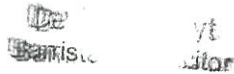


THIS IS EXHIBIT "H"

Referred to in the Affidavit of Don Umbach

Sworn before me this 6th Day of December, 2013


A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA



David LeGeyt
Barrister & Solicitor

POSTPONEMENT AND SUBORDINATION AGREEMENT

THIS AGREEMENT dated as of the 17th of July, 2012.

AMONG:

ALBERTA TREASURY BRANCHES
(hereinafter called "ATB")

OF THE FIRST PART

- and -

SECOND WAVE PETROLEUM INC., a corporation incorporated
under the laws of Alberta
(hereinafter called "Second Wave")

OF THE SECOND PART

- and -

ALSTON ENERGY INC., a corporation incorporated under the laws of
Alberta
(hereinafter called "Alston")

OF THE THIRD PART

WHEREAS ATB, Second Wave, CANROCK ENERGY CORP. ("CanRock"), PETROSANDS RESOURCES (CANADA) INC. ("PetroSands") and QMAC VENTURES INC. ("QMAC") entered into a Postponement and Subordination Agreement dated as of February 24, 2011 with respect to the postponement and subordination by Second Wave in favour of ATB of security granted to Second Wave by CanRock, PetroSands and QMAC for indebtedness of CanRock to Second Wave;

AND WHEREAS CanRock, PetroSands and QMAC amalgamated to form CanRock Energy Corp. ("CanRock Amalco");

AND WHEREAS CanRock Amalco and Alston Energy Inc., an amalgamation predecessor of Alston, entered into an arrangement which closed on the date hereof and amalgamated on the date hereof to form Alston;

AND WHEREAS Alston is liable for the debts, liabilities and obligations of CanRock, PetroSands, QMAC and CanRock Amalco to ATB and Alston has incurred and may hereafter incur debts and obligations, whether absolute or contingent, present or future, direct or indirect, incurred alone or together, with another or others, to ATB, and has executed and delivered (including without limitation through and under the names of one or more amalgamation predecessors) or may hereafter execute and deliver certain security in favour of ATB (all security now or hereafter provided by Alston or its amalgamation predecessors to ATB being hereinafter called the "ATB Security");

AND WHEREAS Alston is liable for the debts, liabilities and obligations of CanRock, PetroSands, QMAC and CanRock Amalco to Second Wave and has executed (including without limitation through and under the names of one or more amalgamation predecessors) or may in future

execute certain security in favour of Second Wave (all security now or hereafter provided by Alston or its amalgamation predecessors to Second Wave being hereinafter called the "Second Wave Security");

AND WHEREAS the parties hereto have agreed to enter into this Agreement in order to set out the respective priorities of the ATB Security and the Second Wave Security;

NOW THEREFORE THIS INDENTURE WITNESSETH that in consideration of the premises and other good and valuable consideration, the parties hereto hereby covenant, undertake, declare and agree as follows:

ARTICLE 1 CONSENT AND ACKNOWLEDGEMENT

1.1 ATB hereby acknowledges its consent to the creation and issue by Alston to Second Wave of the Second Wave Security and to Alston incurring the indebtedness secured thereby, not to exceed \$2,950,000, originally incurred for the purchase of assets by CanRock from Second Wave.

1.2 Second Wave hereby acknowledges its consent to the creation and issue by Alston to ATB of the ATB Security and to Alston incurring the indebtedness secured thereby.

1.3 Alston covenants, acknowledges and agrees in favour of ATB and Second Wave that Alston is liable for the debts, liabilities and obligations of each of CanRock, PetroSands, QMAC and CanRock Amalco to ATB and Second Wave.

ARTICLE 2 COVENANTS OF THE DEBTOR

2.1 Alston hereby confirms to and agrees with ATB and Second Wave that so long as any indebtedness or contingent obligations of any of Alston to either ATB or Second Wave remains outstanding, Alston shall stand possessed of its assets so charged for ATB and for Second Wave in accordance with their respective interests and priorities as herein set out.

ARTICLE 3 POSTPONEMENT AND SUBORDINATION

3.1 Second Wave hereby postpones and subordinates the Second Wave Security in all respects and for all purposes to the ATB Security in respect of all present and future assets and property of Alston, whether personal or real, including without limitation all present and future petroleum and natural gas rights, interests, and the undertaking of Alston.

3.2 The subordinations and postponements contained herein shall apply in all events and circumstances, and without restricting the generality of the foregoing, shall apply regardless of:

- (a) the date of execution, attachment, registration or perfection of any security agreement or security interest held by ATB or Second Wave or whether any such security is now or hereafter attached, registered or perfected;
- (b) the date of any obligation of Alston arising or any advance or advances being made to Alston or the Borrower by ATB or Second Wave;

- (c) the nature of any debts, liabilities or obligations, whether such are present or future, absolute or contingent, direct or indirect, or incurred alone or together, with another or others;
- (d) the date of default by Alston under any of the ATB Security or the Second Wave Security or the dates of crystallization of any floating charges held by ATB or Second Wave; or
- (e) any priority granted by any principle of law or any statute, including the *Personal Property Security Act* of Alberta.

3.3 Notwithstanding any other term hereof or of the ATB Security or the Second Wave Security, without exception, ATB shall have no obligation to Second Wave (and Second Wave shall have no rights or claim against ATB or any security interest) with respect to any instruments or monies deposited in or disbursed from any account of Alston now or hereafter maintained at ATB.

3.4 Any insurance proceeds received by Alston or by ATB or Second Wave in respect of the collateral charged by the ATB Security or the Second Wave Security shall be dealt with according to the preceding provisions hereof as though such insurance proceeds were paid or payable as proceeds of realization of the collateral for which they compensate.

3.5 To the extent permitted by law, each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of Alston upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from any premises of Alston at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.

3.6 Any assets or amounts received by Second Wave contrary to the terms hereof shall be held in trust by Second Wave for ATB and shall be paid and forthwith delivered by Second Wave to ATB upon receipt.

3.7 Notwithstanding any other term hereof, at any time after ATB has issued a demand for payment of the loans secured by the ATB Security, Second Wave may, within fifteen days following receipt by Second Wave of notice of such demand and upon reasonable written notice to ATB, purchase from ATB such loans for a purchase price in an amount equal to the amount required to fully and finally pay, discharge and satisfy all of the debts, liabilities and obligations of Alston to ATB, and upon receipt by ATB of such payment, and upon ATB being indemnified and otherwise secured to ATB's reasonable satisfaction with respect to any contingent or other debts, liabilities and obligations which would have been secured under the ATB Security, ATB shall assign the ATB Security and all of its rights under and pursuant to the ATB Security to Second Wave on an "as is" basis, without warranty or recourse to ATB.

3.8 Second Wave covenants and agrees in favour of ATB that it will not take any additional fixed charge security from Alston after the date hereof without at least 21 days prior written notice to ATB or register any of the Second Wave Security by way of fixed charge against any specific assets of Alston without at least 7 days prior written notice to ATB, which notice shall set forth full particulars of the assets against which Second Wave proposes to take or register such fixed charge, together with a copy of all documents Second Wave proposes to obtain or submit for filing or registration. Second Wave acknowledges that any such grant of additional fixed charge security or registration or filing of its fixed charge, or the failure or refusal of ATB to take any fixed charge or register or file its fixed charge, shall not affect the postponement and subordination by Second Wave as to all assets of Alston as provided for herein.

ARTICLE 4 **GENERAL**

4.1 Prior to making any demand for payment on Alston or proceeding to enforce its security, Second Wave shall provide not less than sixty (60) days prior written notice of such demand or enforcement to ATB.

4.2 From time to time upon request therefor, ATB and Second Wave may advise each other of the particulars of the indebtedness and liability of Alston to such creditor and all security held by each therefor. Further, Second Wave and ATB, as the case may be, shall provide written notice to the other of any event of material default under the Second Wave Security or ATB Security, and the indebtedness secured thereby, within 15 days of any such default, provided that neither shall be liable for any accidental omission to provide such notice.

4.3 Each of Second Wave and ATB agrees that it will not transfer or assign any of its loan or security from Alston without first obtaining from the proposed assignee or transferee an agreement to be bound by the provisions of this Agreement in form acceptable to the other secured party.

4.4 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered to the parties hereto as follows:

(a) Second Wave:

Second Wave Petroleum Inc.
1400, 202 – 6th Avenue SW
Calgary, Alberta T2P 2R9

Attention: President

(b) ATB:

Alberta Treasury Branches
Corporate Financial Services - Energy Group
6th Floor, 444 – 7th Avenue SW
Calgary, Alberta T2P 0X8

Attention: Luke Puxley
Director
(Re: Alston Energy Inc.)

(c) Alston:

Alston Energy Inc.
1100, 744 – 4th Avenue SW
Calgary, Alberta T2P 3T4

Attention: President

4.5 Each of ATB, Second Wave and Alston shall do, perform, execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of

this Agreement; provided, however, that no consent of Alston shall be necessary to any amendment of the terms hereof by ATB and Second Wave unless the interests of Alston are directly affected thereby.

4.6 This Agreement may be executed in several counterparts and by facsimile, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the date hereof.

4.7 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

4.8 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta.

4.9 Neither ATB nor Second Wave shall knowingly take any action to defeat the priorities set forth in this agreement.

4.10 This Agreement shall terminate at such time as the total indebtedness and liabilities of Alston to either ATB or Second Wave shall have been paid and satisfied in full and all available credit facilities shall have been cancelled.

[execution page follows]

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

ALBERTA TREASURY BRANCHES

Per: Luke Puxley

Name: **Luke Puxley**
Title: **Director**

Per: Sonia Barr

Name: **Sonia Barr**
Title: **Associate Director**

SECOND WAVE PETROLEUM INC.

Per: _____

Name:
Title:

Per: _____

Name:
Title:

ALSTON ENERGY INC.

Per: _____

Name:
Title:

Per: _____

Name:
Title:

:

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

ALBERTA TREASURY BRANCHES

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SECOND WAVE PETROLEUM INC.

Per: _____
Name:
Title:

Per: _____
Name: **Randy Bergmann**
Title: **Vice President, Land**

ALSTON ENERGY INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hands of their duly authorized officers.

ALBERTA TREASURY BRANCHES

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

SECOND WAVE PETROLEUM INC.

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____

ALSTON ENERGY INC.

Per:  _____
Name: Don K. Umbach
Title: President & CEO

Per: _____
Name: _____
Title: _____

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