

COURT OF QUEEN'S BENCH OF ALBERTA

**IN THE MATTER OF AN APPLICATION UNDER 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 12406365
CANADA INC., SOURCE ENERGY SERVICES LTD., SOURCE ENERGY
SERVICES CANADA LP AND SOURCE ENERGY SERVICES CANADA
HOLDINGS LTD.**

AMENDED PLAN OF ARRANGEMENT

NOVEMBER 25, 2020

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PLAN OF ARRANGEMENT

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated:

“**ABCA**” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;

“**Additional Liquidity Facility**” means a financing facility made available to one or more of the Applicants on the Effective Date pursuant to a credit agreement or other instrument in form and substance acceptable to the Majority Initial Consenting Noteholders;

“**Administrative Agent**” means Bank of Montreal, as administrative agent under the Credit Agreement, and any successor thereof;

“**Aggregate Number of New Common Shares**” has the meaning given to such term in Section 3.2(d);

“**Amalgamated Holdings**” has the meaning given to it in Section 4.4(f);

“**Amalgamation**” means the amalgamation of Source Holdings and Source Arrangeco pursuant to Section 4.4(f);

“**Amended Credit Facility**” means the revolving credit facility to be made available on the Effective Date to Source LP and governed pursuant to the Credit Agreement, as such Credit Agreement shall be amended, restated and modified on or prior to the Effective Date;

“**Applicants**” means, collectively, Source Arrangeco, SES, Source LP and Source Holdings;

“**Arrangement**” means the arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in this Plan, subject to any amendments, modifications and/or supplements thereto made in accordance with the Arrangement Agreement and this Plan, or otherwise with the consent of the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably;

“**Arrangement Agreement**” means the arrangement agreement dated October 22, 2020, among the Applicants, as it may be amended, modified and/or supplemented from time to time;

“**Articles of Arrangement**” means the articles of arrangement of the Applicants in respect of the Arrangement, in form and substance satisfactory to the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably, that are required to be

sent to the CBCA Director in order for the Arrangement to become effective on the Effective Date;

“**Bank Priority Collateral**” shall have the meaning given to it in the Existing Intercreditor Agreement or as may otherwise be agreed to by the parties to the New Intercreditor Agreement;

“**Business Day**” means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Calgary, Alberta; Toronto, Ontario; and New York, New York;

“**Canadian Dollars**” or “**\$**” means the lawful currency of Canada;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

“**CBCA Director**” means the Director appointed under section 260 of the CBCA;

“**CBCA Proceedings**” means the proceedings commenced by the Applicants under the CBCA in connection with this Plan;

“**CDS**” means CDS Clearing and Depository Services Inc. and its successors and assigns;

“**Certificate of Arrangement**” means the certificate giving effect to the Arrangement, to be issued by the CBCA Director pursuant to section 192(7) of the CBCA upon receipt of the Articles of Arrangement in respect of the Applicants in accordance with section 262 of the CBCA;

“**Circular**” means the management information circular of SES dated November 2, 2020, as it may be amended, modified and/or supplemented from time to time, subject to the terms of the Interim Order or other Order of the Court;

“**Claim**” means any right or claim of any Person that may be asserted or made in whole or in part against the applicable Persons, or any of them, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty), by reason of any right of setoff, counterclaim or recoupment, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim made or asserted against

the applicable Persons, or any of them, through any successor, assignee, affiliate, subsidiary, associated or related Person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative or regulatory tribunal), cause or chose in action, whether existing at present or commenced in the future;

“**Common Shares**” means common shares in the capital of SES;

“**Consenting Noteholder**” means a Noteholder who, on or prior to the Early Consent Deadline, votes in favour of this Plan or otherwise supports this Plan, in each case in a manner acceptable to the Applicants acting reasonably, and provided that in each case such Noteholder holds its respective Consent Notes as at the Effective Date;

“**Consenting Noteholder Pro Rata Share**” means, in respect of a Consenting Noteholder, (i) the total principal amount of Consent Notes held by that Consenting Noteholder as at the Distribution Record Date, divided by (ii) the aggregate principal amount of Notes held by all Noteholders as at the Distribution Record Date;

“**Consent Notes**” means, in respect of a Consenting Noteholder, the Notes held by such Consenting Noteholder in respect of which votes have been validly cast in favour of this Plan by the Early Consent Deadline pursuant to the Interim Order and in respect of which such vote in favour of this Plan has not been changed or withdrawn;

“**Court**” means the Court of Queen’s Bench of Alberta;

“**Credit Agreement**” means the Fourth Amended and Restated Credit Agreement dated June 19, 2019 among Source LP, as borrower, the Administrative Agent, and the Lenders, as lenders, as amended, modified or supplemented from time to time;

“**Distribution Record Date**” means a date to be determined by the Applicants in consultation with the Initial Consenting Noteholders for purposes of distributions under this Plan;

“**DSU Plan**” means SES’ Long Term Incentive Plan (DSUs) dated March 14, 2018, as amended, modified or supplemented from time to time;

“**DSUs**” means deferred share units issued pursuant to the DSU Plan;

“**Early Consent Deadline**” means 5:00 p.m. on November 18, 2020, or such later date as the Applicants may determine, in consultation with the Initial Consenting Noteholders;

“**Early Consent Notes Pool**” means New Secured Notes in an aggregate principal amount equal to all accrued and unpaid interest in respect of the Notes, calculated at the rate of 10.5% per annum, for the period commencing on June 16, 2020 and ending on the Effective Date;

“Effective Date” means the date shown on the Certificate of Arrangement issued by the CBCA Director and on which all conditions to implementation of this Plan as set forth in Section 6.1 have been satisfied or waived pursuant to Section 6.2;

“Effective Time” means a time on the Effective Date as the Applicants and the Majority Initial Consenting Noteholders may agree, each acting reasonably;

“Existing Intercreditor Agreement” means the Intercreditor Agreement dated as of December 8, 2016 between the Notes Issuers, the Administrative Agent, the Notes Trustee and the other parties thereto, as amended, modified or supplemented from time to time;

“Existing Shares” means all Common Shares outstanding immediately prior to the Effective Time.

“Final Order” means the Order of the Court approving the Arrangement under section 192 of the CBCA, which shall include such terms as may be necessary or appropriate to give effect to the Arrangement and this Plan, in form and substance satisfactory to the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably;

“Governmental Entity” means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“Incentive Plans” means, collectively, the DSU Plan, the PSU Plan and the RSU Plan;

“Initial Consenting Noteholder Advisors” means Bennett Jones LLP, in its capacity as legal counsel to the Initial Consenting Noteholders, and FTI Consulting Canada Inc., in its capacity as financial advisor to the Initial Consenting Noteholders;

“Initial Consenting Noteholders” means the Noteholders that executed the Noteholder Support Agreement as of October 7, 2020;

“Interim Order” means the Order of the Court in respect of the Applicants granted on October 26, 2020, which, among other things, approves the calling of, and the date for, the Meetings, as such Order may be amended from time to time in a manner acceptable to the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably;

“Intermediary” means a broker, custodian, investment dealer, nominee, bank, trust company or other intermediary;

“Law” means any law, statute, constitution, treaty, convention, code, injunction, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement

having the effect of law whether in Canada, the United States or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity;

“**Lenders**” means the lenders party to the Credit Agreement;

“**Letter of Transmittal**” means the letter of transmittal form delivered by SES to registered Shareholders;

“**Majority Initial Consenting Noteholders**” means at least two Initial Consenting Noteholders that hold in the aggregate more than 50% of the aggregate principal amount of Notes held by all Initial Consenting Noteholders at the applicable time;

“**Meetings**” means, collectively, the Noteholders’ Meeting and the Shareholders’ Meeting;

“**New Common Share Pool**” means New Common Shares representing 62.5% of the aggregate Common Shares on a fully diluted basis (including, for certainty, the New Common Shares) issued and outstanding immediately following the implementation of this Plan;

“**New Common Shares**” means newly-issued Common Shares issued on the Effective Date pursuant to this Plan;

“**New Directors**” means such individuals to be appointed to the board of directors of SES on the Effective Date as determined by the Company and the Majority Initial Consenting Noteholders;

“**New Intercreditor Agreement**” means the intercreditor agreement to be entered into on the Effective Date by the New Notes Issuers, the Administrative Agent, the New Notes Trustee, the administrative agent or lender(s) under the Additional Liquidity Facility (if applicable), and the other parties thereto;

“**New Secured Notes**” means new first lien secured notes due 2025 to be issued by the New Secured Notes Issuers on the Effective Date pursuant to the New Secured Notes Indenture, with (i) a maturity date of March 15, 2025, (ii) quarterly interest payments on February 15, May 15, August 15 and November 15 at an annual interest rate of 10.5% for cash interest payments and 12.5% for interest paid-in-kind; (iii) the option for the New Secured Notes Issuers to pay interest in kind through the issuance of New Secured Notes in respect of any quarterly interest payment due on or before February 15, 2022, (iv) provisions providing for the repayment of the New Secured Notes from excess cash flow, (v) a first-ranking security interest (subject only to, if applicable, the prior ranking of the Additional Liquidity Facility for so long as it is outstanding) in all Note Priority Collateral and a security interest in all Bank Priority Collateral ranking immediately subordinate to all obligations under the Amended Credit Facility and the Additional Liquidity Facility (if applicable), subject to the terms of the New Intercreditor Agreement, and (vi) such other terms and conditions as agreed to by the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably;

“New Secured Notes Indenture” means the indenture to be entered into on the Effective Date by the New Secured Notes Issuers and the New Secured Notes Trustee on the terms substantially as described in the Circular or as may otherwise be agreed by the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably, pursuant to which the New Secured Notes will be issued;

“New Secured Notes Issuers” means Source LP and Source Holdings;

“New Secured Notes Pool” means New Secured Notes in an aggregate principal amount equal to \$133,279,775;

“New Secured Notes Trustee” means Computershare Trust Company of Canada in its capacity as trustee under the New Secured Notes Indenture, or such other entity or entities as agreed to by the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably;

“Note Priority Collateral” shall have the meaning given to it in the Existing Intercreditor Agreement or as may otherwise be agreed to by the parties to the New Intercreditor Agreement;

“Noteholder Claims” means all outstanding liabilities, duties and obligations, including without limitation principal and interest, any make whole, any prepayment, redemption or similar premiums, reimbursement obligations, fees, penalties, damages, guarantees, indemnities, costs, expenses or otherwise, and any other liabilities, duties or obligations, whether direct or indirect, absolute or contingent, known or unknown, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, the Notes Documents, owing by any Person (whether as issuer, guarantor or otherwise) as at the Effective Date;

“Noteholder Pro Rata Share” means, in respect of a Noteholder, (i) the total principal amount of Notes held by that Noteholder as at the Distribution Record Date, divided by (ii) the aggregate principal amount of Notes held by all Noteholders as at the Distribution Record Date;

“Noteholder Support Agreement” means the support agreement (including all schedules attached thereto) among SES, Source LP, Source Holdings and the Noteholders party thereto dated October 7, 2020, as it may be amended, modified and/or supplemented from time to time;

“Noteholders” means holders of the Notes;

“Noteholders’ Arrangement Resolution” means the resolution of the Noteholders relating to the Arrangement to be considered at the Noteholders’ Meeting, substantially in the form attached to the Circular;

“Noteholders’ Meeting” means the meeting of the Noteholders as of the Record Date called and held pursuant to the Interim Order for the purpose of considering and voting on the Noteholders’ Arrangement Resolution and to consider such other matters as may

properly come before such meeting and includes any adjournment(s) or postponement(s) of such meeting;

“**Notes**” means the 10.5% senior secured first lien notes due 2021 issued by the Notes Issuers pursuant to the Notes Indenture;

“**Notes Documents**” means (i) the Notes Indenture, (ii) the Notes, (iii) each Notes Guarantee, (iv) the Collateral Agency Agreement dated December 8, 2016, (v) each security agreement and mortgage securing obligations under, or in respect of, any of the foregoing, and (vi) all other documentation related to the foregoing;

“**Notes Guarantee**” has the meaning given to such term in the Notes Indenture;

“**Notes Indenture**” means the indenture dated as of December 8, 2016 among the Notes Issuers, as issuers, and the Notes Trustee, pursuant to which the Notes are governed, as amended, modified or supplemented from time to time;

“**Notes Issuers**” means, collectively, Source LP and Source Holdings;

“**Notes Trustee**” means Computershare Trust Company of Canada, in its capacity as trustee under the Notes Indenture, and any successor thereof;

“**Order**” means any order entered by the Court in the CBCA Proceedings;

“**Person**” means any individual, corporation, body corporate, partnership, limited liability company, organization, trustee, executor, administrator, trust, unincorporated association, Governmental Entity, agency, instrumentality or political subdivision of a Governmental Entity, or any other entity or body;

“**Plan**” means this amended plan of arrangement and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

“**Proxy, Information and Exchange Agent**” means Kingsdale Advisors;

“**PSU Plan**” means SES’ Long Term Incentive Plan (RSUs and PSUs) dated March 14, 2018, as amended, modified or supplemented from time to time;

“**PSUs**” means all performance share units issued pursuant to the PSU Plan;

“**Record Date**” means 5:00 p.m. on October 29, 2020;

“**Released Claims**” means, collectively, the matters that are subject to release and discharge pursuant to Section 5.1;

“**Released Parties**” means, collectively, (i) the Applicants, (ii) each affiliate or subsidiary of an Applicant, (iii) the Consenting Noteholders, (iv) the Shareholders, (v) the Proxy, Information and Exchange Agent, and (vi) each of the foregoing Persons’ respective current and former officers, directors, principals, members, affiliates, limited partners,

general partners, managed accounts or funds, fund advisors, employees, financial and other advisors, legal counsel and agents, each in their capacity as such;

“**RSU Plan**” means SES’ Long Term Incentive Plan (RSUs and PSUs) dated March 14, 2018, as amended, modified or supplemented from time to time;

“**RSUs**” means restricted share units issued pursuant to the RSU Plan;

“**SES**” means Source Energy Services Ltd.;

“**Share Consolidation**” has the meaning given to such term in Section 4.3;

“**Shareholders**” means holders of Common Shares;

“**Shareholders’ Arrangement Resolution**” means the resolution of the Shareholders relating to the Arrangement to be considered at the Shareholders’ Meeting, substantially in the form attached to the Circular;

“**Shareholders’ Meeting**” means the meeting of the Shareholders as of the Record Date called and held pursuant to the Interim Order for the purpose of considering and voting on the Shareholders’ Arrangement Resolution and to consider such other matters as may properly come before such meeting and includes any adjournment(s) or postponement(s) of such meeting;

“**Source Arrangeco**” means 12406365 Canada Inc.;

“**Source Holdings**” means Source Energy Services Canada Holdings Ltd.;

“**Source Holdings Percentage**” has the meaning given to such term in Section 4.4(a)(ii)(A);

“**Source LP**” means Source Energy Services Canada LP;

“**Source LP Percentage**” has the meaning given to such term in Section 4.4(a)(ii)(A); and

“**Transfer Agent**” means Computershare Trust Company of Canada.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, restated or supplemented in accordance with its terms;

- (b) The division of this Plan into articles and sections is for convenience of reference only and does not affect the construction or interpretation of this Plan, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;
- (c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) The words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;
- (f) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Governmental Entity includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;
- (g) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms “this Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and
- (h) The word “or” is not exclusive.

1.3 Governing Law

This Plan shall be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.4 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian Dollars.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

1.6 Time

Time shall be of the essence in this Plan. Unless otherwise specified, all references to time expressed in this Plan and in any document issued in connection with this Plan mean local time in Calgary, Alberta, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

ARTICLE 2 TREATMENT OF AFFECTED PARTIES

2.1 Treatment of Noteholders

- (a) On the Effective Date, and in accordance with the times, steps and in the sequence set forth in Section 4.4, each Noteholder shall receive:
 - (i) its Noteholder Pro Rata Share of the New Secured Notes Pool;
 - (ii) its Noteholder Pro Rata Share of the New Common Share Pool; and
 - (iii) if such Noteholder is a Consenting Noteholder, its Consenting Noteholder Pro Rata Share of the Early Consent Notes Pool,all of which shall, and shall be deemed to, be received in full and final settlement of its Notes and its Noteholder Claims.
- (b) On the Effective Date, the Noteholder Claims shall, and shall be deemed to, have been irrevocably and finally extinguished, discharged and released; each Noteholder shall have no further right, title or interest in or to the Notes or its Noteholder Claim; the Notes, the Notes Indenture and any and all other Notes Documents shall be cancelled and terminated pursuant to this Plan; and the Applicants or their counsel shall be authorized and permitted to file discharges and full terminations of all lien filings (whether pursuant to personal property security legislation or otherwise) relating to the Notes Documents in any jurisdiction without any further action or consent required.
- (c) The reasonable and documented outstanding fees, expenses and disbursements of the Notes Trustee shall be paid in full in cash by the Applicants pursuant to the Notes Indenture.
- (d) The reasonable and documented outstanding fees and expenses of the Initial Consenting Noteholder Advisors shall be paid in full in cash by the Applicants pursuant to the Noteholder Support Agreement.

- (e) All references to the principal amount of the Notes or the Noteholder Claims contained in this Plan shall refer to the principal amount of such Notes or the Noteholder Claims, as applicable, excluding any make-whole premiums, prepayment premiums, redemption premiums or other similar premiums.

2.2 Treatment of Shareholders

Each Shareholder shall retain its Existing Shares, subject to the Share Consolidation in accordance with Section 4.3 of this Plan and the treatment of fractional interests in accordance with Section 4.2 of this Plan, such that the Common Shares owned by the Shareholders immediately following implementation of this Plan shall represent that percentage of the aggregate Common Shares determined as (i) the total number of Existing Shares, divided by (ii) the sum of (A) the total number of Existing Shares, plus (B) the total number of New Common Shares issued on the Effective Date.

2.3 Unaffected Parties

- (a) This Plan and the Arrangement Agreement shall not, and shall not be deemed to, affect the Lenders or the Administrative Agent or any of the obligations of the Applicants under or in respect of the Credit Agreement.
- (b) Subject to Section 6.1(d), this Plan and the Arrangement Agreement shall not, and shall not be deemed to, affect the Incentive Plans and the underlying DSUs, PSUs and RSUs issued pursuant to such Incentive Plans.

ARTICLE 3 ISSUANCES, DISTRIBUTIONS AND PAYMENTS

3.1 Delivery of New Secured Notes

- (a) On the Effective Date, SES shall deliver a written direction to the New Secured Notes Trustee directing the New Secured Notes Trustee to issue all of the New Secured Notes to be issued and distributed under this Plan.
- (b) The delivery of the New Secured Notes issued by the New Secured Notes Issuers pursuant to this Plan shall be made by way of (i) issuance on the Effective Date of one or more global notes in the name of CDS (or its nominee) in respect of the New Secured Notes to be issued to the Noteholders that are entitled to receive New Secured Notes pursuant to this Plan and who are able to receive the New Secured Notes through CDS as of the Distribution Record Date, and (ii) if applicable, delivery on the Effective Date, or as soon as practicable thereafter, of New Secured Notes in certificated form or in book form (as determined by the Applicants in consultation with the New Secured Notes Trustee) to any Noteholder that is entitled to receive New Secured Notes under this Plan, has withdrawn its Notes from CDS, and holds such Notes in registered form, pursuant to the registration and delivery instructions provided by each such Noteholder.
- (c) Any Noteholder that has withdrawn its Notes from CDS and holds such Notes in

registered form shall be required to provide registration details for the issuance and delivery of its New Secured Notes in certificated form or book form to the Proxy, Information and Exchange Agent by the Early Consent Date (or such later date as agreed to by the Applicants, acting reasonably). If a Noteholder that is to receive its New Secured Notes in certificated form or book form pursuant to Section 3.1(b) has not provided the required registration details to the Proxy, Information and Exchange Agent by the Early Consent Date (or such later date as agreed to by the Applicants, acting reasonably), such Noteholder's New Secured Notes shall be issued to the Proxy, Information and Exchange Agent in the form of a separate note certificate (or such other form as agreed to with the New Secured Notes Trustee) to the Proxy, Information and Exchange Agent for the benefit of the Noteholder until such time as the Noteholder provides the required registration details.

3.2 Delivery of New Common Shares

- (a) On the Effective Date, all New Common Shares issued in connection with this Plan shall be deemed to be duly authorized, validly issued, fully paid and non-assessable.
- (b) On the Effective Date, SES shall deliver a treasury direction to the Transfer Agent that directs the Transfer Agent to issue all of the New Common Shares to be issued and distributed under this Plan and direct the Transfer Agent to use its commercially reasonable efforts to cause the New Common Shares under this Plan to be distributed by no later than the second Business Day following the Effective Date (or such other date as the Applicants and the Majority Initial Consenting Noteholders may agree, each acting reasonably).
- (c) The delivery of New Common Shares issued pursuant to this Plan shall be made (i) in respect of Noteholders that are entitled to receive New Common Shares under this Plan and who are able to receive New Common Shares through CDS as of the Distribution Date, through the facilities of CDS to Intermediaries who, in turn, will make delivery of the New Common Shares to the ultimate beneficial recipients thereof pursuant to standing instructions and customary practices of CDS, or (ii) in respect of any Noteholder that is entitled to receive New Common Shares under this Plan, has withdrawn its Notes from CDS, and holds such Notes in registered form, by providing either (A) Direct Registration System advices or confirmations or (B) certificated shares, as elected by such holder in consultation with SES, in the name of the applicable recipient thereof (or its Intermediary) and registered electronically in SES' records, which will be maintained by the Transfer Agent.
- (d) The aggregate number of New Common Shares to be issued pursuant to this Plan (the "**Aggregate Number of New Common Shares**") shall equal 8,465,678, based on there being 60,952,885 Existing Shares issued and outstanding immediately prior to the Effective Time that shall, pursuant to the Share Consolidation, be consolidated on a 12 for 1 basis into 5,079,407 Common

Shares, subject to Section 4.2(a); provided that the Aggregate Number of New Common Shares shall equal 62.5% of the Common Shares on a fully diluted basis (including, for certainty, the New Common Shares) issued and outstanding immediately prior to the Effective Time. If the number of Existing Shares outstanding immediately prior to the Effective Time is not 60,952,885, then the Aggregate Number of New Common Shares shall be amended proportionately by SES, with the consent of the Majority Initial Consenting Noteholders, each acting reasonably, to reflect the aggregate number of Existing Shares actually issued and outstanding immediately prior to the Effective Time.

3.3 Delivery of Post-Share Consolidation Common Shares

After the Effective Date and following delivery to the Transfer Agent of a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Transfer Agent may require, each registered Shareholder shall be entitled to receive in exchange therefor, and the Transfer Agent shall deliver to such Shareholder, Direct Registration Statement advices evidencing the post-Share Consolidation Common Shares, or certificated post-Share Consolidation Common Shares, to which the Shareholder's Existing Shares are and are deemed to be consolidated pursuant to this Plan.

3.4 No Liability in respect of Deliveries

- (a) None of the Applicants, nor their respective directors or officers, shall have any liability or obligation in respect of any deliveries, directly or indirectly, from, as applicable, (i) the Notes Trustee, (ii) the New Secured Notes Trustee, (iii) CDS, or (iv) the Intermediaries, in each case to the ultimate beneficial recipients of any consideration payable or deliverable by the Applicants pursuant to this Plan.
- (b) The Notes Trustee shall not incur, and is hereby released from, any liability as a result of carrying out any provisions of this Plan and any actions related or incidental thereto, save and except for any gross negligence or wilful misconduct on its part (as determined by a final, non-appealable judgment of the Court). On the Effective Date after the completion of the transactions set forth in Section 4.4, all duties and responsibilities of the Notes Trustee arising under or related to the Notes shall be discharged except to the extent required in order to effectuate this Plan.

3.5 Surrender and Cancellation of Notes

On the Effective Date, CDS (or its nominee) (as registered holder of the Notes on behalf of the Noteholders) and each other Person who holds Notes in registered form on the Effective Date shall surrender, or cause the surrender of, the certificate(s) representing the Notes to the Notes Trustee for cancellation in exchange for the consideration payable to Noteholders pursuant to Section 2.1.

3.6 Application of Plan Distributions

All amounts paid or payable hereunder on account of the Noteholder Claims (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the Notes to which such Noteholder Claims relate, and (ii) second, in respect of the accrued but unpaid interest on the Notes to which such Noteholder Claims relate.

3.7 Withholding Rights

The Applicants shall be entitled to deduct and withhold from any consideration or other amount deliverable or otherwise payable to any Person hereunder such amounts as the Applicants may be required or permitted to deduct or withhold with respect to such payment under the *Income Tax Act* (Canada), or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the relevant Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

ARTICLE 4 IMPLEMENTATION

4.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of any of the Applicants will occur and be effective as of the Effective Date (or such other date as may be expressly set forth in this Plan or as the Applicants and the Majority Initial Consenting Noteholders may agree, each acting reasonably), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Final Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Applicants. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Applicants, as applicable.

4.2 Fractional Interests

- (a) No fractional Common Shares shall be issued under this Plan, including any fractional interests created as a result of the Share Consolidation, and fractional share interests shall not entitle the owner thereof to vote or to any other rights of a holder of Common Shares. Any legal, equitable, contractual or any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional Common Shares pursuant to this Plan shall be rounded down to the nearest whole number of Common Shares without compensation therefor.
- (b) The New Secured Notes issued pursuant to this Plan shall each be issued in minimum increments of \$1.00, and the amount of New Secured Notes that each

Noteholder shall be entitled to under this Plan shall in each case be rounded down to the nearest multiple of \$1.00 without compensation therefor.

- (c) All payments made in cash pursuant to this Plan shall be made in minimum increments of \$0.01, and the amount of any payments to which a Person may be entitled to under this Plan shall be rounded down to the nearest multiple of \$0.01.

4.3 Share Consolidation

Immediately prior to the Effective Time, SES shall file articles of amendment pursuant to sections 173(1)(f) and 176(1)(c) of the ABCA giving effect to a consolidation of the Existing Shares (the “**Share Consolidation**”) on the basis of one post-consolidation Common Share for every 12 pre-consolidation Common Shares, with any fractional interests in the consolidated Common Shares cancelled without payment of any consideration therefor. In accordance with the ABCA, immediately following the completion of the Share Consolidation, the stated capital of the Common Shares shall be equal to the stated capital of the Common Shares immediately prior to the Share Consolidation.

4.4 Effective Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute increments (unless otherwise indicated) and at the times set out in this Section 4.4 (or in such other manner or order or at such other time or times as the Applicants and the Majority Initial Consenting Noteholders may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) The following shall occur concurrently:
 - (i) the New Secured Notes Issuers and the New Secured Notes Trustee shall enter into the New Secured Notes Indenture together with all related documentation (including applicable security documentation) as agreed by the Applicants and the Majority Initial Consenting Noteholders, each acting reasonably;
 - (ii) in exchange for the Notes, and in full and final settlement of the Noteholder Claims:
 - (A) SES shall issue and pay to each Noteholder such Noteholder’s Noteholder Pro Rata Share of the New Common Share Pool, which shares shall be issued and paid by SES on behalf of and for the benefit of the Notes Issuers in the following proportions: (1) the percentage of the New Common Shares issued and paid on behalf of and for the benefit of Source Holdings is equal to the percentage obtained by dividing (x) the aggregate principal amount owing under the Notes that was advanced to Source Holdings by (y) the aggregate principal amount owing under the Notes (such percentage, the “**Source Holdings Percentage**”); and (2) the

percentage of the New Common Share Pool issued and paid on behalf of and for the benefit of Source LP is equal to the percentage that is equal to 100% minus the Source Holdings Percentage (such percentage, the “**Source LP Percentage**”);

- (B) the Notes Issuers shall issue and pay to each Noteholder such Noteholder’s Noteholder Pro Rata Share of the New Secured Notes Pool;
- (C) the Notes Issuers shall issue and pay to each Consenting Noteholder such Consenting Noteholder’s Consenting Noteholder Pro Rata Share of the Early Consent Notes Pool;
- (D) Source LP shall issue to SES such number of additional Class B Units in its capital having an aggregate fair market value at that time equal to the fair market value on the Effective Date of the New Common Shares issued to Noteholders pursuant to Section 4.4(a)(ii)(A), which additional Class B Units shall be issued to SES in consideration for SES issuing and delivering New Common Shares to the Noteholders on behalf of and for the benefit of the Notes Issuers pursuant to Section 4.4(a)(ii)(A); and
- (E) Source Holdings shall issue to Source LP such number of additional common shares in its capital having an aggregate fair market value at that time equal to the fair market value on the Effective Date of the New Common Shares issued by SES on behalf of and for the benefit of Source Holdings pursuant to Section 4.4(a)(ii)(A), which additional common shares shall be issued to Source LP in consideration for Source LP issuing to SES such portion of the additional Class B Units in its capital pursuant to Section 4.4(a)(ii)(D) as is equal to the fair market value on the Effective Date of the New Common Shares issued by SES on behalf of and for the benefit of Source Holdings pursuant to Section 4.4(a)(ii)(A);

and the price for which the Notes are exchanged under this Plan shall be equal to the aggregate principal amount of the New Secured Notes and the fair market value of the New Common Shares issued pursuant to Section 4.4(a)(ii)(A).

- (b) In respect of the transactions contemplated by Section 4.4(a):
 - (i) SES shall add an amount to the stated capital account maintained in respect of the New Common Shares equal to the fair market value on the Effective Date of the New Common Shares issued to Noteholders pursuant to Section 4.4(a)(ii)(A);
 - (ii) Source LP shall record a contribution made by SES to Source LP in respect of, and as a result of the issuance of, the additional Class B Units

pursuant to Section 4.4(a)(ii)(D) equal to the fair market value on the Effective Date of the New Common Shares issued to Noteholders pursuant to Section 4.4(a)(ii)(A); and

- (iii) Source Holdings shall add an amount to the stated capital account maintained in respect of its common shares equal to the fair market value on the Effective Date of the New Common Shares issued by SES on behalf of and for the benefit of Source Holdings pursuant to Section 4.4(a)(ii)(A).
- (c) Concurrently with the transactions contemplated by Section 4.4(a):
- (i) the Noteholder Claims shall, and shall be deemed to be, irrevocably and finally extinguished and the Noteholders shall have no further right, title or interest in and to the Notes or their respective Noteholder Claims; and
 - (ii) the Notes, the Notes Indenture, and any and all other Notes Documents shall be cancelled, provided that (A) the Notes Indenture shall remain in effect solely to allow the Notes Trustee to make the distributions set forth in this Plan, and (B) the indemnity and liability protection provisions in favour of the Notes Trustee under the Notes Indenture which by their terms survive the termination of the Notes Indenture shall remain in effect notwithstanding the termination of the Notes Indenture;
- (d) The releases referred to in Section 5.1 shall become effective.
- (e) Unless otherwise agreed by SES and the Majority Initial Consenting Noteholders, such number of the directors of SES immediately prior to the Effective Time as agreed to by SES and the Majority Initial Consenting Noteholders shall have resigned or be deemed to have resigned and the New Directors shall be deemed to have been appointed.
- (f) One hour after the step set forth in Section 4.4(e), Source Holdings and Source Arrangecco shall be, and shall be deemed to be, amalgamated and continued as one corporation (“**Amalgamated Holdings**”) under the CBCA in accordance with the following:
- (i) **Name.** The name of Amalgamated Holdings shall be “Source Energy Services Canada Holdings Ltd.”;
 - (ii) **Registered Office.** The registered office of Amalgamated Holdings shall be located in the City of Calgary in the Province of Alberta. The address of the registered office of Amalgamated Holdings shall be 500, 438 – 11th Ave. SE, Calgary, Alberta, T2G 0Y4;
 - (iii) **Restrictions on Business.** There shall be no restrictions on the business that Amalgamated Holdings may carry on;

- (iv) **Articles.** The articles of Source Holdings, as in effect immediately prior to the Amalgamation, shall be deemed to be the articles of Amalgamated Holdings;
- (v) **Directors.** Amalgamated Holdings shall have a minimum of one director and a maximum of 15 directors, until changed in accordance with the CBCA. Until changed by shareholders of Amalgamated Holdings, or by the directors of Amalgamated Holdings in accordance with the CBCA, the directors of Source Holdings, as in effect immediately prior to the Amalgamation, shall be deemed to be the directors of Amalgamated Holdings;
- (vi) **Shares.** All shares of Source Arrangeco shall be cancelled without any repayment of capital in respect thereof; no shares will be issued by Amalgamated Holdings in connection with the Amalgamation and all shares of Source Holdings prior to the Amalgamation shall be unaffected and shall continue as shares of Amalgamated Holdings;
- (vii) **Stated Capital.** The stated capital account of the shares of Amalgamated Holdings will be equal to the stated capital account in respect of the common shares of Source Holdings immediately prior to the Amalgamation;
- (viii) **By-laws.** The by-laws of Source Holdings, as in effect immediately prior to the Amalgamation, shall be deemed to be the by-laws of Amalgamated Holdings;
- (ix) **Effect of Amalgamation.** The provisions of subsection 186(a) to (g) of the CBCA shall apply to the Amalgamation with the result that:
 - (A) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;
 - (B) the property of each amalgamating corporation continues to be the property of Amalgamated Holdings;
 - (C) Amalgamated Holdings continues to be liable for the obligations of each amalgamating corporation;
 - (D) an existing cause of action, claim or liability to prosecution is unaffected;
 - (E) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against Amalgamated Holdings;

- (F) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against Amalgamated Holdings; and
- (G) the Articles of Arrangement are deemed to be the articles of incorporation of Amalgamated Holdings and the Certificate of Arrangement is deemed to be the certificate of incorporation of Amalgamated Holdings.

ARTICLE 5 RELEASES

5.1 Release of Released Parties

At the applicable time pursuant to Section 4.4, each of the Released Parties shall be released and discharged from all present and future actions, causes of action, damages, judgments, executions, obligations, liabilities and Claims of any kind or nature whatsoever arising on or prior to the Effective Date in connection with the Notes, the Notes Indenture, the Notes Documents, the Existing Shares, the Support Agreement, the Arrangement, the Arrangement Agreement, this Plan, the CBCA Proceedings and any other proceedings commenced with respect to or in connection with this Plan, the transactions contemplated hereunder, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this paragraph shall release or discharge (i) any of the Released Parties from or in respect of their respective obligations under this Plan, the New Secured Notes, the New Common Shares, or any Order or document ancillary to any of the foregoing, or (ii) any Released Party from liabilities or claims attributable to such Released Party's fraud, gross negligence or wilful misconduct, as determined by the final, non-appealable judgment of the Court. The foregoing release shall not be construed to prohibit a party in interest from seeking to enforce the terms of this Plan or any contract or agreement entered into pursuant to, in connection with or contemplated by this Plan.

5.2 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Date, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever of any Person against the Released Parties, as applicable; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, guarantee, decree or order against the Released Parties; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of this Plan or the transactions contemplated hereunder; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Plan or any document, instrument or agreement executed to implement this Plan.

ARTICLE 6
CONDITIONS PRECEDENT AND IMPLEMENTATION

6.1 Conditions to Plan Implementation

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 6.2) of the following conditions:

- (a) The Court shall have granted the Final Order, the implementation, operation or effect of which shall not have been stayed or vacated;
- (b) The Final Order shall not have been varied in a manner not acceptable to the Applicants and the Majority Initial Consenting Noteholders or be subject to pending appeal;
- (c) No Law shall have been passed and become effective, the effect of which makes the consummation of this Plan illegal or otherwise prohibited;
- (d) Any steps, actions or resolutions that may be required in order to proportionately adjust the Incentive Plans to reflect the Share Consolidation shall be completed, effective concurrently with the step in Section 4.3 of this Plan, in form and substance satisfactory to SES and the Majority Initial Consenting Noteholders, each acting reasonably; and
- (e) All conditions to implementation of this Plan set out in the Noteholder Support Agreement shall have been satisfied or waived in accordance with the terms of the Noteholder Support Agreement.

6.2 Waiver of Conditions

The Applicants and the Majority Initial Consenting Noteholders may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree, each acting reasonably, provided however that the conditions set out in Sections 6.1(a) and 6.1(c) cannot be waived.

6.3 Effectiveness

This Plan will become effective in the sequence described in Section 4.4 on the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, and shall be binding on and enure to the benefit of the Applicants, the Noteholders, the Notes Trustee, the Shareholders, the Released Parties and all other Persons named or referred to in, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns. The Articles of Arrangement shall be filed and the Certificate of Arrangement shall be issued in each case with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 4.4 has become effective in the sequence set forth therein. No portion of this Plan shall take effect with respect to any party or Person until the Effective Time.

6.4 Effect of Non-Occurrence of Conditions to Plan Implementation

If the Effective Date does not occur on or before the termination of the Noteholder Support Agreement in respect of all Initial Consenting Noteholders party thereto, then (a) this Plan shall be null and void in all respects; (b) any settlement or compromise embodied in this Plan, and any document or agreement executed pursuant to this Plan shall be deemed null and void; and (c) the Notes Issuers' obligations with respect to the Notes, the Notes Documents and the Noteholder Claims shall remain unchanged and nothing contained in this Plan shall constitute or be deemed a waiver or release of any Noteholder Claims.

ARTICLE 7 GENERAL

7.1 Deemed Consents, Waivers and Agreements

At the Effective Time:

- (a) each Noteholder and each Shareholder shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety;
- (b) each Applicant, Noteholder and Shareholder shall be deemed to have executed and delivered to the other parties all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety; and
- (c) all consents, releases, assignments and waivers, statutory or otherwise, required from any Person to implement and carry out this Plan in its entirety shall be deemed to have been executed and delivered to the Applicants.

7.2 Waiver of Defaults

From and after the Effective Time, all Persons named or referred to in, or subject to, this Plan shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety. Without limiting the foregoing, from and after the Effective Time, all Persons shall be deemed to have:

- (a) waived any and all defaults or events of default, change of control rights or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to, arising out of, or in connection with, the Notes, the Notes Documents, the Noteholder Support Agreement, the Arrangement, the Arrangement Agreement, this Plan, the transactions contemplated hereunder, the CBCA Proceedings and any other proceedings commenced with respect to or in connection with this Plan and any and all amendments or supplements thereto. Any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been rescinded and of no further

force or effect, provided that nothing shall be deemed to excuse the Applicants and their respective successors and assigns from performing their obligations under this Plan or any contract or agreement entered into pursuant to, in connection with, or contemplated by, this Plan; and

- (b) agreed that if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and any of the Applicants prior to the Effective Date and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly,

provided, however, that notwithstanding any other provision of this Plan, nothing herein 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.

7.3 Compliance with Deadlines

The Applicants have the right to waive strict compliance with the Early Consent Deadline (in consultation with the Initial Consenting Noteholders) and the right to waive strict compliance with any other deadlines for the submissions of forms or other documentation pursuant to this Plan, and shall be entitled to waive any deficiencies with respect to any forms or other documentation submitted pursuant to this Plan.

7.4 Paramourncy

From and after the Effective Date, any conflict between this Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, by-laws or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the Noteholders or the Notes Trustee and any of the Applicants with respect to the Notes Documents as at the Effective Date shall be deemed to be governed by the terms, conditions and provisions of this Plan and the Final Order, which shall take precedence and priority.

7.5 Deeming Provisions

In this Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

7.6 Modification of Plan

Subject to the terms and conditions of the Noteholder Support Agreement:

- (a) the Applicants reserve the right to amend, restate, modify and/or supplement this Plan at any time and from time to time, provided that (except as provided in subsection (c) below) any such amendment, restatement, modification or supplement must be contained in a written document that is (i) filed with the Court and, if made following the Meetings, approved by the Court, and

- (ii) communicated to the Noteholders and Shareholders and the Trustee in the manner required by the Court (if so required);
- (b) any amendment, modification or supplement to this Plan may be proposed by the Applicants at any time prior to or at the Meetings, with or without any prior notice or communication (other than as may be required under the Interim Order), and if so proposed and accepted at the Meetings, shall become part of this Plan for all purposes; and
- (c) any amendment, modification or supplement to this Plan may be made following the Meetings by the Applicants, without requiring filing with, or approval of, the Court, provided that it concerns a matter that is of an administrative nature and is required to better give effect to the implementation of this Plan and is not materially adverse to the financial or economic interests of any of the Noteholders or Shareholders.

7.7 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail or email addressed to the respective parties as follows:

- (a) if to the Applicants, at:

Source Energy Services Ltd.
c/o Goodmans LLP
333 Bay Street, Suite 3400
Toronto, Ontario
M5H 2S7

Attention: Robert J. Chadwick and Bradley Wiffen
Email: rchadwick@goodmans.ca
bwiffen@goodmans.ca

- (b) if to any of the Initial Consenting Noteholders, at:

Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON, M5X 1A4

Attention: Kevin Zych and Sean Zweig
Email: zychk@bennettjones.com
zweigs@bennettjones.com

- (c) If to any Consenting Noteholder that is not an Initial Consenting Noteholder, at the address set forth for such party on its signature page the Noteholder Support Agreement,

or to such other address as any party above may from time to time notify the others in accordance with this Section 7.7. In the event of any strike, lock-out or other event that interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. Any such notices and communications so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing, provided that such day in either event is a Business Day and the communication is so delivered or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. The unintentional failure by the Applicants to give a notice contemplated hereunder to any particular Noteholder or Shareholder shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

7.8 Consent of Initial Consenting Noteholders

For the purposes of this Plan, any matter requiring the agreement, waiver, consent or approval of the Initial Consenting Noteholders or the Majority Initial Consenting Noteholders shall be deemed to have been agreed to, waived, consented to or approved by such Initial Consenting Noteholders or Majority Initial Consenting Noteholders, as applicable, if such matter is agreed to, waived, consented to or approved in writing by any of the Initial Consenting Noteholder Advisors on behalf of the Initial Consenting Noteholders or Majority Initial Consenting Noteholders, as applicable, provided that such Initial Consenting Noteholder Advisor confirms in writing (which can be by way of e-mail) that it is providing such agreement, consent, waiver or approval on behalf of the Initial Consenting Noteholders or Majority Initial Consenting Noteholders, as applicable.

7.9 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, subject to the terms of the Noteholder Support Agreement, each of the Persons named or referred to in, affected by or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.