operating lease as characterized under generally accepted accounting principles in effect on December 31, 2018 entered into in the ordinary course of business;

(o) pledges of cash or Approved Securities and bankers' liens, rights of set off and other similar liens existing solely with respect to such cash and Approved Securities on deposit in one or more accounts maintained by the Borrower or any of its Subsidiaries, in each case, granted in the ordinary course of business in favour of the Lender or Lenders with which such accounts are maintained, securing amounts owing to such Lender with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements or securing Permitted Hedging with a Lender;

(p) Security Interests securing a Purchase Money Obligation, provided that such Security Interests shall attach only to the property acquired in connection with which such Purchase Money Obligation was incurred (and proceeds thereof) and provided further that such Purchase Money Obligation is Permitted Debt;

(q) Security Interests securing the Permitted Debt referenced in subparagraph (i) in the definition thereof or other obligations of the Borrower or its Subsidiaries provided that, (i) subject to subparagraph (ii) hereof, the Total Debt or other obligations secured do not, in the aggregate exceed Cdn.$20,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and (ii) notwithstanding subparagraph (i) hereof, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds 5.00:1.00 (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed 5.00:1.00), the Total Debt or other obligations secured do not, in the aggregate exceed Cdn.$5,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);

(r) landlords' liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such lien does not attach generally to all or substantially all of the undertaking, assets and property of the Borrower or any Subsidiary;

(s) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Borrower or a Subsidiary is a party;

(t) Security Interests resulting from the deposit of cash or Approved Securities or Security Interests on other assets as security when the Borrower or a Subsidiary is required to provide such deposits or security so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders or similar matters in the ordinary course of business and for the purpose of carrying on the same, or to secure workers' compensation, surety or appeal bonds or to secure costs of litigation when required by Applicable Law;

(u) Security Interests securing (i) the 2020 1.5 Lien Notes provided, for certainty, such Security Interests are, at all times, subject to the 2020 1.5 Lien Intercreditor Agreement and rank junior in priority to the Security, and (ii) the 2020 Second Lien Notes provided, for certainty, such Security Interests are, at all times, subject to the 2020 Second Lien Intercreditor Agreement and rank junior in priority to the Security; and

(v) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (a) to (u) inclusive of this definition, so long as any such extension, renewal or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased,

provided that nothing in this definition shall in and of itself cause the Obligations hereunder to be subordinated in priority of payment to any such Permitted Encumbrance or cause any Security Interests in favour of the Lenders or the Agent on behalf of the Lenders to rank subordinate to any such Permitted Encumbrance.

"**Permitted Factoring Transactions**" means transactions pursuant to which the Borrower or any Subsidiary of the Borrower sells Accounts Receivable owing to the Borrower or any Subsidiary of the Borrower from Account Debtors to Citibank, N.A., its branches and subsidiaries and affiliates or another purchaser acceptable to the Agent and the Majority of the Lenders, acting reasonably; provided that (a) not less than 3 Banking Days prior to the initial sale of any Accounts Receivable owing by an Account Debtor, the Borrower shall have delivered to the Agent an Officer's Certificate attaching a true, correct and complete copy of the applicable supplier agreement (or other document, agreement or instrument evidencing such sale transaction) in respect of such Account Debtor which shall be in form and substance acceptable to the Agent and the Majority of the Lenders, acting reasonably, including, for certainty, but without limitation, with respect to the discount and pricing applicable to the sale of the subject Accounts Receivable, (b) in connection with any sale of Accounts Receivable owing by an Account Debtor in excess of Cdn.$5,000,000 (or the Equivalent Amount thereof) in aggregate with all other Accounts Receivable subject to Permitted Factoring Transactions at such time, either (i) the Borrower shall deliver a revised Borrowing Base Certificate within 5 Banking Days of such sale (with the only adjustments from the previously effective Borrowing Base Certificate being adjustments to take into account the disposition of Eligible Accounts Receivable and, if applicable, the receipt of Unencumbered Cash from the proceeds of such sale) and the new Borrowing Base shall take effect immediately subject to the provisions of Section 2.23(2) or (ii) the Accounts Receivable sold shall be immediately

excluded from the Borrowing Base without any further notice or documentation, (c) the maximum aggregate amount of Accounts Receivable sold in any rolling sixty (60) day period (in respect of all Account Debtors) does not exceed U.S.$50,000,000, (d) at the time of entering into any such transaction and any sale of Accounts Receivable, no Default or Event of Default shall have occurred and be continuing and shall not result in the occurrence of a Default or an Event of Default and (e) the entering into of such transaction and sale of Accounts Receivable is not for the purpose of avoiding the occurrence of any Default or Event of Default.

"**Permitted Hedging**" means Financial Instruments entered into by the Borrower and its Subsidiaries:

(a) which are entered into in the ordinary course of business and for hedging purposes and not for speculative purposes (determined, where relevant, by reference to generally accepted accounting principles); for certainty, Interest Hedging Agreements having as a subject matter principal amounts (either individually or in the aggregate, but determined on a net basis taking into account transactions or agreements entered into to reverse the position or limit the exposure under an existing Interest Hedging Agreement) greater than the aggregate liability of the Borrower and its Subsidiaries for borrowed money shall be deemed to be for speculative purposes; and

(b) which have a term of 4 years or less (for certainty, for all purposes relating hereto and to the other Documents, (i) the term of any Financial Instrument shall commence on the date that the Financial Instrument in question is entered into notwithstanding the fact that the effective date of such Financial Instrument, or other date from which payments or deliveries are to be made or determined thereunder, is subsequent to the date such Financial Instrument is entered into and (ii) without limiting the foregoing, and in addition thereto, the term of a swap transaction or other transaction entered into pursuant to or governed by a Master Agreement published by the International Swaps and Derivatives Association, Inc. (including by International Swap Dealers Association, Inc.) or any successor thereto shall commence on the trade date thereof), except for Financial Instruments which have a term of 3 years or less and which are entered into with the intention of hedging underlying currency or interest exposure under or pursuant to the 2020 1.5 Lien Notes or the 2020 Second Lien Notes.

"**Permitted Replacement**" means the replacement of those directors who have died or have been found to be of unsound mind by a court of competent jurisdiction.

"**Plan of Arrangement**" has the meaning set out in Section 3.2(n).

"**Power of Attorney**" means a power of attorney provided by the Borrower to a Lender with respect to Bankers' Acceptances in accordance with and pursuant to Section 6.4 hereof.

"**Purchase Money Obligation**" means any monetary obligation created or assumed as part of the purchase price of real or tangible personal property which has been acquired by the Borrower or a Subsidiary (including a lease of such property) which is subject to a Security Interest in respect of

such obligation, any extensions, renewals or refundings of any such obligation, provided that the principal amount of such obligation outstanding on the date of such extension, renewal or refunding is not increased and further provided that any security given in respect of such obligation shall not extend to any property other than the property acquired in connection with which such obligation was created or assumed and fixed improvements, if any, erected or constructed thereon and the proceeds thereof.

"**Qualified ECP Guarantor**" means, in respect of any Swap Obligation, each Subsidiary or Affiliate of the Borrower (that provides a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates) and that has total assets exceeding U.S.$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an "eligible contract participant" under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"**Quarter End**" means March 31, June 30, September 30 and December 31 in each year.

"**Rateable**" and "**Rateably**" means, at any date of determination, the proportion that the Equivalent Amount in Canadian Dollars of the amount of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments of any Lender, Bank Product Affiliate thereof and Hedging Affiliates thereof bears to the aggregate of the Equivalent Amount in Canadian Dollars of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments of all Lenders, the Bank Product Affiliates and the Hedging Affiliates, as determined at the Adjustment Time.

"**Rateable Portion**", as regards any Lender, with regard to any amount of money, means (subject to Section 6.5 in respect of the rounding of allocations of Bankers' Acceptances):

(a) in respect of the Syndicated Facility and Drawdowns, Conversions, Rollovers and Loans and other amounts payable thereunder, the product obtained by multiplying that amount by the quotient obtained by dividing (i) that Lender's Syndicated Facility Commitment by (ii) the aggregate of all of the Lenders' Syndicated Facility Commitments; and

(b) in respect of the Operating Facility and Drawdowns, Conversions, Rollovers and Loans and other amounts payable thereunder, the product obtained by multiplying that amount by the quotient obtained by dividing (i) that Lender's Operating Facility Commitment by (ii) the aggregate of all of the Lenders' Operating Facility Commitments.

"**Realization Proceeds**" has the meaning set out in Section 12.7.

"**Related Party**" means any person which is any one or more of the following:

(a) an Affiliate of the Borrower or any Subsidiary;

(b) a unitholder, shareholder or partner of the Borrower or any Subsidiary which, together with all Affiliates of such person, owns or controls, directly or indirectly, more than 10% of the units, shares, capital or other ownership interests (however designated) of the Borrower or any Subsidiary, or an Affiliate of any such unitholder, shareholder or partner;

(c) an officer, director or trustee of any of the foregoing; and

(d) a person which is not at arm's length from the Borrower and its Subsidiaries.

"**Release**" means any release, spill, emission, leak, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment including, without limitation, the movement of Hazardous Materials through ambient air, soil, surface water, ground water, wetlands, land or sub surface strata.

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

"**Repayment Notice**" means a notice substantially in the form annexed hereto as Schedule F to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

"**Requested Lenders**" has the meaning set out in Section 2.20.

"**Required Permits**" means all Governmental Authorizations which are necessary at any given time for the Borrower and each of its Material Subsidiaries to own and operate its property, assets, rights and interests or to carry on its business and affairs.

"**Rollover**" means:

(a) with respect to any Libor Loan, the continuation of all or a portion of such Loan (subject to the provisions hereof) for an additional Interest Period subsequent to the initial or any subsequent Interest Period applicable thereto;

(b) with respect to Bankers' Acceptances, the issuance of new Bankers' Acceptances or the making of new BA Equivalent Advances (subject to the provisions hereof) in respect of all or any portion of Bankers' Acceptances (or BA Equivalent Advances made in lieu thereof) maturing at the end of the Interest Period applicable thereto, all in accordance with Article 6 hereof; and

(c) with respect to Letters of Credit, the extension or replacement of an existing Letter of Credit, provided the beneficiary thereof (including any successors or permitted assigns thereof) remains the same, the maximum amount available to be drawn thereunder is not increased, the currency in which the same is denominated remains the same and the terms upon which the same may be drawn remain the same;

in each case, under the same Credit Facility under which the maturing Loan was made.

"**Rollover Date**" means the date of commencement of a new Interest Period applicable to a Loan and which shall be a Banking Day.

"**Rollover Notice**" means a notice substantially in the form annexed hereto as Schedule G to be given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant hereto.

"**Sanctioned Country**" means, at any time, a country or territory that is itself the subject of Sanctions Laws including, without limitation, subject to comprehensive, territorial sanctions administered by OFAC, the United Nations Security Council, the European Union or Canada.

"**Sanctioned Person**" means any of the following currently or in the future: (i) an entity or individual named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC currently available at http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx or in any Sanctions-related list of designated persons maintained by OFAC or the U.S. Department of State or on the "Designated Persons" lists maintained by Canada under the *Special Economic Measures Act*, the *United Nations Act*, the *Criminal Code* (Canada), *the Freezing of Assets of Corrupt Foreign Officials Act*, the *Proceeds of Crime Act*, *the Terrorism Financing Act* and the regulations promulgated thereunder or (ii) anyone more than 50 percent (50%) owned, in the aggregate, by an entity or entities or individuals, described in clause (i) above.

"**Sanctions Laws**" means any sanction laws and regulations issued by the United States of America, Canada, the European Union or the United Nations and includes, without limitation, the laws, regulations, and rules promulgated or administered by OFAC to implement U.S. sanctions programs, including any enabling legislation or Executive Order related thereto, as amended from time to time.

"**S&P**" means Standard & Poor's Financial Services LLC, a subsidiary of S&P Global Inc. and any successors thereto.

"**Schedule I Lender**" means a Lender which is a Canadian chartered bank listed on Schedule I to the *Bank Act* (Canada).

"**Schedule II Lender**" means a Lender which is a Canadian chartered bank listed on Schedule II to the *Bank Act* (Canada).

"**Schedule III Lender**" means a Lender which is an authorized foreign bank listed on Schedule III to the *Bank Act* (Canada).

"**Security**" means, collectively, the guarantees, debentures, debenture pledge agreements, pledge agreements, assignments, mortgages, deeds of trust and other security agreements executed and delivered, or required to be executed and delivered, by the Borrower and the Material Subsidiaries and shall include (a) in respect of the Borrower, the floating charge demand debenture, the debenture pledge agreement and the general security agreement substantially in the forms of Schedules H-1, H-2 and H-3, respectively, annexed hereto and fixed and floating charge debentures, mortgages or equivalent documentation related to real property located in Canada including, without limitation, the existing fixed and floating charge debentures, in respect of real property located in the Provinces of Alberta and British Columbia, in each case, with such modifications and insertions as may be required by the Agent, acting reasonably, (b) in respect of

each Material Subsidiary domiciled in Canada, a guarantee, a floating charge demand debenture, a debenture pledge agreement and a general security agreement substantially in the forms of Schedules H-4, H-5, H-6 and H-7, respectively, annexed hereto with such modifications and insertions as may be required by the Agent, acting reasonably, (c) in respect of each United States of America domiciled Material Subsidiary, a guarantee and a general security agreement in substantially the form of the Guarantee and General Security Agreement both dated September 29, 2009 executed by Calfrac U.S., and mortgages, fixed charged mortgages, deeds of trust or equivalent documentation required in connection with real property located in the United States of America including, without limitation, the existing mortgages of Calfrac U.S. in respect of real property located in the States of Arkansas, Pennsylvania and North Dakota and the existing deed of trust in respect of real property located in the State of Texas, with such modifications as may be required by the Agent, acting reasonably.

"**Security Interest**" means mortgages, charges, pledges, hypothecs, assignments by way of security, conditional sales or other title retentions, security created under the *Bank Act* (Canada), liens, encumbrances, security interests or other interests in property, howsoever created or arising, whether fixed or floating, perfected or not, which secure payment or performance of an obligation and, including, in any event:

(a) deposits or transfers of cash, marketable securities or other financial assets under any agreement or arrangement whereby such cash, securities or assets may be withdrawn, returned or transferred only upon fulfilment of any condition as to the discharge of any other indebtedness or other obligation to any creditor;

(b) (i) rights of set-off or (ii) any other right of or arrangement of any kind with any creditor, which in any case are made, created or entered into, as the case may be, for the purpose of or having the effect (directly or indirectly) of (A) securing Total Debt, (B) preferring some holders of Total Debt over other holders of Total Debt or (C) having the claims of any creditor be satisfied prior to the claims of other creditors with or from the proceeds of any properties, assets or revenues of any kind now owned or later acquired (other than, with respect to (C) only, rights of set-off granted or arising in the ordinary course of business);

(c) the rights of lessors under finance leases, operating leases as determined under generally accepted accounting principles as in effect on December 31, 2018 and any other lease financing; and

(d) absolute assignments of accounts receivable.

"**SOFR**" with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York's Website.

"**Subsidiary**" means, with respect to any person ("X"):

(a) any corporation of which at least a majority of the outstanding shares having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time shares of any other class or

classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues) is at the time directly, indirectly or beneficially owned or controlled by X or one or more of its Subsidiaries, or X and one or more of its Subsidiaries;

(b) any partnership of which, at the time, X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries: (i) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interests (however designated) thereof; and (ii) is a general partner, in the case of limited partnerships, or is a partner or has authority to bind the partnership, in all other cases; or

(c) any other person of which at least a majority of the income, capital, beneficial or ownership interests (however designated) are at the time directly, indirectly or beneficially owned or controlled by X, or one or more of its Subsidiaries, or X and one or more of its Subsidiaries,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to "Subsidiary" or "Subsidiaries" shall be and shall be deemed to be references to Subsidiaries of the Borrower.

"**Successor Agent**" has the meaning set out in Section 15.10.

"**Swap Obligation**" means, with respect to any person that has provided a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates, any obligation to pay or perform under any agreement, contract or transaction that constitutes a "swap" within the meaning of Section 1a(47) of the Commodity Exchange Act.

"**Syndicated Facility**" means the credit facility in the maximum principal amount of Cdn.$259,066,666 or the Equivalent Amount in United States Dollars to be made available to the Borrower by the Syndicated Facility Lenders in accordance with the provisions hereof, subject to any reduction in accordance with the provisions hereof.

"**Syndicated Facility Commitment**" means the commitment by each Syndicated Facility Lender under the Syndicated Facility to provide the amount of Canadian Dollars (or the Equivalent Amount thereof) set forth opposite its name in Schedule A annexed hereto, subject to any reduction in accordance with the provisions hereof.

"**Syndicated Facility Extension Request**" has the meaning set out in Section 2.20.

"**Syndicated Facility Lenders**" means, collectively, the Lenders which have a Syndicated Facility Commitment.

"**Syndicated Facility Maturity Date**" means, in respect of the Obligations outstanding to a given Syndicated Facility Lender, June 1, 2022 or such later date to which the same may be extended from time to time with respect to a given Syndicated Facility Lender in accordance with Section 2.20.

"**Taxes**" means all taxes, levies, imposts, stamp taxes, duties, fees, deductions, withholdings, charges, compulsory loans or restrictions or conditions resulting in a charge which are imposed, levied, collected, withheld or assessed by any country or political subdivision or taxing authority thereof now or at any time in the future, together with interest thereon and penalties, charges or other amounts with respect thereto, if any, and "Tax" and "Taxation" shall be construed accordingly.

"**Term SOFR**" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"**Termination Event**" means an automatic early termination of obligations relating to a Lender Financial Instrument under any agreement relating thereto without any notice being required from a Lender.

"**Titled Assets**" means any vehicles or other assets of the Borrower and its Subsidiaries to which any Certificates of Title legislation of the United States of America or any state or district thereof applies.

"**Total Debt**" means, with respect to any person ("X"), all obligations, liabilities and indebtedness of X and its Subsidiaries which would, in accordance with generally accepted accounting principles, be classified upon a consolidated balance sheet of X as indebtedness for borrowed money of X and its Subsidiaries and, whether or not so classified, shall include (without duplication):

(a) indebtedness of X and its Subsidiaries for borrowed money;

(b) obligations of X and its Subsidiaries arising pursuant or in relation to: (i) bankers' acceptances (including payment and reimbursement obligations in respect thereof), or (ii) letters of credit and letters of guarantee supporting obligations which would otherwise constitute Total Debt within the meaning of this definition or indemnities issued in connection therewith;

(c) obligations of X and its Subsidiaries with respect to drawings under all other letters of credit and letters of guarantee;

(d) obligations of X and its Subsidiaries under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness or other obligations of any other person which would otherwise constitute Total Debt within the meaning of this definition and all other obligations incurred for the purpose of or having the effect of providing financial assistance to another person in respect of such indebtedness or such other Total Debt obligations, including, without limitation, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business);

(e) (i) all indebtedness of X and its Subsidiaries representing the deferred purchase price of any property to the extent that such indebtedness is or remains unpaid after the expiry of the customary time period for payment, provided however that such time period shall in no event exceed 90 days, and (ii) all obligations of X and its

Subsidiaries created or arising under any conditional sales agreement or other title retention agreement;

(f) all Attributable Debt of X and its Subsidiaries other than in respect of (i) leases of office space or (ii) operating leases as determined under generally accepted accounting principles as in effect on December 31, 2018, in each case entered into in the ordinary course of business;

(g) all other long term obligations (including the current portion thereof) upon which interest charges are customarily paid prior to default by X; and

(h) all indebtedness of other persons secured by a Security Interest on any asset of X and its Subsidiaries, whether or not such indebtedness is assumed thereby; provided that the amount of such indebtedness shall be the lesser of (i) the fair market value of such asset at such date of determination, and (ii) the amount of such indebtedness shall only be Total Debt to the extent recorded as a liability in accordance with generally accepted accounting principles,

provided that, unless otherwise expressly provided or the context otherwise requires, references herein to "Total Debt" shall be and shall be deemed to be references to Total Debt of the Borrower and its Subsidiaries.

For certainty, with respect to the bilateral credit facility established by HSBC Bank Argentina S.A. in favour of Calfrac Well Services (Argentina) S.A., only outstanding balances and other obligations (including, for certainty, outstanding principal, interest and fees due) shall be included in the determination of Total Debt and the standby letter of credit issued in connection with such credit facility shall not be included in such determination.

"**Total Debt to EBITDA Ratio**" means, as at a Quarter End, the ratio of (a) Total Debt less Unencumbered Cash, as at such Quarter End to (b) EBITDA for the twelve months ending on such Quarter End.

"**U.S. Base Rate**" means, for any day, the greatest of:

(a) the rate of interest per annum established from time to time by the Agent or the Operating Lender, as applicable, as the reference rate of interest for the determination of interest rates that the Agent or the Operating Lender, as applicable, will charge to customers of varying degrees of creditworthiness in Canada for United States Dollar demand loans in Canada;

(b) the rate of interest per annum for such day or, if such day is not a Banking Day, on the immediately preceding Banking Day, equal to the sum of the Federal Funds Rate (expressed for such purpose as a yearly rate per annum in accordance with Section 5.4), plus 1.00% per annum; and

(c) the Libor Rate for a period of 1 month on such day (or in respect of any day that is not a Banking Day, such Libor Rate in effect on the immediately preceding Banking Day) plus 1.00% per annum,

provided that if all such rates are equal or if such Federal Funds Rate and such Libor Rate are unavailable for any reason on the date of determination, then the "U.S. Base Rate" shall be the rate specified in (a) above.

"**U.S. Base Rate Loan**" means an Advance in, or Conversion into, United States Dollars made by the Lenders to the Borrower with respect to which the Borrower has specified or a provision hereof requires that interest is to be calculated by reference to the U.S. Base Rate.

"**U.S. Code**" means the U.S. Internal Revenue Code of 1986, as amended from time to time.

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

"**Unencumbered Cash**" means all unencumbered cash of the Borrower and its Subsidiaries which have provided Security (determined in accordance with generally accepted accounting principles and which, for certainty, shall deduct therefrom all issued and outstanding cheques which have not cleared) and which (a) is on deposit or invested with the Agent, a Lender or a deposit holding Affiliate of a Lender in Canada or the United States of America, (b) for certainty, is not held in trust for the benefit of another person or in a segregated account or similar type account (including, for certainty, any Common Share Proceeds held in an account pursuant to Section 10.3(3) of this Agreement), (c) is subject to the Security, (d) to the extent held with a Lender or an Affiliate of a Lender outside of Canada, the Borrower or the applicable Subsidiary and such Lender shall have executed and delivered a deposit account control agreement in form satisfactory to the Agent, acting reasonably and (e) shall not include any cash subject to a Security Interest other than (i) pursuant to the Security, (ii) in favour of the holders of the 2020 1.5 Lien Notes or (iii) in favor of the holders of the 2020 Second Lien Notes.

"**United States Dollars**" and "**U.S.$**" means the lawful money of the United States of America.

"**Voting Shares**" means capital stock of any class of any corporation which carries voting rights to elect the board of directors thereof under any circumstances, provided that, for purposes hereof, shares which carry the right to so vote conditionally upon the happening of an event shall not be considered Voting Shares until the occurrence of such event.

"**Wholly-Owned Subsidiary**" means, with respect to any person ("X"):

(a) a corporation, all of the issued and outstanding shares in the capital of which are beneficially held by:

(i) X;

(ii) X and one or more corporations, all of the issued and outstanding shares in the capital of which are held by X; or

(iii) two or more corporations, all of the issued and outstanding shares in the capital of which are held by X;

(b) a corporation which is a Wholly-Owned Subsidiary of a corporation that is a Wholly-Owned Subsidiary of X; or

(c) a partnership, all of the partners of which are X and/or Wholly-Owned Subsidiaries of X,

provided that unless otherwise expressly provided or the context otherwise requires, references herein to "Wholly-Owned Subsidiary" or "Wholly-Owned Subsidiaries" shall be and shall be deemed to be references to Wholly-Owned Subsidiaries of the Borrower.

"**Write-Down and Conversion Powers**" means with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

1.2 Headings; Articles and Sections

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Number; persons; including

Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by their context or by the words or phrases which precede or succeed them.

1.4 Accounting Principles

(1) Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be to the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute (including, for certainty, IFRS) applicable on a consolidated basis (unless otherwise specifically provided or contemplated herein to be applicable on an non-consolidated basis) as at the date on which such calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense or amount of equity is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any other Document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis (subject to paragraphs (2) to (5) of this Section 1.4).

(2) If:

(a) there occurs a material change in generally accepted accounting principles; or

(b) the Borrower or any of the Material Subsidiaries adopts a material change in an accounting policy in order to more appropriately present events or transactions in its financial statements,

and the above change would require disclosure under generally accepted accounting principles in the consolidated financial statements of the Borrower and would cause an amount required to be determined for the purposes of the financial covenants in Section 10.3 or any financial term or threshold used in the Credit Agreement (each a "**Financial Covenant/Term**") to be materially different than the amount that would be determined without giving effect to such change, the Borrower shall notify the Agent of such change (an "**Accounting Change**"). Such notice (an "**Accounting Change Notice**") shall describe the nature of the Accounting Change, its effect on the current and immediately prior year's financial statements in accordance with generally accepted accounting principles and state whether the Borrower desires to revise the method of calculating one or more of the Financial Covenants/Terms (including the revision of any of the defined terms used in the determination of such Financial Covenant/Term) in order that amounts determined after giving effect to such Accounting Change and the revised method of calculating such Financial Covenant/Term will approximate the amount that would be determined without giving effect to such Accounting Change and without giving effect to the revised method of calculating such Financial Covenant/Term. The Accounting Change Notice shall be delivered to the Agent within sixty (60) days after the end of the fiscal quarter in which the Accounting Change is implemented or, if such Accounting Change is implemented in the fourth fiscal quarter or in respect of an entire fiscal year, within 120 days after the end of such period.

(3) If, pursuant to the Accounting Change Notice, the Borrower does not indicate that it desires to revise the method of calculating one or more of the Financial Covenants/Terms, a Majority of the Lenders may within thirty (30) days after receipt of the Accounting Change Notice notify the Borrower that they wish to revise the method of calculating one or more of the Financial Covenants/Terms in the manner described above.

(4) If either the Borrower or a Majority of the Lenders so indicate that they wish to revise the method of calculating one or more of the Financial Covenants/Terms, the Borrower and a Majority of the Lenders shall in good faith attempt to agree on a revised method of calculating such Financial Covenants/Terms so as to reflect equitably such Accounting Change with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Change as if such Accounting Change had not been made. Until the Borrower and a Majority of the Lenders have reached agreement in writing on such revised method of calculation, all amounts to be determined hereunder shall continue to be determined without giving effect to the Accounting Change. For greater certainty, if no notice of a desire to revise the method of calculating the Financial Covenants/Terms in respect of an Accounting Change is given by either the Borrower or a Majority of the Lenders within the applicable time period described above, then the method of calculating the Financial

Covenants/Terms shall not be revised in response to such Accounting Change and all amounts to be determined pursuant to the Financial Covenants/Terms shall be determined after giving effect to such Accounting Change.

(5) If a Compliance Certificate is delivered in respect of a fiscal quarter or fiscal year in which an Accounting Change is implemented without giving effect to any revised method of calculating any of the Financial Covenants/Terms, and subsequently, as provided above, the method of calculating one or more of the Financial Covenants/Terms is revised in response to such Accounting Change, or the amounts to be determined pursuant to any of the Financial Covenants/Terms are to be determined without giving effect to such Accounting Change, the Borrower shall deliver a revised Compliance Certificate. Any Event of Default which arises as a result of the Accounting Change and which is cured by this Section 1.4 shall be deemed to have never occurred.

(6) In addition to the foregoing, the parties hereto agree and confirm that, for all purposes hereof, including, without limitation, in connection with the calculation of "Interest Expense", "Total Debt", "Funded Debt", "Consolidated Net Tangible Assets" and "EBITDA", the classification and effect of leases (whether entered into before or after December 31, 2018) shall be made with regard to generally accepted accounting principles in effect on December 31, 2018.

1.5 References to Agreements and Enactments

Reference herein to any agreement, instrument, licence or other document shall be deemed to include reference to such agreement, instrument, licence or other document as the same may from time to time be amended, modified, supplemented or restated in accordance with the provisions of this Agreement if and to the extent such provisions are applicable; and reference herein to any enactment shall be deemed to include reference to such enactment as re-enacted, amended or extended from time to time and to any successor enactment.

1.6 Per Annum Calculations

Unless otherwise stated, wherever in this Agreement reference is made to a rate "per annum" or a similar expression is used, such rate shall be calculated on the basis of a year of 365 days.

1.7 Schedules

The following are the Schedules annexed hereto and incorporated by reference and deemed to be part hereof:

Schedule A	-	Lenders and Commitments
Schedule B	-	Assignment Agreement
Schedule C	-	Compliance Certificate
Schedule D	-	Conversion Notice
Schedule E	-	Drawdown Notice
Schedule F	-	Repayment Notice
Schedule G	-	Rollover Notice
Schedules H-1 to H -7	-	Security

Schedule I - Borrowing Base Certificate.

1.8 Refunding and Amendment and Restatement of the Existing Credit Agreement

(1) The parties acknowledge and agree that this Agreement and the Credit Facilities established pursuant hereto are a refunding, replacement and refinancing of the amended and restated credit agreement dated as of April 30, 2019, as amended or amended and restated from time to time, by and among the Borrower, HSBC Bank Canada and the other lenders party thereto and the credit facilities provided thereunder. Accordingly, it is the intention of the parties hereto that, for purposes of (a) the indenture dated as of •, 2020 between the Borrower as the Issuer and Computershare Trust Company of Canada, as trustee, (which is the note indenture referred to in the definition of the 2020 1.5 Lien Note Documentation) and (b) the indenture dated as of February 14, 2020 between Calfrac LP as the Issuer and Wilmington Bank, National Association, as trustee, (which is the note indenture referred to in the definition of the 2020 Second Lien Note Documentation), this Agreement and the Credit Facilities are included in the definitions of "First Lien Credit Agreement" and "Credit Facilities", as those terms are defined in each such indenture.

(2) On the date on which all of the conditions set forth in Section 3.2 have been satisfied (or waived in writing by the Agent and Lenders in accordance with Section 3.3):

(a) the Existing Credit Agreement shall be and is hereby amended and restated in the form of this Agreement;

(b) all Loans, including, for certainty, Bankers' Acceptances and Letters of Credit (as such terms are defined in the Existing Credit Agreement) and other amounts outstanding under the Existing Credit Agreement prior to the date hereof shall continue to be outstanding under this Agreement and shall be deemed to be Loans and other Obligations owing by the Borrower to the Agent, the Operating Lender and the Lenders, as applicable, under this Agreement; and

(c) the Lenders hereby agree to take all steps and actions and execute and deliver all agreements, instruments and other documents as may be required by the Agent or any of the Lenders (including the assignment of interests in, or the purchase of participations in, such outstanding Loans) to give effect to the foregoing and to ensure that the aggregate Obligations owing to each Lender under the Credit Facilities are outstanding in proportion to each Lender's Rateable Portion of all outstanding Obligations under the Credit Facilities after giving effect to the foregoing.

(3) Notwithstanding the foregoing or any other term hereof, all of the covenants, representations and warranties on the part of the Borrower under the Existing Credit Agreement and all of the claims and causes of action arising against the Borrower in connection therewith, in respect of all matters, events, circumstances and obligations arising or existing prior to the date hereof shall continue, survive and shall not be merged in the execution of this Agreement or any other Documents or any advance or provision of any Loan hereunder.

(4) References herein to the "date hereof" or similar expressions shall be and shall be deemed to be to the date of the execution and delivery hereof, being •, 2020.

1.9 Confirmation of Security

The Security to which the Borrower is a party and all covenants, terms and provisions thereof shall be and continue to be in full force and effect and such Security, notwithstanding the amendment and restatement of the Existing Credit Agreement pursuant to this Agreement, shall continue to exist and apply to the obligations, liabilities and indebtedness secured thereunder, including, without limitation, the obligations, liabilities and indebtedness owing by the Borrower under the Existing Credit Agreement, as amended and restated by this Agreement.

ARTICLE 2 - THE CREDIT FACILITIES

2.1 The Credit Facilities

Subject to the terms and conditions hereof, each of the Lenders shall make available to the Borrower such Lender's Rateable Portion of each Credit Facility. Subject to Section 2.18, the Outstanding Principal under a given Credit Facility shall not exceed the maximum principal amount of such Credit Facility.

2.2 Types of Availments; Overdraft Loans

(1) The Borrower may, in Canadian Dollars, make Drawdowns, Conversions and Rollovers under either of the Credit Facilities of Canadian Prime Rate Loans and Bankers' Acceptances and may, in United States Dollars, make Drawdowns, Conversions and Rollovers under either of the Credit Facilities of U.S. Base Rate Loans and Libor Loans. In addition, the Borrower may make Drawdowns and Rollovers under the Credit Facilities of Letters of Credit denominated in Canadian Dollars or United States Dollars; provided that, the Outstanding Principal of Letters of Credit outstanding under the Operating Facility shall not exceed Cdn.$5,000,000 and the Outstanding Principal of Letters of Credit outstanding under the Syndicated Facility shall not exceed U.S.$5,000,000. The Borrower shall have the option, subject to the terms and conditions hereof, to determine which types of Loans shall be drawn down and in which combinations or proportions.

(2) In addition to the foregoing, overdrafts arising from clearance of cheques or drafts drawn on the Canadian Dollar accounts and United States Dollar accounts of the Borrower maintained with the Operating Lender, and designated by the Operating Lender for such purpose, shall be deemed to be outstanding as Canadian Prime Rate Loans and U.S. Base Rate Loans, respectively under the Operating Facility (each, an "**Overdraft Loan**") and all references to Canadian Prime Rate Loans and U.S. Base Rate Loans (as applicable) shall include Overdraft Loans. For certainty, notwithstanding Section 2.7 or 2.15, no Drawdown Notice or Repayment Notice need be delivered by the Borrower in respect of Overdraft Loans.

2.3 Purpose

(1) The Syndicated Facility is being made available for the general corporate purposes of the Borrower and its Subsidiaries including, without limitation, financing capital expenditures, financing potential acquisitions and to make the Closing Date Distribution.

(2) The Operating Facility is being made available for the general corporate purposes of the Borrower and its Subsidiaries.

(3) Notwithstanding the foregoing, the proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility shall not be used to repay or pay, as applicable, any obligations, liabilities and indebtedness under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Notes, except, for certainty, proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility may be used to make scheduled interest payments due and payable under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Convertible Notes.

2.4 Availability and Nature of the Credit Facilities

(1) Subject to the terms and conditions hereof, the Borrower may make Drawdowns under a Credit Facility prior to the Maturity Date applicable thereto.

(2) Prior to the Maturity Date applicable to a Credit Facility such Credit Facility shall be a revolving credit facility: that is, the Borrower may increase or decrease Loans under such Credit Facility by making Drawdowns, repayments and further Drawdowns.

(3) For certainty, in no event shall a Lender be required to fund, participate in, or otherwise provide any portion of a Loan which has a maturity or expiry date, or which has an Interest Period which will expire, after the Maturity Date applicable to such Credit Facility. In no event shall the Borrower request, or be entitled to obtain, a Loan which has a maturity or expiry date, or which has an Interest Period which will expire after the Maturity Date for such Credit Facility.

2.5 Minimum Drawdowns

(1) Each Drawdown under the Syndicated Facility of the following types of Loans shall be in the following amounts indicated:

(a) Bankers' Acceptances in minimum aggregate amounts of Cdn.$1,000,000 at maturity and Drawdowns in excess thereof in integral multiples of Cdn.$100,000;

(b) Libor Loans in minimum principal amounts of U.S.$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.$100,000;

(c) Canadian Prime Rate Loans in minimum principal amounts of Cdn.$1,000,000 and Drawdowns in excess thereof in integral multiples of Cdn.$100,000;

(d) U.S. Base Rate Loans in minimum principal amounts of U.S.$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.$100,000.

(2) Each Drawdown under the Operating Facility of the following types of Loans shall be in the following amounts indicated:

(a) Bankers' Acceptances in minimum aggregate amounts of Cdn.$1,000,000 at maturity and Drawdowns in excess thereof in integral multiples of Cdn.$100,000; and

(b) Libor Loans in minimum principal amounts of U.S.$1,000,000 and Drawdowns in excess thereof in integral multiples of U.S.$100,000.

2.6 Libor Loan Availability

Drawdowns of, Conversions into and Rollovers of requested Libor Loans may only be made upon the Agent's or the Operating Lender's, as applicable, prior favourable determination with respect to the matters referred to in Section 13.1.

2.7 Notice Periods for Drawdowns, Conversions and Rollovers

(1) Subject to the provisions hereof, the Borrower may make a Drawdown, Conversion or Rollover under the Syndicated Facility by delivering a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be (executed in accordance with the definition of Officer's Certificate), with respect to a specified type of Loan to the Agent not later than:

(a) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of Libor Loans;

(b) 10:00 a.m. (Calgary time) two Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or Rollover of Bankers' Acceptances;

(c) 10:00 a.m. (Calgary time) one Banking Day prior to the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into Canadian Prime Rate Loans and/or U.S. Base Rate Loans; and

(d) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date or Rollover Date, as the case may be, for the Drawdown or Rollover of Letters of Credit under the Syndicated Facility.

(2) Subject to the provisions hereof, the Borrower may make a Drawdown, Conversion or Rollover under the Operating Facility by delivering a Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be (executed in accordance with the definition of Officer's Certificate), with respect to a specified type of Loan to the Operating Lender not later than:

(a) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of Libor Loans;

(b) 10:00 a.m. (Calgary time) one Banking Day prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or Rollover of Bankers' Acceptances;

(c) 10:00 a.m. (Calgary time) on the proposed Drawdown Date or Conversion Date, as the case may be, for Drawdowns of or Conversions into Canadian Prime Rate Loans and/or U.S. Base Rate Loans; and

(d) 10:00 a.m. (Calgary time) three Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date, as the case may be, for the Drawdown of, Conversion into or the Rollover of Letters of Credit under the Operating Facility.

2.8 Conversion Option

Subject to the provisions of this Agreement and except for Letters of Credit, the Borrower may convert the whole or any part of any type of Loan under a Credit Facility into any other type of permitted Loan under the same Credit Facility by giving the Agent or the Operating Lender, as applicable, a Conversion Notice in accordance herewith; provided that:

(a) Conversions of Libor Loans and Bankers' Acceptances may only be made on the last day of the Interest Period applicable thereto;

(b) the Borrower may not convert a portion only or the whole of an outstanding Loan unless both the unconverted portion and converted portion of such Loan are equal to or exceed, in the relevant currency of each such portion, the minimum amounts required for Drawdowns of Loans of the same type as that portion (as set forth in Section 2.5);

(c) in respect of Conversions of a Loan denominated in one currency to a Loan denominated in another currency, the Borrower shall at the time of the Conversion repay the Loan or portion thereof being converted in the currency in which it was denominated; and

(d) a Conversion shall not result in an increase in Outstanding Principal; increases in Outstanding Principal may only be effected by Drawdowns.

2.9 Libor Loan Rollovers; Selection of Libor Interest Periods

At or before 10:00 a.m. (Calgary time) three Banking Days prior to the expiration of each Interest Period of each Libor Loan, the Borrower shall, unless it has delivered a Conversion Notice pursuant to Section 2.8 and/or a Repayment Notice pursuant to Section 2.15 (together with a Rollover Notice if a portion only is to be converted or repaid; provided that a portion of a Libor Loan may be continued only if the portion which is to remain outstanding is equal to or exceeds the minimum amount required hereunder for Drawdowns of Libor Loans) with respect to the aggregate

amount of such Loan, deliver a Rollover Notice to the Agent or the Operating Lender, as applicable, selecting the next Interest Period applicable to the Libor Loan, which new Interest Period shall commence on and include the last day of such prior Interest Period. If the Borrower fails to deliver a Rollover Notice to the Agent or Operating Lender, as applicable, as provided in this Section, the Borrower shall be deemed to have given a Conversion Notice to the Agent or Operating Lender, as applicable, electing to convert the entire amount of the maturing Libor Loan into a U.S. Base Rate Loan.

2.10 Rollovers and Conversions not Repayments

Any amount converted shall be a Loan of the type converted to upon such Conversion taking place, and any amount rolled over shall continue to be the same type of Loan under the same Credit Facility as before the Rollover, but such Conversion or Rollover (to the extent of the amount converted or rolled over) shall not of itself constitute a repayment or a fresh utilization of any part of the amount available under the relevant Credit Facility.

2.11 Agent's Obligations with Respect to Canadian Prime Rate Loans, U.S. Base Rate Loans and Libor Loans

Upon receipt of a Drawdown Notice, Rollover Notice or Conversion Notice with respect to a Canadian Prime Rate Loan, U.S. Base Rate Loan or Libor Loan under the Syndicated Facility, the Agent shall forthwith notify the relevant Lenders of the requested type of Loan, the proposed Drawdown Date, Rollover Date or Conversion Date, each Lender's Rateable Portion of such Loan and, if applicable, the account of the Agent to which each Lender's Rateable Portion is to be credited.

2.12 Lenders' and Agent's Obligations with Respect to Canadian Prime Rate Loans, U.S. Base Rate Loans and Libor Loans

(1) Each Lender shall, for same day value on the Drawdown Date specified by the Borrower in a Drawdown Notice with respect to a Canadian Prime Rate Loan, a U.S. Base Rate Loan or a Libor Loan under the Syndicated Facility, credit the Agent's account specified in the Agent's notice given under Section 2.11 with such Lender's Rateable Portion of each such requested Loan and for same day value on the same date the Agent shall pay to the Borrower the full amount of the amounts so credited in accordance with any payment instructions set forth in the applicable Drawdown Notice.

(2) On the Drawdown Date specified by the Borrower in a Drawdown Notice with respect to a Canadian Prime Rate Loan, U.S. Base Rate Loan or Libor Loan under the Operating Facility, for same day value the Operating Lender shall pay to the Borrower the full amount of the requested Drawdown in accordance with any payment instructions set forth in the applicable Drawdown Notice.

2.13 Irrevocability

A Drawdown Notice, Rollover Notice, Conversion Notice or Repayment Notice given by the Borrower hereunder shall be irrevocable and, subject to any options the Lenders may

have hereunder in regard thereto and the Borrower's rights hereunder in regard thereto, shall oblige the Borrower to take the action contemplated on the date specified therein.

2.14 Optional Cancellation or Reduction of Credit Facilities

The Borrower may, at any time, upon giving at least 5 Banking Days prior written notice to the Agent or the Operating Lender, as applicable, cancel in full or, from time to time, permanently reduce in part the unutilized portion of a Credit Facility; provided, however, that any such reduction shall be in a minimum amount of Cdn.$5,000,000 and reductions in excess thereof shall be in integral multiples of Cdn.$1,000,000. If a Credit Facility is so reduced, the Commitments of each of the Lenders under such Credit Facility shall be reduced *pro rata* in the same proportion that the amount of the reduction in the Credit Facility bears to the amount of such Credit Facility in effect immediately prior to such reduction.

2.15 Optional Repayment of Credit Facilities

The Borrower may at any time and from time to time repay, without penalty, to the Agent for the account of the Lenders or, in connection with the Operating Facility, the Operating Lender or, in the case of Letters of Credit return the same to the Operating Lender or the Fronting Lender, as applicable, for cancellation or provide for the funding of, the whole or any part of any Loan owing by it together with accrued interest thereon to the date of such repayment provided that:

(a) the Borrower shall give a Repayment Notice (executed in accordance with the definition of Officer's Certificate) to the Agent or the Operating Lender, as applicable, not later than:

(i) 10:00 a.m. (Calgary time) three Banking Days prior to the date of the proposed repayment, for Libor Loans;

(ii) 10:00 a.m. (Calgary time) two Banking Days prior to the date of the proposed repayment, for Letters of Credit and Banker's Acceptances;

(iii) 10:00 a.m. (Calgary time) one Banking Day prior to the date of the proposed repayment, for Canadian Prime Rate Loans and U.S. Base Rate Loans under the Syndicated Facility; and

(iv) 10:00 a.m. (Calgary time) on the date of the proposed repayment, for Canadian Prime Rate Loans and U.S. Base Rate Loans under the Operating Facility;

(b) repayments pursuant to this Section may only be made on a Banking Day;

(c) subject to the following provisions and Section 2.17, each such repayment may only be made on the last day of the applicable Interest Period with regard to a Libor Loan that is being repaid;

(d) a Bankers' Acceptance may only be repaid on its maturity unless collateralized in accordance with Section 2.17(3);

(e) unexpired Letters of Credit may only be prepaid by the return thereof to the Operating Lender or the Fronting Lender, as applicable, for cancellation or providing funding therefor in accordance with Section 2.17;

(f) except in the case of Letters of Credit and Canadian Prime Rate Loans and U.S. Base Rate Loans under the Operating Facility, each such repayment shall be in a minimum amount of the lesser of: (i) the minimum amount required pursuant to Section 2.5 for Drawdowns of the type of Loan proposed to be repaid and (ii) the Outstanding Principal of all Loans outstanding under the Credit Facilities immediately prior to such repayment; any repayment in excess of such amount shall be in integral multiples of the amounts required pursuant to Section 2.5 for multiples in excess of the minimum amounts for Drawdowns; and

(g) except in the case of Letters of Credit and Canadian Prime Rate Loans and U.S. Base Rate Loans under the Operating Facility, the Borrower may not repay a portion only of an outstanding Loan unless the unpaid portion is equal to or exceeds, in the relevant currency, the minimum amount required pursuant to Section 2.5 for Drawdowns of the type of Loan proposed to be repaid.

2.16 Mandatory Repayment and Reduction of Credit Facilities

(1) Subject to Section 12.2 and Article 7, the Borrower shall repay or pay, as the case may be, to the Agent, on behalf of the Lenders, or, in connection with the Operating Facility, to the Operating Lender, all Loans and other Obligations outstanding under each Credit Facility on or before the Maturity Date applicable to such Credit Facility.

(2) To the extent the Outstanding Principal of the Loans exceeds Cdn.$50,000,000, upon receipt by the Borrower or any of its Subsidiaries of net proceeds from a sale or disposition of any property or assets located outside of Canada or the United States of America by the Borrower or such Subsidiary, funds from such net proceeds shall be utilized to repay Loans outstanding under the Credit Facilities in order to reduce the Outstanding Principal of the Loans to less than Cdn$50,000,000. Any such repayment shall not result in a permanent reduction of the respective Credit Facilities to the extent of such repayment.

(3) Additionally, all proceeds of any insurance claim by the Borrower or any Subsidiary (which are not utilized to repair or replace the damaged property which is the subject of the casualty giving rise to the insurance proceeds) which are not reinvested in property and assets of the Borrower or a Subsidiary within 12 months from the receipt of such proceeds, shall be utilized to repay Loans outstanding under, firstly, the Syndicated Facility and, secondly, the Operating Facility. Any such repayment shall result in a permanent reduction of the respective Credit Facilities to the extent of such repayment.

(4) Additionally, during the Covenant Relief Period, concurrently with the receipt thereof by the Borrower or a Material Subsidiary, the net proceeds from the disposition of any assets or property sold, leased, transferred or otherwise disposed of by the Borrower or any of the

Material Subsidiaries (other than proceeds received in respect of any Permitted Disposition permitted in subparagraphs (a) through (e) of the definition thereof) in excess of Cdn.$10,000,000 (or the Equivalent Amount thereof) shall be utilized to repay Loans outstanding under the Credit Facilities on a pro rata basis with reference to each Lenders' aggregate Commitments under the Credit Facilities. Any such repayment shall not result in a permanent reduction of the respective Credit Facilities to the extent of such repayment unless expressly requested by the Borrower.

(5) The Borrower shall comply with the provisions of Sections 2.15 and 2.17 with respect to each repayment required pursuant to Sections 2.16(2), 2.16(3) and 2.16(4) and the provisions of Sections 2.15 and 2.17 shall apply thereto, *mutatis mutandis*, including (for certainty) the obligation of the Borrower to make payments pursuant to Section 2.17(1) in respect of the repayment of any Libor Loan on other than the last day of the applicable Interest Period and the obligation of the Borrower to provide cash collateral pursuant to Section 2.17(3) in respect of the repayment of any unmatured Bankers' Acceptances.

(6) If there is a Borrowing Base Shortfall, the Borrower will, in accordance with Section 2.23(4), repay Loans under the Credit Facilities to the extent necessary to reduce the Outstanding Principal of Loans under the Credit Facilities by not less than the amount of the Borrowing Base Shortfall.

2.17 Additional Repayment Terms

(1) If any Libor Loan is repaid or converted on other than the last day of the applicable Interest Period, the Borrower shall, within three Banking Days after notice is given by the Agent or the Operating Lender, as applicable, pay to the Agent for the account of the Lenders or, in connection with the Operating Facility, the Operating Lender, all costs, losses, premiums and expenses incurred by the Lenders or the Operating Lender, as applicable, by reason of the liquidation or re deployment of deposits or other funds, or for any other reason whatsoever, resulting in each case from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. Any Lender or the Operating Lender, as applicable, upon becoming entitled to be paid such costs, losses, premiums and expenses, shall deliver to the Borrower and the Agent or the Operating Lender, as applicable, a certificate of the Lender certifying as to such amounts and, in the absence of manifest error, such certificate shall be conclusive and binding for all purposes.

(2) With respect to the funding of the repayment of unexpired Letters of Credit, it is agreed that the Borrower shall provide for the funding in full of the repayment of unexpired Letters of Credit by paying to and depositing with the Operating Lender or the Fronting Lender, as applicable, cash collateral for each such unexpired Letter of Credit equal to the maximum amount thereof, in each case, in the respective currency which the relevant Letter of Credit is denominated; such cash collateral deposited by the Borrower shall be held by the Operating Lender or the Fronting Lender, as applicable, in an interest bearing cash collateral account with interest to be credited to the Borrower at rates prevailing at the time of deposit for similar accounts with the Operating Lender or the Fronting Lender, as applicable. Such cash collateral accounts shall be assigned to the Operating Lender or the Fronting Lender, as applicable, as security for the obligations of the Borrower in relation to such Letters of Credit and the Security Interest of the Operating Lender or the Fronting Lender, as applicable, thereby created in such cash collateral

shall rank in priority to all other Security Interests and adverse claims against such cash collateral. Such cash collateral shall be applied to satisfy the obligations of the Borrower for such Letters of Credit as payments are made thereunder and the Operating Lender or the Fronting Lender, as applicable, is hereby irrevocably directed by the Borrower to so apply any such cash collateral. Amounts held in such cash collateral accounts may not be withdrawn by the Borrower without the consent of the Lenders; however, interest on such deposited amounts shall be for the account of the Borrower and may be withdrawn by the Borrower so long as no Default or Event of Default is then continuing. If after expiry of the Letters of Credit for which such funds are held and application by the Operating Lender or the Fronting Lender, as applicable, of the amounts in such cash collateral accounts to satisfy the obligations of the Borrower hereunder with respect to the Letters of Credit being repaid, any excess remains, such excess shall be promptly paid by the Operating Lender or the Fronting Lender, as applicable, to the Borrower so long as no Default or Event of Default is then continuing.

(3) In lieu of providing cash collateral as aforesaid, the Borrower may provide to the Operating Lender irrevocable standby letter or letters of credit in an aggregate amount equal to the aggregate maximum amount of all unexpired Letters of Credit being repaid and for a term which expires not sooner than 10 Banking Days after the expiry of the Letters of Credit in respect of which such letter(s) of credit are provided; such letters of credit shall be denominated and payable in the currency of the relevant unexpired Letters of Credit and shall be issued by a financial institution and on terms and conditions acceptable to the Operating Lender, in its sole discretion. The Operating Lender is hereby irrevocably authorized and directed to draw upon such letters of credit and apply the proceeds of the same to satisfy the obligations of the Borrower for such unexpired Letters of Credit as payments are made by the Operating Lender or the Fronting Lender, as applicable, thereunder.

(4) With respect to the repayment of unmatured Bankers' Acceptances it is agreed that the Borrower shall provide for the funding in full of the unmatured Bankers' Acceptances to be repaid by paying to and depositing with the Agent or the Operating Lender, as applicable, cash collateral (the "**Cash Collateral**") for each such unmatured Bankers' Acceptances equal to the face amount payable at maturity thereof; such Cash Collateral deposited by the Borrower shall be invested by the Agent or the Operating Lender, as applicable, in Approved Securities as may be directed in writing by the Borrower from time to time (the "**Collateral Investments**"), provided that the Borrower shall direct said investments so that they mature in amounts sufficient to permit payment of the Obligations for maturing Bankers' Acceptances on the maturity dates thereof, with interest thereon to be credited to the Borrower. In the event that the Agent or the Operating Lender, as applicable, is not provided with instructions from the Borrower to make Collateral Investments as provided herein, the Agent or the Operating Lender, as applicable, shall hold such Cash Collateral in an interest bearing cash collateral account (the "**Cash Collateral Account**") at rates prevailing at the time of deposit for similar accounts with the Agent or the Operating Lender, as applicable. The (a) Cash Collateral, (b) Cash Collateral Accounts, (c) Collateral Investments, (d) any accounts receivable, claims, instruments or securities evidencing or relating to the foregoing, and (e) any proceeds of any of the foregoing (collectively the "**Outstanding BAs Collateral**") shall be assigned to the Agent or the Operating Lender, as applicable, as security for the obligations of the Borrower in relation to such Bankers' Acceptances and the Security Interest of the Agent or the Operating Lender, as applicable, thereby created in such Outstanding BAs Collateral shall rank in priority to all other Security Interests and adverse claims against such

Outstanding BAs Collateral. Such Outstanding BAs Collateral shall be applied to satisfy the obligations of the Borrower for such Bankers' Acceptances as they mature and the Agent or the Operating Lender, as applicable, is hereby irrevocably directed by the Borrower to apply any such Outstanding BAs Collateral to such maturing Bankers' Acceptances. The Outstanding BAs Collateral created herein shall not be released to the Borrower without the consent of the applicable Lenders; however, interest on such deposited amounts shall be for the account of the Borrower and may be withdrawn by the Borrower so long as no Default or Event of Default is then continuing. If, after maturity of the Bankers' Acceptances for which such Outstanding BAs Collateral is held and application by the Agent or the Operating Lender, as applicable, of the Outstanding BAs Collateral to satisfy the obligations of the Borrower hereunder with respect to the Bankers' Acceptances being repaid, any interest or other proceeds of the Outstanding BAs Collateral remains, such interest or other proceeds shall be promptly paid and transferred by the Agent or the Operating Lender, as applicable, to the Borrower so long as no Default or Event of Default is then continuing.

2.18 Currency Excess

(1) If the Agent or, in the case of the Operating Facility, the Operating Lender, shall determine that the aggregate Outstanding Principal of the outstanding Loans under a given Credit Facility exceeds the maximum amount of such Credit Facility (the amount of such excess is herein called the "**Currency Excess**"), then, upon written request by the Agent or the Operating Lender, as applicable, (which request shall detail the applicable Currency Excess), the Borrower shall repay an amount of Canadian Prime Rate Loans or U.S. Base Rate Loans under such Credit Facility within (i) if the Currency Excess exceeds Cdn.$5,000,000, 5 Banking Days, and (ii) in all other cases, 20 Banking Days after receipt of such request, such that, except as otherwise contemplated in Section 2.18(2), the Equivalent Amount in Canadian Dollars of such repayments is, in the aggregate, at least equal to the Currency Excess.

(2) If, in respect of any Currency Excess, the repayments made by the Borrower have not completely removed such Currency Excess (the remainder thereof being herein called the "**Currency Excess Deficiency**"), the Borrower shall within the aforementioned 5 or 20 Banking Days, as the case may be, after receipt of the aforementioned request of the Agent or Operating Lender, as applicable, place an amount equal to the Currency Excess Deficiency on deposit with the Agent or Operating Lender, as applicable, in an interest bearing account with interest at rates prevailing at the time of deposit for the account of the Borrower, to be assigned to the Agent on behalf of the Lenders or to the Operating Lender, as applicable, by instrument satisfactory to the Agent or Operating Lender, as applicable and, if applicable, to be applied to maturing Bankers' Acceptances or Libor Loans (converted if necessary at the exchange rate for determining the Equivalent Amount on the date of such application). The Agent or Operating Lender, as applicable is hereby irrevocably directed by the Borrower to apply any such sums on deposit to maturing Loans as provided in the preceding sentence. In lieu of providing funds for the Currency Excess Deficiency, as provided in the preceding provisions of this Section, the Borrower may within the said period of 5 or 20 Banking Days, as the case may be, provide to the Agent or Operating Lender, as applicable an irrevocable standby letter of credit in an amount equal to the Currency Excess Deficiency and for a term which expires not sooner than 10 Banking Days after the date of maturity or expiry, as the case may be, of the relevant Bankers' Acceptances, Libor Loans or Letters of Credit, as the case may be; such letter of credit for the Currency Excess

Deficiency shall be issued by a financial institution, and shall be on terms and conditions, acceptable to the Agent or Operating Lender, as applicable in each of its sole discretion. The Agent or Operating Lender, as applicable, is hereby authorized and directed to draw upon such letter of credit and apply the proceeds of the same to Bankers' Acceptances or Libor Loans as they mature. Upon the Currency Excess Deficiency being eliminated as aforesaid or by virtue of subsequent changes in the exchange rate for determining the Equivalent Amount, then, provided no Default or Event of Default is then continuing, such funds on deposit, together with interest thereon, or such letters of credit shall be returned to the Borrower, in the case of funds on deposit, or shall be cancelled or reduced in amount, in the case of letters of credit.

2.19 Hedging with Lenders and Hedging Affiliates

If a Lender or Hedging Affiliate enters into a Financial Instrument with the Borrower which such Lender or Hedging Affiliate (as the case may be) believes, acting reasonably, in good faith and without any actual notice or knowledge to the contrary, is Permitted Hedging, then each such Lender Financial Instrument and the Lender Financial Instrument Obligations under such Financial Instrument shall be secured by the Security equally and rateably with the Obligations, regardless of whether the Borrower has complied herewith (but, for certainty, without in any manner lessening or relieving the Borrower from its obligation to comply therewith).

2.20 Extension of Syndicated Facility Maturity Date

(1) In this Section:

"**Syndicated Facility Extension Request**" means a written request by the Borrower to the Requested Lenders to extend the Syndicated Facility Maturity Date applicable to such Lenders by one or more years (or any portion thereof), which request shall include an Officer's Certificate certifying that no Default or Event of Default has occurred and is continuing; and

"**Requested Lenders**" means those Syndicated Facility Lenders which are not then Non-Extending Lenders.

(2) The Borrower may, once in each calendar year, by delivering to the Agent an executed Syndicated Facility Extension Request, request the Requested Lenders to extend the Syndicated Facility Maturity Date applicable to such Lenders by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 30 days before June 1 in each calendar year; and (b) the Syndicated Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than two (2) years after the effectiveness of such extension.

(3) Upon receipt from the Borrower of an executed Syndicated Facility Extension Request, the Agent shall promptly deliver to each Requested Lender a copy of such request, and each Requested Lender shall, within 30 days after receipt of the Syndicated Facility Extension Request by the Agent, provide to the Agent and the Borrower either (a) written notice that such Requested Lender (each, an "**Extending Lender**") agrees, subject to Section 2.20(4) below, to the requested extension of the current Syndicated Facility Maturity Date applicable to it or (b) written notice (each, a "**Notice of Non-Extension**") that such Requested Lender (each, a "**Non-Extending Lender**") does not agree to such requested extension; provided that, if any Requested Lender shall

fail to so notify the Agent and the Borrower, then such Requested Lender shall be deemed to have delivered a Notice of Non-Extension and shall be deemed to be a Non-Extending Lender. The determination of each Syndicated Facility Lender whether or not to extend the Syndicated Facility Maturity Date applicable to it shall be made by each individual Syndicated Facility Lender in its sole discretion.

(4) If the Extending Lenders have Syndicated Facility Commitments which, in aggregate, represent more than 66⅔% of all outstanding Syndicated Facility Commitments, the Syndicated Facility Maturity Date shall be extended in accordance with the Syndicated Facility Extension Request for each of the Extending Lenders. If the Extending Lenders do not have Syndicated Facility Commitments which, in aggregate, represent more than 66⅔% of all outstanding Syndicated Facility Commitments, the Syndicated Facility Maturity Date shall not be extended for any of the Requested Lenders. For certainty, the Syndicated Facility Maturity Date for a Non-Extending Lender shall not be extended, regardless of whether or not the Syndicated Facility Maturity Date is extended for the Extending Lenders as aforesaid.

(5) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the Syndicated Facility Maturity Date. If, as of the current Syndicated Facility Maturity Date (before an agreement of the Extending Lenders to the extension thereof in accordance with the foregoing provisions of this Section 2.20), a Default or Event of Default exists, the Syndicated Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary, for any Extending Lender unless (a) such Extending Lender has waived such Default or Event of Default in writing and (b) Extending Lenders having Syndicated Facility Commitments which, in aggregate, represent more than 66⅔% of all outstanding Syndicated Facility Commitments have waived such Default or Event of Default in writing.

(6) A Non-Extending Lender may, with the prior written consent of the Borrower, become an Extending Lender with respect to any prior extension of the Syndicated Facility Maturity Date by providing written notice to the Agent revoking the Notice of Non-Extension provided by such Syndicated Facility Lender; such revocation shall be effective from and after receipt by the Agent of such notice from such Syndicated Facility Lender together with a copy of the Borrower's consent in relation thereto.

(7) To the extent the Syndicated Facility Maturity Date has been extended in accordance with this Section 2.20 but there are Non-Extending Lenders, the Borrower may require any Non-Extending Lender to assign its Syndicated Facility Commitment, its Rateable Portion of all Loans and other Obligations outstanding under the Syndicated Facility and all of its rights, benefits and interests under the Documents relating thereto (collectively, the "**Assigned Interests**") to (i) any Extending Lenders which have agreed to increase their Commitments and purchase Assigned Interests, and (ii) to the extent the Assigned Interests are not transferred to Extending Lenders, financial institutions selected by the Borrower and acceptable to the Agent, acting reasonably. Such assignments shall be effective upon: (a) execution of assignment documentation satisfactory to the relevant Non-Extending Lender, the assignee, the Borrower and the Agent (each acting reasonably); (b) payment to the relevant Non-Extending Lender (in immediately available funds) by the relevant assignee of an amount equal to its Rateable Portion of all Obligations being assigned and all accrued but unpaid interest and fees hereunder in respect of those portions of the Loans and Commitments being assigned; (c) payment by the relevant assignee to the Agent (for the

Agent's own account) of the recording fee contemplated in Section 16.6, and (d) provision satisfactory to the Non-Extending Lender (acting reasonably) being made for (i) payment at maturity of outstanding Bankers' Acceptances accepted by it and (ii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of Libor Loans outstanding hereunder. Upon such assignment and transfer, the Non-Extending Lender shall have no further right, interest, benefit or obligation in respect of the Assigned Interests and the assignee thereof shall succeed to the position of such Lender as if the same was an original party hereto in the place and stead of such Non-Extending Lender and shall be deemed to be an Extending Lender; for such purpose, to the extent that the assignee is not already a party hereto, the assignee shall execute and deliver an Assignment Agreement and such other documentation as may be reasonably required by the Agent and the Borrower to confirm its agreement to be bound by the provisions hereof and to give effect to the foregoing; and

(8) To the extent that any Non-Extending Lender has not assigned its rights and interests to an Extending Lender or other financial institution as provided Section 2.20(7), the Borrower may, notwithstanding any other provision hereof, repay the Non-Extending Lender's Rateable Portion of all Loans outstanding under the Syndicated Facility, together with all accrued but unpaid interest and fees thereon with respect to its Commitments, without making corresponding repayment to the Extending Lenders and, upon such repayment and provision satisfactory to the relevant Non-Extending Lender being made for (i) payment at maturity of all outstanding Bankers' Acceptances accepted by such Lender and (ii) any costs, losses, premiums or expenses incurred by such Lender by reason of a liquidation or re-deployment of deposits or other funds in respect of Libor Loans outstanding hereunder, the Borrower may cancel such Lender's Commitments. Upon completion of the foregoing, such Non-Extending Lender shall have no further right, interest, benefit or obligation in respect of the Syndicated Facility and the Syndicated Facility shall be reduced by the amount of such Lender's cancelled Syndicated Facility Commitment.

2.21 Extension of Operating Facility Maturity Date

(1) In this Section "**Operating Facility Extension Request**" means a written request by the Borrower to the Operating Lender to extend the Operating Facility Maturity Date by one or more years (or any portion thereof), which request shall include an Officer's Certificate certifying that no Default or Event of Default has occurred and is continuing.

(2) The Borrower may, once in each calendar year, by delivering to the Operating Lender an executed Operating Facility Extension Request, request the Operating Lender to extend the Operating Facility Maturity Date by one or more years (or any portion thereof); provided that: (a) such request may not be made more than 90 days or less than 30 days before June 1 in each calendar year; and (b) the Operating Facility Maturity Date, if extended in accordance herewith and therewith, shall not be later than two (2) years after the effectiveness of such extension.

(3) Upon receipt from the Borrower of an executed Operating Facility Extension Request, the Operating Lender shall, within 30 days after receipt of the Operating Facility Extension Request, provide to the Agent and the Borrower either (a) written notice that the Operating Lender agrees to the requested extension of the current Operating Facility Maturity Date in which case the Operating Facility Maturity Date shall be extended in accordance with the

Operating Facility Extension Request or (b) written notice that the Operating Lender does not agree to such requested extension, in which case the Operating Facility Maturity Date shall not be extended; provided that, if the Operating Lender shall fail to so notify the Agent and the Borrower, then the Operating Lender shall be deemed to have denied the request to extend the Operating Facility Maturity Date. The determination of the Operating Lender whether or not to extend the Operating Facility Maturity Date shall be made by the Operating Lender in its sole discretion.

(4) This Section shall apply from time to time to facilitate successive extensions and requests for extension of the Operating Facility Maturity Date. If, as of the current Operating Facility Maturity Date (before an agreement of the Operating Lender to the extension thereof in accordance with the foregoing provisions of this Section 2.21), a Default or Event of Default exists, the Operating Facility Maturity Date shall not be extended, notwithstanding any other provision hereof to the contrary unless the Operating Lender has waived such Default or Event of Default in writing.

2.22 Replacement of Lenders

(1) In addition to and not in limitation of or derogation from Section 2.20(6), the Borrower shall have the right, at its option, to (a) replace (by causing a Lender to assign its rights and interests under the Credit Facilities to additional financial institutions or to existing Lenders which have agreed to increase their Commitments) or (b) provided that no Default or Event of Default has occurred and is continuing, repay the Obligations outstanding and cancel the Commitments of (without corresponding repayment to or cancellation of the Commitments of other Lenders) or (c) do any combination thereof with respect to: (i) those Lenders which have not agreed to a consent under, waiver of or proposed amendment to the provisions of the Documents (each, a "**Dissenting Lender**") requested by the Borrower, (ii) those Lenders which have notified the Borrower and the Agent of an entitlement to receive Additional Compensation under Section 13.3; (iii) those Lenders which, pursuant to Section 13.5, have declared their obligations under this Agreement in respect of any Loan to be terminated; and (iv) any Lender who is a Defaulting Lender, for such purposes, the provisions of Section 2.20(6) shall apply thereto, *mutatis mutandis*; provided that, notwithstanding the foregoing:

(a) if applicable, the Borrower shall not be entitled to replace or repay a Dissenting Lender unless, after doing so, the requested consent, waiver or amendment would be approved in accordance with the Documents; and

(b) for certainty, the addition of new financial institutions as Lenders shall require the consent of the Agent and the Fronting Lender, such consents not to be unreasonably withheld.

(2) For the purposes of Section 2.22(1), the Borrower may require any such Lender to assign its Commitments, its Rateable Portion of all Loans and other Obligations outstanding under the relevant Credit Facilities and all of its rights, benefits and interests under the Documents relating thereto (collectively, the "**Lender Assigned Interests**") to (i) any other Lenders which have agreed to increase their applicable Commitments and purchase the Lender Assigned Interests, and (ii) to the extent the Lender Assigned Interests are not transferred to such other Lenders, financial institutions selected by the Borrower and acceptable to the Agent and the Fronting

Lender, each acting reasonably. Such assignments shall be effective upon execution of assignment documentation satisfactory to the relevant Lender, the assignee, the Borrower and the Agent (each acting reasonably), upon payment to the relevant Lender (in immediately available funds) by the relevant assignee of an amount equal to its Rateable Portion of all Obligations being assigned and all accrued but unpaid interest and fees hereunder in respect of those portions of the Loans and Commitments being assigned, upon payment by the relevant assignee to the Agent (for the Agent's own account) of the transfer fee contemplated in Section 16.6, and upon provision satisfactory to the relevant Lender (acting reasonably) being made for (i) payment at maturity of outstanding Bankers' Acceptances accepted by it, (ii) indemnity in respect of its share of outstanding Letters of Credit or, with respect to outstanding Fronted LCs, release by the Fronting Lender of its obligations in respect thereof and (iii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of Libor Loans outstanding hereunder. Upon such assignment and transfer, the relevant Lender shall have no further right, interest, benefit or obligation in respect of the Credit Facilities and the assignee thereof shall succeed to the position of such Lender as if the same was an original party hereto in the place and stead of such Lender and shall be deemed to be a Lender hereunder; for such purpose, to the extent that the assignee is not already a party hereto, the assignee shall execute and deliver an Assignment Agreement and such other documentation as may be reasonably required by the Agent, the Fronting Lender and the Borrower to confirm its agreement to be bound by the provisions hereof and to give effect to the foregoing.

(3) To the extent that any such Lender has not assigned its rights and interests to another Lender or other financial institution as provided in subparagraph (2) above, the Borrower may, notwithstanding any other provision hereof, repay such Lender's Rateable Portion of all Loans outstanding under the relevant Credit Facility, together with all accrued but unpaid interest and fees thereon with respect to its Commitments, without making corresponding repayment to the other Lenders and, upon such repayment and provision satisfactory to the relevant Lender (acting reasonably) being made for (i) payment at maturity of all outstanding Bankers' Acceptances accepted by such Lender, (ii) indemnity in respect of its share of outstanding Letters of Credit or, with respect to outstanding Fronted LCs, release by the Fronting Lender of its obligations in respect thereof and (iii) any costs, losses, premiums or expenses incurred by such Lender by reason of the liquidation or re-deployment of deposits or other funds in respect of Libor Loans outstanding hereunder. Upon completion of the foregoing, such Lender shall have no further right, interest, benefit or obligation in respect of the relevant Credit Facility and the relevant Credit Facility shall be reduced by the amount of such Lender's cancelled Commitment.

2.23 Borrowing Base Limit; Determinations of Borrowing Base

(1) The Borrower shall not, at any time, have or allow the Outstanding Principal of all Loans under the Credit Facilities to exceed the Borrowing Base then in effect.

(2) The Borrowing Base shall be determined and re-determined as follows:

(a) subject to the other provisions of this Section 2.23, the Borrowing Base shall be the amount certified as such in the most recent Borrowing Base Certificate delivered by the Borrower to the Agent;

(b) within 5 days after receipt by the Lenders of each Borrowing Base Certificate required to be delivered hereunder, each Lender shall advise the Agent if it agrees with the certification of the Borrowing Base provided in the Borrowing Base Certificate (such determination to be made by each Lender acting reasonably); provided that, if a Lender shall not so advise the Agent, then such Lender shall be deemed to have agreed with the certification of the Borrower in the Borrowing Base Certificate;

(c) if all of the Lenders do not agree to the amount of the Borrowing Base as certified in the Borrowing Base Certificate, the Lenders may re-determine the Borrowing Base (acting reasonably) and the Agent shall deliver to the Borrower written notice of the re-determination of the Borrowing Base (each such notice, a "**Borrowing Base Notice**") (with a copy thereof to each Lender) specifying such re-determined Borrowing Base;

(d) if all of the Lenders cannot agree on the re-determination of the Borrowing Base within 10 days after receipt of the Borrowing Base Certificate, then the Borrowing Base shall be deemed to have been determined by the Lenders as the amount agreed to by the Majority of the Lenders and if the Majority of the Lenders cannot agree on the re-determination of the Borrowing Base within 10 days after receipt of the Borrowing Base Certificate, then the Borrowing Base shall be deemed to have been determined by the Lenders as the average amount proposed by all the Lenders to the Agent and promptly after the expiry of such 10 day period the Agent shall deliver a Borrowing Base Notice to the Borrower (with a copy thereof to each Lender) specifying such Borrowing Base; and

(e) for certainty, the re-determined Borrowing Base shall be effective immediately upon receipt by the Borrower of a Borrowing Base Notice delivered pursuant to Section 2.23(2)(c) or 2.23(2)(d), as applicable.

(3) In addition to and without limiting the foregoing or any other provision hereof, in connection with each Permitted Factoring Transaction and any sale of Accounts Receivable owing by an Account Debtor in excess of Cdn.$5,000,000 (or the Equivalent Amount thereof) either (a) the Borrower shall deliver a revised Borrowing Base Certificate within 5 Banking Days of such sale (with the only adjustments from the previously effective Borrowing Base Certificate being adjustments to take into account the disposition of Eligible Accounts Receivable and, if applicable, the receipt of Unencumbered Cash from the proceeds of such sale) and the new Borrowing Base shall take effect immediately subject to the provisions of Section 2.23(2)) or (b) the Accounts Receivable sold shall be immediately excluded from the Borrowing Base without any further notice or documentation.

(4) If, after a Borrowing Base determination or re-determination, the aggregate Outstanding Principal of all Loans under the Credit Facilities exceeds the Borrowing Base then in effect (a "**Borrowing Base Shortfall**"), the Borrower will within 15 Banking Days repay Loans under the Credit Facilities to the extent necessary to reduce the Outstanding Principal of Loans under the Credit Facilities by not less than the amount of the Borrowing Base Shortfall.

ARTICLE 3 - CONDITIONS PRECEDENT TO DRAWDOWNS

3.1 Conditions for Drawdowns

On or before each Drawdown hereunder the following conditions shall be satisfied:

(a) the Agent or the Operating Lender, as applicable, shall have received a proper and timely Drawdown Notice from the Borrower requesting the Drawdown;

(b) the representations and warranties set forth in Section 9.1 shall be true and accurate in all respects on and as of the date of the requested Drawdown;

(c) no Default or Event of Default shall have occurred and be continuing nor shall the Drawdown result in the occurrence of a Default or Event of Default;

(d) No Material Adverse Change shall have occurred;

(e) a Borrowing Base Shortfall shall not exist and, after giving effect to the proposed Drawdown, the Outstanding Principal of all Loans shall not exceed the Borrowing Base then in effect; and

(f) after giving effect to the proposed Drawdown, the Outstanding Principal of all Loans outstanding under the relevant Credit Facility shall not exceed the maximum amount of such Credit Facility.

3.2 Additional Conditions For Amendment and Restatement

This Agreement shall be effective upon, and the Existing Credit Agreement shall be amended and restated as herein provided upon, the following conditions being satisfied:

(a) the Borrower shall have paid all fees and expenses previously agreed to in writing between the Borrower and each of HSBC Bank Canada, as lead arranger, the Agent and the Lenders including, without limitation, all fees payable pursuant to the Fee Letter, shall be paid by the Borrower to HSBC Bank Canada, as lead arranger, the Agent and the Lenders, as applicable;

(b) the Borrower shall have delivered to the Agent and the Lenders a current certificate of status, compliance or good standing, as the case may be, in respect of its jurisdiction of incorporation, certified copies of its constating documents, by-laws, shareholder agreements, other organizational documents and the resolutions authorizing the Documents to which it is a party and the transactions thereunder and an Officers' Certificate as to the incumbency of the officers thereof signing the new Documents to which it is a party;

(c) Calfrac U.S., Calfrac LP and each other Material Subsidiary which has provided Security, if any, shall have delivered to the Agent and the Lenders, if applicable, a current certificate of status, compliance or good standing, as the case may be, in respect of its jurisdiction of incorporation or formation, certified copies of its

constating documents, by-laws, shareholder agreements, partnership agreement, certificate of partnership and other organizational documents and the resolutions of its directors, partners or general partner, as applicable and as required, authorizing the new Documents to which it is a party and the transactions thereunder and an Officers' Certificate as to the incumbency of the officers thereof signing the new Documents to which it is a party;

(d) the Agent and the Lenders shall have received legal opinions from each of (i) legal counsel to the Borrower and the Material Subsidiaries and (ii) Lenders' Counsel in form and substance as may be required by the Lenders in their sole discretion;

(e) (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Section 9.1 shall be true and accurate in all respects and the Borrower shall have delivered to the Agent and the Lenders an Officer's Certificate certifying the same to the Agent and the Lenders;

(f) the Security (or confirmations in respect of the existing guarantees and other Security, in form and substance satisfactory to the Agent, acting reasonably) and the other new Documents (including, without limitation, the 2020 1.5 Lien Intercreditor Agreement) shall have been fully executed and delivered, each in form and substance satisfactory to the Lenders (acting reasonably), and all registrations, filings and recordings necessary or desirable (as determined by the Lenders' Counsel, acting reasonably) in connection with the Security shall have been made and completed;

(g) the Borrower shall have executed and delivered to the Agent the Fee Letter;

(h) no Material Adverse Change shall have occurred and the Borrower shall have delivered to the Agent and the Lenders an Officer's Certificate certifying the same to the Agent and the Lenders;

(i) the Borrower shall have delivered to the Agent and the Lenders an Officer's Certificate detailing the legal structure and ownership of the Borrower and its Subsidiaries, which certificate shall be in form and substance satisfactory to the Agent and Lenders' Counsel (each acting reasonably);

(j) the Borrower shall have delivered to the Agent certificates of insurance in respect of the Borrower and the Material Subsidiaries, which names the Agent as an additional insured and first loss payee, as applicable;

(k) the Borrower shall have delivered to the Agent a *pro forma* Borrowing Base Certificate, which Borrowing Base Certificate shall be in form and substance satisfactory to the Agent, acting reasonably;

(l) the Borrower shall have delivered to the Agent a *pro forma* Compliance Certificate, which Compliance Certificate shall be in form and substance satisfactory to the Agent, acting reasonably;

(m) the Borrower shall have delivered to the Agent (i) *pro forma* consolidated financial projections of the Borrower through to the end of the current Maturity Dates, including the projected income statement, balance sheet and cash flow and (ii) the calculation of the financial covenants for each applicable Quarter End contained therein, each in form and substance satisfactory to the Agent, acting reasonably;

(n) the Borrower shall have delivered to the Agent and the Lenders (i) an Officer's Certificate attaching (A) a true, correct and complete copy of the 2020 1.5 Lien Note Documentation which documentation shall be acceptable to the Agent and the Lenders, acting reasonably (including, without limitation, substantially on the terms and conditions set out in the final information circular (as amended and supplemented by the material change report dated September 25, 2020) regarding the plan of arrangement to be implemented and approved by the Final Order (the "**Plan of Arrangement**"), and (B) the arrangement agreement or other operative documentation in respect of the Plan of Arrangement (as amended, the "**Arrangement Agreement**"), (ii) evidence of the receipt of proceeds of not less than Cdn.$60,000,000 pursuant to the issuance of the 2020 1.5 Lien Convertible Notes and (iii) evidence of the receipt of proceeds of not less than Closing Date Drawdown Amount pursuant to the issuance of the 2020 1.5 Lien Non-Convertible Notes;

(o) the Borrower shall have delivered to the Agent an irrevocable Repayment Notice providing notice of (i) a repayment of Outstanding Principal under the Syndicated Facility in an amount not less than the Closing Date Drawdown Amount pursuant to proceeds of the issuance of the 2020 1.5 Lien Non-Convertible Notes and (ii) a repayment of Outstanding Principal under the Syndicated Facility in an amount not less than Cdn.$• with proceeds of the issuance of the 2020 1.5 Lien Convertible Notes;

(p) the final order by the Alberta Court of Queen's Bench pursuant to Section 192 of the *Canada Business Corporations Act* (the "**Final Order**") approving the Plan of Arrangement in form and substance satisfactory to the Agent and the Lenders which shall include, without limitation, court approval for the Plan of Arrangement and the issuance of the 2020 1.5 Lien Notes, in each case, without requiring the consent of any other person, shall have been issued and the Borrower shall have delivered to the Agent a copy of the filed Final Order;

(q) the Final Order shall not be subject to appeal or such appeal shall have been dismissed and the Borrower shall have delivered a certificate of no appeal in connection therewith;

(r) (i) the Plan of Arrangement shall be filed concurrently with the effectiveness of the Agreement in accordance with the terms of the Arrangement Agreement without any material amendment thereto or waiver of any material condition for the benefit of the Borrower and the transactions and arrangements provided for therein shall have become effective without any further action from any person and the Borrower shall have delivered an Officer's Certificate to the Agent with a

certification to that effect and (ii) in connection therewith, the Borrower shall have provided evidence that all obligations, liabilities and indebtedness of the Borrower, Calfrac LP and the other Material Subsidiaries in connection with the 2018 Senior Unsecured Notes have been unconditionally extinguished and the 2018 Senior Unsecured Note Documentation has been cancelled, released and discharged, as applicable;

(s) the Agent shall have received the final advisory report from Ernst & Young Inc. which shall include, but not be limited to, review of the revised projections in respect of the Borrower and its Subsidiaries which report shall be in form and substance satisfactory to the Agent and the Majority of the Lenders, acting reasonably; and

(t) the Agent and the Lenders shall have received all such other documentation and information reasonably requested from the Borrower and its Subsidiaries including all documentation and other information reasonably requested by any Lender or the Agent, in order to comply with any applicable Anti-Money Laundering Laws.

3.3 Waiver

The conditions set forth in Sections 3.1 and 3.2 are inserted for the sole benefit of the applicable Lenders and, in the case of the Syndicated Facility, the Agent and may be waived by the applicable Lenders, in whole or in part (with or without terms or conditions) without prejudicing the right of the applicable Lenders or Agent at any time to assert such waived conditions in respect of any subsequent Drawdown.

ARTICLE 4 - EVIDENCE OF DRAWDOWNS

4.1 Account of Record

(1) The Agent shall open and maintain books of account or electronically stored records evidencing all Loans and all other amounts owing by the Borrower to the Syndicated Facility Lenders hereunder. The Agent shall enter in the foregoing accounts or records details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts or records shall, absent manifest error, constitute *prima facie* evidence of the obligations of the Borrower to the Syndicated Facility Lenders hereunder with respect to all Loans and all other amounts owing by the Borrower to the Syndicated Facility Lenders hereunder. After a request by the Borrower, the Agent shall promptly advise the Borrower of such entries made in the Agent's books of account or electronically stored records.

(2) The Operating Lender shall open and maintain books of account evidencing all Loans and all other amounts owing by the Borrower to the Operating Lender hereunder. The Operating Lender shall enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts shall, absent manifest error, constitute prima facie evidence of the obligations of the Borrower to the Operating Lender hereunder with respect to all Loans and all other amounts owing by the Borrower to the Operating Lender hereunder. After a request by the Borrower, the

Operating Lender shall promptly advise the Borrower of such entries made in the Operating Lender's books of account.

ARTICLE 5 - PAYMENTS OF INTEREST AND FEES

5.1 Interest on Canadian Prime Rate Loans

The Borrower shall pay interest on each Canadian Prime Rate Loan owing by it during each Interest Period applicable thereto in Canadian Dollars at a rate per annum equal to the Canadian Prime Rate in effect from time to time during such Interest Period plus the Applicable Pricing Rate. Each determination by the Agent or the Operating Lender, as applicable, of the Canadian Prime Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the Canadian Prime Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the Canadian Prime Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrower.

5.2 Interest on U.S. Base Rate Loans

The Borrower shall pay interest on each U.S. Base Rate Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum equal to the U.S. Base Rate in effect from time to time during such Interest Period plus the Applicable Pricing Rate. Each determination by the Agent or the Operating Lender, as applicable, of the U.S. Base Rate applicable from time to time during an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal amount of the U.S. Base Rate Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days. Changes in the U.S. Base Rate shall cause an immediate adjustment of the interest rate applicable to such Loans without the necessity of any notice to the Borrower.

5.3 Interest on Libor Loans

The Borrower shall pay interest on each Libor Loan owing by it during each Interest Period applicable thereto in United States Dollars at a rate per annum, calculated on the basis of a 360 day year, equal to the Libor Rate with respect to such Interest Period plus the Applicable Pricing Rate. Each determination by the Agent or the Operating Lender, as applicable, of the Libor Rate applicable to an Interest Period shall, in the absence of manifest error, be *prima facie* evidence thereof. Such interest shall accrue daily and shall be payable in arrears on each Interest Payment Date for such Loan for the period from and including the Drawdown Date or the preceding Rollover Date, Conversion Date or Interest Payment Date, as the case may be, for such Loan to and including the day preceding such Interest Payment Date and shall be calculated on the principal

amount of the Libor Loan outstanding during such period and on the basis of the actual number of days elapsed divided by 360.

5.4 *Interest Act* (Canada); Conversion of 360 Day Rates

(1) Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year (the "deemed year") which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.

(2) Whenever a rate of interest or other rate per annum hereunder is expressed or calculated on the basis of a year of 360 days, such rate of interest or other rate shall be expressed as a rate per annum, calculated on the basis of a 365 day year, by multiplying such rate of interest or other rate by 365 and dividing it by 360.

(3) The Borrower:

(a) confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facilities based on the methodology for calculating per annum rates provided for in this Agreement. The Agent agrees that, if requested in writing by the Borrower, it will calculate the nominal and effective per annum rate of interest on any Loan outstanding at the time of such request and provide such information to the Borrower within a reasonable time following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Borrower of any of its obligations under this Agreement or any other Document, nor result in any liability to the Agent or any Lender; and

(b) hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the Documents, that the interest payable under this Agreement and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

5.5 Nominal Rates; No Deemed Reinvestment

The principle of deemed reinvestment of interest shall not apply to any interest calculation under this Agreement; all interest payments to be made hereunder shall be paid without allowance or deduction for deemed reinvestment or otherwise, before and after maturity, default and judgment. The rates of interest specified in this Agreement 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.

5.6 Standby Fees

(1) The Borrower shall pay to the Agent for the account of the Syndicated Facility Lenders a standby fee in Canadian Dollars in respect of the Syndicated Facility calculated at a rate per annum equal to the Applicable Pricing Rate on the amount, if any, by which the amount of the Outstanding Principal under the Syndicated Facility in question for each day in the period of determination is less than the maximum amount for each such day of the Syndicated Facility. Fees determined in accordance with this Section shall accrue daily from and after the date hereof and be payable by the Borrower quarterly in arrears and on cancellation in full of the Syndicated Facility and on the Syndicated Facility Maturity Date.

(2) The Borrower shall pay to the Operating Lender a standby fee in Canadian Dollars in respect of the Operating Facility calculated at a rate per annum equal to the Applicable Pricing Rate on the amount, if any, by which the amount of the Outstanding Principal under the Operating Facility for each day in the period of determination is less than the maximum amount for each such day of the Operating Facility. Fees determined in accordance with this Section shall accrue daily from and after the date hereof and be payable by the Borrower quarterly in arrears and on cancellation in full of the Operating Facility and on the Operating Facility Maturity Date.

(3) As of: (i) the first day of January, April, July and October in each year, (ii) the date of any cancellation in full of a Credit Facility and (iii) the Maturity Date applicable to a Credit Facility the Agent, or in the case of the Operating Facility, the Operating Lender, shall determine the standby fees under this Section in respect of the applicable Credit Facility for the period from and including the date hereof or the date of the immediately preceding determination, as the case may be, to but excluding that date of determination and shall deliver to the Borrower a written request for payment of the standby fees so determined, as detailed therein. The Borrower shall pay to the Agent for the account of the Syndicated Facility Lenders, or in the case of the Operating Facility, the Operating Lender, the standby fees referred to above within 5 Banking Days after receipt of each such written request.

(4) For certainty, no standby fees shall be payable by the Borrower in respect of a given Credit Facility for any period of time after the Maturity Date applicable to such Credit Facility.

5.7 Agent's Fees

From and after the date hereof, the Borrower shall pay to the Agent, for its own account, until the Credit Facilities have been fully cancelled and all Obligations hereunder have been paid in full, the non-refundable agency fees in the amounts specified in the Agency Fee Agreement.

5.8 Interest on Overdue Amounts

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including, without limitation, any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall pay interest on such unpaid amount (including, without limitation, interest on interest), if and to the fullest extent permitted by applicable law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is received for value at the required place of payment on

the date of such payment), and such interest shall accrue daily, be calculated and compounded monthly and be payable on demand, after as well as before maturity, default and judgment, at a rate per annum that is equal to (i) in respect of amounts due in Canadian Dollars, the rate of interest then payable on Canadian Prime Rate Loans plus 2.0% per annum or (ii) in respect of amounts due in United States Dollars, the rate of interest then payable on U.S. Base Rate Loans plus 2.0% per annum.

5.9 Waiver

To the extent permitted by applicable law, the covenant of the Borrower to pay interest at the rates provided herein shall not merge in any judgment relating to any obligation of the Borrower to the Lenders or the Agent and any provision of the *Interest Act* (Canada) or *Judgment Interest Act* (Alberta) which restricts any rate of interest set forth herein shall be inapplicable to this Agreement and is hereby waived by the Borrower.

5.10 Maximum Rate Permitted by Law

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by applicable law. In the event that such interest or fee exceeds such maximum rate, such interest or fees shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under applicable law.

ARTICLE 6 - BANKERS' ACCEPTANCES

6.1 Bankers' Acceptances

The Borrower may give the Agent notice that Bankers' Acceptances will be required under the Syndicated Facility pursuant to a Drawdown, Rollover or Conversion and the Borrower may give the Operating Lender notice that Bankers' Acceptances will be required under the Operating Facility pursuant to a Drawdown, Rollover or Conversion.

6.2 Fees

Upon the acceptance by a Lender of a Bankers' Acceptance, the Borrower shall pay to the Agent for the account of such Lender, or shall pay to the Operating Lender, as applicable, a fee in Canadian Dollars equal to the Applicable Pricing Rate calculated on the principal amount at maturity of such Bankers' Acceptance and for the period of time from and including the date of acceptance to but excluding the maturity date of such Bankers' Acceptance and calculated on the basis of the number of days elapsed in a year of 365 days.

6.3 Form and Execution of Bankers' Acceptances

The following provisions shall apply to each Bankers' Acceptance hereunder:

(a) the face amount at maturity of each draft drawn by the Borrower to be accepted as a Bankers' Acceptance shall be Cdn.$100,000 and integral multiples thereof;

(b) the term to maturity of each draft drawn by the Borrower to be accepted as a Bankers' Acceptance shall, subject to market availability as determined by the applicable Lenders, be 1, 2, 3 or 6 months (or such other longer or shorter term as agreed by the applicable Lenders), as selected by the Borrower in the relevant Drawdown, Rollover or Conversion Notice, and each Bankers' Acceptance shall be payable and mature on the last day of the Interest Period selected by the Borrower for such Bankers' Acceptance (which, for certainty, pursuant to the definition of "Interest Period" shall be on or prior to the Maturity Date of the Credit Facility under which the Bankers' Acceptances are proposed to be issued);

(c) each draft drawn by the Borrower and presented for acceptance by a Lender shall be drawn on the standard form of such Lender in effect at the time; provided, however, that the Agent may require the applicable Lenders to use a generic form of Bankers' Acceptance, in a form satisfactory to each Lender, acting reasonably, provided by the Agent for such purpose in place of such Lenders' own forms;

(d) subject to Section 6.3(e) below, Bankers' Acceptances shall be signed by duly authorized officers of the Borrower or, in the alternative, the signatures of such officers may be mechanically reproduced in facsimile thereon and Bankers' Acceptances bearing such facsimile signatures shall be binding on the Borrower as if they had been manually executed and delivered by such officers on behalf of the Borrower; notwithstanding that any person whose manual or facsimile signature appears on any Bankers' Acceptance may no longer be an authorized signatory for the Borrower on the date of issuance of a Bankers' Acceptance, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such Bankers' Acceptance shall be binding on the Borrower; and

(e) in lieu of signing Bankers' Acceptances in accordance with Section 6.3(d) above, the Borrower may provide a Power of Attorney to a Lender; for so long as a Power of Attorney is in force with respect to a given Lender, such Lender shall execute and deliver Bankers' Acceptances on behalf of the Borrower in accordance with the provisions thereof and, for certainty, all references herein to drafts drawn by the Borrower, Bankers' Acceptances executed by the Borrower or similar expressions shall be deemed to include Bankers' Acceptances executed in accordance with a Power of Attorney, unless the context otherwise requires.

6.4 Power of Attorney; Provision of Bankers' Acceptances to Lenders

(1) Unless revoked with respect to a given Lender in accordance herewith, the Borrower hereby appoints each Lender, acting by any authorized signatory of the Lender in question, the attorney of the Borrower:

(a) to sign for and on behalf and in the name of the Borrower as drawer, drafts in such Lender's standard form which are depository bills as defined in the *Depository Bills and Notes Act* (Canada) (the "**DBNA**"), payable to a "clearing house" (as defined in

the DBNA) including, without limitation, The Canadian Depository For Securities Limited or its nominee, CDS & Co. (the "**clearing house**");

(b) for drafts which are not depository bills, to sign for and on behalf and in the name of the Borrower as drawer and to endorse on its behalf, Bankers' Acceptances drawn on the Lender payable to the order of the undersigned or payable to the order of such Lender;

(c) to fill in the amount, date and maturity date of such Bankers' Acceptances; and

(d) to deposit and/or deliver such Bankers' Acceptances which have been accepted by such Lender,

provided that such acts in each case are to be undertaken by the Lender in question strictly in accordance with instructions given to such Lender by the Borrower as provided in this Section. For certainty, signatures of any authorized signatory of a Lender may be mechanically reproduced in facsimile on Bankers' Acceptances in accordance herewith and such facsimile signatures shall be binding and effective as if they had been manually executed by such authorized signatory of such Lender.

Instructions from the Borrower to a Lender relating to the execution, completion, endorsement, deposit and/or delivery by that Lender on behalf of the Borrower of Bankers' Acceptances which the Borrower wishes to submit to the Lender for acceptance by the Lender shall be communicated by the Borrower in writing to the Agent or to the Operating Lender, as applicable, by delivery to the Agent or the Operating Lender, as applicable, of Drawdown Notices, Conversion Notices and Rollover Notices, as the case may be, in accordance with this Agreement which, in the case of Bankers' Acceptances under the Syndicated Facility, in turn, shall be communicated by the Agent, on behalf of the Borrower, to the applicable Lender.

The communication in writing by the Borrower, or on behalf of the Borrower by the Agent, to the Lender of the instructions set out in the Drawdown Notices, Conversion Notices and Rollover Notices referred to above shall constitute (a) the authorization and instruction of the Borrower to the Lender to sign for and on behalf and in the name of the Borrower as drawer the requested Bankers' Acceptances and to complete and/or endorse Bankers' Acceptances in accordance with such information as set out above and (b) the request of the Borrower to the Lender to accept such Bankers' Acceptances and deposit the same with the clearing house or deliver the same, as the case may be, in each case in accordance with this Agreement and such instructions. The Borrower acknowledges that a Lender shall not be obligated to accept any such Bankers' Acceptances except in accordance with the provisions of this Agreement.

A Lender shall be and it is hereby authorized to act on behalf of the Borrower upon and in compliance with instructions communicated to that Lender as provided herein if the Lender reasonably believes such instructions to be genuine. If a Lender accepts Bankers' Acceptances pursuant to any such instructions, that Lender shall confirm particulars of such instructions, in the case of Bankers' Acceptances under the Syndicated Facility, and advise the Agent that it has complied therewith by notice in writing addressed to the Agent and served personally or sent by telecopier in accordance with the provisions hereof and, in the case of Bankers Acceptances under

the Operating Facility, advise the Borrower that it has complied therewith by notice in writing addressed to the Borrower and served personally or sent by telecopier in accordance with the provisions hereof. A Lender's actions in compliance with such instructions, confirmed and advised to the Agent by such notice, shall be conclusively deemed to have been in accordance with the instructions of the Borrower.

This Power of Attorney may be revoked by the Borrower with respect to any particular Lender at any time upon not less than 5 Banking Days' prior written notice served upon the Lender in question and, in the case of the Syndicated Facility, the Agent, provided that no such revocation shall reduce, limit or otherwise affect the obligations of the Borrower in respect of any Bankers' Acceptance executed, completed, endorsed, deposited and/or delivered in accordance herewith prior to the time at which such revocation becomes effective.

(2) Unless the Borrower has provided Powers of Attorney to the applicable Lenders, to facilitate Drawdowns, Rollovers or Conversions of Bankers' Acceptances, the Borrower shall, upon execution of this Agreement and thereafter from time to time as required by the Lenders, provide to the Agent, for delivery to each Syndicated Facility Lender, and the Operating Lender drafts drawn in blank by the Borrower (pre-endorsed and otherwise in fully negotiable form, if applicable) in quantities sufficient for each Lender to fulfil its obligations hereunder. Any such pre-signed drafts which are delivered by the Borrower to the Agent or a Lender shall be held in safekeeping by the Agent or such Lender, as the case may be, with the same degree of care as if they were the Agent's or such Lender's property, and shall only be dealt with by the Lenders and the Agent in accordance herewith. No Lender shall be responsible or liable for its failure to make its share of any Drawdown, Rollover or Conversion of Bankers' Acceptances required hereunder if the cause of such failure is, in whole or in part, due to the failure of the Borrower to provide such pre signed drafts to the Agent (for delivery to such Lender) or the Operating Lender, as applicable, on a timely basis.

(3) By 10:00 a.m. (Calgary time) on the applicable Drawdown Date, Conversion Date or Rollover Date, the Borrower shall (a) either deliver to each applicable Lender in Toronto, or, if previously delivered, be deemed to have authorized each applicable Lender to complete and accept, or (b) where the Borrower has previously executed and delivered a Power of Attorney to such Lender, be deemed to have authorized each such Lender to sign on behalf of the Borrower, complete and accept, drafts drawn by the Borrower on such Lender in a principal amount at maturity equal to such Lender's share of the Bankers' Acceptances specified by the Borrower in the relevant Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, as notified to the applicable Lenders by the Agent.

6.5 Mechanics of Issuance

(1) Upon receipt by the Agent of a Drawdown Notice, Conversion Notice or Rollover Notice from the Borrower requesting the issuance of Bankers' Acceptances, the Agent shall promptly notify the applicable Lenders thereof and advise each such Lender of the aggregate face amount of Bankers' Acceptances to be accepted by such Lender, the date of issue, the Interest Period for such Loan and, whether such Bankers' Acceptances are to be self-marketed by the Borrower or purchased by such Lender for its own account; with respect to Bankers' Acceptances under the Syndicated Facility, the apportionment among the Syndicated Facility Lenders of the

face amounts of Bankers' Acceptances to be accepted by each such Lender shall be determined by the Agent by reference and in proportion to the respective Syndicated Facility Commitments of each Lender, provided that, when such apportionment cannot be evenly made, the Agent shall round allocations amongst such Lenders consistent with the Agent's normal money market practices.

(2) Unless the Borrower has elected pursuant to Section 6.5(3) to have each Lender purchase for its own account the Bankers' Acceptances to be accepted by it in respect of any Drawdown, Rollover or Conversion, on each Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances:

(a) the Borrower shall obtain quotations from prospective purchasers regarding the sale of the Bankers' Acceptances and shall accept such offers in its sole discretion;

(b) by no later than 9:00 a.m. (Calgary time) on such date, the Borrower shall provide the Agent or the Operating Lender, as applicable, with details regarding the sale of the Bankers' Acceptances described in (a) above whereupon, with respect to Bankers' Acceptances under the Syndicated Facility, the Agent shall promptly notify the applicable Lenders of the identity of the purchasers of such Bankers' Acceptances, the amounts being purchased by such purchasers, the Discount Proceeds and the acceptance fees applicable to such issue of Bankers' Acceptances (including each applicable Lender's share thereof);

(c) each applicable Lender shall complete and accept in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Borrower and advised by the Agent in connection with such issue, its share of the Bankers' Acceptances to be issued on such date; and

(d) in the case of a Drawdown, each applicable Lender shall, on receipt of the Discount Proceeds, remit the Discount Proceeds (net of the acceptance fee payable to such Lender pursuant to Section 6.2) to the Agent for the account of the Borrower; the Agent shall make such funds available to the Borrower for same day value on such date.

(3) The Borrower may, with respect to the issuance of Bankers' Acceptances hereunder from time to time, elect in the Drawdown Notice, Conversion Notice or Rollover Notice, as the case may be, delivered in respect of such issuance to have the applicable Lenders purchase such Bankers' Acceptances for their own account. In respect of the Syndicated Facility, on each such Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances being so purchased by the applicable Lenders:

(a) before 9:00 a.m. (Calgary time) on such date, the Agent, shall determine the CDOR Rate and shall obtain quotations from each Schedule II Lender or Schedule III Lender of the Discount Rate then applicable to bankers' acceptances accepted by such Schedule II Lender or Schedule III Lender in respect of an issue of bankers' acceptances in a comparable amount and with comparable maturity to the Bankers' Acceptances proposed to be issued on such date;

(b) on or about 9:00 a.m. (Calgary time) on such date, the Agent shall determine the BA Discount Rate applicable to each applicable Lender and shall advise each such Lender of the BA Discount Rate applicable to it;

(c) each applicable Lender shall complete and accept, in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Borrower and advised by the Agent in connection with such issue, its share of the Bankers' Acceptances to be issued on such date and shall purchase such Bankers' Acceptances for its own account at a purchase price which reflects the BA Discount Rate applicable to such issue; and

(d) in the case of a Drawdown, each applicable Lender shall, for same day value on the Drawdown Date, remit the Discount Proceeds or advance the BA Equivalent Advance, as the case may be, payable by such Lender (net of the acceptance fee payable to such Lender pursuant to Section 6.2) to the Agent for the account of the Borrower; the Agent shall make such funds available to the Borrower for same day value on such date.

(4) On each Drawdown Date, Rollover Date or Conversion Date involving the issuance of Bankers' Acceptances being so purchased by the Operating Lender:

(a) on or about 9:00 a.m. (Calgary time) on such date, the Operating Lender shall determine the BA Discount Rate applicable to it;

(b) the Operating Lender shall complete and accept, in accordance with the Drawdown Notice, Conversion Notice or Rollover Notice delivered by the Borrower, the Bankers' Acceptances to be issued on such date and shall purchase such Bankers' Acceptances for its own account at a purchase price which reflects the BA Discount Rate applicable to such issue; and

(c) in the case of a Drawdown, the Operating Lender shall make the Discount Proceeds (net of the acceptance fee payable to the Operating Lender pursuant to Section 6.2) available to the Borrower for same day value.

(5) Each Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all Bankers' Acceptances accepted and purchased by it for its own account.

6.6 Rollover, Conversion or Payment on Maturity

In anticipation of the maturity of Bankers' Acceptances, the Borrower shall, subject to and in accordance with the requirements hereof, do one or a combination of the following with respect to the aggregate face amount at maturity of all such Bankers' Acceptances:

(a) (i) deliver to the Agent or the Operating Lender, as applicable, a Rollover Notice that the Borrower intends to draw and present for acceptance on the maturity date new Bankers' Acceptances (issued under the same Credit Facility as the maturing Bankers' Acceptances) in an aggregate face amount up to the aggregate amount of

the maturing Bankers' Acceptances and (ii) on the maturity date pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an additional amount equal to the difference between the aggregate face amount of the maturing Bankers' Acceptances and the Discount Proceeds of such new Bankers' Acceptances;

(b) (i) deliver to the Agent or the Operating Lender, as applicable, a Conversion Notice requesting a Conversion of the maturing Bankers' Acceptances to another type of Loan under the same Credit Facility as the maturing Bankers' Acceptances and (ii) on the maturity date pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the difference, if any, between the aggregate face amount of the maturing Bankers' Acceptances and the amount of the Loans into which Conversion is requested; or

(c) on the maturity date of the maturing Bankers' Acceptances, pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the aggregate face amount of such Bankers' Acceptances.

If the Borrower fails to so notify the Agent or the Operating Lender, as applicable, or make such payments on maturity, the Agent or the Operating Lender, as applicable, shall effect a Conversion into a Canadian Prime Rate Loan under the same Credit Facility as the maturing Bankers' Acceptances of the entire amount of such maturing Bankers' Acceptances as if a Conversion Notice had been given by the Borrower to the Agent or the Operating Lender, as applicable, to that effect.

6.7 Restriction on Rollovers and Conversions

Subject to the other provisions hereof, Conversions and Rollovers of Bankers' Acceptances may only occur on the maturity date thereof.

6.8 Rollovers

In order to satisfy the continuing liability of the Borrower to a Lender for the face amount of maturing Bankers' Acceptances accepted by such Lender, the Lender shall receive and retain for its own account the Discount Proceeds of new Bankers' Acceptances issued on a Rollover, and the Borrower shall on the maturity date of the Bankers' Acceptances being rolled over pay to the Agent for the account of the applicable Lenders or the Operating Lender, as applicable, an amount equal to the difference between the face amount of the maturing Bankers' Acceptances and the Discount Proceeds from the new Bankers' Acceptances, together with the acceptance fees to which the Lenders are entitled pursuant to Section 6.2.

6.9 Conversion into Bankers' Acceptances

In respect of Conversions into Bankers' Acceptances, in order to satisfy the continuing liability of the Borrower to the applicable Lenders for the amount of the converted Loan, each applicable Lender shall receive and retain for its own account the Discount Proceeds of the Bankers' Acceptances issued upon such Conversion, and the Borrower shall on the Conversion Date pay to the Agent for the account of the applicable Lenders or the Operating Lender, as

applicable, an amount equal to the difference between the principal amount of the converted Loan and the aggregate Discount Proceeds from the Bankers' Acceptances issued on such Conversion, together with the acceptance fees to which the applicable Lenders are entitled pursuant to Section 6.2.

6.10 Conversion from Bankers' Acceptances

In order to satisfy the continuing liability of the Borrower to the applicable Lenders for an amount equal to the aggregate face amount of the maturing Bankers' Acceptances converted to another type of Loan, the Agent or the Operating Lender, as applicable, shall record the obligation of the Borrower to the applicable Lenders as a Loan of the type into which such continuing liability has been converted.

6.11 BA Equivalent Advances

Notwithstanding the foregoing provisions of this Article, a Non-Acceptance Lender shall, in lieu of accepting Bankers' Acceptances, make a BA Equivalent Advance. The amount of each BA Equivalent Advance shall be equal to the Discount Proceeds which would be realized from a hypothetical sale of those Bankers' Acceptances which, but for this Section, such Lender would otherwise be required to accept as part of such a Drawdown, Conversion or Rollover of Bankers' Acceptances. To determine the amount of such Discount Proceeds, the hypothetical sale shall be deemed to take place at the BA Discount Rate for such Loan. Any BA Equivalent Advance shall be made on the relevant Drawdown Date, Rollover Date or Conversion Date as the case may be and shall remain outstanding for the term of the relevant Bankers' Acceptances. Concurrent with the making of a BA Equivalent Advance, a Non-Acceptance Lender shall be entitled to deduct therefrom an amount equal to the acceptance fee which, but for this Section, such Lender would otherwise be entitled to receive as part of such Loan. Subject to Section 6.6, upon the maturity date for such Bankers' Acceptances, the Borrower shall pay to each Non-Acceptance Lender an amount equal to the face amount at maturity of the Bankers' Acceptances which, but for this Section, such Lender would otherwise be required to accept as part of such a Drawdown, Conversion or Rollover of Bankers' Acceptances as repayment of the amount of its BA Equivalent Advance plus payment of the interest accrued and payable thereon to such maturity date.

All references herein to "Loans" and "Bankers' Acceptances" shall, unless otherwise expressly provided herein or unless the context otherwise requires, be deemed to include BA Equivalent Advances made by a Non-Acceptance Lender as part of a Drawdown, Conversion or Rollover of Bankers' Acceptances.

6.12 Termination of Bankers' Acceptances

If at any time a Lender ceases to accept bankers' acceptances in the ordinary course of its business, such Lender shall be deemed to be a Non-Acceptance Lender and shall make BA Equivalent Advances in lieu of accepting Bankers' Acceptances under this Agreement.

6.13 Borrower Acknowledgements

In the event that the Borrower is marketing its own Bankers' Acceptances in accordance with Section 6.5(2), the Borrower hereby agrees that it shall make its own

arrangements for the marketing and sale of the Bankers' Acceptances to be issued hereunder and that the Lender shall have no obligation nor be responsible in that regard. The Borrower further acknowledges and agrees that the availability of purchasers for Bankers' Acceptances requested to be issued hereunder, as well as all risks relating to the purchasers thereof, are its own risk.

ARTICLE 7 - LETTERS OF CREDIT

7.1 Availability

Subject to the provisions hereof, the Borrower may require that Letters of Credit be issued under the Operating Facility or the Syndicated Facility in accordance with the Drawdown Notices and Rollover Notices of the Borrower; provided that the aggregate Outstanding Principal represented by all outstanding Letters of Credit under the Operating Facility shall not exceed Cdn.$5,000,000 and the aggregate Outstanding Principal represented by all outstanding Letters of Credit under the Syndicated Facility shall not exceed U.S.$5,000,000. The issuance of Letters of Credit shall constitute Drawdowns or Rollovers (as applicable) hereunder and shall reduce the availability of applicable Credit Facility by the aggregate Outstanding Principal of Letters of Credit under such Credit Facility. References to "Lenders" in this Article are deemed to be references to the Operating Lender or the Syndicated Facility Lenders, as applicable and as the context requires.

7.2 Currency, Type, Form and Expiry

Letters of Credit issued pursuant hereto shall be denominated in Canadian Dollars or United States Dollars and amounts payable thereunder shall be paid in the currency in which the Letter of Credit is denominated. Letters of Credit issued under the Operating Facility shall be in a form satisfactory to the Operating Lender, acting reasonably, and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the then current Operating Facility Maturity Date. Letters of Credit issued under the Syndicated Facility shall be issued as a Fronted LC by the Fronting Lender and shall be in a form satisfactory to the Fronting Lender, acting reasonably, and shall have an expiration date not in excess of one year from the date of issue and, in any event, not later than the then current Syndicated Facility Maturity Date. On the applicable Maturity Date, the Borrower shall provide or cause to be provided to the Operating Lender or the Fronting Lender, as applicable, cash collateral or letters of credit (or any combination thereof) in accordance with the provisions of Section 2.17(2) in an amount equal to or greater than the aggregate undrawn amount of all unexpired Letters of Credit outstanding under the applicable Credit Facility; such cash collateral and letters of credit shall be held by the Operating Lender or the Fronting Lender, as applicable, and be applied in accordance with said Section 2.17(2) in satisfaction of and security for the Obligations of the Borrower for such unexpired Letters of Credit.

7.3 No Conversion

Except as provided in Section 7.6, the Borrower may not effect a Conversion of a Letter of Credit.

7.4 Fronted LC Provisions

(1) With respect to Fronted LCs, the Fronting Lender will exercise and give the same care and attention to each Fronted LC issued by it hereunder as it gives to its other letters of credit and similar obligations, and the Fronting Lender's sole liability to each applicable Lender shall be to promptly return to the Agent for the account of the applicable Lenders, each such Lender's Rateable Portion of any payments made to the Fronting Lender by the Borrower hereunder (other than the fees and amounts payable to the Fronting Lender for its own account) if the Borrower has made a payment to the Fronting Lender hereunder. Each applicable Lender agrees that, in paying any drawing under a Fronted LC, the Fronting Lender shall not have any responsibility to obtain any document (other than as expressly required by such Fronted LC) or to ascertain or inquire as to the validity or accuracy of any such document or the authority of any person delivering any such document. Neither the Fronting Lender nor any of its representatives, officers, employees or agents shall be liable to any Lender for:

(a) any action taken or omitted to be taken in connection herewith at the request or with the approval of the applicable Lenders;

(b) any action taken or omitted to be taken in connection with any Fronted LC in the absence of gross negligence or wilful misconduct; or

(c) the execution, effectiveness, genuineness, validity, or enforceability of any Fronted LC, or any other document contemplated thereby.

The Fronting Lender shall not incur any liability by acting in reliance upon any notice, consent, certificate, statement or other writing (which may be a bank wire, telex or similar writing) believed by it to be genuine or to be signed by the proper person or persons.

(2) The Borrower and each Lender hereby authorize the Fronting Lender to review on behalf of each such Lender each draft and other document presented under each Fronted LC issued by the Fronting Lender. The determination of the Fronting Lender as to the conformity of any documents presented under a Fronted LC issued by it to the requirements of such Fronted LC shall, in the absence of the Fronting Lender's gross negligence or wilful misconduct, be conclusive and binding on the Borrower and each applicable Lender. The Fronting Lender shall, within a reasonable time following its receipt thereof, examine all documents purporting to represent a demand for payment under any Fronted LC issued by it. The Fronting Lender shall promptly after such examination:

(a) notify the Agent and the Borrower by telephone (confirmed in writing) of such demand for payment;

(b) deliver to the Agent a copy of each document purporting to represent a demand for payment under such Fronted LC; and

(c) notify the Agent and the Borrower whether said demand for payment was properly made under such Fronted LC.

7.5 Records

The Operating Lender and the Fronting Lender shall maintain records showing the undrawn and unexpired amount of each Letter of Credit outstanding under the applicable Credit Facility and, in the case of the Fronting Lender, each applicable Lender's share of such amount and showing for each such Letter of Credit issued hereunder:

(a) the dates of issuance and expiration thereof;

(b) the amount thereof; and

(c) the date and amount of all payments made thereunder.

The Operating Lender and the Agent, on behalf of the Fronting Lender, shall make copies of such records available to the Borrower or any applicable Lender upon its request.

7.6 Reimbursement or Conversion on Presentation;

(1) On presentation of a Letter of Credit and payment thereunder by the Operating Lender, the Borrower shall forthwith pay to and reimburse the Operating Lender for all amounts paid pursuant to such Letter of Credit; failing such payment, the Borrower shall be deemed to have effected a Conversion of such Letter of Credit into a Canadian Prime Rate Loan under the Operating Facility and to the extent of the payment by the Operating Lender thereunder.

(2) On presentation of a Letter of Credit issued under the Syndicated Facility and payment thereunder by the Fronting Lender, the Borrower shall forthwith pay to and reimburse the Fronting Lender for all amounts paid pursuant to such Letter of Credit or, failing such payment, the Borrower shall be deemed to have effected a Conversion of the amount so paid pursuant to such Letter of Credit into: (a) a Canadian Prime Rate Loan, in the case of a Letter of Credit denominated in Canadian Dollars or (b) a U.S. Base Rate Loan in the case of a Letter of Credit denominated in United States Dollars, in each case, to the extent of the payment by the Fronting Lender thereunder.

7.7 Fronting Lender Indemnity

(1) If the Fronting Lender makes payment under any Fronted LC and the Borrower does not fully reimburse the Fronting Lender on or before the date of payment, then Section 7.6 shall apply to deem a Loan to be outstanding to the Borrower under this Agreement in the manner herein set out. Each applicable Lender shall, on request by the Fronting Lender, immediately pay to the Fronting Lender an amount equal to such Lender's Rateable Portion of the amount paid by the Fronting Lender such that each such Lender is participating in the deemed Loan in accordance with its Rateable Portion and, for certainty, regardless of whether any Default or Event of Default is then outstanding or whether any other condition to the making of a Loan has been satisfied or not.

(2) Each applicable Lender shall immediately on demand indemnify the Fronting Lender to the extent of such Lender's Rateable Portion of any amount paid or liability incurred by the Fronting Lender under each Fronted LC issued by it to the extent that the Borrower does not fully reimburse the Fronting Lender therefor.

(3) For certainty, the obligations in this Section 7.7 shall continue as obligations of those applicable Lenders who were Lenders at the time when each such Letter of Credit was issued notwithstanding that such Lender may assign its rights and obligations hereunder, unless the Fronting Lender specifically releases such Lender from such obligations in writing.

7.8 Fees and Expenses

(1) From and after the date hereof, the Borrower shall pay to the Operating Lender in respect of Letters of Credit issued under the Operating Facility, an issuance fee payable quarterly in arrears on the last Banking Day of each calendar quarter and payable on the date which the Operating Facility is fully cancelled, calculated at a rate per annum equal to the Applicable Pricing Rate and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued; provided that the minimum issuance fee for each such Letter of Credit shall be Cdn.$350 for a Letter of Credit denominated in Canadian Dollars and U.S.$350 for a Letter of Credit denominated in United States Dollars. To the extent any existing and currently outstanding Letters of Credit for which issuance fees have been paid in advance are presented, cancelled, terminated or reduced prior to their original expiry date, the Operating Lender shall reimburse the Borrower for the amount of any applicable overpayment of any such issuance fees in connection with any such presentment, cancellation, termination or reduction.

(2) The Borrower shall pay to the Agent, for the account of the Syndicated Facility Lenders, in respect of the issuance of any Fronted LC issued under the Syndicated Facility, an issuance fee payable quarterly in arrears on the last Banking Day of each calendar quarter and payable on the date which the Syndicated Facility is fully cancelled, calculated at a rate per annum equal to the Applicable Pricing Rate and on the amount of each such Letter of Credit for the number of days which such Letter of Credit will be outstanding in the year of 365 days in which the Letter of Credit is issued; provided that the minimum issuance fee for each such Letter of Credit shall be Cdn.$350 for a Letter of Credit denominated in Canadian Dollars and U.S.$350 for a Letter of Credit denominated in United States Dollars.

(3) The Borrower shall pay to the Agent, for the account of the Fronting Lender, in respect of the issuance of any Fronted LC by the Fronting Lender, a fronting fee, payable quarterly in arrears on the last Banking Day of each calendar quarter and payable on the date which the Syndicated Facility is fully cancelled, calculated at a rate of 0.25% on the amount of each such Fronted LC for the number of days which such Fronted LC will be outstanding.

(4) In addition, with respect to all Letters of Credit, the Borrower shall from time to time pay to the Operating Lender or the Fronting Lender, as applicable, its usual and customary fees and charges (at the then prevailing rates) for the amendment, delivery and administration of letters of credit such as the Letters of Credit and shall pay and reimburse the Operating Lender or the Fronting Lender, as applicable, for any out-of-pocket costs and expenses incurred in connection with any Letter of Credit, including in connection with any payment thereunder.

7.9 Additional Provisions

(1) Indemnity and No Lender Liability

The Borrower shall indemnify and save harmless the Lenders, the Operating Lender, the Fronting Lender and the Agent against all claims, losses, costs, expenses or damages to the Lenders, the Operating Lender, the Fronting Lender and the Agent arising out of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder or any action taken by the Lenders, the Operating Lender, the Fronting Lender, the Agent or any other person in connection therewith, including all costs relating to any legal process or proceeding instituted by any party restraining or seeking to restrain the issuer of a Letter of Credit or the Operating Lender or the Fronting Lender, as applicable, from accepting or paying any Draft or any amount under any such Letter of Credit, except as a result of such person's gross negligence or wilful misconduct. The Borrower also agrees that the Lenders, the Operating Lender, the Fronting Lender and the Agent shall have no liability to it for any reason in respect of or in connection with any Letter of Credit, the issuance thereof, any payment thereunder or any other action taken by the Lenders, the Operating Lender, the Fronting Lender, the Agent or any other person in connection therewith, except as a result of such person's gross negligence or wilful misconduct.

(2) No Obligation to Inquire

The Borrower hereby acknowledges and confirms to the Lenders, the Operating Lender, the Fronting Lender and the Agent, as applicable, that such person shall not be obliged to make any inquiry or investigation as to the right of any beneficiary to make any claim or Draft or request any payment under a Letter of Credit and payment pursuant to a Letter of Credit shall not be withheld by reason of any matters in dispute between the beneficiary thereof and the Borrower. The sole obligation of the Lenders, the Operating Lender, the Fronting Lender and the Agent with respect to Letters of Credit is to cause to be paid a Draft drawn or purporting to be drawn in accordance with the terms of the applicable Letter of Credit and for such purpose the Lenders, the Operating Lender, the Fronting Lender and the Agent are only obliged to determine that the Draft purports to comply with the terms and conditions of the relevant Letter of Credit.

The Lenders, the Operating Lender, the Fronting Lender and the Agent shall not have any responsibility or liability for or any duty to inquire into the form, sufficiency (other than to the extent provided in the preceding paragraph), authorization, execution, signature, endorsement, correctness (other than to the extent provided in the preceding paragraph), genuineness or legal effect of any Draft, certificate or other document presented to it pursuant to a Letter of Credit and the Borrower unconditionally assumes all risks with respect to the same. The Borrower agrees that it assumes all risks of the acts or omissions of the beneficiary of any Letter of Credit with respect to the use by such beneficiary of the relevant Letter of Credit. The Borrower further agrees that neither the Lenders, the Operating Lender, the Fronting Lender or the Agent, nor any of their respective officers, directors or correspondents will assume liability for, or be responsible for:

(a) the validity, correctness, genuineness or legal effect of any document or instrument relating to any Letter of Credit, even if such document or instrument should in fact prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged;

(b) the failure of any document or instrument to bear any reference or adequate reference to any Letter of Credit;

(c) any failure to note the amount of any Draft on any Letter of Credit or on any related document or instrument; any failure of the beneficiary of any Letter of Credit to meet the obligations of such beneficiary to the Borrower or any other person;

(d) any errors, inaccuracies, omissions, interruptions or delays in transmission or delivery of any messages, directions or correspondence by mail, facsimile or otherwise, whether or not they are in cipher;

(e) any inaccuracies in the translation of any messages, directions or correspondence or for errors in the interpretation of any technical terms; or

(f) any failure by the Lenders, the Operating Lender, the Fronting Lender or the Agent to make payment under any Letter of Credit as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or government or Governmental Authority or as a result of any other cause beyond the control of such person or its officers, directors or correspondents.

(3) Obligations Unconditional

The obligations of the Borrower hereunder with respect to all Letters of Credit shall be absolute, unconditional and irrevocable and shall not be reduced by any event, circumstance or occurrence, including any lack of validity or enforceability of a Letter of Credit, or any Draft paid or acted upon by the Lenders, the Operating Lender, the Fronting Lender or the Agent or any of their respective correspondents being fraudulent, forged, invalid or insufficient in any respect (except with respect to their gross negligence or wilful misconduct or payment under a Letter of Credit other than in substantial compliance herewith), or any set-off, defenses, rights or claims which the Borrower may have against any beneficiary or transferee of any Letter of Credit. The obligations of the Borrower hereunder shall remain in full force and effect and shall apply to any alteration to or extension of the expiration date of any Letter of Credit or any Letter of Credit issued to replace, extend or alter any Letter of Credit.

(4) Other Actions

Any action, inaction or omission taken or suffered by the Lenders, the Operating Lender, the Fronting Lender, the Agent or by any of their respective correspondents under or in connection with a Letter of Credit or any Draft made thereunder, if in good faith and in conformity with foreign or domestic laws, regulation or customs applicable thereto shall be binding upon the Borrower and shall not place the Lenders, the Operating Lender, the Fronting Lender, the Agent or any of their respective correspondents under any resulting liability to the Borrower. Without limiting the generality of the foregoing, the Lenders, the Operating Lender, the Fronting Lender, the Agent and their respective correspondents may receive, accept or pay as complying with the terms of a Letter of Credit, any Draft thereunder, otherwise in order which may be signed by, or issued to, the administrator or any executor of, or the trustee in bankruptcy of, or the receiver for any property of, or any person or entity acting as a representative or in the place of, such beneficiary or its successors and assigns. The Borrower covenants that it will not take any steps,

issue any instructions to the Lenders, the Operating Lender, the Fronting Lender, the Agent or any of their respective correspondents or institute any proceedings intended to derogate from the right or ability of the Lenders, the Operating Lender, the Fronting Lender, the Agent or their respective correspondents to honour and pay any Letter of Credit or any Drafts.

(5) Payment of Contingent Liabilities

The Borrower shall pay to the Operating Lender or the Fronting Lender, as applicable, an amount equal to the maximum amount available to be drawn under any unexpired Letter of Credit which becomes the subject of any order, judgment, injunction or other such determination (an "**Order**"), or any petition, proceeding or other application for any Order by the Borrower or any other party, restricting payment under and in accordance with such Letter of Credit or extending the Lenders', the Operating Lender's, the Fronting Lender's and the Agent's liability, as the case may be, under such Letter of Credit beyond the expiration date stated therein; payment in respect of each such Letter of Credit shall be due forthwith upon demand in the currency in which such Letter of Credit is denominated.

Any amount paid to the Operating Lender or the Fronting Lender, as applicable, pursuant to the preceding paragraph shall be held by the Operating Lender or the Fronting Lender, as applicable, in interest bearing cash collateral accounts (with interest payable for the account of the Borrower at the rates and in accordance with the then prevailing practices of the Operating Lender or the Fronting Lender, as applicable, for accounts of such type) as continuing security for the Obligations and shall, prior to an Event of Default be applied by the Operating Lender or the Fronting Lender, as applicable, against the Obligations for, or (at the option of the Operating Lender or the Fronting Lender, as applicable) be applied in payment of, such Letter of Credit if payment is required thereunder; after an Event of Default the Operating Lender or the Fronting Lender, as applicable, may apply such amounts, firstly, against any Obligations in respect of the relevant Letter of Credit, and, after satisfaction of such Obligations or expiry of such Letter of Credit, against any other Obligations as it sees fit.

The Operating Lender and the Fronting Lender, as applicable, shall release to the Borrower any amount remaining in the cash collateral accounts after applying the amounts necessary to discharge the Obligations relating to such Letter of Credit, upon the later of:

(a) the date on which any final and non-appealable order, judgment or other determination has been rendered or issued either terminating any applicable Order or permanently enjoining the Operating Lender or the Fronting Lender, as applicable, from paying under such Letter of Credit;

(b) the earlier of:

(i) the date on which either the original counterpart of such Letter of Credit is returned to the Operating Lender or the Fronting Lender, as applicable, for cancellation or the Operating Lender or the Fronting Lender, as applicable, is released by the beneficiary thereof from any other obligation in respect of such Letter of Credit; and

(ii) the expiry of such Letter of Credit; and

(c) if an Event of Default has occurred, the payment and satisfaction of all Obligations and the cancellation or termination of the Credit Facilities.

(6) No Consequential Damages

Notwithstanding any other provision of the Documents to the contrary, the Lenders, the Operating Lender, the Fronting Lender and the Agent shall not be liable to the Borrower for any consequential, indirect, punitive or exemplary damages with respect to action taken or omitted to be taken by any of them under or in respect of any Letter of Credit.

(7) ISP 98

The International Standby Practices most recently published by the International Chamber of Commerce ("**ISP 98**") shall in all respects apply to each Letter of Credit unless expressly provided to the contrary therein and shall be deemed for such purpose to be a part of this Agreement as if fully incorporated herein. In the event of any conflict or inconsistency between ISP and the governing law of this Agreement, ISP 98 shall, to the extent permitted by applicable law, prevail to the extent necessary to remove the conflict or inconsistency.

7.10 Certain Notices with Respect to Letters of Credit.

(1) For certainty, all Rollover Notices requesting a Rollover of a Letter of Credit under the Operating Facility shall be delivered to the Operating Lender and, in addition to the other provisions hereof applicable to such a Rollover, no Rollover of a Letter of Credit issued under the Operating Facility shall be made unless a Rollover Notice is given to the Operating Lender.

(2) For certainty, all Rollover Notices requesting a Rollover of a Letter of Credit under the Syndicated Facility shall be delivered to the Agent (rather than directly to the Fronting Lender) and, in addition to the other provisions hereof applicable to such a Rollover, no Rollover of a Letter of Credit issued under the Syndicated Facility shall be made unless a Rollover Notice is given to the Agent in accordance with Section 2.7(1)(d).

7.11 Inapplicability of Fronting Mechanics and Fronting Fees

(1) At any time where there is only one (1) Lender under (which for the purposes of this Section, any Affiliate of a Lender will be deemed to be "One" Lender) the Syndicated Facility, the fronting mechanics set out in this Article 7 shall not apply to Letters of Credit issued under the Syndicated Facility and the mechanics applicable to Letters of Credit issued under the Operating Facility shall apply, *mutadis mutandis*. For certainty, at any time where there is only one (1) Lender under the Syndicated Facility, no fronting fees shall be payable in connection with Letters of Credit issued under the Syndicated Facility.

(2) The parties hereto confirm and agree that, as of the date hereof, there are no Fronting Lenders and, until such time as a Syndicated Facility Lender has agreed to become a Fronting Lender and to issue Fronted LCs under the Syndicated Facility in accordance with the terms and conditions hereof, and an amendment hereto has been executed in connection therewith by the Borrower, the Agent and such Syndicated Facility Lender, notwithstanding any other provision hereof, Letters of Credit shall not be issued under the Syndicated Facility and the

Borrower shall not request a Drawdown under the Syndicated Facility by way of issuance of Letters of Credit.

ARTICLE 8 - PLACE AND APPLICATION OF PAYMENTS

8.1 Place of Payment of Principal, Interest and Fees; Payments to Agent and the Operating Lender

All payments of principal, interest, fees and other amounts to be made by the Borrower to the Agent, the Operating Lender and the Lenders pursuant to this Agreement shall be made to the Agent (for the account of the applicable Lenders or its own account) or the Operating Lender, as applicable, in the currency in which the Loan is outstanding for value on the day such amount is due, and if such day is not a Banking Day on the Banking Day next following, by deposit or transfer thereof to the Agent's Accounts, or the applicable account of the Operating Lender or at such other place as the Borrower and the Agent or the Operating Lender, as applicable, may from time to time agree. Notwithstanding anything to the contrary expressed or implied in this Agreement, the receipt by the Agent, in accordance with this Agreement of any payment made by the Borrower for the account of any of the Syndicated Facility Lenders, shall, insofar as the Borrower's obligations to such Lenders are concerned, be deemed also to be receipt by such Lenders and the Borrower shall have no liability in respect of any failure or delay on the part of the Agent in disbursing and/or accounting to such Lenders in regard thereto.

8.2 Designated Accounts of the Lenders

All payments of principal, interest, fees or other amounts to be made by the Agent to the applicable Lenders pursuant to this Agreement shall be made for value on the day required hereunder, provided the Agent receives funds from the Borrower for value on such day, and if such funds are not so received from the Borrower or if such day is not a Banking Day, on the Banking Day next following, by deposit or transfer thereof at the time specified herein to the account of each applicable Lender designated by such Lender to the Agent for such purpose or to such other place or account as the applicable Lenders may from time to time notify the Agent.

8.3 Funds

Each amount advanced, disbursed or paid hereunder shall be advanced, disbursed or paid, as the case may be, in such form of funds as may from time to time be customarily used in Calgary, Alberta, Toronto, Ontario and New York, New York in the settlement of banking transactions similar to the banking transactions required to give effect to the provisions of this Agreement on the day such advance, disbursement or payment is to be made.

8.4 Application of Payments

Except as otherwise agreed in writing by the Lenders, if any Event of Default shall occur and be continuing, all payments made by the Borrower to the Agent and the Lenders shall be applied in the following order:

(a) to amounts due hereunder as fees other than acceptance fees for Bankers' Acceptances or issuance fees for Letters of Credit;

(b) to amounts due hereunder as costs and expenses;

(c) to amounts due hereunder as default interest;

(d) to amounts due hereunder as interest or acceptance fees for Bankers' Acceptances or issuance fees for Letters of Credit; and

(e) to amounts due hereunder as principal (including reimbursement obligations in respect of Bankers' Acceptances and Letters of Credit).

8.5 Payments Clear of Taxes

(1) Any and all payments by the Borrower to the Agent or the Lenders hereunder shall be made free and clear of, and without deduction or withholding for or on account of, any and all present or future Taxes and all liabilities with respect thereto imposed, levied, collected, withheld or assessed by any Governmental Authority or under the laws of any international tax authority imposed on the Agent or the Lenders, or by or on behalf of the foregoing excluding any Taxes arising from a Lender's failure to properly comply with such Lender's obligations imposed under the *Canada-United States Enhanced Tax Information Exchange Agreement Implementation Act* (Canada) or any similar provision of legislation of any other jurisdiction that has entered into an agreement with the United States of America to provide for the implementation of FATCA-based reporting in that jurisdiction (such excluded Taxes being referred to herein as "**Excluded Taxes**") (and, for greater certainty, nothing in this Section 8.5(1) shall make the Borrower liable for any Taxes imposed on or measured by the recipient's overall net income or capital). In addition, the Borrower agrees to pay any present or future stamp, transfer, registration, excise, issues, documentary or other Taxes, charges or similar levies which arise from any payment made under this Agreement or the Loans or in respect of the execution, delivery or registration or the compliance with this Agreement or the other Documents contemplated hereunder other than Taxes imposed on or measured by the recipient's overall net income or capital. The Borrower shall indemnify and hold harmless the Agent and the Lenders for the full amount of all of the foregoing Taxes or other amounts paid or payable by the Agents or the Lenders and any liability (including penalties, interest, additions to Tax and reasonable out-of-pocket expenses) resulting therefrom or with respect thereto which arise from any payment made under or pursuant to this Agreement or the Loans or in respect of the execution, delivery or registration of, or compliance with, this Agreement or the other Documents other than Excluded Taxes and any Taxes imposed on or measured by the recipient's overall net income or capital.

(2) If the Borrower shall be required by law to deduct or withhold any amount from any payment or other amount required to be paid to the Agent or the Lenders hereunder, or if any liability therefor shall be imposed or shall arise from or in respect of any sum payable hereunder, then the sum payable to the Agent or the Lenders hereunder shall be increased as may be necessary so that after making all required deductions, withholdings, and additional income Tax payments attributable thereto (including deductions, withholdings or income Tax payable for additional sums payable under this provision) the Agent or the Lenders, as the case may be, receive an amount equal to the amount they would have received had no such deductions or withholdings been made or if such additional Taxes had not been imposed; in addition, the Borrower shall pay the full amount deducted or withheld for such liabilities to the relevant taxation authority or other authority

in accordance with applicable law, such payment to be made (if the liability is imposed on the Borrower) for its own account or (if the liability is imposed on the Agent or the Lenders) on behalf of and in the name of the Agent or the Lenders, as the case may be. If the liability is imposed on the Agent or the Lenders, the Borrower shall deliver to the Agent or the Lenders evidence satisfactory to the Agent or the Lenders, acting reasonably, of the payment to the relevant taxation authority or other authority of the full amount deducted or withheld.

(3) Each Lender shall use reasonable efforts to contest (to the extent contestation is reasonable) such imposition or assertion of such Taxes and shall reimburse to the Borrower the amount of any reduction of Taxes, to the extent of amounts that have been paid by the Borrower in respect of such Taxes in accordance with this Agreement, as a result of such contestation and, provided that, no Lender shall have any obligation to expend its own funds, suffer any economic hardship or take any action detrimental to its interests (as determined by the relevant Lender in its sole discretion, acting reasonably) in connection therewith unless it shall have received from the Borrower payment therefor or an indemnity with respect thereto, satisfactory to it.

(4) If a payment made to a Lender under any Document would be subject to U.S. federal withholding Tax imposed by FATCA or any Canadian-equivalent legislation, regulations or other guidance if such Lender were to fail to comply with the applicable reporting requirements of FATCA or any Canadian-equivalent legislation, regulations or other guidance (including those contained in Section 1471(b) or 1472(b) of the U.S. Code, as applicable), such Lender shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times requested by the Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the U.S. Code) and such additional documentation requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent (and the Operating Lender, if applicable) to comply with their obligations under FATCA or any Canadian-equivalent legislation, regulations or other guidance and to determine that such Lender has complied with such Lender's obligations under FATCA or any Canadian-equivalent legislation, regulations or other guidance or to determine the amount to deduct and withhold from such payment. Each Lender shall promptly advise the Borrower and the Agent when it becomes aware of any non-compliance.

8.6 <u>Set Off</u>

(1) In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence of an Event of Default which remains unremedied (whether or not the Loans have been accelerated hereunder), the Agent and each Lender shall have the right (and are hereby authorized by the Borrower) at any time and from time to time to combine all or any of the Borrower's accounts with the Agent or the Lender, as the case may be, and to set off and to appropriate and to apply any and all deposits (general or special, term or demand) including, but not limited to, indebtedness evidenced by certificates of deposit whether matured or unmatured, and any other indebtedness at any time held by the Borrower or owing by such Lender or the Agent, as the case may be, to or for the credit or account of the Borrower against and towards the satisfaction of any Obligations owing by the Borrower, and may do so notwithstanding that the balances of such accounts and the liabilities are expressed in different currencies, and the Agent and each Lender are hereby authorized to effect any necessary currency

conversions at the rate of exchange announced by the Bank of Canada at approximately the end of business (Toronto time) on the Banking Day before the day of conversion.

(2) The Agent or the applicable Lender, as the case may be, shall notify the Borrower of any such set off from the Borrower's accounts within a reasonable period of time thereafter, although the Agent or the Lender, as the case may be, shall not be liable to the Borrower for its failure to so notify.

8.7 Margin Changes; Adjustments for Margin Changes

(1) Changes in the Applicable Pricing Rate shall be effective:

(a) (i) with respect to Compliance Certificates delivered in connection with the Quarter Ends March 31, June 30 and September 30, from and as of the first Banking Day of the third month following such Quarter End in respect of which a change in the Funded Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition and (ii) with respect to Compliance Certificates delivered in connection with the Quarter End December 31, from and as of the earlier of (A) the fifth Banking Day following delivery of such Compliance Certificate and (B) 95 days following such Quarter End in respect of which a change in the Funded Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition;

(b) (i) with respect to Compliance Certificates delivered in connection with the Quarter Ends March 31, June 30 and September 30, from and as of the first Banking Day of the third month following such Quarter End in respect of which a change in the Total Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition and (ii) with respect to Compliance Certificates delivered in connection with the Quarter End December 31, from and as of the earlier of (A) the fifth Banking Day following delivery of such Compliance Certificate and (B) 95 days following such Quarter End in respect of which a change in the Total Debt to EBITDA Ratio as at such Quarter End results in a change in the Applicable Pricing Rate in accordance with the provisions of such definition; and

(c) without the necessity of notice to the Borrower.

(2) For any Loans outstanding as of the effective date of a change in an Applicable Pricing Rate:

(a) in the case of increases in such rates per annum, the Borrower shall pay to the Agent for the account of the Lenders or the Operating Lender, as applicable, such additional interest or fees, as the case may be, as may be required to give effect to the relevant increases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant increase in rates; and

(b) in the case of decreases in such rates per annum, the Borrower shall receive a credit against subsequent interest payable on Loans or fees payable pursuant to Section 5.6 or Section 6.2, as the case may be, to the extent necessary to give effect to the relevant decreases in the interest or fees payable on or in respect of such Loans from and as of the effective date of the relevant decrease in rates.

(3) The additional payments required by Section 8.7(2)(a) shall be made on the first Banking Day of the calendar month immediately following the calendar month in which the changes in the Applicable Pricing Rate are effective. The adjustments required by Section 8.7(2)(b) shall be accounted for in successive interest and fee payments by the Borrower until the amount of the credit therein contemplated has been fully applied; provided that, upon satisfaction in full of all Obligations and cancellation of all Credit Facilities in accordance herewith, the Lenders shall pay to the Borrower an amount equal to any such credit which remains outstanding.

(4) Notwithstanding the foregoing provisions of this Section 8.7, if the Borrower has failed to deliver a Compliance Certificate for the immediately preceding fiscal quarter in accordance with the provisions hereof, then the Funded Debt to EBITDA Ratio shall be deemed to be greater than 3.50:1.00 for the purposes of determining the Applicable Pricing Rate until the Borrower has remedied such failure and delivered such Compliance Certificate (and, from and after such delivery, the Applicable Pricing Rate shall be based upon the Funded Debt to EBITDA Ratio set forth in such Compliance Certificate for the remainder of the period until the next such Compliance Certificate is required to be delivered hereunder).

ARTICLE 9 - REPRESENTATIONS AND WARRANTIES

9.1 Representations and Warranties

The Borrower represents and warrants as follows to the Agent and to each of the Lenders and acknowledges and confirms that the Agent and each of the Lenders is relying upon such representations and warranties:

(a) Existence and Good Standing

The Borrower and each of its Material Subsidiaries is a corporation validly existing and in good standing under the laws of its jurisdiction of incorporation or is a partnership or trust validly existing under the laws of its jurisdiction of organization; each is duly registered in all other jurisdictions where the nature of its property or character of its business requires registration, except for jurisdictions where the failure to be so registered or qualified would not have a Material Adverse Effect, and has all necessary power and authority to own its properties and carry on its business as presently carried on or as contemplated by the Documents.

(b) Authority

The Borrower and each of its Material Subsidiaries which is a party to any of the Documents has full power, legal right and authority to enter into the Documents to which it is a party and do all such acts and things as are required by such

Documents to be done, observed or performed, in accordance with the terms thereof.

(c) Valid Authorization and Execution

The Borrower and each of its Material Subsidiaries which is a party to any of the Documents has taken all necessary corporate, partnership, trust and other action (as applicable) of its directors, shareholders, partners, trustees and other persons (as applicable) to authorize the execution, delivery and performance of the Documents to which it is a party and to observe and perform the provisions thereof in accordance with the terms therein contained.

(d) Validity of Agreement – Non-Conflict

None of the authorization, execution or delivery of this Agreement or the other Documents or performance of any obligation pursuant hereto or thereto requires or will require, pursuant to applicable law now in effect, any approval or consent of any Governmental Authority having jurisdiction (except such as has already been obtained and are in full force and effect) nor is in conflict with or contravention of (i) the Borrower's or any of its Material Subsidiaries' articles, by-laws or other constating documents or any resolutions of directors or shareholders or the provisions of its partnership agreement or declaration of trust or trust indenture (as applicable) or (ii) the provisions of any other indenture, instrument, undertaking or other agreement to which any of the Borrower or any of its Material Subsidiaries is a party or by which they or their properties or assets are bound, the contravention of which would have or would reasonably be expected to have a Material Adverse Effect. The Documents when executed and delivered will constitute valid and legally binding obligations of each of the Borrower and each of its Material Subsidiaries which is a party thereto enforceable against each such party in accordance with their respective terms, subject to applicable bankruptcy, insolvency and other laws of general application limiting the enforceability of creditors' rights and to the fact that equitable remedies are only available in the discretion of the court.

(e) Ownership of Property

The Borrower and each of its Material Subsidiaries which has granted Security has good and marketable title to its property, assets and undertaking, subject to Permitted Encumbrances and to minor defects of title which, individually and in the aggregate, do not materially affect their respective rights of ownership therein or the value thereof.

(f) Debt

Neither the Borrower nor any of its Subsidiaries has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, the Borrower or any of its Subsidiaries is now or may hereafter become liable for any Total Debt except for Permitted Debt.

(g) Encumbrances

Neither the Borrower nor any of its Material Subsidiaries has created, incurred, assumed, suffered to exist, or entered into any contract, instrument or undertaking pursuant to which, any person may have or be entitled to any Security Interest on or in respect of its property and assets or any part thereof except for Permitted Encumbrances.

(h) No Material Adverse Change

No Material Adverse Change has occurred.

(i) No Omissions

The Borrower and each of its Subsidiaries has made available to the Agent all material information necessary to make any representations, warranties and statements contained in this Agreement not misleading in any material respect in light of the circumstances in which they are given.

(j) Non-Default

No Default or Event of Default has occurred or is continuing or would occur following any Drawdown hereunder.

(k) Financial Condition

(i) The audited and unaudited consolidated financial statements of the Borrower delivered to the Lenders and the Agent pursuant hereto present fairly, in all material respects, the consolidated financial condition of the Borrower as at the date thereof and the results of the consolidated operations thereof for the fiscal year or fiscal quarter (as applicable) then ending, all in accordance with generally accepted accounting principles consistently applied.

(ii) Except as has been disclosed to the Agent by written notice in accordance with the provisions of this Agreement, no filing is imminent of a report of a material change as required to be filed by the Borrower or any Subsidiary with any securities commission or exchange or with any Governmental Authority having jurisdiction over the issuance and sale of securities of the Borrower or any Subsidiary and which material change would have or would reasonably be expected to have a Material Adverse Effect.

(l) Information Provided

All information, materials and documents, including all cash flow projections, economic models, capital and operating budgets and other information and data:

(i) prepared and provided to the Agent by the Borrower or any Subsidiary in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were in the case of financial projections, prepared in good faith based upon reasonable assumptions at the date of preparation and in all other cases, true, complete and correct in all material respects as of the respective dates thereof; and

(ii) prepared by persons other than the Borrower or a Subsidiary and provided to the Agent by or on behalf of the Borrower or any Subsidiary in respect of the transactions contemplated by this Agreement, or as required by the terms of this Agreement, were, to the best of the knowledge of the Borrower, after due inquiry, in the case of financial projections, prepared in good faith based upon reasonable assumptions at the date of preparation and in all other cases, true, complete and correct in all material respects as of the respective dates thereof.

(m) Absence of Litigation

Except for the Disclosed Litigation Matters, there are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of its Material Subsidiaries, their property or any of their undertakings and assets, at law, in equity or before any arbitrator or before or by any Governmental Authority having jurisdiction in the premises in respect of which there is a reasonable likelihood of a determination adverse to the Borrower or any Material Subsidiary and which, if determined adversely, would have or would reasonably be expected to have a Material Adverse Effect.

(n) Compliance with Applicable Laws, Court Orders and Agreements

The Borrower and each of its Material Subsidiaries and their respective property, businesses and operations are in compliance with all Applicable Laws (including, without limitation, all applicable Environmental Laws), all applicable directives, judgments, decrees, injunctions and orders rendered by any Governmental Authority or court of competent jurisdiction, its articles, by laws and other constating documents, all agreements or instruments to which it is a party or by which its property or assets are bound, and any employee benefit plans, except to the extent that failure to so comply would not have and would not reasonably be expected to have a Material Adverse Effect.

(o) Required Permits in Effect

All Required Permits for the Borrower and all Material Subsidiaries are in full force and effect, except to the extent that the failure to have or maintain the same in full force and effect would not, when taken in the aggregate, have or reasonably be expected to have a Material Adverse Effect.

(p) Remittances Up to Date

All of the material remittances required to be made by the Borrower and its Material Subsidiaries to Governmental Authorities have been made, are currently up to date and there are no outstanding arrears, other than those which are being contested by a Permitted Contest.

(q) Environmental

(i) To the best of the knowledge and belief of the Borrower, after due inquiry, the Borrower, its Subsidiaries and their respective properties, assets and undertakings taken as a whole comply in all respects and the businesses, activities and operations of same and the use of such properties, assets and undertakings and the processes and undertakings performed thereon comply in all respects with all Environmental Laws except to the extent that failure to so comply would not have and would not reasonably be expected to have a Material Adverse Effect; further, the Borrower does not know, and has no reasonable grounds to know, of any facts which result in or constitute or are likely to give rise to non-compliance with any Environmental Laws, which facts or non-compliance have or would reasonably be expected to have a Material Adverse Effect.

(ii) The Borrower and its Subsidiaries have not received written notice and, except as previously disclosed to the Agent in writing, the Borrower has no knowledge after due inquiry, of any facts which could give rise to any notice of non-compliance with any Environmental Laws, which non-compliance has or would reasonably be expected to have a Material Adverse Effect and neither the Borrower nor any Subsidiary has received any notice that the Borrower or any of its Subsidiaries is a potentially responsible party for a federal, provincial, regional, municipal or local clean up or corrective action in connection with their respective properties, assets and undertakings where such clean up or corrective action has or would reasonably be expected to have a Material Adverse Effect.

(r) Taxes

The Borrower and each of its Material Subsidiaries has duly filed on a timely basis all tax returns required to be filed and have paid all material Taxes which are due and payable, and have paid all material assessments and reassessments, and all other material Taxes, governmental charges, governmental royalties, penalties, interest and fines claimed against them, other than those which are being contested

by them by Permitted Contest; they have made adequate provision for, and all required instalment payments have been made in respect of, Taxes payable for the current period for which returns are not yet required to be filed; there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by them or the payment of any Taxes; there are no actions or proceedings being taken by any taxation authority in any jurisdictions where the Borrower or any Subsidiary carries on business to enforce the payment of any Taxes by them other than those which are being contested by them by Permitted Contest.

(s) Material Subsidiaries

As at the date hereof, the only Material Subsidiaries of the Borrower are Calfrac U.S. and Calfrac LP.

(t) Ownership of Calfrac U.S.

As at the date hereof, the Borrower owns 100% of the issued and outstanding shares of Calfrac U.S.

(u) Intellectual Property

The Borrower and its Subsidiaries have or have the legal right to use all Intellectual Property necessary for the operation and conduct of their business, affairs, operations and processes, except to the extent that the failure to have the same would not have or reasonably be expected to have a Material Adverse Effect and, to the best of their knowledge and belief, no person has asserted any claim or taken any step or proceedings to prohibit or limit the use of such Intellectual Property by the Borrower and its Subsidiaries, in respect of which claim, step or proceedings there is a reasonable likelihood of a determination adverse to the Borrower or any Subsidiary and which, if determined adversely, would have or would reasonably be expected to have a Material Adverse Effect.

(v) Insurance

The Borrower and each Subsidiary maintains, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses and against such casualties and contingencies and in such types and amounts as are in accordance with customary business practices for corporations of the size and type of business and operations as the Borrower and each such Subsidiary, to the extent such insurance is available on reasonable commercial terms, provided that the Borrower and the Material Subsidiaries may elect to self-insure where the Borrower, acting reasonably, determines that self-insurance is appropriate and in accordance with sound industry practice.

(w) Sanctions Laws and Anti-Money Laundering Laws

(i) Neither the Borrower nor any of its Subsidiaries is in breach of or is the subject of any action or, to its knowledge, any investigation under any Anti-Money Laundering Laws. The Borrower and its Subsidiaries have taken reasonable measures to ensure compliance in all material respects with Anti-Money Laundering Laws.

(ii) Neither the Borrower nor any of its Subsidiaries nor, to the knowledge of the Borrower, any director, officer, agent or employee of the Borrower or any of its Subsidiaries (i) is a Sanctioned Person, (ii) has any business affiliation or commercial dealings with a Sanctioned Person to the extent such business affiliation or commercial dealings breaches Sanctions Laws or (iii) is in breach of or, to its knowledge, the subject of any action or investigation under, any Sanctions Laws. Neither the Borrower nor any of its Subsidiaries has knowingly engaged in any dealings or transactions with or in a country or territory in violation of any Sanctions Laws, in the preceding three years.

(iii) No proceeds from any Loan have been used, directly or, to its knowledge, indirectly, to lend, contribute, provide, or have otherwise been made available to fund, any activity or business with or related to any Sanctioned Person in breach of Sanctions Laws, or in any other manner that will result in any violation or breach by the Borrower or any of its Subsidiaries of Sanctions Laws.

(x) Pension Plans

The Borrower and the Material Subsidiaries do not have, and do not contribute to, any employee pension benefit plans or similar type pension plans.

(y) *Interest Act* (Canada)

This Agreement, including, without limitation, Article 5 hereof, and the constituent definitions herein and under the other Documents relating to interest and other amounts payable hereunder and thereunder, satisfies the requirements of section 4 of the *Interest Act* (Canada) to the extent that such section 4 of the Interest Act (Canada) applies to the expression, statement or calculation of any rate of interest or other rate per annum hereunder or under any other Document and the Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to the Credit Facilities based on the methodology for calculating per annum rates provided for in this Agreement.

9.2 Deemed Repetition

On the date of delivery by the Borrower of a Drawdown Notice to the Agent or the Operating Lender, as applicable, and again on the date of any Drawdown made by the Borrower pursuant thereto:

(a) except those representations and warranties which are stated to be made as at a specific date or which the Borrower has notified the Agent in writing cannot be repeated for such Drawdown and in respect of which the applicable Lenders have waived in writing (with or without terms or conditions) the application of the condition precedent in Section 3.1(b) for such Drawdown, each of the representations and warranties contained in Section 9.1 shall be deemed to be repeated; and

(b) the Borrower shall be deemed to have represented to the Agent and the Lenders that, except as has otherwise been notified to the Agent in writing and has been waived in accordance herewith, no event has occurred and remains outstanding which would constitute a Default or an Event of Default nor will any such event occur as a result of the aforementioned Drawdown.

9.3 Other Documents

All representations, warranties and statements of the Borrower or any Subsidiary contained in any other Document delivered pursuant hereto or thereto shall be deemed to constitute representations and warranties made by the Borrower to the Agent and the Lenders under Section 9.1 of this Agreement.

9.4 Effective Time of Repetition

All representations and warranties, when repeated or deemed to be repeated hereunder, shall be construed with reference to the facts and circumstances existing at the time of repetition, unless they are stated herein to be made as at the date hereof or as at another date.

9.5 Nature of Representations and Warranties

The representations and warranties set out in this Agreement or deemed to be made pursuant hereto shall survive the execution and delivery of this Agreement and the making of each Drawdown, notwithstanding any investigations or examinations which may be made by the Agent, the Lenders or Lenders' Counsel. Such representations and warranties shall survive until this Agreement has been terminated, provided that the representations and warranties relating to environmental matters shall survive the termination of this Agreement.

ARTICLE 10 - GENERAL COVENANTS

10.1 Affirmative Covenants of the Borrower

So long as any Obligation is outstanding or either Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and the Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

(a) Punctual Payment and Performance

It shall duly and punctually pay the principal of all Loans, all interest thereon and all fees and other amounts required to be paid by the Borrower hereunder in the manner specified hereunder and the Borrower shall perform and observe all of its obligations under this Agreement and under any other Document to which it is a party and shall cause each of its Material Subsidiaries to perform and observe all of their obligations under any Documents to which each is a party.

(b) Books and Records

It shall, and shall cause each of its Subsidiaries, to keep proper books of record and account in which complete and correct entries will be made of its transactions in accordance with generally accepted accounting principles.

(c) Maintenance and Operation

It shall do or cause to be done, and will cause each Subsidiary to do or cause to be done, all things necessary or required to have all its properties, assets and operations owned, operated and maintained in accordance with diligent and prudent industry practice and Applicable Laws except to the extent that the failure to do or cause to be done the same would not have and would not reasonably be expected to have a Material Adverse Effect, and at all times cause the same to be owned, operated, maintained and used in compliance with all terms of any applicable insurance policy.

(d) Maintain Existence; Compliance with Legislation Generally; Required Permits

Except as otherwise permitted by Section 10.2(c) and 10.2(j), the Borrower shall, and shall cause each of its Material Subsidiaries, to preserve and maintain its corporate, partnership or trust existence (as the case may be) as a corporation, partnership or trust existing under the laws of its applicable jurisdiction of organization. The Borrower shall do or cause to be done, and shall cause its Material Subsidiaries to do or cause to be done, all acts necessary or desirable to comply with all Applicable Laws, except (other than in the case of laws relating to corruption and bribery) where such failure to comply does not and would not reasonably be expected to have a Material Adverse Effect, and to preserve and keep in full force and effect all Required Permits and all other franchises, licences, rights, privileges, permits and Governmental Authorizations necessary to enable the Borrower and each of its Material Subsidiaries to operate and conduct their

respective businesses in accordance with prudent industry practice, except to the extent that the failure to have any of the same does not and would not reasonably be expected to have a Material Adverse Effect.

(e) Budgets, Financial Statements and Other Information

The Borrower shall deliver to the Agent with sufficient copies for each of the Lenders:

(i) Annual Business Plan / Capital and Operating Budgets - as soon as available and, in any event, within 90 days after the end of each of its fiscal years, copies of (A) its annual business plan for the next fiscal year, including *pro forma* consolidated financial statements for the Borrower prepared on a quarterly basis for such period (including a *pro forma* balance sheet, *pro forma* statement of operations and *pro forma* statement of cash flows), (B) its annual consolidated capital budget (which segregates those capital expenditures attributed to maintenance and to growth) for the next fiscal year and (C) its annual operating budget for the next fiscal year (approved by its board of directors);

(ii) Annual Financials - as soon as available and, in any event, within 90 days after the end of each of its fiscal years, copies of the Borrower's audited annual financial statements on a consolidated basis consisting of a balance sheet, statement of operations, statement of comprehensive income, statement of cash flows and statement of changes in equity for each such year, together with the notes thereto in the case of the audited annual financial statements, all prepared in accordance with generally accepted accounting principles consistently applied, together with a report and an audit opinion of the Borrower's auditors thereon in the case of audited annual financial statements of the Borrower; provided that, notwithstanding the foregoing;

(iii) Quarterly Financials - as soon as available and, in any event within 45 days after the end of each of its first, second and third fiscal quarters, copies of each of the Borrower's unaudited quarterly financial statements on a consolidated basis, in each case consisting of a balance sheet, statement of operations, statement of comprehensive income, statement of cash flows and statement of changes in equity for each such period all in reasonable detail and stating in comparative form the figures for the corresponding date and period in the previous fiscal year, all prepared in accordance with generally accepted accounting principles consistently applied;

(iv) Compliance Certificate - concurrently with furnishing the financial statements pursuant to Sections 10.1(e)(ii) and (iii), a Compliance Certificate (including a report on the status of all outstanding Financial Instruments) signed by any one of the president, chief financial officer, vice president finance or treasurer of the Borrower and stating that, *inter alia*,

the representations and warranties in Section 9.1 are true and accurate in all respects (or, if applicable, specifying those that are not), that no Default or Event of Default has occurred and is continuing (or, if applicable, specifying those defaults or events notified in accordance with Section 10.1(h) below) and demonstrating compliance with all covenants contained herein including the financial covenants contained in Section 10.3;

(v) Borrowing Base Certificate - within 30 days of each calendar month end, a Borrowing Base Certificate for (and as of the end of) the immediately preceding calendar month; and

(vi) Other - at the request of the Agent or any Lender, such other information, reports, certificates, projections of income and cash flow or other matters affecting the business, affairs, financial condition, property or assets of the Borrower or its Subsidiaries as the Agent or any Lender may reasonably request.

(f) Rights of Inspection

At any reasonable time and from time to time upon reasonable prior notice, the Borrower shall permit, and shall cause its Material Subsidiaries to permit, the Agent and any Lender or any representative thereof (at the expense of the Borrower during the continuance of a Default or Event of Default and, otherwise, at the expense of the Agent or such Lender, as applicable) to (i) examine and make copies of and abstracts from the records and books of account of the Borrower or any of its Material Subsidiaries, (ii) visit and inspect the premises and properties of the Borrower or any of its Material Subsidiaries (in each case at the risk of the Borrower, except for the gross negligence or wilful misconduct of the inspecting party or the failure of any such inspecting party to comply with Applicable Law and the Borrower's or any such Material Subsidiary's health and safety requirements, as advised to such inspecting party), and (iii) discuss the affairs, operations, finances and accounts of the Borrower or any of its Material Subsidiaries with any of the officers of the Borrower or any of its Material Subsidiaries.

(g) Notice of Material Litigation

The Borrower shall promptly give written notice to the Agent of any litigation, proceeding or dispute affecting the Borrower or any of its Material Subsidiaries in respect of a demand or claim in respect of which there is a reasonable likelihood of an adverse determination and which if adversely determined would reasonably be expected to result in a liability, obligation or judgment in excess of Cdn.$20,000,000 or to have a Material Adverse Effect, and shall from time to time furnish to the Agent all reasonable information requested by the Agent concerning the status of any such litigation, proceeding or dispute.

(h) Notice of Default or Event of Default

The Borrower shall deliver to the Agent, as soon as reasonably practicable, and in any event no later than 3 Banking Days after becoming aware of a Default or the occurrence of an Event of Default, an Officer's Certificate describing in detail such Default or such Event of Default and specifying the steps, if any, being taken to cure or remedy the same.

(i) Notice of Material Adverse Effect or Material Adverse Change

The Borrower shall, as soon as reasonably practicable, promptly notify the Agent of:

(i) any event, circumstance or condition that has had or is reasonably likely to have a Material Adverse Effect; and

(ii) any Material Adverse Change.

(j) Securities Disclosure

The Borrower shall promptly furnish to the Agent copies of all reports, material change reports, notices and other non-confidential information that the Borrower is required by applicable law to file with any securities commission or stock exchange, furnish to its shareholders or publicly disclose (whether by way by advertisement or otherwise), except for insider reports and other filings which are of an administrative nature and do not contain any material information with respect to the business, affairs or financial condition of the Borrower and its Subsidiaries. The Borrower shall be deemed to have satisfied its obligations under this Section 10.1(j) if and to the extent the registration materials, material change reports, circulars, reports, notices and other information, as the case may be, shall have been filed with the Canadian Securities Administrators (and are accessible to the Agent) in the SEDAR filing system at www.sedar.com, and the Borrower shall have notified the Agent of such filing.

(k) Payment of Royalties, Taxes, Withholdings, etc.

The Borrower shall, and shall cause its Material Subsidiaries to, from time to time pay or cause to be paid all material royalties, rents, Taxes, rates, levies or assessments, ordinary or extraordinary, governmental fees or dues, and to make and remit all withholdings, lawfully levied, assessed or imposed upon the Borrower and its Material Subsidiaries or any of the assets of the Borrower and its Material Subsidiaries, as and when the same become due and payable, except when and so long as the validity of any such royalties, rents, Taxes, rates, levies, assessments, fees, dues or withholdings is being contested by the Borrower or its Material Subsidiaries by a Permitted Contest.

(l) Payment of Preferred Claims

The Borrower shall, and shall cause its Material Subsidiaries to, from time to time pay when due or cause to be paid when due all amounts related to wages, workers' compensation obligations, government royalties or pension fund obligations and any other amount which may result in a lien, charge, Security Interest or similar encumbrance against the assets of the Borrower or such Material Subsidiary arising under statute or regulation, except when and so long as the validity of any such amounts or other obligations is being contested by the Borrower or its Material Subsidiaries by a Permitted Contest.

(m) Environmental Covenants

(i) Without limiting the generality of Section 10.1(d) above, the Borrower shall, and shall cause its Subsidiaries to, conduct their business and operations so as to comply at all times with all Environmental Laws if the consequence of a failure to comply, either alone or in conjunction with any other such non compliances, would have or would reasonably be expected to have a Material Adverse Effect.

(ii) If the Borrower or its Subsidiaries shall:

(A) receive or give any notice that a violation of any Environmental Law has or may have been committed or is about to be committed by the same, and if such violation has or would reasonably be expected to have a Material Adverse Effect or a liability to the Borrower and its Subsidiaries in excess of Cdn.$10,000,000;

(B) receive any notice that a complaint, proceeding or order has been filed or is about to be filed against the same alleging a violation of any Environmental Law, and if such violation would reasonably be expected to have a Material Adverse Effect or a liability to the Borrower and its Subsidiaries in excess of Cdn.$10,000,000; or

(C) receive any notice requiring the Borrower or a Subsidiary, as the case may be, to take any action in connection with the release of Hazardous Materials into the environment or alleging that the Borrower or the Subsidiary may be liable or responsible for costs associated with a response to or to clean up a Release of Hazardous Materials into the environment or any damages caused thereby in excess of Cdn.$10,000,000, or if such action or liability has or would reasonably be expected to have a Material Adverse Effect,

the Borrower shall promptly provide the Agent with a copy of such notice and shall, or shall cause such Subsidiary to, furnish to the Agent from time to time all reasonable information requested by the Agent relating to the same.

(n) Use of Loans

The Borrower shall use all Loans and the proceeds thereof solely for the purposes set forth in Section 2.3 hereof.

(o) Required Insurance

The Borrower shall, and shall cause its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and business and against such casualties and contingencies and in such types and such amounts as shall be in accordance with customary business practices for corporations of the size and type of business and operations as the Borrower and its Subsidiaries, to the extent such insurance is available on reasonable commercial terms, provided that the Borrower and the Material Subsidiaries may elect to self-insure where the Borrower, acting reasonably, determines that self-insurance is appropriate and in accordance with sound industry practice.

(p) Ownership of Consolidated Net Tangible Assets

The Borrower shall ensure, at each Quarter End, the Borrower and its Material Subsidiaries directly own not less than 80% of Consolidated Net Tangible Assets excluding their investments in any Subsidiary.

(q) Sanctions Laws and Anti-Money Laundering Laws

(i) The Borrower shall ensure that it and its Subsidiaries shall comply with Anti-Money Laundering Laws. The Borrower shall, and shall cause its Subsidiaries to, use commercially reasonable efforts to ensure that no funds used to pay the Obligations are derived from any unlawful activity, including but not limited to, activity in material violation of Anti-Money Laundering Laws or Sanctions Laws.

(ii) The Borrower shall ensure that (i) it, and each of its Subsidiaries, shall comply with Sanctions Laws (ii) neither it nor its Subsidiaries shall become a Sanctioned Person and (iii) no proceeds from any Loan will be used, directly or, to its knowledge, indirectly, to lend, contribute, provide or otherwise be made available to fund, any activity or business with or related to any Sanctioned Person in violation of Sanctions Laws or in any other manner that will result in any violation or breach by the Borrower or its Subsidiaries of Sanctions Laws.

(iii) Notwithstanding anything else contained herein, the parties acknowledge and agree that the Borrower and its Subsidiaries conduct business in Russia and that such business shall not in itself constitute a default under the Credit Agreement whether or not Russia becomes subject to sanctions; provided, for certainty, that any specific breach of an express condition contained herein shall constitute a default under the Credit Agreement.

(r) Borrowing Base

The Borrower shall not permit, at any time, the Outstanding Principal to exceed the Borrowing Base in effect.

(s) Keepwell

The Borrower shall, and shall ensure that, to the extent any Subsidiary which has provided Security is a Qualified ECP Guarantor, such Subsidiary shall, hereby absolutely, unconditionally and irrevocably undertake to provide such funds or other support as may be needed from time to time by any Subsidiary or Affiliate of the Borrower (that provides a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates) to honour all of its obligations under its Guarantee in respect of Swap Obligations (provided, however, that the Borrower or such Subsidiary shall only be liable under this undertaking for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this undertaking, or otherwise under the Documents to which it is a party, voidable under Applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Borrower and such Subsidiaries under this undertaking shall remain in full force and effect until discharged in accordance with the provisions of the relevant Document. The Borrower intends that this Section and undertaking provided for shall constitute, and shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each Subsidiary or Affiliate of the Borrower (that provides a Guarantee to the Agent, the Lenders, the Bank Product Affiliates and the Hedging Affiliates) for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

10.2 Negative Covenants of the Borrower

So long as any Obligation is outstanding or either Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and the Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

(a) Change of Business

The Borrower shall not, and shall not permit any Material Subsidiary to, change in any material respect the nature of its business or operations from the types of businesses and operations carried on by the Borrower and its Subsidiaries taken as a whole on the date hereof.

(b) Negative Pledge

The Borrower shall not, nor shall it permit any Material Subsidiary to, create, issue, incur, assume or permit to exist any Security Interests on any of their property, undertakings or assets other than Permitted Encumbrances.

(c) No Dissolution

The Borrower shall not, nor shall it permit any Material Subsidiary to, liquidate, dissolve or wind up or take any steps or proceedings in connection therewith except, in the case of Subsidiaries, where the successor thereto or transferee thereof is the Borrower or another Wholly-Owned Material Subsidiary of the Borrower.

(d) Limit on Sale of Assets

Except for Permitted Dispositions, the Borrower shall not, and shall not permit any Material Subsidiary to, sell, transfer or otherwise dispose of any of their respective property or assets. Notwithstanding the foregoing, the Borrower shall not, and shall not permit any Material Subsidiary to sell, transfer or otherwise dispose of any of their respective property or assets during the continuance of a Default or Event of Default or if a Default or Event of Default would arise as a result of such sale, transfer or disposition.

(e) Limitation on Debt

The Borrower shall not have or incur, or permit any Subsidiary thereof to have or incur, any Total Debt other than Permitted Debt.

(f) Limit on Financial Assistance and Investments

(i) Subject to Section 10.2(f)(ii) below and Section 10.4(f), the Borrower shall not, nor shall it, permit any Subsidiary to, provide any Financial Assistance in an amount in excess, in the aggregate, in any calendar year, of Cdn.$20,000,000 to any person, other than (1) Financial Assistance to or for the benefit of the Borrower or a Subsidiary (including, for certainty, guarantees of the outstanding 2020 1.5 Lien Notes and the outstanding 2020 Second Lien Notes by the Borrower, Calfrac U.S. and any other Subsidiary which has guaranteed the Credit Facilities), (2) Financial Assistance permitted pursuant to Section 10.2(f)(ii)(B) below and (3) Financial Assistance outstanding on the date hereof;

(ii) Notwithstanding subparagraph (i) above, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds 5.00:1.00 (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed 5.00:1.00):

(A) the Borrower shall not be permitted to, nor shall it permit any Subsidiary to, provide any Financial Assistance (except as expressly permitted by Section 10.2(f)(ii)(B) below for Financial Assistance which is also an Investment) to any person in an amount in excess, in the aggregate (less the amount of any Investments made under and in compliance with the threshold provided for in Section 10.2(f)(ii)(B) below), in any calendar year, of Cdn.$10,000,000 other than (a) Financial Assistance to or for the benefit of the Borrower or a Subsidiary (including, for certainty, guarantees of the outstanding 2020 1.5 Lien Notes and the outstanding 2020 Second Lien Notes by the Borrower, Calfrac U.S. and any other Subsidiary which has guaranteed the Credit Facilities) and (b) Financial Assistance outstanding on the date hereof; and

(B) the Borrower shall not be permitted to, nor shall it permit any Subsidiary to, make any Investments in any person in an amount in excess, in the aggregate, (less the amount of any Financial Assistance made under and in compliance with the threshold provided for in Section 10.2(f)(ii)(A) above), in any calendar year, of Cdn.$10,000,000, other than (a) Investments in the Borrower or a Subsidiary that are made in the ordinary course of business and (b) Investments outstanding on the date hereof.

(g) Limits on Distributions

(i) Subject to subparagraph **Error! Reference source not found.** below, the Borrower shall not make any Distributions which would have or would reasonably be expected to result in a Default or Event of Default. Notwithstanding the foregoing or any other provision of the Documents to the contrary and in addition thereto, the Borrower shall not make any Distribution during the continuance of a Default or Event of Default.

(ii) Subject to subparagraph **Error! Reference source not found.** below, the Borrower shall not make any Distributions (and shall not permit any Subsidiary which has provided Security to make any Distributions) other than to the Borrower or another Subsidiary which has provided Security which would result in a Borrowing Base Shortfall or at any time after receipt of a Borrowing Base Notice which indicates any Borrowing Base Shortfall exists unless and until the Borrower has repaid Loans to the extent necessary to completely eliminate the Borrowing Base Shortfall indicated in such notice.

(iii) Notwithstanding subparagraphs (i) and (ii) above, if the Borrower has delivered a Compliance Certificate certifying that the Total Debt to EBITDA Ratio exceeds 5.00:1.00 (and until such time as the Borrower delivers a Compliance Certificate certifying that the Total Debt to EBITDA Ratio does not exceed 5.00:1.00), the Borrower shall not make any

Distributions except (i) Distributions in respect of performance share units, deferred stock units and restricted stock units and (ii) Distributions to the public in respect of common shares of the Borrower provided that the Borrower shall not increase the rate of Distributions payable per common share of the Borrower above the rate that has been set by the Borrower on the date of this Agreement.

(h) No Financial Instruments Other Than Permitted Hedging

The Borrower shall not and shall not permit any Subsidiary to enter into, transact or have outstanding any Financial Instruments or Financial Instrument Obligations other than Permitted Hedging.

(i) Non Arm's Length Transactions

Except in respect of transactions between or among the Borrower and/or one or more of its Subsidiaries, the Borrower shall not, nor shall it permit any Subsidiary to, enter into any contract, agreement or transaction whatsoever, including for the sale, purchase, lease or other dealing in any property or the provision of any services (other than office and administration services provided in the ordinary course of business), with any Related Party except upon fair and reasonable terms, which terms are not less favourable to the Borrower or its Subsidiaries than it would obtain in an arm's length transaction and, if applicable, for consideration which equals the fair market value of such property or other than at a fair market rental as regards leased property.

(j) No Merger, Amalgamation, etc.

The Borrower shall not, nor shall it permit any Subsidiary to, enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other person whether by way of reconstruction, reorganization, recapitalization, consolidation, amalgamation, merger, transfer, sale or otherwise except where the successor thereto or transferee thereof is the Borrower or another Subsidiary and except as permitted under Section 10.2(c) or 10.2(d).

(k) No Acquisitions

Subject expressly to Section 10.4, the Borrower and its Subsidiaries shall not be permitted, directly or indirectly, to make or offer to make any acquisition of all or substantially all of the assets or shares (or other equity or ownership interests) of another person or entity except for Permitted Acquisitions.

(l) Anti-Cash Hoarding

The Borrower shall not, nor shall it permit any Subsidiary to, use the proceeds of any Drawdown or Advance to accumulate or maintain cash or cash equivalents in one or more accounts (including, for certainty, any depository, investment or

securities account) maintained by the Borrower or any of the Subsidiaries if the result of such Drawdown or Advance would result in cash and cash equivalents in excess of Cdn.$35,000,000 in such account or accounts except for cash or cash equivalents accumulated or maintained therein for a specified business purpose in the ordinary course of business (other than simply accumulating a cash reserve). For certainty (i) the Agent may refuse to make any requested Drawdown under the Syndicated Facility which all of the Syndicated Facility Lenders, acting reasonably, determine would result in a contravention of this Section 10.2(l) and (ii) the Operating Lender may refuse to make any requested Drawdown under the Operating Facility which the Operating Lender, acting reasonably, determines would result in a contravention of this Section 10.2(l).

(m) Sanctions

The Borrower shall not request any Loan or the issuance, increase or extension of any Letter of Credit, and the Borrower shall not and shall not permit any Subsidiary or any of their respective directors, officers or employees to use the proceeds of any Loan or Letter of Credit (i) in furtherance of an offer, payment, promise to pay or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Anti-Money Laundering Laws in any material respect, (ii) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country that would result in the violation of any Sanction Laws applicable to any party hereto or (iii) in any manner that would result in the violation of any Sanctions Laws applicable to any party hereto.

(n) Restricted Payments

The Borrower shall not, nor shall it permit any Subsidiary to, use the proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility to repay or pay, as applicable, any obligations, liabilities and indebtedness under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Notes, except, for certainty, proceeds of any Drawdown or Advance under either the Syndicated Facility or the Operating Facility may be used to make scheduled interest payments due and payable under, pursuant or relating to the 2020 Second Lien Notes or the 2020 1.5 Lien Convertible Notes.

(o) Capital Expenditures

The Borrower shall not, nor shall it permit any Subsidiary to make any Capital Expenditures other than Permitted Capital Expenditures.

10.3 Financial Covenants

(1) So long as any Obligation is outstanding or either Credit Facility is available hereunder, the Borrower covenants and agrees with each of the Lenders and the Agent that, unless (subject to Section 16.10) a Majority of the Lenders otherwise consent in writing:

(a) Current Assets to Current Liabilities Ratio

As at each Quarter End, the Borrower shall not permit the ratio of Current Assets to Current Liabilities to be less than 1.15:1.00.

(b) Maximum Funded Debt to Capitalization Ratio

As at each Quarter End, the Borrower shall not permit the Funded Debt to Capitalization Ratio to exceed 0.30:1.00.

(c) Maximum Funded Debt to EBITDA Ratio

As at:

(i) the Quarter End ending September 30, 2021, the Borrower shall not permit the Funded Debt to EBITDA Ratio to exceed (A) 4.50:1.00 or (B) to the extent the Covenant Relief Period has been terminated on or prior to September 30, 2021 pursuant to subparagraph (b) of the definition thereof, 3.00:1.00, such ratio to be calculated on a rolling four-quarter basis;

(ii) the Quarter End ending December 31, 2021, the Borrower shall not permit the Funded Debt to EBITDA Ratio to exceed (A) 3.50:1.00 or (B) to the extent the Covenant Relief Period has been terminated on or prior to December 31, 2021 pursuant to subparagraph (b) of the definition thereof, 3.00:1.00, such ratio to be calculated on a rolling four-quarter basis; and

(iii) the Quarter End ending March 31, 2022 and as at each Quarter End thereafter, the Borrower shall not permit the Funded Debt to EBITDA Ratio to exceed 3.00:1.00, such ratio to be calculated on a rolling four-quarter basis.

(2) The Borrower shall be permitted to apply the proceeds of an issuance of common shares (the "**Common Share Proceeds**") of the Borrower to increase EBITDA for the purposes of Section 10.3(1)(c) as at such Quarter End, provided that (i) the common share issuance shall not result in a Change of Control, (ii) for certainty, the Common Share Proceeds shall only be applied to increase EBITDA for the purposes of Section 10.3(c) and not for any other purpose contained herein including, for certainty, in connection with the determination of the Applicable Pricing Rate, (iii) in addition, the Common Share Proceeds shall not be permitted to be applied to increase EBITDA for the purposes of an early termination of the Covenant Relief Period pursuant to subparagraph (b) of the definition thereof, (iv) the Borrower shall only be permitted to use the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) a maximum of two times from the date hereof, (v) the Borrower shall not be permitted to use the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) for consecutive Quarter Ends and (vi) the maximum amount of proceeds of a common share issuance permitted to be attributable to EBITDA pursuant to this provision shall not exceed the greater of (A) 50% of total EBITDA on a rolling four-quarter basis, as at the relevant Quarter End and (B) Cdn.$25,000,000 per cure.

(3) In connection with the foregoing, the Borrower shall be permitted to have the Common Share Proceeds held in a segregated account (on terms satisfactory to the Agent, acting reasonably) including, for greater certainty, the Common Share Proceeds currently held by the Borrower in a segregated account, and to be applied to increase EBITDA at a date following each such issuance of common shares for the purposes of Section 10.3(c) if required.

(4) For certainty, (i) the Borrower shall be permitted to apply the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) as at a Quarter End notwithstanding that the Borrower is in compliance with Section 10.3(c) as at such Quarter End, (ii) the application of the Common Share Proceeds to increase EBITDA for the purposes of Section 10.3(c) as provided for in such Section may be applied to EBITDA as at a Quarter End at any time up to and including the date the Compliance Certificate in connection with such Quarter End is delivered in compliance with this Agreement and (iii) to the extent the Common Share Proceeds are applied to increase EBITDA for the purpose of Section 10.3(c) as at a Quarter End (the "**Increased Quarter End**"), the increase in EBITDA as at the Increased Quarter End shall be included in the calculation of EBITDA for the purposes of Section 10.3(c) on a trailing twelve month basis to the extent the trailing twelve month period for calculating EBITDA includes the Increased Quarter End.

(5) For certainty, the Borrower shall not be permitted to use any of the proceeds of the issuance of the 2020 1.5 Lien Notes to increase EBITDA for the purposes of Section 10.3(2)

10.4 Covenant Relief Period Covenants

The Borrower hereby agrees, acknowledges and covenants that, during the Covenant Relief Period only:

(a) notwithstanding any other provision hereof, including, without limitation, the definition of "Applicable Pricing Rate", the Applicable Pricing Rate will be calculated based on Tier VII and, for the purposes thereof, the Funded Debt to EBITDA Ratio shall be deemed to be equal to or greater than 3.50:1.00;

(b) the Borrower shall have Liquidity of not less than Cdn.$15,000,000;

(c) notwithstanding any other provision hereof, including, without limitation, subparagraph (f) of the definition of "Permitted Disposition", the Borrower and the Material Subsidiaries shall not sell, transfer or dispose of any assets which is not otherwise a Permitted Disposition and which, whether in one or a series of transactions, in aggregate, have a fair market value which exceeds Cdn.$10,000,000 in any calendar year unless the net sale proceeds thereof are used to concurrently repay and pay, as applicable, Obligations outstanding under the Credit Facilities (for certainty, without a corresponding reduction of the Credit Facilities unless requested by the Borrower) in accordance with Section 2.16(4);

(d) notwithstanding any other provision hereof, including, without limitation, subparagraph (i) of the definition of Permitted Debt, the Borrower shall not incur Total Debt pursuant to subparagraph (i) of the definition of Permitted Debt in a

principal amount in excess of Cdn.$5,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);

(e) notwithstanding any other provision hereof, including, without limitation, Section 10.2(g), and in addition thereto, the Borrower shall not make any Distributions and shall not permit any Subsidiary which has provided Security to make any Distributions (other than to the Borrower or another Subsidiary which has provided Security) except the Borrower shall be permitted to make Distributions in connection with the repurchase of shares as provided for in the Plan of Arrangement and approved in the Final Order in the maximum amount of Cdn.$10,000,000 (the "**Closing Date Distribution**");

(f) notwithstanding any other provision hereof, including, without limitation, Section 10.2(f), and in addition thereto, the Borrower shall not be permitted to, nor shall it permit any Subsidiary to, provide any Financial Assistance or make any Investments in any person, in aggregate with such Financial Assistance, in an amount in excess of Cdn.$5,000,000, other than (a) Investments in the Borrower or a Subsidiary that has provided Security and that are made in the ordinary course of business and (b) Financial Assistance to or for the benefit of the Borrower or a Subsidiary which has provided Security (including, for certainty, guarantees of the outstanding 2020 1.5 Lien Notes and the outstanding 2020 Second Lien Notes by the Borrower, Calfrac U.S. and any other Subsidiary which has guaranteed the Credit Facilities);

(g) notwithstanding any other provision hereof, including, without limitation, Section 10.2(k), and in addition thereto, the Borrower and its Subsidiaries shall not be permitted, directly or indirectly, to make or offer to make any acquisition of all or substantially all of the assets or shares (or other equity or ownership interests) of another person without the consent of the Lenders ; and

(h) in addition to Section 10.1(e), the Borrower shall deliver to the Agent, with sufficient copies for each of the Lenders (i) within 5 days of each calendar month end, rolling 13-week cash flow and Borrowing Base projections and (ii) concurrently with the delivery of each Borrowing Base Certificate (except in connection with a Quarter End), an Officer's Certificate certifying as to Liquidity.

10.5 Agent May Perform Covenants

If the Borrower fails to perform any covenants on its part herein contained, subject to any consents or notice or cure periods required by Section 12.1, the Agent may give notice to the Borrower of such failure and if such covenant remains unperformed, the Agent may, in its discretion but need not, perform any such covenant capable of being performed by the Agent and if the covenant requires the payment or expenditure of money, the Agent may, upon having received approval of all Lenders, make such payments or expenditure and all sums so expended shall be forthwith payable by the Borrower to the Agent on behalf of the Lenders and shall bear interest at the applicable interest rate provided in Section 5.8 for amounts due in Canadian Dollars or United

States Dollars, as the case may be. No such performance, payment or expenditure by the Agent shall be deemed to relieve the Borrower of any default hereunder or under the other Documents.

ARTICLE 11 - SECURITY

11.1 Security

(1) The Obligations, the Bank Product Obligations (excluding the Credit Card Obligations) and Lender Financial Instrument Obligations shall be secured, equally and rateably by first priority Security Interests (subject to Permitted Encumbrances) on, to and against all present and future property, assets and undertaking of the Borrower and each of the Material Subsidiaries.

(2) The Borrower shall (a) execute and deliver the floating charge demand debenture, the debenture pledge agreement and the general security agreement substantially in the forms of Schedules H-1, H-2 and H-3, respectively, annexed hereto, and, subject to the qualifications in Section 11.2 (other than in respect of the existing mortgages and the deed of trust), fixed and floating charge debentures, mortgages or equivalent documentation related to real property located in Canada requested by the Agent including, without limitation, the existing fixed and floating charge debentures, in respect of real property located in the Provinces of Alberta and British Columbia, in each case, with such modifications and insertions as may be required by the Agent, acting reasonably, (b) cause each Material Subsidiary domiciled in Canada, to execute and deliver a guarantee, a floating charge demand debenture, a debenture pledge agreement and a general security agreement substantially in the forms of Schedules H-4, H-5, H-6 and H-7, respectively, annexed hereto with such modifications and insertions as may be required by the Agent, acting reasonably, and (c) cause each United States of America domiciled Material Subsidiary to execute and deliver a guarantee and a general security agreement in substantially the form of the Guarantee and General Security Agreement both dated September 29, 2009 executed by Calfrac U.S. and, subject to the qualifications in Section 11.2 (other than in respect of the existing mortgages), mortgages, fixed charged mortgages, deeds of trust or equivalent documentation required in connection with real property located in the United States of America including, without limitation, the existing mortgages of Calfrac U.S. in respect of real property located in the States of Arkansas, Pennsylvania and North Dakota and the existing deed of trust in respect of real property located in the State of Texas, with such modifications as may be required by the Agent, acting reasonably.

It is hereby acknowledged that the Borrower and each existing Material Subsidiary has executed and delivered the Security required pursuant to this Section 11.1 as of the date hereof.

(3) The Borrower shall (i) as soon as reasonably practicable, give written notice to the Agent of the acquisition, creation or existence of each Material Subsidiary created or acquired after the date hereof, together with such other information as the Agent may reasonably require and (ii) promptly, and in any event within 20 Banking Days of such acquisition, creation or existence, cause each new Material Subsidiary to promptly execute and deliver to the Agent the Security contemplated hereby (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably).

(4) In addition to the Security described in subsections (1), (2) and (3) of this Section 11.1, the Borrower shall, subject to Section 11.2, execute and deliver, or shall cause to be

executed and delivered, all such guarantees and mortgages, debentures, pledge agreements, assignments and other security agreements as may be required by the Majority of the Lenders, acting reasonably (each in form and substance satisfactory to the Majority of the Lenders, acting reasonably) in order to, or to more effectively, charge in favour of the Agent or grant Security Interests in favour of the Agent on and against all of the undertakings, assets and property (real or personal, tangible or intangible, present or future and of whatsoever nature and kind) of the Borrower and the Material Subsidiaries as continuing collateral security for the payment and performance by the Borrower of all Obligations, the Lender Financial Instrument Obligations and the Bank Product Obligations (excluding the Credit Card Obligations). In order to give effect to the foregoing provisions of Section 11.1(3) and this Section 11.1(4), the Borrower shall cause the applicable Material Subsidiary to promptly execute and deliver Security to the Agent within the specified period (together with a certified copy of its constating documents and a legal opinion in form and substance satisfactory to the Agent, acting reasonably).

11.2 Registration

(1) The Borrower shall, at its expense, register, file or record the Security in all offices where the applicable registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security applicable to it; provided that the Security shall not be registered (i) by way of serial number goods registrations in Canada or any province thereof, or (ii) except for registrations in respect of fixed charges on real property registered as of the date hereof, at any land registry offices in Canada or the United States of America, and the Borrower shall not be obligated to grant security to the Agent in respect of Titled Assets and the Agent shall not register any Security against the certificates of title for any Titled Assets, in each case, unless and until (A) an Event of Default has occurred and is continuing and (B) the Agent (acting reasonably) requests such registration in writing). The Borrower shall amend and renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect or to preserve the priority established by any prior registration, filing or recording thereof.

(2) Notwithstanding the foregoing, if any Lender determines, acting reasonably, that any applicable law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for such Lender to hold or benefit from a lien over real property pursuant to any law of the United States of America or any State thereof, such Lender may notify the Agent and disclaim any benefit of such security interest to the extent of such illegality; provided, that such determination or disclaimer shall not invalidate or render unenforceable such lien for the benefit of any other Lender.

11.3 Forms

Except for the Security to be executed and delivered by Calfrac U.S. and any future Material Subsidiary formed pursuant to the laws of the United States of America or any state thereof, which shall be prepared and based upon the laws of a jurisdiction in the United States of America at the request of the Lenders, the forms of Security shall have been or shall be prepared based upon the laws of Canada and Alberta applicable thereto in effect at the date hereof. The Agent shall have the right to require that any such Security be amended to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the Agent the Security Interests intended to be created thereby.

11.4 Continuing Security

Each item or part of the Security shall for all purposes be treated as a separate and continuing collateral security and shall be deemed to have been given in addition to and not in place of any other item or part of the Security or any other security now held or hereafter acquired by the Agent or the Lenders. No item or part of the Security shall be merged or be deemed to have been merged in or by this Agreement or any documents, instruments or acknowledgements delivered hereunder, or any simple contract debt or any judgment, and any realization of or steps taken under or pursuant to any security, instrument or agreement shall be independent of and not create a merger with any other right available to the Lenders or the Agent under any security, instruments or agreements held by it or at law or in equity.

11.5 Dealing with Security

The Agent, with the consent of all of the Lenders, may grant extensions of time or other indulgences, take and give up securities (including the Security or any part or parts thereof), accept compositions, grant releases and discharges and otherwise deal with the Borrower and other parties and with security (including without limitation, the Security and each part thereof) as the Agent may see fit, without prejudice to or in any way limiting the liability of the Borrower under this Agreement or the other Documents or under any of the Security or any other collateral security.

11.6 Effectiveness

The Security and the security created by any other Document constituted or required to be created shall be effective, and the undertakings as to the Security herein or in any other Document shall be continuing, whether any Loans are then outstanding or any amounts thereby secured or any part thereof shall be owing before or after, or at the same time as, the creation of such Security Interests or before or after or upon the date of execution of any amendments to this Agreement.

11.7 Release and Discharge of Security

(1) The Borrower and its Subsidiaries shall not be discharged from the Security or any part thereof, other than to the extent that such Security applies to a Permitted Disposition (in which case the Security shall cease to apply to the subject matter thereof for the benefit of the Agent and the Lenders) except by a written release and discharge signed by the Agent with the prior written consent of the Lenders. If all of the Obligations, the Bank Product Obligations (excluding the Credit Card Obligations) and the Lender Financial Instrument Obligations have been repaid, paid, satisfied and discharged, as the case may be, in full and the Credit Facilities have been fully cancelled, then the Agent shall cause it and the Lenders' interest in the Security to be released and discharged.

(2) The Lenders hereby authorize the Agent, upon the written request of the Borrower, to subordinate the Security Interests created by the Security with respect to any property or assets subject to a Permitted Encumbrance described in subparagraph (p) of the definition thereof or release such Security Interests from any property or assets subject to a Permitted Encumbrance described in subparagraph (p) of the definition thereof.

11.8 Transfer of Security

If HSBC Bank Canada, in its capacity as Agent, or any successor thereto, in its capacity as Agent ceases to be the Agent (the "**Departing Agent**"), the Departing Agent shall transfer and assign all of its right, title and interest in its capacity as Agent in and to the Security to the Successor Agent and the provisions of Section 11.2 shall apply, *mutatis mutandis*, with respect to such assignment and transfer.

11.9 Hedging Affiliates and Bank Product Affiliates

Each Lender hereby confirms to and agrees with the Agent and the other Lenders as follows:

(a) such Lender is, for the purpose of securing the Bank Product Obligations (other than Credit Card Obligations) owing to or in favour of its Bank Product Affiliates and the Lender Financial Instrument Obligations owing to or in favour of its Hedging Affiliates pursuant to the Security, executing and delivering this Agreement both on its own behalf and as agent for and on behalf of such Bank Product Affiliates and Hedging Affiliates;

(b) the Agent shall be and is hereby authorized by each such Bank Product Affiliate and Hedging Affiliate (i) to hold the Security on behalf of such Bank Product Affiliate and Hedging Affiliate as security for the Bank Product Obligations and Lender Financial Instrument Obligations owing to or in favour of it in accordance with the provisions of the Documents and (ii) to act in accordance with the provisions of the Documents (including on the instructions or at the direction of the Majority of the Lenders) in all respects with respect to the Security; and

(c) the documents governing any Bank Product or the Bank Product Obligations owing to or in favour of any such Bank Product Affiliate, the Lender Financial Instruments of any such Hedging Affiliate and the Lender Financial Instrument Obligations owing to or in favour of any such Hedging Affiliate shall not be included or taken into account for the purposes of Section 16.10 or (for certainty) in any determination of the Majority of the Lenders or the Lenders which shall be determined solely based upon the Commitments of the Lenders hereunder or the Outstanding Principal owing to the Lenders.

11.10 Security for Hedging with Former Lenders

If a Lender ceases to be a Lender under this Agreement (a "**Former Lender**"), all Lender Financial Instrument Obligations owing to such Former Lender and its Hedging Affiliates under Lender Financial Instruments entered into while such Former Lender was a Lender shall remain secured by the Security (equally and rateably) to the extent that such Lender Financial Instrument Obligations were secured by the Security prior to such Lender becoming a Former Lender and, subject to the following provisions of this Section 11.10 and unless the context otherwise requires, all references herein to "Lender Financial Instrument Obligations" shall include such obligations to a Former Lender and its Hedging Affiliates and all references herein to "Lender Financial Instruments" shall include such Financial Instruments with a Former Lender and its

Hedging Affiliates. For certainty, any Financial Instrument Obligations under Financial Instruments entered into with a Former Lender or an Affiliate thereof after the Former Lender has ceased to be a Lender shall not be secured by the Security. Notwithstanding the foregoing, no Former Lender or any Affiliate thereof shall have any right to cause or require the enforcement of the Security or any right to participate in any decisions relating to the Security, including any decisions relating to the enforcement or manner of enforcement of the Security or decisions relating to any amendment to, waiver under, release of or other dealing with all or any part of the Security; for certainty, the sole right of a Former Lender and its Affiliates with respect to the Security is to share, on a *pari passu* basis, in any proceeds of realization and enforcement of the Security.

ARTICLE 12 - EVENTS OF DEFAULT AND ACCELERATION

12.1 Events of Default

The occurrence of any one or more of the following events (each such event being herein referred to as an "**Event of Default**") shall constitute a default under this Agreement:

(a) Principal Default: if the Borrower fails to pay the principal of any Loan hereunder when due and payable;

(b) Other Payment Default: if the Borrower fails to pay:

(i) any interest (including, if applicable, default interest) accrued on any Loan;

(ii) any acceptance fee with respect to a Bankers' Acceptance or issuance fee with respect to a Letter of Credit; or

(iii) any other amount not specifically referred to in paragraph (a) above or in this paragraph (b) payable by the Borrower hereunder;

in each case when due and payable, and such default is not remedied within 3 Banking Days after written notice thereof is given by the Agent to the Borrower specifying such default and requiring the Borrower to remedy or cure the same;

(c) Certain Covenant Defaults: if the Borrower fails to observe or perform the covenants in Section 10.3;

(d) Breach of Other Covenants: if the Borrower or a Material Subsidiary fails to observe or perform any covenant or obligation herein or in any other Document required on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section) and (i) except with respect to a breach of Section 10.1(q) or Section 10.2(m), after notice has been given by the Agent to the Borrower or such Material Subsidiary specifying such default and requiring the Borrower or such Material Subsidiary to remedy or cure the same, the Borrower or such Material Subsidiary shall fail to remedy such default within a period of 30 days after the giving of such notice and (ii) with respect to a breach of Section 10.1(q) or Section 10.2(m), upon

the earlier of: (1) the time when the Borrower or such Material Subsidiary has become aware of the default and (2) the time when the Agent has notified the Borrower or such Material Subsidiary of such default requiring the Borrower or such Material Subsidiary to remedy or cure the same and the Borrower or such Material Subsidiary shall fail to remedy such default within a period of 30 days thereafter;

(e) Incorrect Representations: if any representation or warranty made by the Borrower or any Material Subsidiary party to any Document herein or in any other Document shall prove to have been incorrect or misleading in any respect on and as of the date made and the facts or circumstances which make such representation or warranty incorrect or misleading are not remedied and the representation or warranty in question remains incorrect or misleading (i) except with respect to Section 9.1(w), more than 30 days after the Agent notifies the Borrower of the same and (ii) in the case of Section 9.1(w), the earlier of (1) the time when the Borrower or such Material Subsidiary becomes aware of such incorrect or misleading representation or warranty and (2) the time when the Agent has notified the Borrower of such incorrect or misleading representation or warranty and the representation and warranty remains incorrect or misleading for 30 days thereafter;

(f) Involuntary Insolvency: if a decree or order of a court of competent jurisdiction is entered adjudging the Borrower or a Material Subsidiary a bankrupt or insolvent under the *Companies' Creditors Arrangement Act* (Canada), the *Bankruptcy and Insolvency Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous laws or ordering the winding up or liquidation of its affairs;

(g) *Idem*: if any case, proceeding or other action shall be instituted in any court of competent jurisdiction against the Borrower or any Material Subsidiary, seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition, proposal or arrangement with creditors, a readjustment of debts, the appointment of trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers with respect to the Borrower or any Material Subsidiary or of all or any substantial part of its assets, or any other like relief in respect of the Borrower or any Material Subsidiary under any bankruptcy or insolvency law and such case, proceeding or other action results in an entry of an order for such relief or any such adjudication or appointment, which is not stayed or dismissed within 15 days;

(h) Voluntary Insolvency: if the Borrower or any Material Subsidiary makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies' Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee in bankruptcy, receiver, receiver and manager, interim receiver, custodian,

sequestrator or other person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition, administration or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors' rights or consents to, or acquiesces in, the filing of such assignment, proposal, relief, petition, proposal, appointment or proceeding;

(i) Dissolution: except as permitted by Sections 10.2(c) or 10.2(j), if proceedings are commenced for the dissolution, liquidation or winding up of the Borrower or any Material Subsidiary unless such proceedings are being actively and diligently contested in good faith to the satisfaction of the Majority of the Lenders;

(j) Security Realization: if creditors of the Borrower or any Material Subsidiaries having a Security Interest against or in respect of the property and assets thereof, or any part thereof, realize upon or enforce any such security against such property and assets or any part thereof having an aggregate fair market value in excess of Cdn.$20,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such realization or enforcement shall continue in effect and not be released, discharged or stayed within the lesser of 30 days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;

(k) Seizure: if property and assets of the Borrower and its Material Subsidiaries or any part thereof having an aggregate fair market value in excess of Cdn.$20,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) are seized or otherwise attached by anyone pursuant to any legal process or other means, including, without limitation, distress, execution or any other step or proceeding with similar effect and such attachment, step or other proceeding shall continue in effect and not be released, discharged or stayed within the lesser of 30 days and the period of time prescribed under Applicable Laws for the completion of the sale of or realization against the assets subject to such seizure or attachment;

(l) Judgment: except for any judgment related to the Disclosed Litigation Matters not exceeding Cdn.$50,000,000, if one or more final judgments, decrees or orders (after available appeals have been exhausted) for an aggregate amount in excess of Cdn.$30,000,000 (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) shall be awarded against:

(i) the Borrower or any Material Subsidiary in Canada or the United States of America (or any province, territory, state or district thereof); or

(ii) the Borrower or any Material Subsidiary in the United Mexican States or the Russian Federation (or any territory, state, district or federal subject thereof) and, after taking into account any reduction of EBITDA of the Borrower or applicable Material Subsidiary in such amount as the Lenders

may require up to the amount of such judgment where such reduction is deemed to be deducted from the calculation of the Borrower's EBITDA for the previous four quarters, the Borrower would not be in compliance with the financial covenant contained in Section 10.3(c) hereof,

and the Borrower or any such Material Subsidiary, as applicable, has not provided security (to the Agent, the applicable court that rendered such judgment, the judgment creditor or an agent or trustee for one of the foregoing) for any of such judgments, decrees or orders or caused such judgment decree or order to be satisfied or stayed within 30 days of such judgment, decree or order being awarded;

(m) Payment Cross Default: if the Borrower or any of its Material Subsidiaries (or any combination thereof) defaults in the payment when due (whether at maturity, upon acceleration, or otherwise) of Total Debt or Financial Instrument Obligations in aggregate in excess of 5% of Consolidated Net Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency);

(n) Event Cross Default: if a default, event of default or other similar condition or event (however described) in respect of the Borrower or any of its Material Subsidiaries (or any combination thereof) occurs or exists under any indentures, credit agreements, agreements or other instruments evidencing or relating to Total Debt or Financial Instrument Obligations (individually or collectively) in an aggregate amount in excess of 5% of Consolidated Net Tangible Assets (or the Equivalent Amount thereof in United States Dollars or the equivalent thereof in any other currency) and such default, event or condition has resulted in such Total Debt or Financial Instrument Obligations becoming, or becoming capable at such time of being declared, due and payable thereunder before it would otherwise have been due and payable;

(o) Cease to Carry on Business: if the Borrower and its Material Subsidiaries taken as a whole cease to carry on business;

(p) Change of Control:

(i) if a Change of Control referenced in subparagraph (a) of the definition thereof occurs; or

(ii) if a Change of Control referenced in subparagraphs (b) or (c) of the definition thereof occurs and, in the opinion of the Lenders (acting reasonably) such Change of Control would reasonably be expected to have a Material Adverse Effect.

(q) Lender Financial Instruments: if a Financial Instrument Demand for Payment has been delivered to the Borrower or any Subsidiary and such person fails to make payment thereunder within the lesser of (i) 3 Banking Days and (ii) the time otherwise required for payment thereunder, or if a Termination Event occurs, and in any such case, such default has not been waived or cured;

(r) Borrowing Base Shortfall: If a Borrowing Base Shortfall exists and is not remedied in accordance with Section 2.23(4);

(s) Loss and Priority of Security: except for Permitted Encumbrances and except as otherwise permitted by this Agreement, if any of the Security shall cease to be a valid first priority Security Interest against the property, assets and undertaking of the Borrower or any Material Subsidiary party to any Document as against third parties (and the same is not forthwith effectively rectified or replaced by the Borrower or such Material Subsidiary, as applicable); or

(t) Material Adverse Effect: if, in the opinion of the Lenders (acting reasonably), an event, which has not been approved by all Lenders in writing and which would reasonably be expected to have a Material Adverse Effect, has occurred.

12.2 Acceleration

If any Event of Default shall occur and for so long as it is continuing:

(a) the entire principal amount of all Loans then outstanding from the Borrower and all accrued and unpaid interest thereon,

(b) an amount equal to the face amount at maturity of all Bankers' Acceptances issued by the Borrower which are unmatured,

(c) an amount equal to the maximum amount then available to be drawn under all unexpired Letters of Credit, and

(d) all other Obligations outstanding hereunder,

shall, at the option of the Agent in accordance with Section 15.11 or upon the request of a Majority of the Lenders, become immediately due and payable upon written notice to that effect from the Agent to the Borrower, all without any other notice and without presentment, protest, demand, notice of dishonour or any other demand whatsoever (all of which are hereby expressly waived by the Borrower). In such event and if the Borrower does not immediately pay all such amounts upon receipt of such notice, either the Lenders (in accordance with the proviso in Section 15.11(a)) or the Agent on their behalf may, in their discretion, exercise any right or recourse and/or proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the indebtedness and liabilities of the Borrower to the Lenders and proceed to exercise any and all rights hereunder and under the other Documents and no such remedy for the enforcement of the rights of the Lenders shall be exclusive of or dependent on any other remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

12.3 Conversion on Default

Upon the occurrence of an Event of Default in respect of the Borrower, the Agent on behalf of the Lenders, or the Operating Lender, as applicable, may convert a Libor Loan owing by the Borrower, to a U.S. Base Rate Loan. Interest shall accrue on each such U.S. Base Rate

Loan at the rate specified in Section 5.2 with interest on all overdue interest at the same rate, such interest to be calculated daily and payable on demand.

12.4 Remedies Cumulative and Waivers

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lenders and the Agent hereunder or under any other Document are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity; and any single or partial exercise by the Lenders or by the Agent of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Agreement or other Document shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which any one or more of the Lenders and the Agent may be lawfully entitled for such default or breach. Any waiver by, as applicable, the Majority of the Lenders, the Lenders or the Agent of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein and any indulgence granted, either expressly or by course of conduct, by, as applicable, the Majority of the Lenders, the Lenders or the Agent shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Lenders or the Agent under this Agreement or any other Document as a result of any other default or breach hereunder or thereunder.

12.5 Termination of Lenders' Obligations

The occurrence of a Default or Event of Default shall relieve the Lenders of all obligations to provide any further Drawdowns, Rollovers or Conversions to the Borrower hereunder; provided that the foregoing shall not prevent the Lenders or the Agent from disbursing money or effecting any Conversion which, by the terms hereof, they are entitled to effect, or any Conversion or Rollover requested by the Borrower and acceptable to the Lenders and the Agent.

12.6 Acceleration of All Lender Obligations

(1) If a Lender is actually aware of a Termination Event under Lender Financial Instruments to which it is a party or if a Lender has delivered a Financial Instrument Demand for Payment to the Borrower or a Subsidiary, then it shall promptly notify the Agent and other Lenders thereof.

(2) If an Acceleration Notice has been delivered to the Borrower, then, to the extent that it is not already the case, all Obligations, all Bank Product Obligations and all Financial Instrument Obligations under Lender Financial Instruments shall be immediately due and payable and each Lender and the Agent shall (and shall be entitled to) promptly, and in any event within 3 Banking Days of receipt of notice of the foregoing, deliver such other Demands for Payment and notices as may be necessary to ensure that all Obligations, all Bank Product Obligations and all Financial Instrument Obligations under Lender Financial Instruments are thereafter due and payable under this Agreement, the documentation relating to Bank Products and the Lender Financial Instruments, as applicable.

(3) Each agreement, indenture, instrument or other document evidencing or relating to a Lender Financial Instrument shall, notwithstanding any provision thereof to the contrary, be

deemed to be hereby amended to allow and permit the Lender which is a party thereto to comply with the provisions of this Section 12.6.

12.7 Application and Sharing of Payments Following Acceleration

Except as otherwise agreed to by all of the Lenders in their sole discretion, all monies and property received by the Lenders for application in respect of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments subsequent to the Adjustment Time and all monies received as a result of a realization upon the Security (collectively, the "**Realization Proceeds**") shall be applied and distributed to the Lenders and the Agent in the order and manner set forth below:

(a) firstly, distributed proportionately to the Lenders and the Agent in accordance with amounts owing to each Lender and the Agent on account of the costs and expenses of enforcement and realization upon the Security; and

(b) secondly, distributed Rateably (subject to any applicable adjustment required to take into account the opting out of any Security by any Lender in accordance with Section 11.1(2)) to the Lenders, the Bank Product Affiliates and the Hedging Affiliates on account of the Obligations, the Bank Product Obligations and the Financial Instrument Obligations under Lender Financial Instruments;

and the balance of the Realization Proceeds (if any) shall be paid to the Borrower or otherwise as may be required by law.

12.8 Calculations as at the Adjustment Time

For the purposes of this Agreement, if:

(a) a Financial Instrument Demand for Repayment has been delivered; or

(b) a Termination Event has occurred under any agreement evidencing a permitted Lender Financial Instrument;

then any amount which is payable by the Borrower or a Subsidiary under such Lender Financial Instrument in settlement of obligations arising thereunder as a result of the early termination of the Lender Financial Instrument shall be deemed to have become payable at the time of delivery of such Financial Instrument Demand for Repayment or the time of occurrence of such Termination Event, as the case may be, notwithstanding that the amount payable by the Borrower or a Subsidiary is to be subsequently calculated and notice thereof given to the Borrower or such Subsidiary in accordance with such Lender Financial Instrument.

12.9 Sharing Repayments

To the extent necessary to ensure that, and to give effect to the agreement that, the Obligations, the Bank Product Obligations (other than the Credit Card Obligations) and the Lender Financial Instrument Obligations are secured equally and rateably, each Lender agrees that, subsequent to the Adjustment Time, it will at any time and from time to time upon the request of

the Agent purchase undivided participations in the Obligations, the Bank Product Obligations (other than the Credit Card Obligations) and the Financial Instrument Obligations under Lender Financial Instruments and make any other adjustments which may be necessary or appropriate, in order that Obligations, the Bank Product Obligations (other than the Credit Card Obligations) and the Financial Instrument Obligations under Lender Financial Instruments which remain outstanding to each Lender and its Bank Product Affiliates and Hedging Affiliates are thereafter outstanding, as adjusted pursuant to this Section, in accordance with the provisions of Section 12.7. The Borrower agrees to do, or cause to be done (whether by the Borrower or its Subsidiaries), all things reasonably necessary or appropriate to give effect to any and all purchases and other adjustments by and between the Lenders pursuant to this Section.

12.10 Pro Rata Obligations

After all Obligations are declared by the Agent to be due and payable pursuant to Section 12.2, each Lender agrees that (a) it will at any time or from time to time thereafter at the request of the Agent as required by any Lender, purchase at par on a non-recourse basis a participation in the Outstanding Principal owing to each of the other Lenders and make any other adjustments as are necessary or appropriate, in order that the Outstanding Principal owing to each of the Lenders, as adjusted pursuant to this Section 12.10, will be in the same proportion as each Lender's individual aggregate Commitments were to the overall aggregate Commitments of all Lenders immediately prior to the Event of Default resulting in such declaration and (b) the amount of any repayment made by or on behalf of the Borrower and its Subsidiaries under the Documents or any proceeds received by the Agent or the Lenders in connection therewith will be applied by the Agent in a manner such that to the extent possible the amount of the Outstanding Principal owing to each Lender after giving effect to such application will be in the same proportion as each Lender's individual aggregate Commitments were to the overall aggregate Commitments of all Lenders immediately prior to the Event of Default resulting in such declaration.

ARTICLE 13 - CHANGE OF CIRCUMSTANCES

13.1 Market Disruption Respecting LIBOR Loans

(1) If at any time subsequent to the giving of a Drawdown Notice, Rollover Notice or Conversion Notice to the Agent or the Operating Lender, as applicable, by the Borrower with regard to any requested Libor Loan but before 2:00 p.m. (Toronto time) on the third Banking Day prior to the date of the requested Drawdown, Rollover or Conversion, as the case may be:

(a) the Agent or the Operating Lender, as applicable, (acting reasonably) determines that by reason of circumstances affecting the London interbank market, adequate and fair means do not exist for ascertaining the rate of interest with respect to, or deposits are not available in sufficient amounts in the ordinary course of business at the rate determined hereunder to fund, a requested Libor Loan during the ensuing Interest Period selected;

(b) the Agent or the Operating Lender, as applicable, (acting reasonably) determines that the making or continuing of the requested Libor Loan by the Syndicated

Facility Lenders or the Operating Lender, as applicable, has been made impracticable by the occurrence of an event which materially adversely affects the London interbank market generally; or

(c) the Operating Lender has determined or the Agent is advised by Syndicated Facility Lenders holding at least 35% of the Syndicated Facility Commitments by written notice (each, a "**Lender Libor Suspension Notice**"), such notice received by the Agent no later than 2:00 p.m. (Toronto time) on the third Banking Day prior to the date of the requested Drawdown, Rollover or Conversion, as the case may be, that such Syndicated Facility Lenders have determined (acting reasonably) that the Libor Rate will not or does not represent the effective cost to such Lender or Lenders of United States Dollar deposits in such market for the relevant Interest Period,

the Agent or the Operating Lender, as applicable shall promptly notify the Borrower (and, in respect of the Syndicated Facility, the applicable Lenders) as soon as possible after such determination or receipt of such Lender Libor Suspension Notice, as the case may be, and the Borrower shall, within one Banking Day after receipt of such notice and in replacement of the Drawdown Notice, Rollover Notice or Conversion Notice, as the case may be, previously given by the Borrower, give the Agent or the Operating Lender, as applicable, a Drawdown Notice or a Conversion Notice, as the case may be, which specifies the Drawdown of any other Loan or the Conversion of the relevant Libor Loan on the last day of the applicable Interest Period into any other Loan which would not be affected by the notice from the Agent or the Operating Lender, as applicable, pursuant to this Section 13.1(1). In the event the Borrower fails to give, if applicable, a valid replacement Conversion Notice with respect to the maturing Libor Loans which were the subject of a Rollover Notice, such maturing Libor Loans shall be converted on the last day of the applicable Interest Period into U.S. Base Rate Loans as if a Conversion Notice had been given to the Agent or the Operating Lender, as applicable, by the Borrower pursuant to the provisions hereof. In the event the Borrower fails to give, if applicable, a valid replacement Drawdown Notice with respect to a Drawdown originally requested by way of a Libor Loan, then the Borrower shall be deemed to have requested a Drawdown by way of a U.S. Base Rate Loan in the amount specified in the original Drawdown Notice and, on the originally requested Drawdown Date, the Lenders (subject to the other provisions hereof) shall make available the requested amount by way of a U.S. Base Rate Loan.

(2) Notwithstanding anything to the contrary in this Agreement or any other Document, if the Agent or the Operating Lender determines (which determination shall be conclusive absent manifest error), or if the Borrower or the Majority of the Lenders notify the Agent and the Operating Lender (with, in the case of the Majority of the Lenders, a copy to Borrower) that the Borrower or the Majority of the Lenders (as applicable) have determined, that:

(a) adequate and reasonable means do not exist for ascertaining the Libor Rate for any requested Interest Period because the rate set by ICE Benchmark Administration is not available or published on a current basis and such circumstances are unlikely to be temporary;

(b) the ICE Benchmark Administration or a Governmental Authority having jurisdiction over the Agent or the Operating Lender has made a public statement identifying a specific date after which the Libor Rate shall no longer be made available or used for determining the interest rate of loans (such specific date, the "**Scheduled Unavailability Date**"); or

(c) the Libor Rate is no longer the market standard benchmark rate for United States Dollar denominated loans;

then, reasonably promptly after such determination by the Agent or the Operating Lender, as applicable, or receipt by the Agent and the Operating Lender of such notice, as applicable, the Agent (on behalf of itself and the Operating Lender) and the Borrower may negotiate an amendment to this Agreement to replace Libor Loans with loans using an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), (any such proposed rate, a "**Libor Successor Rate**"), together with any required conforming changes to this Agreement.

(3) If no Libor Successor Rate has been determined and:

(a) the circumstances under Section 13.1(2)(a) exist;

(b) the Scheduled Unavailability Date has occurred; or

(c) 60 days have passed since the determination by the Agent or the Operating Lender, as applicable, or receipt of notice by the Agent and the Operating Lender from the Borrower or the Majority of the Lenders, as applicable, that the circumstance described under 13.1(2)(c) above exist,

the Agent shall promptly so notify the Borrower and each Lender and, thereafter, (i) the obligation of the Lenders to make or maintain Libor Loans shall be suspended and (ii) the Libor Rate component shall no longer be utilized in determining the U.S. Base Rate. Upon receipt of such notice, the Borrower may revoke any pending request for a Drawdown of, Conversion into or Rollover of Libor Loans or, failing that, will be deemed to have converted any such notice in to a Drawdown Notice, Conversion Notice or Rollover Notice, as applicable, requesting U.S. Base Rate Loans in the amount specified therein.

13.2 Market Disruption Respecting Bankers' Acceptances

If:

(a) the Agent or the Operating Lender, as applicable, (acting reasonably) makes a determination, which determination shall be conclusive and binding upon the Borrower, and notifies the Borrower, that there no longer exists an active market for bankers' acceptances accepted by the Syndicated Facility Lenders or Operating Lender, respectively; or

(b) the Agent is advised by Syndicated Facility Lenders holding at least 35% of the Syndicated Facility Commitments by written notice (each, a "**Lender BA**

Suspension Notice") that such Lenders have determined (in their sole discretion, acting in good faith) or the Operating Lender has determined (in its sole discretion, acting in good faith) that the BA Discount Rate will not or does not accurately reflect the cost of funds of such Lender or Lenders or the discount rate which would be applicable to a sale of Bankers' Acceptances accepted by such Lender or Lenders in the market;

then:

(c) the right of the Borrower to request Bankers' Acceptances or BA Equivalent Advances from any applicable Lender shall be suspended until the Agent or the Operating Lender, as applicable, determines that the circumstances causing such suspension no longer exist, and so notifies the Borrower and the applicable Lenders;

(d) any outstanding Drawdown Notice requesting a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a Drawdown Notice requesting a Loan by way of Canadian Prime Rate Loans in the amount specified in the original Drawdown Notice;

(e) any outstanding Conversion Notice requesting a Conversion of a Loan by way of Bankers' Acceptances or BA Equivalent Advances shall be deemed to be a Conversion Notice requesting a Conversion of such Loan into a Loan by way of Canadian Prime Rate Loans; and

(f) any outstanding Rollover Notice requesting a Rollover of a Loan by way of Bankers' Acceptances or BA Equivalent Advances, shall be deemed to be a Conversion Notice requesting a Conversion of such Loans into a Loan by way of Canadian Prime Rate Loans.

The Agent or the Operating Lender, as applicable shall promptly notify the Borrower (and, in respect of the Syndicated Facility, the applicable Lenders) of any suspension of the Borrower's right to request the Bankers' Acceptances or BA Equivalent Advances and of any termination of any such suspension. A Lender BA Suspension Notice shall be effective upon receipt of the same by the Agent or the Operating Lender, as applicable, if received prior to 2:00 p.m. (Toronto time) on a Banking Day and if not, then on the next following Banking Day, except in connection with an outstanding Drawdown Notice, Conversion Notice or Rollover Notice, in which case the applicable Lender BA Suspension Notice shall only be effective with respect to such outstanding Drawdown Notice, Conversion Notice or Rollover Notice if received by the Agent or the Operating Lender, as applicable, prior to 2:00 p.m. (Toronto time) two Banking Days prior to the proposed Drawdown Date, Conversion Date or Rollover Date (as applicable) applicable to such outstanding Drawdown Notice, Conversion Notice or Rollover Notice, as applicable.

13.3 Change in Law

(1) If the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation

or administration thereof or compliance by a Lender with any request or direction (whether or not having the force of law) of any such authority or entity in each case after the date hereof:

(a) subjects such Lender to, or causes the withdrawal or termination of a previously granted exemption with respect to, any Taxes (other than Taxes on such Lender's overall income or capital), or changes the basis of taxation of payments due to such Lender, or increases any existing Taxes (other than Taxes on such Lender's overall income or capital) on payments of principal, interest or other amounts payable by the Borrower to such Lender under this Agreement;

(b) imposes, modifies or deems applicable any reserve, liquidity, special deposit, regulatory or similar requirement against assets or liabilities held by, or deposits in or for the account of, or loans by such Lender, or any acquisition of funds for loans or commitments to fund loans or obligations in respect of undrawn, committed lines of credit or in respect of Bankers' Acceptances accepted by such Lender;

(c) imposes on such Lender or requires there to be maintained by such Lender any capital adequacy or additional capital requirements (including, without limitation, a requirement which affects such Lender's allocation of capital resources to its obligations) in respect of any Loan or obligation of such Lender hereunder, or any other condition with respect to this Agreement; or

(d) directly or indirectly affects the cost to such Lender of making available, funding or maintaining any Loan or otherwise imposes on such Lender any other condition or requirement affecting this Agreement or any Loan or any obligation of such Lender hereunder;

and the result of (a), (b), (c) or (d) above, in the sole determination of such Lender acting in good faith, is:

(e) to increase the cost to such Lender of performing its obligations hereunder with respect to any Loan;

(f) to reduce any amount received or receivable by such Lender hereunder or its effective return hereunder or on its capital in respect of any Loan or either Credit Facility; or

(g) to cause such Lender to make any payment with respect to or to forego any return on or calculated by reference to, any amount received or receivable by such Lender hereunder with respect to any Loan or either Credit Facility;

such Lender shall determine that amount of money which shall compensate the Lender for such increase in cost, payments to be made or reduction in income or return or interest foregone (herein referred to as "**Additional Compensation**"). Upon a Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower and, in the case of the Syndicated Facility, the Agent. The relevant Lender shall provide the Borrower and, in the case of the Syndicated Facility, the Agent with a photocopy of the relevant law, rule, guideline, regulation, treaty or official directive (or, if it

is impracticable to provide a photocopy, a written summary of the same) and a certificate of a duly authorized officer of such Lender setting forth the Additional Compensation and the basis of calculation therefor, which shall be conclusive evidence of such Additional Compensation in the absence of manifest error. The Borrower shall pay to such Lender within 10 Banking Days of the giving of such notice such Lender's Additional Compensation. Each of the Lenders shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that any Lender has previously been paid any Additional Compensation.

(2) Notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all regulations, requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all regulations, requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States of America, Canadian or other regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "change in law" for the purposes of this Section 13.3, regardless of the date enacted, adopted or issued, in each case to the extent materially different from that in effect of the date hereof.

(3) Each Lender agrees that it will not claim Additional Compensation from the Borrower under Section 13.3(1) if it is not generally claiming similar compensation from its other customers in similar circumstances or in respect of any period greater than 3 months prior to the delivery of notice in respect thereof by such Lender, unless, in the latter case, the adoption, change or other event or circumstance giving rise to the claim for Additional Compensation is retroactive or is retroactive in effect.

13.4 Prepayment of Portion

In addition to the other rights and options of the Borrower hereunder and notwithstanding any contrary provisions hereof, if a Lender gives the notice provided for in Section 13.3 with respect to any Loan (an "**Affected Loan**"), the Borrower may, upon 2 Banking Days' notice to that effect given to such Lender and, in the case of the Syndicated Facility, the Agent (which notice shall be irrevocable), prepay in full without penalty such Lender's Rateable Portion of the Affected Loan outstanding together with accrued and unpaid interest on the principal amount so prepaid up to the date of such prepayment, such Additional Compensation as may be applicable to the date of such payment and all costs, losses and expenses incurred by such Lender by reason of the liquidation or re deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Affected Loan or any part thereof on other than the last day of the applicable Interest Period, and upon such payment being made that Lender's obligations to make such Affected Loans to the Borrower under this Agreement shall terminate.

13.5 Illegality

If a Lender determines, in good faith, that (a) the adoption of any applicable law, regulation, treaty or official directive (whether or not having the force of law) or any change therein or in the interpretation or application thereof by any court or by any Governmental Authority or any other entity charged with the interpretation or administration thereof or

compliance by a Lender or its Lender Parent with any request or direction (whether or not having the force of law) of any such authority or entity, now or hereafter makes it unlawful or impossible for any Lender or for its Lender Parent to permit such Lender to make, fund or maintain a Loan under either Credit Facility or to give effect to its obligations in respect of such a Loan or (b) the making, funding, maintaining or continuance of any Loan is or becomes unlawful or impossible as a result of compliance by such Lender with any Sanctions Laws, such Lender may, by written notice thereof to the Borrower and the Agent declare its obligations under this Agreement in respect of such Loan to be terminated whereupon the same shall forthwith terminate, and the Borrower shall, within the time required by such law (or at the end of such longer period as such Lender at its discretion has agreed), either effect a Conversion of such Loan in accordance with the provisions hereof (if such Conversion would resolve the unlawfulness or impossibility) or prepay the principal of such Loan together with accrued interest, such Additional Compensation as may be applicable with respect to such Loan to the date of such payment and all costs, losses and expenses incurred by the Lenders by reason of the liquidation or re deployment of deposits or other funds or for any other reason whatsoever resulting from the repayment of such Loan or any part thereof on other than the last day of the applicable Interest Period. If any such change shall only affect a portion of such Lender's obligations under this Agreement which is, in the opinion of such Lender and the Agent, severable from the remainder of this Agreement so that the remainder of this Agreement may be continued in full force and effect without otherwise affecting any of the obligations of the Agent, the other Lenders or the Borrower hereunder, such Lender shall only declare its obligations under that portion so terminated.

13.6 LIBOR Discontinuance

(1) Notwithstanding anything to the contrary herein or in any other Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Agent and the Borrower may amend this Agreement to replace the Libor Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (mountain time) on the fifth (5^{th}) Banking Day after the Agent has posted such proposed amendment to all Lenders and the Borrower so long as the Agent has not received, by such time, written notice of objection to such amendment from the Majority of the Lenders. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Majority of the Lenders have delivered to the Agent written notice that Majority of the Lenders accept such amendment. No replacement of Libor Rate with a Benchmark Replacement pursuant to this Section 13.6 will occur prior to the applicable Benchmark Transition Start Date.

(2) In connection with the implementation of a Benchmark Replacement, the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(3) The Agent will promptly notify the Borrower and the Lenders of (a) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (b) the implementation of any Benchmark Replacement, (c) the effectiveness of any Benchmark Replacement Conforming Changes and (d) the commencement or conclusion of any Benchmark Unavailability Period. Any

determination, decision or election that may be made by the Agent or Lenders pursuant to this Section 13.6 including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 13.6.

(4) Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any Drawdown Notice requesting a Libor Loan or any Conversion Notice or Rollover Notice requesting a Conversion into or Rollover of a Libor Loan during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have converted any such request into a request for a Drawdown of or Conversion into U.S. Base Rate Loans. During any Benchmark Unavailability Period, the component of the U.S. Base Rate based upon the Libor Rate will not be used in any determination of the U.S. Base Rate.

13.7 CDOR Discontinuance

(1) If the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or the Majority of the Lenders notify the Agent that the Borrower or the Majority of the Lenders (as applicable) have determined that:

(a) adequate and reasonable means do not exist for ascertaining the CDOR Rate, including because the "CDOR Page" of Reuters Limited is not available or published on a current basis for the applicable Interest Period and such circumstances are unlikely to be temporary;

(b) the administrator of the CDOR Rate or a Governmental Authority having jurisdiction has made a public statement identifying a specific date after which the CDOR Rate will permanently or indefinitely cease to be made available or permitted to be used for determining the interest rate of loans;

(c) a Governmental Authority having jurisdiction over the Agent has made a public statement identifying a specific date after which the CDOR Rate shall no longer be permitted to be used for determining the interest rate of loans (each such specific date in clause (b) above and in this clause (c) a "**CDOR Scheduled Unavailability Date**"); or

(d) syndicated loans currently being executed, or that include language similar to that contained in this Section 13.7, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace the CDOR Rate,

then reasonably promptly after such determination by the Agent or receipt by the Agent of such notice, as applicable, the Agent and the Borrower may mutually agree upon a successor rate to the CDOR Rate, and the Agent and the Borrower may amend this Agreement to replace the CDOR Rate with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein), giving due consideration to any evolving or then existing convention for similar Canadian Dollars denominated syndicated credit facilities for such alternative benchmarks (any such proposed rate, a "**CDOR Successor Rate**"), together with any

proposed CDOR Successor Rate conforming changes and any such amendment shall become effective at 5:00 p.m. (Toronto time) on the fifth Banking Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority of the Lenders have delivered to the Agent written notice that such Majority of the Lenders do not accept such amendment.

(2) If no CDOR Successor Rate has been determined and the circumstances under clause 13.7(1)(a) above exist or a CDOR Scheduled Unavailability Date has occurred (as applicable), the Agent will promptly so notify the Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain Bankers' Acceptances and BA Equivalent Loans, shall be suspended (to the extent of the affected Bankers' Acceptances, BA Equivalent Loans or Interest Periods). Upon receipt of such notice, the Borrower may revoke any pending Drawdown Notice, Conversion Notice or Rollover Notice for an Advance of, Conversion into or Rollover of Bankers' Acceptances or BA Equivalent Loans, (to the extent of the affected Bankers' Acceptances, BA Equivalent Loans or Interest Periods) or, failing that, will be deemed to have converted such request into a request for an Advance of Canadian Prime Rate Loans (subject to the foregoing clause (ii)) in the amount specified therein.

(3) Notwithstanding anything else herein, any definition of the CDOR Successor Rate (exclusive of any margin) shall provide that in no event shall such CDOR Successor Rate be less than zero for the purposes of this Agreement. In addition, the CDOR Rate shall not be included or referenced in the definition of Canadian Prime Rate.

ARTICLE 14 - COSTS, EXPENSES AND INDEMNIFICATION

14.1 Costs and Expenses

The Borrower shall pay promptly upon notice from the Agent all reasonable out-of-pocket costs and expenses of the Lenders and the Agent, including travel expenses of HSBC Bank Canada, in connection with the Documents and the establishment and syndication of the applicable Credit Facilities, including in connection with preparation, printing, execution and delivery of this Agreement and the other Documents whether or not any Drawdown has been made hereunder, and also including, without limitation, the reasonable fees and out-of-pocket costs and expenses of Lenders' Counsel with respect thereto and with respect to advising the Agent and the Lenders as to their rights and responsibilities under this Agreement and the other Documents. Except for ordinary expenses of the Lenders and the Agent relating to the day to day administration of this Agreement, the Borrower further agrees to pay within 30 days of demand by the Agent all reasonable out-of-pocket costs and expenses in connection with the preparation or review of waivers, consents and amendments pertaining to this Agreement, and in connection with the establishment of the validity and enforceability of this Agreement and the preservation or enforcement of rights of the Lenders and the Agent under this Agreement and other Documents, including, without limitation, all reasonable out-of-pocket costs and expenses sustained by the Lenders and the Agent as a result of any failure by the Borrower to perform or observe any of its obligations hereunder or in connection with any action, suit or proceeding (whether or not an Indemnified Party is a party or subject thereto), together with interest thereon from and after such 30th day if such payment is not made by such time.

14.2 General Indemnity

In addition to any liability of the Borrower to any Lender or the Agent under any other provision hereof, the Borrower shall indemnify each Indemnified Party and hold each Indemnified Party harmless against any losses, claims, costs, damages or liabilities (including, without limitation, any expense or cost incurred in the liquidation and re deployment of funds acquired to fund or maintain any portion of a Loan and reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the same as a result of or in connection with the Credit Facilities or the Documents, including, without limitation, as a result of or in connection with:

(a) any cost or expense incurred by reason of the liquidation or re deployment in whole or in part of deposits or other funds required by any Lender to fund any Bankers' Acceptance or to fund or maintain any Loan as a result of the Borrower's failure to complete a Drawdown or to make any payment, repayment or prepayment on the date required hereunder or specified by it in any notice given hereunder;

(b) subject to permitted or deemed Rollovers and Conversions, the Borrower's failure to provide for the payment to the Agent for the account of the Lenders or the Operating Lender, as applicable, of the full principal amount of each Bankers' Acceptance on its maturity date;

(c) the Borrower's failure to pay any other amount, including without limitation any interest or fee, due hereunder on its due date after the expiration of any applicable grace or notice periods (subject, however, to the interest obligations of the Borrower hereunder for overdue amounts);

(d) the Borrower's repayment or prepayment of a Libor Loan otherwise than on the last day of its Interest Period;

(e) the prepayment of any outstanding Bankers' Acceptance before the maturity date of such Bankers' Acceptance;

(f) the Borrower's failure to give any notice required to be given by it to the Agent, the Operating Lender or the Lenders hereunder;

(g) the failure of the Borrower to make any other payment due hereunder;

(h) any inaccuracy or incompleteness of the Borrower's representations and warranties contained in Article 9;

(i) any failure of the Borrower to observe or fulfil its obligations under Article 10;

(j) any failure of the Borrower to observe or fulfil any other Obligation not specifically referred to above including, without limitation, its obligations under Section 5.4(3)(b) hereof;

(k) any failure of the Borrower to observe or fulfil any other Obligation not specifically referred to above; or

(l) the occurrence of any Default or Event of Default in respect of the Borrower,

provided that this Section shall not apply to any losses, claims, costs, damages or liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Party claiming indemnity hereunder. The provisions of this Section shall survive repayment of the Obligations.

14.3 Environmental Indemnity

The Borrower shall indemnify and hold harmless the Indemnified Parties forthwith on demand by the Agent from and against any and all claims, suits, actions, debts, damages, costs, losses, liabilities, penalties, obligations, judgments, charges, expenses and disbursements (including without limitation, all reasonable legal fees and disbursements on a solicitor and his own client basis) of any nature whatsoever, suffered or incurred by the Indemnified Parties or any of them in connection with either Credit Facility, whether as beneficiaries under the Documents, as successors in interest of the Borrower or any of its Subsidiaries, or voluntary transfer in lieu of foreclosure, or otherwise howsoever, with respect to any Environmental Claims relating to the property of the Borrower or any of its Subsidiaries arising under any Environmental Laws as a result of the past, present or future operations of the Borrower or any of its Subsidiaries (or any predecessor in interest to the Borrower or its Subsidiaries) relating to the property of the Borrower or its Subsidiaries, or the past, present or future condition of any part of the property of the Borrower or its Subsidiaries owned, operated or leased by the Borrower or its Subsidiaries (or any such predecessor in interest), including any liabilities arising as a result of any indemnity covering Environmental Claims given to any person by the Lenders or the Agent or a receiver, receiver manager or similar person appointed hereunder or under applicable law (collectively, the "**Indemnified Third Party**"); but excluding any Environmental Claims or liabilities relating thereto to the extent that such Environmental Claims or liabilities arise by reason of the gross negligence or wilful misconduct of the Indemnified Party or the Indemnified Third Party claiming indemnity hereunder. The provisions of this Section shall survive the repayment of the Obligations.

14.4 Judgment Currency

(1) If for the purpose of obtaining or enforcing judgment against the Borrower in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section referred to as the "**Judgment Currency**") an amount due in Canadian Dollars or United States Dollars under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Banking Day immediately preceding:

(a) the date of actual payment of the amount due, in the case of any proceeding in the courts of any jurisdiction that will give effect to such conversion being made on such date; or

(b) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to

this Section being hereinafter in this Section referred to as the "**Judgment Conversion Date**").

(2) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 14.4(1)(b), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Borrower shall pay such additional amount (if any) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of Canadian Dollars or United States Dollars, as the case may be, which could have been purchased with the amount of Judgment Currency stipulated in the judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

(3) Any amount due from the Borrower under the provisions of Section 14.4(2) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.

(4) The term "rate of exchange" in this Section 14.4 means the rate of exchange for Canadian interbank transactions in Canadian Dollars or United States Dollars, as the case may be, in the Judgment Currency published by the Bank of Canada at approximately the end of business (Toronto time) on the Banking Day immediately preceding the day in question, or if such rate is not so published by the Bank of Canada, such term shall mean the Equivalent Amount of the Judgment Currency.

ARTICLE 15 - THE AGENT AND ADMINISTRATION OF THE CREDIT FACILITIES

15.1 Authorization and Action

(1) Each Lender hereby irrevocably appoints and authorizes the Agent to be its agent in its name and on its behalf to exercise such rights or powers granted to the Agent or the Lenders under this Agreement to the extent specifically provided herein and on the terms hereof, together with such powers as are reasonably incidental thereto and the Agent hereby accepts such appointment and authorization. As to any matters not expressly provided for by this Agreement, the Agent shall not be required to exercise any discretion or take any action, but, subject to Section 16.10, shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority of the Lenders and such instructions shall be binding upon all Lenders; provided, however, that the Agent shall not be required to take any action which exposes the Agent to liability in such capacity or which could result in the Agent's incurring any costs and expenses, without provision being made for indemnity of the Agent by the Lenders against any loss, liability, cost or expense incurred, or to be incurred or which is contrary to this Agreement or applicable law.

(2) The Lenders agree that all decisions as to actions to be or not to be taken, as to consents or waivers to be given or not to be given, as to determinations to be made and otherwise in connection with this Agreement and the Documents, shall be made upon the decision of the Majority of the Lenders except in respect of a decision or determination where it is specifically provided in this Agreement that "all of the Lenders" or "the Lenders" or words to similar effect, or

the Agent alone, is to be responsible for same. Each of the Lenders shall be bound by and agrees to abide by and adopt all decisions made as aforesaid and covenants in all communications with the Borrower to act in concert and to join in the action, consent, waiver, determination or other matter decided as aforesaid.

(3) For certainty, the Agent is authorized to execute and deliver the Security, the 2020 1.5 Lien Intercreditor Agreement, the 2020 Second Lien Intercreditor Agreement and any joinders thereto.

15.2 Procedure for Making Loans

(1) With respect to the Syndicated Facility, the Agent shall make Loans available to the Borrower as required hereunder by debiting the account of the Agent to which the Lenders' Rateable Portions of such Loans have been credited in accordance with Section 2.12 (or causing such account to be debited) and, in the absence of other arrangements agreed to by the Agent and the Borrower in writing, by crediting the account of the Borrower or, at the expense of the Borrower, transferring (or causing to be transferred) like funds in accordance with the instructions of the Borrower as set forth in the Drawdown Notice, Rollover Notice or Conversion Notice, as the case may be, in respect of each Loan; provided that the obligation of the Agent hereunder to effect such a transfer shall be limited to taking such steps as are commercially reasonable to implement such instructions, which steps once taken shall constitute conclusive and binding evidence that such funds were advanced hereunder in accordance with the provisions relating thereto and the Agent shall not be liable for any damages, claims or costs which may be suffered by the Borrower and occasioned by the failure of such Loan to reach the designated destination.

(2) With respect to the Syndicated Facility, unless the Agent has been notified by a Lender at least one Banking Day prior to the Drawdown Date, Rollover Date or Conversion Date, as the case may be, requested by the Borrower that such Lender will not make available to the Agent its Rateable Portion of such Loan, the Agent may assume that such Lender has made or will make such portion of the Loan available to the Agent on the Drawdown Date, Rollover Date or Conversion Date, as the case may be, in accordance with the provisions hereof and the Agent may, but shall be in no way obligated to, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent such Lender shall not have so made its Rateable Portion of a Loan available to the Agent, such Lender agrees to pay to the Agent forthwith on demand such Lender's Rateable Portion of the Loan and all reasonable costs and expenses incurred by the Agent in connection therewith together with interest thereon (at the rate payable hereunder by the Borrower in respect of such Loan or, in the case of funds made available in anticipation of a Lender remitting proceeds of a Bankers' Acceptance, at the rate of interest per annum applicable to Canadian Prime Rate Loans) for each day from the date such amount is made available to the Borrower until the date such amount is paid to the Agent; provided, however, that notwithstanding such obligation if such Lender fails to so pay, the Borrower covenants and agrees that, without prejudice to any rights the Borrower may have against such Lender, it shall repay such amount to the Agent forthwith after demand therefor by the Agent. The amount payable to the Agent pursuant hereto shall be set forth in a certificate delivered by the Agent to such Lender and the Borrower (which certificate shall contain reasonable details of how the amount payable is calculated) and shall be *prima facie* evidence thereof, in the absence of manifest error. If such Lender makes the payment to the Agent required herein, the amount so paid shall constitute such

Lender's Rateable Portion of the Loan for purposes of this Agreement. The failure of any Lender to make its Rateable Portion of any Loan shall not relieve any other Lender of its obligation, if any, hereunder to make its Rateable Portion of such Loan on the Drawdown Date, Rollover Date or Conversion Date, as the case may be, but no Lender shall be responsible for the failure of any other Lender to make the Rateable Portion of any Loan to be made by such other Lender on the date of any Drawdown, Rollover or Conversion, as the case may be.

15.3 Remittance of Payments

Except for amounts payable to the Agent for its own account, forthwith after receipt of any repayment pursuant hereto or payment of interest or fees pursuant to Article 5 or payment pursuant to Article 8, the Agent shall remit to each applicable Lender its Rateable Portion of such payment; provided that, if the Agent, on the assumption that it will receive on any particular date a payment of principal, interest or fees hereunder, remits to a Lender its Rateable Portion of such payment and the Borrower fails to make such payment, each of the Lenders on receipt of such remittance from the Agent agrees to repay to the Agent forthwith on demand an amount equal to the remittance together with all reasonable costs and expenses incurred by the Agent in connection therewith and interest thereon at the rate and calculated in the manner applicable to the Loan in respect of which such payment is made, or, in the case of a remittance in respect of Bankers' Acceptances, at the rate of interest applicable to Canadian Prime Rate Loans for each day from the date such amount is remitted to the Lenders without prejudice to any right such Lender may have against the Borrower. The exact amount of the repayment required to be made by the Lenders pursuant hereto shall be as set forth in a certificate delivered by the Agent to each Lender, which certificate shall be conclusive and binding for all purposes in the absence of manifest error.

15.4 Redistribution of Payment

To the extent permitted by applicable law, each Lender agrees that:

(a) if the Lender exercises any security against or right of counter claim, set off or banker's lien or similar right with respect to the property of the Borrower or any Subsidiary or if under any applicable bankruptcy, insolvency or other similar law it receives a secured claim and collateral for which it is, or is entitled to exercise any set off against, a debt owed by it to the Borrower or any Subsidiary, the Lender shall apportion the amount thereof proportionately between:

(i) such Lender's Rateable Portion of all outstanding Obligations owing by the Borrower (including the face amounts at maturity of Bankers' Acceptances accepted by the Lenders), which amounts shall be applied in accordance with Section 15.4(b); and

(ii) amounts otherwise owed to such Lender by the Borrower and its Subsidiaries,

provided that (i) any cash collateral account held by such Lender as collateral for a letter of credit or bankers' acceptance issued or accepted by such Lender on behalf of the Borrower or a Subsidiary which is Permitted Debt may be applied by such Lender to such amounts owed by the Borrower or a Subsidiary, as the case may be,

to such Lender pursuant to such letter of credit or in respect of any such bankers' acceptance without apportionment and (ii) these provisions do not apply to:

(A) a right or claim which arises or exists in respect of a loan or other debt in respect of which the relevant Lender holds a Security Interest which is a Permitted Encumbrance;

(B) cash collateral provided, or the exercise of rights of counterclaim, set-off or banker's lien or similar rights, in respect of account positioning arrangements for the Borrower and its Subsidiaries provided by a Lender in the ordinary course of business or in respect of other Bank Products provided by a Lender in the ordinary course of business;

(C) any reduction in amounts owing by a Lender (or its Hedging Affiliates) to the Borrower or a Subsidiary upon the termination of Lender Financial Instruments entered into with the relevant Lender (or its Hedging Affiliates); or

(D) any payment to which a Lender is entitled as a result of any credit derivative or other form of credit protection obtained by such Lender;

(b) if, in the aforementioned circumstances, the Lender, through the exercise of a right, or the receipt of a secured claim described in Section 15.4(a) above or otherwise, receives payment of a proportion of the aggregate amount of Obligations due to it hereunder which is greater than the proportion received by any other Lender in respect of the aggregate Obligations due to the Lenders (having regard to the respective Rateable Portions of the Lenders), the Lender receiving such proportionately greater payment shall purchase, on a non-recourse basis at par, and make payment for a participation (which shall be deemed to have been done simultaneously with receipt of such payment) in the outstanding Loans of the other Lender or Lenders so that their respective receipts shall be pro rata to their respective Rateable Portions; provided, however, that if all or part of such proportionately greater payment received by such purchasing Lender shall be recovered by or on behalf of the Borrower or any trustee, liquidator, receiver or receiver manager or person with analogous powers from the purchasing Lender, such purchase shall be rescinded and the purchase price paid for such participation shall be returned to the extent of such recovery, but without interest unless the purchasing Lender is required to pay interest on such amount, in which case each selling Lender shall reimburse the purchasing Lender pro rata in relation to the amounts received by it. Such Lender shall exercise its rights in respect of such secured claim in a manner consistent with the rights of the Lenders entitled under this Section to share in the benefits of any recovery on such secured claims; and

(c) if the Lender does, or is required to do, any act or thing permitted by Section 15.4(a) or (b) above, it shall promptly provide full particulars thereof to the Agent.

15.5 Duties and Obligations

Neither the Agent nor any of its directors, officers, agents or employees (and, for purposes hereof, the Agent shall be deemed to be contracting as agent and trustee for and on behalf of such persons) shall be liable to the Lenders for any action taken or omitted to be taken by it or them under or in connection with this Agreement except for its or their own gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Agent:

(a) may assume that there has been no assignment or transfer by any means by the Lenders of their rights hereunder, unless and until the Agent receives written notice of the assignment thereof from such Lender and the Agent receives from the assignee an executed Assignment Agreement providing, *inter alia*, that such assignee is bound hereby as it would have been if it had been an original Lender party hereto;

(b) may consult with legal counsel (including receiving the opinions of Borrower' counsel and Lenders' Counsel required hereunder), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts;

(c) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, cable, telecopier or telex) believed by it to be genuine and signed or sent by the proper party or parties or by acting upon any representation or warranty of the Borrower made or deemed to be made hereunder;

(d) may assume that no Default or Event of Default has occurred and is continuing unless it has actual knowledge to the contrary;

(e) may rely as to any matters of fact which might reasonably be expected to be within the knowledge of any person upon a certificate signed by or on behalf of such person;

(f) shall not be bound to disclose to any other person any information relating to the Borrower, any of its Subsidiaries or any other person if such disclosure would or might in its opinion constitute a breach of any applicable law, be in default of the provisions hereof or be otherwise actionable at the suit of any other person; and

(g) may refrain from exercising any right, power or discretion vested in it which would or might in its reasonable opinion be contrary to any applicable law or any directive or otherwise render it liable to any person, and may do anything which is in its reasonable opinion necessary to comply with such applicable law.

Further, the Agent (i) does not make any warranty or representation to any Lender nor shall it be responsible to any Lender for the accuracy or completeness of the representations and warranties of the Borrower herein or the data made available to any of the Lenders in connection with the negotiation of this Agreement, or for any statements, warranties or representations (whether written or oral) made in or in connection with this Agreement; (ii) shall not have any duty to ascertain or to enquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower or any of its Subsidiaries; and (iii) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any instrument or document furnished pursuant hereto.

15.6 Prompt Notice to the Lenders

Notwithstanding any other provision herein, the Agent agrees to provide to the Lenders, with copies where appropriate, all information, notices and reports required to be given to the Agent by the Borrower, promptly upon receipt of same, excepting therefrom information and notices relating solely to the role of Agent hereunder.

15.7 Agent's and Lenders' Authorities

With respect to its Commitments and the Drawdowns, Rollovers, Conversions and Loans made by it as a Lender, the Agent shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent. Subject to the express provisions hereof relating to the rights and obligations of the Agent and the Lenders in such capacities, the Agent and each Lender may accept deposits from, lend money to, and generally engage in any kind of business with the Borrower and its Subsidiaries or any corporation or other entity owned or controlled by any of them and any person which may do business with any of them without any duties to account therefor to the Agent or the other Lenders and, in the case of the Agent, all as if it was not the Agent hereunder.

15.8 Lender Credit Decision

It is understood and agreed by each Lender that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigations into the financial condition, creditworthiness, condition, affairs, status and nature of the Borrower and its Subsidiaries. Each Lender represents to the Agent that it is engaged in the business of making and evaluating the risks associated with commercial revolving loans or term loans, or both, to corporations similar to the Borrower, that it can bear the economic risks related to the transaction contemplated hereby, that it has had access to all information deemed necessary by it in making such decision (provided that this representation shall not impair its rights against the Borrower) and that it is entering into this Agreement in the ordinary course of its commercial lending business. Accordingly, each Lender confirms with the Agent that it has not relied, and will not hereafter rely, on the Agent (i) to check or enquire on its behalf into the adequacy, accuracy or completeness of any information provided by the Borrower or any other person under or in connection with this Agreement or the transactions herein contemplated (whether or not such information has been or is hereafter distributed to such Lender by the Agent), or (ii) to assess or keep under review on its

behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Borrower or any of its Subsidiaries. Each Lender acknowledges that a copy of this Agreement has been made available to it for review and each Lender acknowledges that it is satisfied with the form and substance of this Agreement. Each Lender hereby covenants and agrees that, subject to Section 15.4, it will not make any arrangements with the Borrower for the satisfaction of any Loans or other Obligations without the consent of all the other Lenders.

15.9 Indemnification of Agent

The Lenders hereby agree to indemnify the Agent (to the extent not reimbursed by the Borrower), on a *pro rata* basis in accordance with their respective Commitments as a proportion of the aggregate of all outstanding Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under or in respect of this Agreement in its capacity as Agent; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct. If the Borrower subsequently repays all or a portion of such amounts to the Agent, the Agent shall reimburse the Lenders their *pro rata* shares (according to the amounts paid by them in respect thereof) of the amounts received from the Borrower. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its portion (determined as above) of any out-of-pocket expenses (including counsel fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower.

15.10 Successor Agent

The Agent may, as hereinafter provided, resign at any time by giving 45 days' prior written notice thereof to the Lenders and the Borrower. Upon any such resignation, the Lenders shall, after soliciting the views of the Borrower, have the right to appoint another Lender as a successor agent (the "**Successor Agent**") who shall be acceptable to the Borrower, acting reasonably. If no Successor Agent shall have been so appointed by the Lenders and shall have accepted such appointment within 30 days after the retiring Agent's giving of notice of resignation, then the retiring Agent shall, on behalf of the Lenders, appoint a Successor Agent who shall be a Lender acceptable to the Borrower, acting reasonably. Upon the acceptance of any appointment as Agent hereunder by a Successor Agent, such Successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall thereupon be discharged from its further duties and obligations as Agent under this Agreement. After any retiring Agent's resignation hereunder as Agent, the provisions of this Article shall continue to enure to its benefit as to any actions taken or omitted to be taken by it as Agent or in its capacity as Agent while it was Agent hereunder.

15.11 Taking and Enforcement of Remedies

Each of the Lenders hereby acknowledges that, to the extent permitted by applicable law, the remedies provided hereunder to the Lenders are for the benefit of the Lenders collectively and acting together and not severally and further acknowledges that its rights hereunder are to be exercised not severally, but collectively by the Agent upon the decision of the Majority of the Lenders regardless of whether acceleration was made pursuant to Section 12.2. Notwithstanding any of the provisions contained herein, each of the Lenders hereby covenants and agrees that it shall not be entitled to individually take any action with respect to either Credit Facility, including, without limitation, any acceleration under Section 12.2, but that any such action shall be taken only by the Agent with the prior written agreement or instructions of the Majority of the Lenders; provided that, notwithstanding the foregoing, if (a) the Agent, having been adequately indemnified against costs and expenses of so doing by the Lenders, shall fail to carry out any such instructions of a Majority of the Lenders, any Lender may do so on behalf of all Lenders and shall, in so doing, be entitled to the benefit of all protections given the Agent hereunder or elsewhere, and (b) in the absence of instructions from the Majority of the Lenders and where in the sole opinion of the Agent the exigencies of the situation warrant such action, the Agent may without notice to or consent of the Lenders or any of them take such action on behalf of the Lenders as it deems appropriate or desirable in the interests of the Lenders. Each of the Lenders hereby further covenants and agrees that upon any such written consent being given by the Majority of the Lenders, or upon a Lender or the Agent taking action as aforesaid, it shall cooperate fully with the Lender or the Agent to the extent requested by the Lender or the Agent in the collective realization including, without limitation, and, if applicable, the appointment of a receiver, or receiver and manager to act for their collective benefit. Each Lender covenants and agrees to do all acts and things and to make, execute and deliver all agreements and other instruments, including, without limitation, any instruments necessary to effect any registrations, so as to fully carry out the intent and purpose of this Section; and each of the Lenders hereby covenants and agrees that, subject to Section 5.7, Section 15.4 and Section 10.2(b) it has not heretofore and shall not seek, take, accept or receive any security for any of the obligations and liabilities of the Borrower hereunder or under any other document, instrument, writing or agreement ancillary hereto and shall not enter into any agreement with any of the parties hereto or thereto relating in any manner whatsoever to the Credit Facilities, unless all of the Lenders shall at the same time obtain the benefit of any such security or agreement.

With respect to any enforcement, realization or the taking of any rights or remedies to enforce the rights of the Lenders hereunder, the Agent shall be a trustee for each Lender, and all monies received from time to time by the Agent in respect of the foregoing shall be held in trust and shall be trust assets within the meaning of applicable bankruptcy or insolvency legislation and shall be considered for the purposes of such legislation to be held separate and apart from the other assets of the Agent, and each Lender shall be entitled to their Rateable Portion of such monies. In its capacity as trustee, the Agent shall be obliged to exercise only the degree of care it would exercise in the conduct and management of its own business and in accordance with its usual practice concurrently employed or hereafter instituted for other substantial commercial loans.

15.12 Reliance Upon Agent

The Borrower shall be entitled to rely upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent pursuant to this Agreement, and the Borrower shall generally be entitled to deal with the Agent with respect to matters under this Agreement which the Agent is authorized to deal with without any obligation whatsoever to satisfy itself as to the authority of the Agent to act on behalf of the Lenders and without any liability whatsoever to the Lenders for relying upon any certificate, notice or other document or other advice, statement or instruction provided to it by the Agent, notwithstanding any lack of authority of the Agent to provide the same.

15.13 No Liability of Agent

The Agent shall have no responsibility or liability to the Borrower on account of the failure of any Lender to perform its obligations hereunder (unless such failure was caused, in whole or in part, by the Agent's failure to observe or perform its obligations hereunder), or to any Lender on account of the failure of the Borrower or any Lender to perform its obligations hereunder.

15.14 The Agent and Defaulting Lenders

(1) Each Defaulting Lender shall be required to provide to the Agent cash in an amount, as shall be determined from time to time by the Agent in its discretion, equal to all obligations of such Defaulting Lender to the Agent that are owing or, in the case of contingent obligations under any outstanding Fronted LCs (after giving effect to the reallocation provisions in Section 16.2), may become owing to the Agent or the Fronting Lender, as applicable, pursuant to this Agreement, including such Defaulting Lender's obligation to pay its Rateable Portion of any indemnification or expense reimbursement amounts not paid by the Borrower. Such cash shall be held by the Agent in one or more cash collateral accounts, which accounts shall be in the name of the Agent and shall not be required to be interest bearing. The Agent shall be entitled to apply the foregoing cash in accordance with Section 15.9.

(2) In addition to the indemnity and reimbursement obligations noted in Section 15.9, the Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligations of the Borrower hereunder) rateably according to their respective Rateable Portions (and in calculating the Rateable Portion of a Lender, ignoring the Commitments of Defaulting Lenders) any amount that a Defaulting Lender fails to pay the Agent and which is due and owing to the Agent pursuant to Section 15.9. Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender and which would otherwise be payable by the Defaulting Lender.

(3) The Agent shall be entitled to set off any Defaulting Lender's Rateable Portion of all payments received from the Borrower against such Defaulting Lender's obligations to fund payments and Loans required to be made by it and to purchase participations required to be purchased by it in each case under this Agreement and the other Documents. The Agent shall be entitled to withhold and deposit in one or more non-interest bearing cash collateral accounts in the name of the Agent all amounts (whether principal, interest, fees or otherwise) received by the

Agent and due to a Defaulting Lender pursuant to this Agreement, which amounts shall be used by the Agent:

(a) first, to reimburse the Agent for any amounts owing to it by the Defaulting Lender pursuant to any Document;

(b) second, to repay on a pro rata basis any (i) Loans made by a Lender pursuant to Section 14.2(a) in order to fund a shortfall created by a Defaulting Lender which repayment shall be in the form of an assignment by each such Lender of such Loan to the Defaulting Lender against receipt of such repayment, and (ii) any payments made by a Lender pursuant to Section 15.14(2) in order to fund a shortfall created by a Defaulting Lender;

(c) third, to cash collateralize all other obligations of such Defaulting Lender to the Agent or the Fronting Lender owing pursuant to this Agreement in such amount as shall be determined from time to time by the Agent in its discretion, including such Defaulting Lender's obligation to pay its Rateable Portion of any indemnification or expense reimbursement amounts not paid by the Borrower; and

(d) fourth, to fund from time to time the Defaulting Lender's Rateable Portion of Loans.

(4) For greater certainty and in addition to the foregoing, neither the Agent nor any of its Affiliates nor any of their respective shareholders, officers, directors, employees, agents or representatives shall be liable to any Lender (including, without limitation, a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Defaulting Lender and received and deposited by the Agent in a cash collateral account and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Agent as determined by a final non-appealable judgement of a court of competent jurisdiction.

15.15 Article for Benefit of Agent and Lenders

The provisions of this Article 15 which relate to the rights and obligations of the Lenders to each other or to the rights and obligations between the Agent and the Lenders shall be for the exclusive benefit of the Agent and the Lenders, and, except to the extent provided in Sections 15.1, 15.2, 15.6, 15.10, 15.11, 15.12, 15.13, 15.14 and this Section 15.15, the Borrower shall not have any rights or obligations thereunder or be entitled to rely for any purpose upon such provisions. Any Lender may waive in writing any right or rights which it may have against the Agent or the other Lenders hereunder without the consent of or notice to the Borrower.

ARTICLE 16 - GENERAL

16.1 Exchange and Confidentiality of Information

(1) The Borrower agrees that the Agent and each Lender may provide any assignee or participant or any bona fide prospective assignee or participant pursuant to Sections 16.6 or 16.7 with any information concerning the Borrower and its Subsidiaries provided such party agrees in

writing with the Agent or such Lender for the benefit of the Borrower to be bound by a like duty of confidentiality to that contained in this Section.

(2) Each of the Agent and the Lenders acknowledges the confidential nature of the financial, operational and other information and data provided and to be provided to them by the Borrower pursuant hereto (the "**Information**") and agrees to use all reasonable efforts to prevent the disclosure thereof provided, however, that:

(a) the Agent and the Lenders may disclose all or any part of the Information if, in their reasonable opinion, such disclosure is required in connection with any actual or threatened judicial, administrative or governmental proceedings including, without limitation, proceedings initiated under or in respect of this Agreement;

(b) the Agent and the Lenders shall incur no liability in respect of any Information required to be disclosed by any applicable law or regulation, or by applicable order, policy or directive having the force of law, to the extent of such requirement;

(c) the Agent and the Lenders may provide Lenders' Counsel and their other agents and professional advisors with any Information; provided that such persons shall be under a like duty of confidentiality to that contained in this Section;

(d) the Agent and each of the Lenders shall incur no liability in respect of any Information: (i) which is or becomes readily available to the public (other than by a breach hereof) or which has been made readily available to the public by the Borrower or its Subsidiaries, (ii) which the Agent or the relevant Lender can show was, prior to receipt thereof from the Borrower, lawfully in the Agent's or Lender's possession and not then subject to any obligation on its part to the Borrower to maintain confidentiality, or (iii) which the Agent or the relevant Lender received from a third party who was not, to the knowledge of the Agent or such Lender, under a duty of confidentiality to the Borrower at the time the information was so received;

(e) the Agent and the Lenders may disclose the Information to (i) any of their respective Affiliates and (ii) other financial institutions in connection with the syndication by the Agent or Lenders of the Credit Facilities or the granting by a Lender of a participation in the Credit Facilities, in each case, where such Affiliate or financial institution agrees to be under a like duty of confidentiality to that contained in this Section; and

(f) the Agent and the Lenders may disclose all or any part of the Information so as to enable the Agent and the Lenders to initiate any lawsuit against the Borrower or to defend any lawsuit commenced by the Borrower the issues of which touch on the Information, but only to the extent such disclosure is necessary to the initiation or defense of such lawsuit.

Notwithstanding the foregoing, Export Development Canada ("**EDC**") shall not be prohibited from, or required to inform any party hereto of, disclosures made by it (i) to the Minister for

International Trade, the Treasury Board, the Auditor General of Canada or pursuant to any of Canada's or EDC's international commitments, or (ii) under EDC's Disclosure Policy.

16.2 Nature of Obligation under this Agreement; Defaulting Lenders

(1) The obligations of each Lender and of the Agent under this Agreement are several. The failure of any Lender to carry out its obligations hereunder shall not relieve the other Lenders, the Agent or the Borrower of any of their respective obligations hereunder.

(2) Without derogating from the operation of Section 15.14 and this Section 16.2, neither the Agent nor any Lender shall be responsible for the obligations of any other Lender hereunder.

(3) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) the standby fees payable pursuant to Section 5.6 shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender;

(b) a Defaulting Lender shall not be included in determining whether, and the Commitment and the Rateable Portion of the Outstanding Principal of such Defaulting Lender shall not be included in determining whether, all Lenders or the Majority of the Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 16.10), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that materially and adversely affects such Defaulting Lender differently than other affected Lenders shall require the consent of such Defaulting Lender; and

(c) for the avoidance of doubt, the Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender.

(4) If the Agent has actual knowledge that a Lender is a Defaulting Lender at the time that the Agent receives a Drawdown Notice or a Rollover Notice that relates to a Fronted LC, then each other Lender under the Syndicated Facility (each a "**Non-Defaulting Lender**") shall fund its Rateable Portion of such affected Loan (and, in calculating such Rateable Portion, the Agent shall ignore the Commitment of each such Defaulting Lender); provided that, for certainty, no Lender shall be obligated by this Section to make or provide Loans in excess of its Commitment under the Syndicated Facility. If the Agent acquires actual knowledge that a Lender is a Defaulting Lender at any time after the Agent receives a Drawdown Notice or a Rollover Notice that relates to a Fronted LC, then the Agent shall promptly notify the Borrower that such Lender is a Defaulting Lender (and such Lender shall be deemed to have consented to such disclosure). Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender under this Section 16.2(4) and which would otherwise have been paid by the Defaulting Lender if its Commitment under the Syndicated Facility had been included in determining the Rateable Portions of such affected Loans.

(5) If any Fronted LC is outstanding at the time that a Lender becomes a Defaulting Lender then:

(a) all or any part of such Defaulting Lender's Rateable Portion of such Fronted LC shall be re-allocated among the Non-Defaulting Lenders in accordance with their respective Rateable Portions; provided that such re-allocation may only be effected if and to the extent that (i) such re-allocation would not cause any Non-Defaulting Lender's Rateable Portion of all Loans to exceed its applicable Commitment and (ii) the conditions precedent in Section 3.1 are satisfied at such time;

(b) to the extent permitted by applicable law, if the re-allocation described in clause (a) above cannot be effected, or can only partially be effected, then such Defaulting Lender shall, within one Banking Day following notice by the Agent, provide cash collateral for such Defaulting Lender's Rateable Portion of such Letter of Credit (after giving effect to any partial re-allocation pursuant to clause (a) above) in accordance with the procedures set forth in Section 15.14 for so long as such Letter of Credit is outstanding; and

(c) if the Rateable Portions of the Non-Defaulting Lenders are re-allocated pursuant to this Section 16.2(5), then the issuance fees payable to the Lenders pursuant to Section 7.8 shall be adjusted to give effect to such re-allocations in accordance with each such Non-Defaulting Lender's Rateable Portions.

(6) So long as any Lender is a Defaulting Lender, the Fronting Lender shall not be required to issue, amend or increase any Fronted LC unless the Fronting Lender is satisfied that the related exposure will be 100% covered by the Commitments of the Non-Defaulting Lenders and/or cash collateralized in accordance with Section 15.14, and participating interests in any such newly issued or increased Letter of Credit shall be allocated among Non-Defaulting Lenders in a manner consistent with Section 16.2(4) or 16.2(5)(a) as applicable (and the Defaulting Lenders shall not participate therein).

(7) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of the same, the Agent shall notify the Non-Defaulting Lenders and (in accordance with the written direction of the Agent) such Lender (which has ceased to be a Defaulting Lender) shall purchase, and the Non-Defaulting Lenders shall on a rateable basis sell and assign to such Lender, portions of such Loans equal in total to such Lender's Rateable Portion thereof without regard to Section 16.2(4).

16.3 Notices

Any demand, notice or communication to be made or given hereunder shall be in writing and may be made or given by personal delivery or by transmittal by telecopy or other electronic means of communication addressed to the respective parties as follows:

To the Borrower:

Calfrac Well Services Ltd.
Suite 500, 407 - 8th Avenue S.W.

Calgary, Alberta
T2P 1E5

Attention: Chief Financial Officer
Facsimile: (403) 266-7381

With a copy to:

Calfrac Well Services Ltd.
Suite 500, 407- 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: General Counsel
Facsimile: (403) 266-7381

To the Agent:

HSBC Bank Canada, as Agent
6th Floor, 70 York Street
Toronto, Ontario M5J 1S9

Attention: Agency Services
Facsimile: (647) 788-2185

with a copy, in the case of each demand, notice or communication to the Agent other than Drawdown Notices, Conversion Notices, Rollover Notices and Repayment Notices, to:

HSBC Bank Canada
407 – 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: Vice President
Facsimile: (403) 693-8556

To each Lender: As set forth in the most recent administrative questionnaire or other written notification provided to the Agent by such Lender (a copy of which shall be provided to the Borrower upon request to the Agent)

To the Operating Lender:

HSBC Bank Canada
407 – 8th Avenue S.W.
Calgary, Alberta
T2P 1E5

Attention: Vice President

Facsimile: (403) 693-8556

or to such other address or telecopy number as any party may from time to time notify the others in accordance with this Section. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication during normal business hours at the place of receipt on a Banking Day shall be conclusively deemed to have been made or given at the time of actual delivery or transmittal, as the case may be, on such Banking Day. Any demand, notice or communication made or given by personal delivery or by telecopier or other electronic means of communication after normal business hours at the place of receipt or otherwise than on a Banking Day shall be conclusively deemed to have been made or given at 9:00 a.m. (Calgary time) on the first Banking Day following actual delivery or transmittal, as the case may be.

16.4 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without prejudice to or limitation of any other rights or remedies available under the laws of any jurisdiction where property or assets of the Borrower may be found.

16.5 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the Borrower, the Lenders, the Agent and their respective successors and permitted assigns.

16.6 Assignment

Any Lender may, without consent during the continuance of an Event of Default and at all other times with the prior written consent of each of the Borrower, the Agent and the Fronting Lender, if applicable, which consents shall not be unreasonably withheld, sell, assign, transfer or grant an interest in its Commitments (in a minimum amount of Cdn.$5,000,000), its Rateable Portion of the Loans and its rights under the Documents; provided that, without the consent of the Borrower, the Agent and the Fronting Lender, if applicable, no Lender shall sell, assign, transfer or grant an interest in any Commitment, Loan or Document if the effect of the same would be to have a Lender with aggregate Commitments of less than Cdn.$5,000,000 and further provided that, it shall be a precondition to any such sale, assignment, transfer or grant that the contemplated assignor Lender shall have paid to the Agent, for the Agent's own account, a transfer fee of Cdn.$3,500. Upon any such sale, assignment, transfer or grant, the granting Lender shall have no further obligation hereunder with respect to such interest. Upon any such sale, assignment, transfer or grant, the granting Lender, the new Lender, the Agent, the Fronting Lender, if applicable, and the Borrower shall execute and deliver an Assignment Agreement. The Borrower shall not assign its rights or obligations hereunder without the prior written consent of all of the Lenders.

16.7 Participations

Any Lender may, without the consent of the Borrower, grant one or more participations in its Commitments and its Rateable Portion of the Loans to other persons, provided

that the granting of such a participation: (a) shall be at the Lender's own cost, (b) shall not affect the obligations of such Lender hereunder nor shall it increase the costs to the Borrower hereunder or under any of the other Documents, and (c) shall not provide the participant with any right to approve the provision by the Lender of any consent, waiver or approval hereunder or require the Borrower to deal directly with such participant.

16.8 Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall not invalidate the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

16.9 Whole Agreement

This Agreement and the other Documents constitute the whole and entire agreement between the parties hereto regarding the subject matter hereof and thereof and cancel and supersede any prior agreements (including, without limitation, any commitment letters), undertakings, declarations, commitments, representations, written or oral, in respect thereof.

16.10 Amendments and Waivers

Any provision of this Agreement may be amended only if the Borrower and the Majority of the Lenders so agree in writing and, except as otherwise specifically provided herein, may be waived only if the Majority of the Lenders (excluding any Defaulting Lenders) so agree in writing, but:

(a) an amendment or waiver which changes or relates to (i) the amount of the Loans available hereunder (or decreases in the period of notice for Drawdowns, Conversions, Rollovers or voluntary prepayment of Loans under the Syndicated Facility) or any Lender's Commitment, (ii) decreases in the rates of or deferral of the dates of payment of interest, Bankers' Acceptance or Letter of Credit fees, or mandatory repayments of principal, (iii) decreases in the amount of or deferral of the dates of payment of fees hereunder (other than fees payable for the account of Agent), (iv) the definition of "Majority of the Lenders", (v) any provision hereof contemplating or requiring consent, approval or agreement of "all Lenders", "the Lenders" or similar expressions or permitting waiver of conditions or covenants or agreements by "all Lenders", "the Lenders" or similar expressions, (vi) Section 2.20 or the definition of "Event of Default", (vii) the release or discharge of, or any material amendment or waiver of, any Security, except for the discharge of Security required in connection with any disposition permitted by this Agreement or permitted by the Lenders, (viii) the conditions precedent to Drawdowns, or (ix) this Section, shall require the agreement or waiver of all the Lenders (excluding any Defaulting Lenders) and also (in the case of an amendment) of the other parties hereto; and

(b) an amendment or waiver which changes or relates to the rights and/or obligations of the Agent shall also require the agreement of the Agent thereto.

Any such waiver and any consent by the Agent, any Lender, the Majority of the Lenders or all of the Lenders under any provision of this Agreement must be in writing and may be given subject to any conditions thought fit by the person giving that waiver or consent. Any waiver or consent shall be effective only in the instance and for the purpose for which it is given.

16.11 Further Assurances

The Borrower, the Lenders and the Agent shall promptly cure any default by it in the execution and delivery of this Agreement, the other Documents or any of the agreements provided for hereunder to which it is a party. The Borrower, at its expense, shall promptly execute and deliver to the Agent, upon request by the Agent (acting reasonably), all such other and further deeds, agreements, opinions, certificates, instruments, affidavits, registration materials and other documents reasonably necessary for the Borrower's compliance with, or accomplishment of the covenants and agreements of the Borrower hereunder or more fully to state the obligations of the Borrower as set out herein or to make any registration, recording, file any notice or obtain any consent, all as may be reasonably necessary or appropriate in connection therewith.

16.12 Attornment

The parties hereto each hereby attorn and submit to the jurisdiction of the courts of the Province of Alberta in regard to legal proceedings relating to the Documents. For the purpose of all such legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have jurisdiction to entertain any action arising under this Agreement. Notwithstanding the foregoing, nothing in this Section shall be construed nor operate to limit the right of any party hereto to commence any action relating hereto in any other jurisdiction, nor to limit the right of the courts of any other jurisdiction to take jurisdiction over any action or matter relating hereto.

16.13 Time of the Essence

Time shall be of the essence of this Agreement.

16.14 Amended and Restated Credit Agreement Governs

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the other Documents, the provisions of this Agreement, to the extent of the conflict or inconsistency, shall govern and prevail.

16.15 Anti-Money Laundering Laws

(1) The Borrower acknowledges that, pursuant to Anti-Money Laundering Laws, the Lenders and the Agent may be required to obtain, verify and record information regarding the Borrower and its Subsidiaries and their respective directors, authorized signing officers, direct or indirect shareholders or other persons in control of the Borrower or any of its Subsidiaries, and the transactions contemplated hereby. The Borrower shall, with respect to direct or indirect shareholders or other persons in control of the Borrower, use commercially reasonably efforts to, promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee or

participant of a Lender or the Agent, in order to comply with any applicable Anti-Money Laundering Laws, whether now or hereafter in existence.

(2) If the Agent has ascertained the identity of the Borrower or any of its Subsidiaries or any authorized signatories such persons for the purposes of applicable Anti-Money Laundering Laws, then the Agent:

(a) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and the Agent within the meaning of applicable Anti-Money Laundering Laws; and

(b) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

Notwithstanding the preceding sentence and except as may otherwise be agreed in writing, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of the Borrower or any of its Subsidiaries or any authorized signatories of such persons on behalf of any Lender or to confirm the completeness or accuracy of any information it obtains from any such persons or any such authorized signatory in doing so.

16.16 Acknowledgement and Consent to Bail-In of EEA Financial Institutions

Notwithstanding anything to the contrary in any Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of any EEA Resolution Authority.

16.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of manually executed counterpart of this Agreement.

[The remainder of this page has been intentionally left blank]

“

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first written above.

CALFRAC WELL SERVICES LTD.

By: _____
Name:
Title:

By: _____
Name:
Title:

LENDERS:

HSBC BANK CANADA

By: _____
Name:
Title:

By: _____
Name:
Title:

ATB FINANCIAL

By: _____
Name:
Title:

By: _____
Name:
Title:

ROYAL BANK OF CANADA

By: _____
Name:
Title:

By: _____
Name:
Title:

CANADIAN IMPERIAL BANK OF COMMERCE

By: _____
Name:
Title:

By: _____
Name:
Title:

EXPORT DEVELOPMENT CANADA

By: _____
Name:
Title:

By: _____
Name:
Title:

THE BANK OF NOVA SCOTIA

By: _____
Name:
Title:

By: _____
Name:
Title:

AGENT:

HSBC BANK CANADA,
in its capacity as the Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

LENDERS AND COMMITMENTS

Lender	Operating Facility Commitment	Syndicated Facility Commitment
HSBC Bank Canada	Cdn.$30,933,334	Cdn.$59,181,653
Royal Bank of Canada	N/A	Cdn.$52,253,360
ATB Financial	N/A	Cdn.$46,400,000
The Bank of Nova Scotia	N/A	Cdn.$37,324,160
Export Development Canada	N/A	Cdn.$37,324,160
Canadian Imperial Bank of Commerce	N/A	Cdn.$26,583,333
Total:	Cdn.$30,933,334	Cdn.$259,066,666

EXHIBIT 20

THIS IS **EXHIBIT "20"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SINARD

Cassels

September 10, 2020

E-MAIL

PRIVATE AND CONFIDENTIAL

jroy@cassels.com
tel: +1 416 860 6616
fax: +1 416 640 3164

Mr. Brent Kraus
Bennett Jones
4500 Bankers Hall East
855 2nd Street SW
Calgary, Alberta
T2P 4K7

Dear Mr. Kraus:

Re: Calfrac Well Services Ltd. - Special Meeting of Shareholders

On behalf of Wilks Brothers LLC and its affiliates ("**Wilks**") we are writing to request that certain procedures be implemented in order to ensure that the special meeting of the shareholders of Calfrac Well Services Ltd. (the "**Corporation**") to be held on September 17, 2020 (the "**Meeting**") takes place with integrity and that the Corporation's shareholders are not inconvenienced or disenfranchised at the Meeting.

1. **Request for an Independent Chair** – Given the nature of the matters to be considered, we request the appointment of an independent chair for the Meeting. Wilks will cooperate in choosing an appropriate independent chair. Alternatively, we would be pleased to make a recommendation.

2. **Proxy Inspection** – We request that the Corporation provide representatives of Wilks, Cassels Brock & Blackwell LLP and Laurel Hill Advisory Group ("**Laurel Hill**") with an opportunity to inspect all proxies (and related materials) received as at the deadline for the deposit of proxies. We request that we be provided with this access no later than 10:00 am (Calgary time) on September 16, 2020.

3. **Proxy Determinations by Chair** – We wish to be informed in advance of the Meeting, and in any event, no later than 5:00 p.m. (Calgary time) on September 16, 2020, of any proposed determinations by the chair with respect to the acceptability or non-acceptability of any proxies for voting at the Meeting.

4. **Proxy Deadline** – We assume that the Corporation will adhere to the proxy deadline that is clearly set out in the Corporation's management information circular dated August 17, 2020 and other materials related to the Meeting. However, if the Corporation purports to

vary or waive the deadline for the deposit of proxies, we request immediate notification of the purported variation or waiver (although receipt of such notification shall in no way restrict our ability to challenge the propriety of any such variation or waiver). In order to ensure that shareholders are not disenfranchised or otherwise prejudiced by any purported variation or waiver, we also request that the Corporation publicly disclose its intention to vary or waive the proxy deadline at least 24 hours in advance of purporting to actually do so.

5. **Conduct of Voting at the Meeting** – We request the right to review the tabulation of the results of each ballot at the Meeting. Representatives of Laurel Hill will be present at the Meeting for this purpose.

6. **Format of the Meeting** – We request that, at least 48 hours prior to the Meeting, we be provided with an agenda for the Meeting and an outline of the proposed activities with respect to ballots and voting procedures, as well as a copy of the ballot(s) to be used at the Meeting.

7. **CEDE & Co. Omnibus Proxy (including sub/mini omnibus)** – No later than close of business on Friday, September 11, 2020, we request a copy of the record date Cede & Co. omnibus proxies and such other omnibus and sub/mini omnibus proxies in respect of the Meeting.

8. **Supplemental Lists** – Please provide any supplemental lists showing the changes to the basic list as of the record date of August 10, 2020.

9. **Deposit of Proxies at Computershare** – Please confirm that someone with authority to act on behalf of and bind Computershare Investor Services Inc. ("**Computershare**") will be present at the Toronto office of Computershare located at 100 University Avenue, Toronto, Ontario from the hours of 8:30 a.m. to 3 p.m. (Toronto time) on Tuesday, September 15, 2020 to accept proxies that have been received by Wilks. Please advise us of the name of the Computershare representative who will be available.

10. **Attendance at the Meeting** – Please confirm that representatives of Wilks, including Cassels and Laurel Hill, will be admitted to the Meeting. We expect that there will be approximately 2 or 3 such individuals in attendance.

11. **Retention of Records** - As it may be necessary to review proxy, ballot and other records relating to the receipt of proxies and voting at the Meeting, we request that the Corporation retain all such records in safekeeping and that they be made available to Wilks for not less than six months after the Meeting.

Yours truly,

Cassels Brock & Blackwell LLP

Jeffrey Roy
Partner

JR

LEGAL*51080700.1

EXHIBIT 21

THIS IS **EXHIBIT "21"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Cassels

September 21, 2020

E-MAIL

PRIVATE AND CONFIDENTIAL

jroy@cassels.com
tel: +1 416 860 6616
fax: +1 416 640 3164

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

Attention: Mr. Brent Kraus

Dear Mr. Kraus:

Re: Calfrac Well Services Ltd. - Special Meeting of Shareholders

This is further to my letter of September 10, 2020 and, in large part, re-iterates the requests made in that letter with changes necessary to reflect the postponement of the special meeting of the shareholders of Calfrac Well Services Ltd. (the "**Corporation**") which we understand is now to be held on September 29, 2020 ("the "**Meeting**").

On behalf of Wilks Brothers LLC and its affiliates ("**Wilks**") we are writing to request that certain procedures be implemented in order to ensure that the Meeting takes place with integrity and that the Corporation's shareholders are not inconvenienced or disenfranchised at the Meeting.

1. **Request for an Independent Chair** – Given the nature of the matters to be considered, we request the appointment of an independent chair for the Meeting. Wilks will cooperate in choosing an appropriate independent chair. Alternatively, we would be pleased to make a recommendation.

2. **Proxy Inspection** – We request that the Corporation provide representatives of Wilks, Cassels Brock & Blackwell LLP and Laurel Hill Advisory Group ("**Laurel Hill**") with an opportunity to inspect all proxies (and related materials) received as at the deadline for the deposit of proxies. We request that we be provided with this access no later than 10:00 am (Calgary time) on September 28, 2020.

3. **Proxy Determinations by Chair** – We wish to be informed in advance of the Meeting, and in any event, no later than 5:00 p.m. (Calgary time) on September 28, 2020, of any proposed determinations by the Chair with respect to the acceptability or non-acceptability of any proxies for voting at the Meeting.

4. **Proxy Deadline** – Please confirm, as soon as possible, Calfrac's proxy deadline for the Meeting. We also request that we be advised if the Corporation purports to vary or waive the deadline for the deposit of proxies, and in particular that we be provided with immediate notification of the purported variation or waiver (although receipt of such notification shall in no way restrict our ability to challenge the propriety of any such variation or waiver). In order to ensure that shareholders are not disenfranchised or otherwise prejudiced by any purported variation or waiver, we also request that the Corporation publicly disclose its intention to vary or waive the proxy deadline at least 24 hours in advance of purporting to actually do so.

5. **Conduct of Voting at the Meeting** – We request the right to review the tabulation of the results of each ballot at the Meeting. Representatives of Laurel Hill will be present at the Meeting for this purpose.

6. **Format of the Meeting** – We request that, at least 48 hours prior to the Meeting, we be provided with an agenda for the Meeting and an outline of the proposed activities with respect to ballots and voting procedures, as well as a copy of the ballot(s) to be used at the Meeting.

7. **CEDE & Co. Omnibus Proxy (including sub/mini omnibus)** – We request that we be provided with, no later than the close of business on Wednesday, September 23, 2020, a copy of the record date Cede & Co. omnibus proxies and such other omnibus and sub/mini omnibus proxies in respect of the Meeting.

8. **Supplemental Lists** – As soon as possible, please provide us with copies of any supplemental shareholder lists showing the changes to the basic list as of the record date of August 10, 2020. We assume that such supplemental lists are available in light of Calfrac's obligation to mail a Director's Circular to its shareholders on or before September 24, 2020.

9. **Deposit of Proxies at Computershare** – Please confirm that someone with authority to act on behalf of and bind Computershare Investor Services Inc. ("**Computershare**") will be present at the Toronto office of Computershare located at 100 University Avenue, Toronto, Ontario until the proxy cut-off time (which we assume will be on Friday, September 25, 2020. but await your confirmation) to accept proxies that have been received by Wilks. Please advise us of the name of the Computershare representative who will be available.

10. **Attendance at the Meeting** – Please confirm that representatives of Wilks, including Cassels and Laurel Hill, will be admitted to the Meeting. We expect that there will be approximately 2 or 3 such individuals in attendance.

11. **Retention of Records** - As it may be necessary to review proxy, ballot and other records relating to the receipt of proxies and voting at the Meeting, we request that the Corporation retain all such records in safekeeping and that they be made available to Wilks for not less than six months after the Meeting.

Yours truly,

Cassels Brock & Blackwell LLP

Jeffrey Roy
Partner

JR

EXHIBIT 22

THIS IS **EXHIBIT "22"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

From:	Brent Kraus
To:	Roy, Jeffrey
Cc:	Jacobs, Ryan; Jackson, Lara; Pinos, Timothy; Chris Simard
Subject:	RE: Special Meeting of Shareholders of Calfrac Well Services Ltd. [BJ-L.FID5302498]
Date:	Thursday, September 24, 2020 7:32:59 AM
Attachments:	image003.png image001.png

Please be advised that Calfrac will provide a formal response to your letters in due course in advance of the October 16 meeting date. I note, as disclosed in Calfrac's news release issued this morning, the proxy cut off for the meeting is clearly described as 5:00 p.m. (Calgary time) on October 14, 2020.

Regards

Brent W. Kraus
Partner and Co-Head, Corporate Department, **Bennett Jones LLP**

4500 Bankers Hall East, 855 - 2nd Street SW, Calgary, AB, T2P 4K7
T. 403 298 3071 | F. 403 265 7219
E. krausb@bennettjones.com
BennettJones.com

From: Roy, Jeffrey <jroy@cassels.com>
Sent: 24 September 2020 6:01 AM
To: Brent Kraus <KrausB@bennettjones.com>; Chris Simard <SimardC@bennettjones.com>
Cc: Jacobs, Ryan <rjacobs@cassels.com>; Jackson, Lara <ljackson@cassels.com>; Pinos, Timothy <tpinos@cassels.com>
Subject: Special Meeting of Shareholders of Calfrac Well Services Ltd.

I would appreciate the courtesy of a reply to my letters of September 10 and September 21 relating to procedures and protocols for the upcoming Special Meeting of Shareholders of Calfrac. I would also appreciate a response, by 12 noon (Eastern time) today, to my question as to the proxy cut off for that meeting.

The Board of Calfrac has an obligation to ensure that shareholders meetings are conducted in a manner that fully enfranchises shareholders. The type of gamesmanship that appears to underlie the ambiguous and incomplete information that Calfrac has disseminated to shareholders concerning the proxy cut off is inconsistent with that obligation.

JEFFREY ROY
t: +1 416 860 6616
e: jroy@cassels.com

Cassels Brock & Blackwell LLP | **cassels.com**
Suite 2100, Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3C2 Canada

EXHIBIT 23

THIS IS **EXHIBIT "23"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Bennett Jones LLP
4500 Bankers Hall East, 855 2nd Street SW
Calgary, Alberta, T2P 4K7 Canada
T: 403.298.3100
F: 403.265.7219

Brent Kraus
Partner
Direct Line: 403.298.3071
e-mail: KrausB@bennettjones.com

October 8, 2020

Via Email

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2

Attention: Jeffrey P. Roy

Dear Mr. Roy:

RE: Calfrac Well Services Ltd. – Special Meeting of Shareholders

This letter is further to your letter of September 21, 2020 (the "**Letter**") and my e-mail reply of September 24, 2020.

Calfrac Well Services Ltd. ("**Calfrac**" or the "**Corporation**") understands your client's view that the special meeting of shareholders of Calfrac (the "**Meeting**"), which has been scheduled for October 16, 2020 at 2:00 p.m. (Calgary time), takes place with integrity. Calfrac shares this view and, as such, the Meeting will be conducted in accordance with Calfrac's by-laws, the Interim Order of Mr. Justice Nixon dated August 7, 2020, and all other applicable legal requirements. As such, we do not propose to enter into a formal protocol with respect to the Meeting. However, on behalf of the Corporation, we confirm that:

1. The name and contact details of the individuals at the Toronto office Computershare to whom Wilks' proxies can be made, on or prior to the Proxy Deadline is as follows:

   Computershare Investor Services Inc.
   100 University Avenue
   8th Floor
   Toronto, Ontario M5J 2Y1

   Attention: Jignesh Patel

   Computershare has also requested that an electronic copy of Wilks' proxy package be provided c/o Stephen Bandola at Stephen.Bandola@computershare.com.

2. Representatives of Wilks, including Cassels and Laurel Hill, will be admitted to the Meeting (approximately 2 or 3 individuals, as you note in your Letter). Laurel Hill will be permitted to review the tabulation results of each ballot at the Meeting.

Please provide us with the names and applicable organizations of the individuals who are expected to attend as representatives as well as any expected increase in the number of individuals expected to attend.

3. Wilks and its advisors will be permitted to review the proxies and ballots at a mutually agreed upon time after the Meeting and Computershare will retain such records in accordance with their ordinary practices.

Yours truly,

BENNETT JONES LLP

(signed) Brent W. Kraus

cc: Chris Simard, Bennett Jones LLP

EXHIBIT 24

THIS IS **EXHIBIT "24"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Cassels

October 13, 2020

E-MAIL

PRIVATE AND CONFIDENTIAL

jroy@cassels.com
tel: +1 416 860 6616
fax: +1 416 640 3164

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

Attention: Brent W. Kraus

Dear Mr. Kraus:

Re: Calfrac Well Services Ltd. - Special Meeting of Shareholders

Thank you for your recent response to my letter concerning a meeting protocol for the Special Meeting of Shareholders of Calfrac Well Services Ltd., to be held on October 16, 2020.

1. We confirm that Mr. Jeffrey Oliver of our Calgary office and Stephanie MacVicar and Simon Law of Laurel Hill will be attending on behalf of Wilks Brothers LLC (and affiliates).

2. We reiterate our previous request to be provided with supplemental shareholder lists.

3. We reiterate our request to be provided with the record date Cede & Co. omnibus proxies and other omnibus and sub/mini omnibus proxies. As you are aware, the vast majority of Calfrac's shares are held in "street form" through CDS and, therefore, the integrity of the omnibus proxy process will be a critical part of the procedural fairness of the meeting. It is accepted practice in contested meetings for the dissidents to request, and for the Company to provide, this information sufficiently in advance of the meeting so that potential issues can be identified and resolved.

4. Finally, we would appreciate it if you could clarify your statement that Laurel Hill will be permitted to review the tabulation results of each ballot at the Meeting, by indicating whether they will be permitted to do so prior to the Chairman formally announcing the results.

Yours truly,

Cassels Brock & Blackwell LLP

“Jeffrey Roy”

Jeffrey Roy
Partner

JR

WSLEGAL\044609\00111\25792231v1

EXHIBIT 25

THIS IS **EXHIBIT "25"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

From: Roy, Jeffrey
To: Brent Kraus; Chris Simard
Cc: Jacobs, Ryan; Laurel Hill Wilks; Oliver, Jeffrey
Subject: Special Meeting of Calfrac Shareholders [IWOV-LEGAL.FID3325848]
Date: Tuesday, October 13, 2020 9:38:52 AM
Attachments: image001.png

I have one supplementary request/question in addition to those I sent over in my letter of last evening.

The question is, will there be a COVID screening protocol for the meeting (i.e. a questionnaire or similar). If so, we would like to see the questions or criteria in advance so that we can ensure that our designated representatives can meet the screening criteria.

JEFFREY ROY
t: +1 416 860 6616
e: jroy@cassels.com

Cassels Brock & Blackwell LLP | cassels.com
Suite 2100, Scotia Plaza, 40 King St. W.
Toronto, ON M5H 3C2 Canada

EXHIBIT 26

THIS IS **EXHIBIT "26"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Bennett Jones LLP
4500 Bankers Hall East, 855 2nd Street SW
Calgary, Alberta, T2P 4K7 Canada
T: 403.298.3100
F: 403.265.7219

Brent Kraus
Partner
Direct Line: 403.298.3071
e-mail: KrausB@bennettjones.com

October 13, 2020

Via Email

Cassels Brock & Blackwell LLP
Suite 2100, Scotia Plaza, 40 King Street West
Toronto, ON M5H 3C2

Attention: Jeffrey P. Roy

Dear Mr. Roy:

RE: Calfrac Well Services Ltd. – Special Meeting of Shareholders

This letter is further to your letter of October 12, 2020 (the "**Letter**"). I have repeated the numbering in your Letter below.

1. Thank you for confirming the attendees of Cassels Brock & Blackwell LLP and Laurel Hill who will be attending the meeting of shareholders scheduled for October 16, 2020 at 2:00 p.m. (Calgary time) (the "**Meeting**") on behalf of Wilks Brothers, LLC. Further to your subsequent e-mail requesting the COVID-19 protocols for the Meeting, I have enclosed a COVID - 19 self-assessment checklist that all attendees will be asked to review and verbally confirm compliance with prior to entering the Meeting room.

2. Please see attached the Supplemental Lists obtained from Computershare.

3. We respectfully disagree that the provision of omnibus proxies is "accepted practice" where a meeting is being scrutineered by a professional and independent service provider – in this case Computershare. Calfrac is confident that Computershare will conduct this review with integrity. If, however, there are any instances of over-voting, the details thereof will be provided after the Meeting.

4. Laurel Hill will be permitted to review the tabulation results of the Meeting after conclusion of the Meeting.

Yours truly,

BENNETT JONES LLP

(signed) Brent W. Kraus

cc: Chris Simard, Bennett Jones LLP

COVID-19 Self-Assessment Protocol
Shareholders and Unsecured Noteholders Meetings

The following self-assessment protocol has been developed to facilitate safe and compliant Shareholders and Unsecured Noteholders Meetings. The protocol adheres to the guidelines recommended by Alberta Health Services and the Public Health Agency of Canada.

Compliance with the following self-assessment criteria must be verbally confirmed by all attendees prior to being admitted to the meetings:

- All attendees must be free of the following symptoms generally associated with Covid-19:
    - Fever, new onset of cough or worsening chronic cough
    - New or worsening shortness of breath or difficulty breathing
    - Sore throat, painful swallowing, and/or runny or stuffy nose
    - Loss of sense of taste or smell
    - Headaches or muscle and joint aches
    - Conjunctivitis (Pink Eye)
    - Nausea, vomiting or diarrhea
    - General feeling of un-wellness, fatigue or severe exhaustion
- All attendees must not fall into one or more of the following categories:
    - Must not have travelled outside of Canada within the past 14 days
    - Must not have tested positive for COVID-19, or been in close contact with a confirmed or probable positive case of COVID-19, in the previous 14 days
    - Must not have been in close contact with a person with acute respiratory illness who has travelled outside of Canada within 14 days prior to illness onset

DO NOT ENTER IF YOU ARE SICK OR FEEL UNWELL, OR DO NOT OTHERWISE SATISFY THE ABOVE CRITERIA

Job identification

Login name.: CIC.CI Order No.: ER76 Op Init.: ****** Originator.: Erika Rowe
Program description.: Rolling Balance List

REPPRINT

Name on disk.: $ER_RL_ER76_05143149 Printer name.: ********** Form type.: ****** Copies.: 0

Output Medium

Paper

Number of Report copies

01

Output format

Register List

REPID

Report Title.: Rolling Balance List Report date.: 05/10/2020 At Run.: Current Run

Shell Holders Option

EXCLUDE Shell (No Balance History) Holders from Output

Chargelog Report Type

None

Print Holder Identifier

Yes

Register details

Rolling Balance List

Print Trading Holder ID

Yes

Report sequence

Alpha

Classes

C03 SP1

Balance range

0.005000 to 99999999999.999999

Holder category

Exclude: A R U

Run number range

4210 to 4250

Output to be Comma Delimited

No

Cater For Back Dating

Yes

Service Provider CIS

Service Code REGEQ

Originating System SCRIP

MSGID RowE 00001

Include Archived Holders

********** NUMBER OF PAGES WRITTEN = 2 ********** END OF REPORT ********** NUMBER OF LINES WRITTEN = 50 **********

G2S2 CAPITAL INC
400-145 HOBSONS LAKE DR
HALIFAX NS B3S 0H9

Run/Trans	Type	Date	Reference	Movements	Rolling Balance	Trading Holder (Run/Trans)
* Class: C03 [COMMON SHARES]					0.000000	Opening Balance
NEW ACCOUNT						
4246/10117872	CDSWI	29/09/2020	W002020273292	779,500.000000	779,500.000000	
* Total for class: C03					779,500.000000	Closing Balance

********** NUMBER OF PAGES WRITTEN = 1 ********** END OF REPORT ********** NUMBER OF LINES WRITTEN = 12 **********

CL	REG	HOLDERS	BOUGHT	SOLD
* COMMON SHARES		*		
C03	BCA	1	779500.000000	0.000000
C03	***	1	779500.000000	0.000000
GRAND TOTALS		1	779500.000000	0.000000

********** NUMBER OF PAGES WRITTEN = 1 ********** END OF REPORT ********** NUMBER OF LINES WRITTEN = 8 **********

Job identification
Login name.: CIC.CI Order No.: ER81 Op Init.: ****** Originator.: Erika Rowe
Program description.: Rolling Balance List

REPPRINT
Name on disk.: $ER_RL_ER81_13163845 Printer name.: ********** Form type.: ****** Copies.: 0

Output Medium
Paper

Number of Report copies
01

Output format
Register List

REPID
Report Title.: Rolling Balance List Report date.: 13/10/2020 At Run.: Current Run

Shell Holders Option
EXCLUDE Shell (No Balance History) Holders from Output

Chargelog Report Type
None

Print Holder Identifier
Yes

Register details
Rolling Balance List

Print Trading Holder ID
Yes

Report sequence
Descending Units

Classes
C03 SP1

Balance range
0.005000 to 99999999999.999999

Holder category
Exclude: A R U

Run number range
4250 to 4255

Output to be Comma Delimited
No

Cater For Back Dating
Yes

Service Provider CIS

Service Code REGEQ

Originating System SCRIP

MSGID RowE 00001

Include Archived Holders

****
********** NUMBER OF PAGES WRITTEN = 2 ********** END OF REPORT ********** NUMBER OF LINES WRITTEN = 50 **********
****

CDS & CO
NCI ACCOUNT
100 ADELAIDE ST W
SUITE 300
TORONTO ON M5H 1S3

Run/Trans	Type	Date	Reference	Movements	Rolling Balance	Trading Holder (Run/Trans)
* Class: C03 [COMMON SHARES]					140,378,574.000000	Opening Balance
4255/10118019	CDSUP	13/10/2020	CDS0013050	779,500.000000	141,158,074.000000	
* Total for class: C03					141,158,074.000000	Closing Balance

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COMPUTERSHARE INVESTOR SERVICES IN
TR DEPOSITING HOLDERS OF CALFRAC
FOR CASH US
C/O CORPORATE ACTIONS
100 UNIVERSITY AVE
8TH FLOOR
TORONTO ON M5J 2Y1

Run/Trans	Type	Date	Reference	Movements	Rolling Balance	Trading Holder (Run/Trans)
* Class: C03 [COMMON SHARES]					0.000000	Opening Balance
NEW ACCOUNT						
4253/10117983	NOMUP	08/10/2020	SYSTEM	445,633.000000	445,633.000000	
* Total for class: C03					445,633.000000	Closing Balance

COMPUTERSHARE INVESTOR SERVICES INC
TR DEPOSITING HOLDERS OF CALFRAC
FOR CASH OPTION
C/O CORPORATE ACTIONS
100 UNIVERSITY AVE
8TH FLOOR
TORONTO ON M5J 2Y1

Run/Trans	Type	Date	Reference	Movements	Rolling Balance	Trading Holder (Run/Trans)
* Class: C03 [COMMON SHARES]					0.000000	Opening Balance
NEW ACCOUNT						
4252/10117964	NOMUP	07/10/2020	SYSTEM	4.000000	4.000000	
* Total for class: C03					4.000000	Closing Balance

** CDS &CO

****
********** NUMBER OF PAGES WRITTEN = 2 ********** END OF REPORT ********** NUMBER OF LINES WRITTEN = 44 **********
****

CALFRAC WELL SERVICES LTD/DSEQ CIC/COMPUTERSHARE TRUST COMPANY OF CANADA

CL	REG	HOLDERS	BOUGHT	SOLD
* COMMON SHARES		*		
C03	BCA	3	1225137.000000	0.000000
C03	***	3	1225137.000000	0.000000
GRAND TOTALS		3	1225137.000000	0.000000

****
********** NUMBER OF PAGES WRITTEN = 1 ********** END OF REPORT ********** NUMBER OF LINES WRITTEN = 8 **********
****

EXHIBIT 27

THIS IS **EXHIBIT "27"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

WITH PREJUDICE

Calfrac Well Services Ltd

Suite 500, 407-8 AVENUE SW
Calgary, Alberta
T2P 1E5

Attention: Greg Fletcher, Lead Independent Director

RE: Calfrac Restructuring Transaction

Dear Sirs,

As you are aware, Wilks Brothers, LLC ("Wilks") is a long time shareholder of Calfrac Well Services Ltd ("Calfrac") and holds positions in both the secured and unsecured debt issuances of Calfrac. We understand that Wilks is the second largest shareholder, and is one of the largest creditors, of Calfrac.

Earlier this year, Calfrac initiated a proceeding under the *Canada Business Corporations Act* ("CBCA"), to effect a restructuring transaction (the "Original Transaction") supported and led by Calfrac's Executive Chairman, Ron Mathison ("Mathison"), through his investment company MATCO Investments ("MATCO"), and a group of unsecured noteholders, including George Armoyan's G2S2 Capital Inc. ("G2S2"). The Original Transaction would transfer virtually all of Calfrac's equity to G2S2, a very small group of self-selected unsecured noteholders and Mathison, including through a new priming debt issuance that only those parties will participate in.

In response to the Original Transaction, Wilks launched a take-over bid to protect shareholders' interests. Under the Premium Offer, shareholders would receive $0.18 in cash per share (the "Premium Offer"). The Wilks' Premium Offer presents shareholders with an alternative transaction and a significant premium recovery to the value of the equity to be received under the Original Transaction. In direct response to Wilks' Premium Offer, Calfrac amended the terms of the Original Transaction (the "Modified Transaction" and together with the Original Transaction, the "Calfrac Transactions") to increase the recovery to shareholders. Notably, the value offered to shareholders under the Modified Transaction ($0.12) was still significantly short of the value under Wilks' Premium Offer ($0.18). However, as part of that compromise, Calfrac also contractually agreed to file for CCAA protection to complete the Original Transaction if the Modified Transaction was not ultimately approved by Shareholders. Calfrac made no secret of this "carrot and stick" approach – threatening to punish shareholders if they refused to reject the Premium Offer and instead approve the Modified Transaction. Wilks responded by further increasing the Premium Offer to provide shareholders up to $0.25 in cash per share.

Wilks has been very clear that it does not believe that the Original Transaction or the Modified Transaction are fair to Calfrac or its stakeholders. Wilks is not alone in this view. Leading independent analysts, market observers and the two independent proxy advisory firms (ISS and Glass Lewis), all strongly support this assessment of the Calfrac Transactions.

Over the course of the past four months, Calfrac has engaged in a very public campaign to unfairly disparage Wilks and paint Wilks as motivated with ill intentions in its efforts to stop the Calfrac Transactions. Notably, Calfrac's allegations only started against Wilks *after* Calfrac launched the Original Transaction and Wilks publicly rejected it. The allegations against Wilks are clearly designed to (try to) support a narrative that an ill-conceived transaction led by Calfrac's Executive Chairman should be approved, or Calfrac will not survive. Remarkably, independent experts all agree that it is the very opposite that is true: if either of the Calfrac Transactions proceed, it is unlikely that Calfrac will survive, let alone thrive for any meaningful period of time.

Calfrac's narrative of Wilks' actions has nothing to do with the merits of the Calfrac Transactions, which is why Wilks has never responded to that rhetoric. Instead, Wilks has publicly challenged (through its press releases) the merits of the Calfrac Transactions and brought to light the significant defects and infirmities with the transactions, that independent experts all agree exist. Wilks has always believed that a better outcome for Calfrac is possible. It is wholly within reach. The capital structure of Calfrac is closely held, and the parties that can effect a better outcome for Calfrac and all of its stakeholders are all known to each other.

Wilks has repeatedly reached out to the Special Committee and Mathison following the announcement of the Original Transaction, in an effort to engage with Calfrac in consensual discussions. Wilks has also sought to engage in constructive discussions with other stakeholders to find a better solution. We have done this because we know that a better alternative exists. Wilks even submitted a superior restructuring proposal to Calfrac for consideration and discussion, but that proposal was swiftly rejected because it would not enrich the current proponents of the Calfrac Transactions who have convinced themselves that even if shareholders reject their proposal, a CCAA Court will rubberstamp it. Respectfully, that thinking is flawed and rather than Calfrac positioning for further litigation, the parties should be talking right now. Wilks firmly believes that consensual solutions drive value, and will position Calfrac for future success. It is disappointing that Wilks' offers for meaningful discussions have been rebuffed and we reiterate our requests that Calfrac commit to engaging in consensual discussions. To be clear, and so that Calfrac does not try to mislead shareholders, a consensual solution with Wilks would have no impact on the Premium Offer.

As a separate but equally important matter, this past Friday Calfrac publicly disclosed that it will in fact commence a CCAA proceeding if shareholders vote down the Modified Transaction. This is not a

surprise given that Calfrac contractually committed itself to commence a CCAA proceeding in those circumstances. What is surprising is that Calfrac has advised the market that a CCAA Court will simply provide a rubberstamp to the Original Transaction. That is entirely inconsistent with our understanding of the transparent and value-maximizing process that is the CCAA. In light of Calfrac's CCAA announcement, and given the impending shareholder vote, this letter serves as our request that Calfrac provide Wilks' counsel, Cassels Brock & Blackwell LLP ("Cassels"), with prompt notice of the date on which Calfrac would propose to seek a hearing for an initial CCAA order. We expect that any CCAA application will be made on full and proper notice. Given the existing stay of proceedings in the current CBCA proceeding, there is no need for any abridged notice or service. In the circumstances, it is also only logical that Calfrac has prepared (or is now finalizing) its CCAA materials, including a proposed initial order. This letter therefore also serves as our request that Calfrac provide Cassels, on a confidential lawyers eyes only basis (until materials are actually filed publicly), with copies of any materials that Calfrac intends to file with, and orders it intends to seek from, the CCAA Court. There is no reason why Calfrac should be delivering its proposed CCAA materials to Wilks on short notice, prejudicing Wilks' ability to be present with properly prepared counsel at a critical hearing affecting its rights, or requiring the Court to hear objections to initial matters that may otherwise be capable of being resolved among the parties right now.

In the spirit of full cooperation, and in the event that Calfrac commences a CCAA proceeding, Wilks is prepared, in its capacity as a shareholder, to provide Calfrac with CCAA financing that is junior to the existing secured debt, on fair and market terms in order to provide Calfrac with the opportunity it needs to achieve a fair restructuring solution that delevers Calfrac and positions it for future success. Such financing would also ensure that Calfrac is not subjected to artificial deadlines imposed by stakeholders. Calfrac deserves every opportunity to succeed. Our team of advisors looks forward to speaking with Calfrac and its advisors to understand your financing needs and to discuss potential financing terms well in advance of any CCAA filing.

Wilks supports a healthy, delevered Calfrac through a restructuring process that is fair and not preordained. That result is entirely achievable if the parties would put down their 'guns' and just start talking. We look forward to working with Calfrac to achieving success. We assume that Calfrac wants that too.

Sincerely,

Matt Wilks

EXHIBIT 28

THIS IS **EXHIBIT "28"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

Calfrac Well Services
An API Q2 and ISO 9001 Company
411 – 8th Avenue SW, Calgary, Alberta T2P 1E3

calfrac.com

October 12, 2020

WITH PREJUDICE

Mr. Matt Wilks
Wilks Brothers, LLC
17010 IH – 20
Cisco, Texas 76437

Dear Mr. Wilks:

Re: Calfrac Well Services Ltd. ("Calfrac") et al. CBCA Restructuring

I am replying to your undated "with prejudice" letter which was sent to Greg Fletcher on October 10, 2020.

In this letter, I will reply to your many assertions and allegations, one-by-one. Overall, I am flabbergasted that you would choose to portray events, and attempt to revise history, in the way that you have. My assumption is that your true motives in sending your letter are: to attempt to use the letter, or excerpts from it, to influence Calfrac's stakeholders in their voting; and to positively "spin" your behavior and negatively mischaracterize ours, in a document that you plan to present to Court. Our suspicions about your motivations, and the distortions and frailties in your arguments, have made it necessary for Calfrac to also respond "with prejudice".

Your Portrayal of the Investors (the Initial Commitment Parties)

In your letter, and repeatedly in Wilks Brothers' previous press releases, you have described the Initial Commitment Parties as a "self-selected" group who are enriching themselves, at the expense of other stakeholders. This is not correct.

In May and June of 2020, as you know very well from your and my direct discussions, Calfrac was very much interested in working with Wilks Brothers to explore a constructive restructuring. Clearly, and especially given the prior breach of an important non-disclosure agreement by Wilks Brothers, a precondition to providing you with any confidential or material non-public information was the execution of a new non-disclosure agreement. Calfrac and Wilks Brothers completed the negotiation of such an agreement, and you told our financial advisor that you were satisfied with the settled terms.

However, you then chose to turn your back on constructive discussions and refused to sign the non-disclosure agreement. Wilks Brothers instead adopted a hostile approach by purchasing a majority of the second lien notes, presumably to create leverage for Wilks Brothers in whatever

deal or negotiations might follow. Your timing was obviously intended to cause maximum harm to Calfrac, as you turned hostile mere days before Calfrac was scheduled to make a substantial interest payment to its Unsecured Noteholders. You have since referred to the agreed form of non-disclosure agreement as "tactical" (which is perhaps the only avenue now available to you, to try to revise the history of our discussions).

Calfrac then negotiated the terms of its original recapitalization transaction (the "**Recapitalization Transaction**") with its fulcrum creditor group, the Unsecured Noteholders. Because of your decision to seek bargaining leverage, rather than "coming into the tent", this negotiation had to occur without your involvement. The Unsecured Noteholders did not consider the requirement of a non-disclosure agreement to be "tactical". They signed one, rolled up their sleeves, and engaged with Calfrac constructively to come up with a comprehensive and achievable restructuring.

There is no mystery as to why the Initial Commitment Parties are playing the crucial role in Calfrac's restructuring that they are. Together, the Unsecured Noteholders who are Initial Commitment Parties hold a majority of the Unsecured Notes. Therefore, they were able to deliver some absolutely necessary commitments to Calfrac: allowing Calfrac to preserve precious liquidity in the short term by not paying the June 2020 interest payment; and agreeing to a structure that will allow Calfrac to sustainably restructure its balance sheet by erasing $561.8 million of long-term debt, and saving $52.7 million per year in cash interest payments.

Calfrac sought liquidity to ensure long-term sustainability and the Unsecured Noteholders were willing to provide it. The investing group requested that I, through MATCO, contribute fresh capital alongside them, as a reassurance of my belief in the Company and to reconfirm my long-term commitment to the business. I agreed to do so, on terms that were negotiated between the Unsecured Noteholders and Calfrac's independent lead director (Greg Fletcher). Your repeated mischaracterizations of how and why I have ended up participating in this financing are not only wrong, they are personally injurious to me. In particular, please recall that it was because of your choice (not Calfrac's), that you were not part of these discussions.

The Wilks Brothers "Alternative" Recapitalization Transaction

Curiously, in your letter, you have entirely omitted any reference to your "alternative" recapitalization transaction. You launched this proposal after you had failed in your initial litigation efforts, in both Canada and the U.S., to force Calfrac into insolvency. You had to know that this alternative transaction was unexecutable from the moment that you launched it, because it would have to be accepted by the Unsecured Noteholders to have any chance of success; and they wanted no part of it. This "alternative' transaction was your first substantial effort to try to persuade Calfrac's shareholders to act against their own best interests by voting against the Recapitalization Transaction.

It quickly became clear that your "alternative" transaction was not being accepted by Calfrac's stakeholders, perhaps in part due to the enormous conflicts of interest that would arise if Wilks Brothers was to ever concurrently own a majority interest in Calfrac and 100% of one of Calfrac's competitors, ProFrac Services, LLC, as you were proposing.

The Wilks Brothers Takeover Bid

Wilks Brothers then launched its takeover bid (the "**TOB**"). Again, your timing was not accidental. You announced the TOB on September 1 and filed your circular on September 10, a mere 7 days before Calfrac's shareholders and Unsecured Noteholders were set to meet and vote on the Recapitalization Transaction. Your clear intent was to distract Calfrac's shareholders at a crucial time and to slow down Calfrac's process. You knew that Calfrac's directors were legally obligated to issue their own responding circular within 15 days of the TOB, and that it would be impractical to hold meetings before that response had been made.

It was apparent to Calfrac from the very moment that you announced your TOB, that the TOB was primarily a tool to disrupt Calfrac's Amended Recapitalization Transaction. The TOB was, and is, highly conditional, with: multiple off-ramps for Wilks Brothers; a very low probability of being executed; and little chance of it resulting in cash payments to shareholders. You boldly announced that you would be seeking precedent-setting relief from the securities regulators to get around statutory requirements and to circumvent the 105-day minimum bid period. Yet, the timing of initiating your TOB was totally within your control – you just chose to launch it at the last minute to disrupt our vote. In the intervening month since you filed your TOB circular, you've made no apparent attempt to obtain extraordinary relief from the regulators. Finally, last week, you admitted to our shareholders what Calfrac has known all along: if the Amended Recapitalization Transaction is approved under the CBCA, or the Recapitalization Transaction is approved under the CCAA, you will pay nothing to shareholders. The TOB is no more than a distraction to shareholders, whom Wilks Brothers seeks to entice into acting against their own best interests.

Calfrac's Amended Recapitalization Transaction

You continue to characterize Calfrac's Amended Recapitalization Transaction, announced on September 25 (the "**Amended Recapitalization Transaction**"), as a "carrot and stick". I first wish to make clear that Calfrac has no desire to enter into a CCAA proceeding, as evidenced by our strong opposition to your multiple attempts to take us there. Hopefully, the positive votes of stakeholders on Friday will see us continue under the CBCA, with no need to ever go near a CCAA filing.

As you know, in a CCAA proceeding, Calfrac would be admitting insolvency and would not be legally obligated to provide any consideration whatsoever to its shareholders. However, Calfrac and the Consenting Noteholders have agreed that the consideration due to shareholders under the original Recapitalization Transaction would still be delivered. Calfrac remains committed to maximizing the return to **all** stakeholder groups, even when it does not have a legal obligation to do so. This is the very opposite of "punishing" the shareholders.

As for your suggestion that Calfrac has engaged in a public campaign to "unfairly disparage" Wilks Brothers, Calfrac and me personally have made strong efforts to “stick to the facts” and not get into any mischaracterizations of your behavior. You are aware (because you were in attendance) that during your counsel's recent cross-examination of me on my five affidavits, none of my (completely factual and accurate) statements about Wilks Brothers were challenged in any way. The record is unchallenged and Wilks Brothers' motives and interests have been borne out not only by my sworn statements, but, regrettably, by your own actions.

Consensual Discussions

In your letter, you have written that "It is disappointing that Wilks' offers for meaningful discussions have been rebuffed and we reiterate our requests that Calfrac commit to engaging in consensual discussions." I can only assume that you have written in this way because you wish to create a fictional re-characterization of what has actually happened, for your own purposes.

You certainly know (because you, like me, have been directly involved), that Calfrac and Wilks Brothers have conducted "without prejudice" discussions and communications over the last week, in an effort to determine whether a consensual resolution of the parties' disputes is possible. Calfrac has engaged in these discussions in a genuine and good faith manner and will continue to do so, as long as you reciprocate. However, Calfrac will not allow Wilks Brothers to mislead stakeholders or the Court about what is occurring or has taken place. Calfrac therefore plans to put this "with prejudice" letter, together with your work of fiction, into evidence before the Court. Calfrac's legal counsel have confirmed that the fact that these "without prejudice" discussions have occurred is not, in the circumstances, privileged information. The content of our discussions is, of course, privileged, and Calfrac will not advise the Court of the content of the discussions.

Calfrac believes that a CCAA filing will be unnecessary, simply because its Unsecured Noteholders and shareholders will vote in favor of the Amended Recapitalization Transaction. A CCAA filing would be less advantageous to shareholders than would the approval of the Amended Recapitalization Transaction, though we fully anticipate that Wilks Brothers would try to profit from such an event.

In the unlikely event that shareholders do not vote in favor of the Amended Recapitalization Transaction, I nonetheless fully expect that the Unsecured Noteholders will require Calfrac to implement the Recapitalization Transaction under the CCAA. If that occurs, Calfrac's lawyers will provide your counsel with as much prior notice of the CCAA court application as is reasonably possible in the circumstances, and in full compliance with all legal requirements. Our counsel have worked well together to make the CBCA process run smoothly and I have no doubt that will continue.

I certainly wish to firmly correct your statement that Calfrac has somehow "advised the market that a CCAA court will simply provide a "rubberstamp" of the Recapitalization Transaction. This assertion is completely fabricated and disingenuous. Calfrac has never said, nor implied, such a thing. I have no doubt that if Calfrac has to present the Recapitalization Transaction to the Court of Queen's Bench of Alberta for approval under the CCAA, the Court will rigorously apply the applicable law and impartially exercise its discretion. At the same time, I have a very high level of confidence that the Court will recognize that the Recapitalization Transaction is fair and reasonable, not least because: it leaves Calfrac's first lien lenders and second lien noteholders unaffected; it is the only transaction acceptable to an overwhelming majority of Senior Unsecured Noteholders; and it provides meaningful consideration to Calfrac's shareholders, when the law would allow Calfrac to leave them with no return whatsoever. It will also allow Calfrac to continue to operate its business in the ordinary course and preserve the continuity of the business for the benefit of its employees, customers and suppliers.

Conclusion

For the reasons I have stated above, it is beyond question that the only possible path to a sustainable restructured Calfrac is via the Amended Recapitalization Transaction. Notwithstanding the current pointed exchange of letters between us, we remain willing to continue our ongoing "without prejudice" dialogue, particularly to explore how Wilks Brothers could work with us to implement the Amended Recapitalization Transaction and create an even better future for Calfrac.

Yours truly,

Ronald P. Mathison

EXHIBIT 29

THIS IS **EXHIBIT "29"** REFERRED TO IN THE SUPPLEMENTAL AFFIDAVIT TO AFFIDAVIT NO. 4 OF RONALD P. MATHISON SWORN THE 16TH DAY OF OCTOBER, 2020.

CHRIS SIMARD

October 13, 2020

WITH PREJUDICE

Mr. Ronald Mathison
Executive Chair, Calfrac Well Services Ltd.
411-8th Avenue SW

Calgary, Alberta T2P 1E3

Dear Mr. Mathison:

RE: Calfrac Well Services Ltd. Restructuring

I am responding to your letter dated October 12, 2020. As you are aware, the letter to which you replied was, in fact, addressed to the Lead Independent Director, Mr. Greg Fletcher, and not to you. We were therefore surprised that you wrote in response and take it that you speak for the Board and Special Committee of Calfrac as it relates to the matters raised.

Given your significant role and investment in Calfrac's proposed recapitalization transaction (the "Management Transaction"), your staunch defense of the flawed transaction is not surprising, and in fact you are contractually committed to do defend it under a lockup. In the circumstances, you cannot offer an objective view on the 'facts'.

While I do not plan to respond to all of the erroneous and false assertions in your letter, I would remind you of the following:

Wilks Not Signing the NDA Created Value For Shareholders

You allege that Wilks' refusal to sign a Non-Disclosure Agreement ("NDA") and "roll up its sleeves" to work with the other creditors is why Wilks finds itself on the outside of the Management Transaction. You assert that our characterization of the NDA we were presented with as "Tactical" is an ex post facto justification and not accurate.

However, as this transaction has unfolded it has become clear that "tactical" is exactly what the NDA presented to us by Calfac, was. Had we signed the proposed form of NDA we would have been

prevented, among other things, from opposing the Management Transaction via our proxy solicitation and launching the premium take over bid (the "Premium Offer").

That Premium Offer has unlocked significant additional value for Calfrac's shareholders. Calfrac has admitted that it was the Premium Offer made by Wilks that led to the recent amendments by Calfrac to the Management Transaction which provide shareholders with additional financial benefits.

You also admitted in your recent examination under oath that the enhanced recovery offered by Calfrac was not a gift to shareholders (meaning that shareholders were entitled to it). By your own admissions, Wilks' decision to not sign Calfrac's tactical NDA led to shareholders being offered a choice, and an opportunity to receive additional value that otherwise would have gone to the proponents of the Management Transaction, including yourself.

Wilks Protects its Long-Term Investment in Calfrac

Wilks has been a long time shareholder and supporter of Calfrac. In fact, Wilks owns the second largest amount of equity in the Company, behind only you. Your suggestion that Wilks was acting with ill-motives by acquiring secured debt of the Company *after* the Company announced it had defaulted on its unsecured debt, is an over-simplification. It is entirely reasonable (and in fact prudent) for an investor to look for ways to protect its investment. This is what Wilks did in acquiring debt secured by Calfrac's collateral. Logic would also suggest that this is the same reason why you are participating in the "1.5 Lien" financing that will be convertible into a significant amount of Calfrac's equity at an almost 85% discount to the current market price of the shares.

Your only real criticism of Wilks' actions to date is that someone with financial wherewithal has actually stood up to publicly challenge an unfair transaction and that our actions have caused more value to be offered to Calfrac shareholders. It is worth noting, because you fail to note it, that BOTH independent proxy advisory firms (ISS and Glass Lewis) and independent industry analysts all agree with us that the Management Transaction (even as amended) is a bad transaction for Calfrac and will likely result in Calfrac being insolvent and in CCAA very soon after it is completed. It is one of the key reasons why these independent experts have all urged shareholders to vote against the Management Transaction.

Calfrac has Made Injurious Statements Concerning Wilks

Despite your claims to have "risen above the fray" and avoided personal comment, Calfrac (apparently under your direction) has made numerous references to Wilks as a "wolf in sheep's clothing" and has mischaracterized the intent behind the various proposals Wilks has made to Calfrac. In fact, Wilks' conduct since the announcement of the Management Transaction has been that of a major shareholder, using its own resources, to vigorously contest what it regards as an unfair transaction and to seek a fair recovery for shareholders. We have pointed out the deficiencies in the corporate governance process that led to the Management Transaction; we have pointed out the extremely generous financial and other terms of the "1.5 Lien" financing, and we have provided shareholders an alternative path to recovery (via the Premium Offer) to remove the coercion inherent in the Management Transaction.

Calfrac Guaranteed the Results in CCAA

You claim in your letter that Calfrac has never suggested that a CCAA Court will expeditiously approve the Management Transaction if shareholders vote it down in the CBCA proceeding. This sudden change of position is refreshing (and now accurate) but is in stark contrast to Calfrac's public and affirmative statements (and threats to shareholders) that the Management Transaction will be approved in CCAA. Calfrac has made the following affirmative statements, publicly:

"The alternate outcome, if sufficient Shareholder support is not received, is that the original Recapitalization Transaction, without cash or warrants to Shareholders, **will** be implemented through CCAA." October 5, 2020. Press Release: Calfrac Well Services Ltd. Open Letter to Stakeholders"

"If the Shareholder votes are negative, then the original Recapitalization Transaction **will** still proceed." October 6, 2020. Press Release: Calfrac's Amended Recapitalization Transaction is Still the Best Way to Vote, For Both Shareholders and the Company.

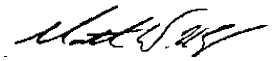
"if the Amended Recapitalization Transaction is not approved, then Calfrac **will complete** a CCAA transaction and the Wilks Brothers takeover bid conditions will not be met." October 8, 2020. Press Release: Deal Certainty Remains with Calfrac; Three Key Problems with Wilks' Brothers Takeover Bid

There Has Been No Meaningful Dialogue Among the Parties

In our letter to Mr. Fletcher, we asked the Lead Independent Director to assist in facilitating meaningful and constructive dialogue among the core parties, in a good faith effort to settle issues for the benefit and long-term sustainability of Calfrac. Regrettably, you attack our request as some kind of leverage play (which it is not) and then go on to claim that good faith and meaningful dialogue has been occurring between the parties. You know (because you were on that single short call) that your characterization is not accurate. A single short phone call where (at the express request of 'your side') Wilks is the only party presenting ideas, is not a dialogue - it is a monologue. It is Wilks' experience that success is achieved when parties move away from their entrenched positions and explore alternative value-creative ideas. It is Wilks' sincere hope that such discussions will actually occur.

Wilks remains hopeful that Calfrac can see the benefit to itself and all of its stakeholders of putting down its 'guns' and exploring meaningful ways to de-lever its capital structure, provide fair treatment to all of its stakeholders and set Calfrac on a path for success and sustainability. As a long time shareholder of Calfrac, Wilks remains committed to supporting Calfrac achieve that result.

Yours truly,



Matt Wilks