

EXHIBIT “K”

March 11, 2014


Entrec Corporation
100 Diamond Avenue, Box 3490
Spruce Grove, Alberta
T7X 3A7

Attention: Messrs John Stevens and Jason Vandenberg

Dear Sirs:

On the basis of the financial statements and other information provided by **Entrec Corporation** (the "Borrower"), in connection with your request for financing, **Canadian Western Bank** (the "Bank") has authorized the following loan(s) subject to the terms and conditions outlined in this Commitment Letter (the "Agreement").

This is Exhibit "K" referred to in the
Affidavit of John Stevens
Sworn before me this 14 day
of May, 2020


A Commissioner for Oaths, in and for
the Province of AlbertaSpencer D. Norris
Barrister and Solicitor1. LOAN AMOUNT:

- 1.1. Loan Segment (1): Operating Loan/Overdraft \$5,000,000 (also includes Letters of Credit/Guarantee (L/C) to a maximum \$1,000,000).

**Account Netting will be allowed and agreed to under separate agreement*

Collectively referred to as "the Loans".

2. PURPOSE OF LOANS:

Amounts advanced by the Bank are to be used by the Borrower as follows:

- 2.1. Loan Segment (1): To finance the day-to-day operations of the Borrower's business.

3. AVAILABILITY:

- 3.1. Loan Segment (1): Prime Rate Based Loans in CAD\$ (Letter of Credit (L/C's) in CAD\$)

4. INTEREST RATES:

Loans shall bear interest while outstanding before and after maturity and default at the following rate(s):

- 4.1. Loan Segment (1): Interest to float at a rate of **0.75%** per annum above the Bank's Prime Lending Rate ("Prime"). As of the date of this Agreement, Prime is 3.00% per annum.

5. ADVANCES:

- 5.1. Loan Segment (1): Will attach to the operating account and will be available following satisfaction of the Margin Conditions and Conditions Precedent as set forth in Schedules "B" and "D" herein attached.

6. SCHEDULED REPAYMENT:

Interest due monthly, principal amounts due as follows:

- 6.1. Loan Segment (1): 5 years from closing date ("Maturity Date").

7. **MANDATORY REPAYMENTS:**

- 7.1. Should there be a borrowing base deficiency in Wells Fargo syndicate loan, the overdraft facility will reduce on a dollar for dollar basis. A borrowing base deficiency is defined as having negative Excess Availability.

8. **FEES:**

- 8.1. The Borrower shall pay to the Bank a commitment fee equal to 0.375% of the principal balance of the loans.
- 8.2. The Borrower shall pay a stand-by fee equal to 0.25% on undrawn funds based on netting agreement.
- 8.3. The Borrower shall pay a monthly administration fee of \$250 to cover the cost of administration in monitoring the Line of Credit/Overdraft/DNR and Account Netting administration of Designated Accounts. This fee is in addition to the account's standard service charges.
- 8.4. The Borrower shall pay CWBdirect service fees as applicable.
- 8.5. The Borrower shall pay standard L/C fees of 2.00% per annum based on the amount of the L/C, subject to a minimum \$150 plus out of pocket expenses.

9. **SECURITY:**

The attached Schedule "A" forms part of this Agreement.

10. **KEY COVENANTS/ CONDITIONS:**

The attached Schedule "B" forms part of this Agreement.

11. **REPORTING REQUIREMENTS:**

The attached Schedule "C" forms part of this Agreement.

12. **CONDITIONS PRECEDENT TO DRAWDOWN:**

The attached Schedule "D" forms part of this Agreement.

13. **GENERAL CONDITIONS:**

The attached Schedule "E" forms part of this Agreement.

14. **STANDARD LOAN TERMS AND DEFINITIONS:**

The attached Schedule "F" forms part of this Agreement.

15. **COSTS:**

All costs, including, but not limited to, legal counsel expense, appraisal fees, cost consultant fees and reasonable out-of-pocket expenses incurred by the Bank in connection with the preparation and registration of this Agreement and the Bank's security and the enforcement of the Bank's rights under this Agreement or the Bank's security are for the account of the Borrower and this Agreement will serve as the Bank's authority to charge this amount to the Borrower's deposit account under advice to the Borrower.

16. **ASSIGNMENT BY BORROWER:**

The Borrower shall not assign or encumber its rights and obligations under the Loan(s), this Agreement or the whole or any part of any advance to be made hereunder, without the prior written consent of the Bank.

17. **BANK'S COUNSEL:**

Legal work and documentation to be performed at the Borrower's expense through the Bank's counsel:

William K. Jenkins
Dentons
15th Floor, 850 - 2nd Street SW
Calgary AB, T2P 0R8

Telephone: (403) 268-6835
Fax: (403) 268-3100
Email: bill.jenkins@dentons.com

18. **MATERIAL CHANGE:**

Acceptance of this Agreement by the Borrower provides full and sufficient acknowledgement that, if in the opinion of the Bank any material adverse change in risk occurs, including without limiting the generality of the foregoing, any material adverse change in the financial condition of the Borrower or any Guarantor, any obligation by the Bank to advance all or any portion of the loan may be withdrawn or cancelled at the sole discretion of the Bank, acting in a commercially reasonable manner.

19. **NON-MERGER:**

The terms and conditions set out herein shall not be superseded by nor merge in and shall survive the execution, delivery and/or registration of any instruments of security or evidences of indebtedness granted by the Borrower and/or any Guarantor(s) hereafter, and the advance of any funds by the Bank. In the event of a conflict between the security documents and the terms of this letter, the terms of the security documents shall govern.

20. **ACCOUNTING CHANGES:**

In the event that any Accounting Change (as defined below) shall occur and such change results in a change in the method of calculation of financial covenants, standards or terms in the Commitment Letter, then the Borrower and the Bank agree to enter into negotiations in order to amend such provisions of the Commitment Letter so as to reflect equitably such Accounting Changes with the desired result that the criteria for evaluating the Borrower's financial condition shall be substantially the same after such Accounting Changes as if such Accounting Changes had not been made. Until such time as an amendment shall have been executed and delivered by the Borrower(s) to the Bank all financial covenants, standards and terms in this Agreement shall continue to be calculated or construed as if such Accounting Changes had not occurred.

Accounting Changes refers to changes in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Canadian Institute of Chartered Accountants, and all events including changes resulting from implementation of the International Financial Reporting Standards to the extent required by the Canadian Accounting Standards Board.

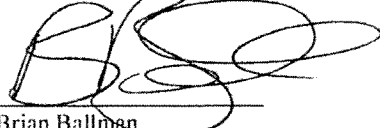
ACCEPTANCE:

To become effective, this Agreement must be accepted in writing by the Borrower and all Guarantor(s).

If you are in agreement with the above terms and conditions (which includes by reference, all of those terms and conditions set forth in all of the attached Schedules), please sign and return the enclosed copy of this letter. Upon receipt of executed commitment letter together, Entrec Corporation CWB operating account will be debited **\$18,750**, representing the commitment fee. This Agreement will expire if not accepted by March 21, 2014.

The foregoing Agreement is offered in good faith and is to be held in strict confidence.

Yours truly,
CANADIAN WESTERN BANK


Brian Ballman
Manager, Commercial Banking


Blair Zahara
AVP & Branch Manager

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: ENTREC CORPORATION

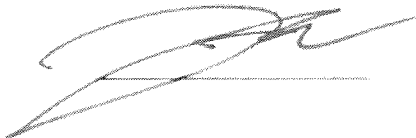
Signed



Accepted

March 11, 2014
Date

Signed



Accepted

March 11, 2014
Date

SCHEDULE "A" - DEMAND**SECURITY**

All security documentation described herein must be prepared, executed and registered, as required by the Bank, prior to drawdown of any funds. The types of security, supporting resolutions and agreements to be provided by the Borrower to the Bank will be in form and content satisfactory to the Bank and/or its solicitors, acting reasonably and without restricting the generality of the foregoing, will include:

1. Overdraft Lending Agreement in the amount of \$5,000,000;
2. Account Netting Agreement, including designated accounts – Schedule "A" and account netting allocation – Schedule "B";

The Borrower acknowledge and agree that the securities above described provided by the Borrower, support all loans and secure all indebtedness of the Borrower to the Bank.

SCHEDULE "B" - DEMAND**KEY COVENANTS/CONDITIONS****POSITIVE COVENANTS**

Standard for this type of financing, including but not limited to the following:

1. to pay all sums of money when due under this Agreement;
2. to give the Bank prompt notice of any Event of Default or any event which, with notice or lapse of time or both, would constitute an Event of Default;
3. to insure and to keep fully insured all properties customarily insured by companies carrying on a similar business to that of the Borrower including business/rental interruption, general liability in an amount to be determined.
4. to file on a timely basis, all material tax returns which are or will be required to be filed, to pay or make provision for payment of all material taxes (including interest and penalties) and other potential Priority Claims which are or will become due and payable and to provide adequate reserves for the payment of any tax, the payment of which is being contested;
5. to comply with all applicable environmental laws and regulations; to advise the Bank promptly of any breach of any environmental regulations or licenses or any control orders, work orders, stop orders, action requests or violation notices received concerning any of the Borrower's property; to comply with any such requests or notices, to diligently clean up any spills; and to hold the Bank harmless for any costs or expenses which the Bank incurs for any environment related liabilities existent now or in the future with respect to the Borrower's property;
6. to provide the Bank and its agents, nominees, and consultants with the right to enter the premises of the Borrower from time to time, and to carry out such environmental reviews as the Bank in its sole discretion deems advisable and in that connection to make good faith enquiries with government agencies and to examine the records, books, assets, affairs and business operations of the Borrower;
7. Maintain all Bank accounts at **Canadian Western Bank** in markets Canadian Western Bank services;
8. This Overdraft Facility is expressly permitted by the Wells Fargo syndication and reserve conditions ensuring the facility is covered by the borrowing base.

NEGATIVE COVENANTS

Standard for this type of financing, including but not limited to the following:

9. not to sell, transfer, convey, lease or otherwise dispose of any part of its property or assets, without the prior written consent of the Bank, except in the ordinary course of business;
10. Cash Management Services, as defined in the Credit Agreement dated March 6, 2014 is restricted solely to Canadian Western Bank;
11. No change of control for the Borrower.

SCHEDULE "C" - DEMAND
REPORTING REQUIREMENTS

The Borrower agrees to provide the following to the Bank:

Quarterly:

1. Quarterly financial statements and/or such other information as the Bank considers necessary within 60 days of quarter end;
2. Schedule "B" – Account Netting Allocations *(or as required by Borrower)*

Annually:

3. Audited consolidated annual financial statements of the Borrower audited by a firm of qualified professional accountants within 120days of the Borrower's fiscal year-end,
4. Annual business plan including proforma balance sheets with profit and loss and cash flow statements as well as capital expenditure forecasts for the current fiscal year, showing purpose and source of financing within 30 days following year end.
5. any further information, data, financial reports and records, accounting or banking statements, certificates, evidence of insurance and other assurances which the Bank may from time to time require in its sole discretion, acting reasonably.

SCHEDULE "D" - DEMAND**CONDITIONS PRECEDENT TO DRAWDOWN**

The following conditions precedent must be fulfilled at close and are ongoing conditions of the facility:

1. the Bank shall be satisfied with the business, assets and financial condition of the Borrower and all security documentation and supporting agreements and documents must be completed in a form satisfactory to the Bank and its solicitors, and must be executed and registered, as appropriate, and the Bank shall have received a solicitor's letter of opinion with respect to the same;
2. Repayment and cancelation of the current CWB syndicate
3. No material adverse change
4. Satisfactory Syndication
5. CWB is a participant within the Wells Fargo syndication
6. No Default

SCHEDULE "E" - DEMAND**GENERAL CONDITIONS****EVENTS OF DEFAULT**

Standard for this type of financing, including but not limited to the following:

- (a) the Borrower or any Guarantor fails to make when due, whether on demand or at a fixed payment date, by acceleration or otherwise any payment of interest, principal, fees, or other amounts payable to the Bank;
- (b) there is a breach by the Borrower of any other term or condition contained in this Agreement or in any other agreement to which the Borrower and the Bank are parties and the Borrower has not corrected such breach within 15 days of notice having been provided to the Borrower;
- (c) any default occurs under the terms of any security to be provided in accordance with this Agreement or under any other credit, loan or security agreement to which the Borrower is a party;
- (d) any bankruptcy, re-organization, compromise, arrangement, insolvency or liquidation proceedings or other analogous proceedings are instituted by or against the Borrower and, if instituted against the Borrower are allowed against or consented to by the Borrower or are not dismissed or stayed within 60 days after such institution;
- (e) a Receiver is appointed over any property of the Borrower or any judgment or order or any process of any court becomes enforceable against the Borrower or any property of the Borrower or any creditor takes possession of any property of the Borrower;
- (f) any material adverse change occurs in the financial condition of the Borrower or any Guarantor;
- (g) any material adverse change occurs in the environmental condition of:
 - (i) the Borrower, or either of them, or any Guarantor of the Borrower; or
 - (ii) any property, equipment, or business activities of the Borrower or any Guarantor of the Borrower.
- (h) A change of control occurs

the Borrower acknowledges that failure by any Guarantor(s) of this Agreement to comply with the disclosure requirements set out in Section 45 of the Business Corporations Act (BCA) of Alberta shall constitute a default of the Borrower pursuant to this Agreement.

MISCELLANEOUS CONDITIONS

1. The rights and remedies of the Bank pursuant to this Agreement and the securities taken pursuant hereto are cumulative and not alternative, and not in substitution for any other rights, remedies, or powers of the Bank.
2. Any failure or delay by the Bank to exercise, or exercise fully, its rights and remedies pursuant to this Agreement and the securities taken pursuant hereto shall not be construed as a waiver of such rights and remedies.
3. In the absence of a formal Loan Agreement being entered into, this Agreement shall continue in full force and effect and shall not merge in any securities provided by the Borrower to the Bank.
4. the Bank reserves the sole and absolute right to syndicate part or all of the loan facility contemplated herein, with various syndication partners with whom the Bank syndicates loans from time to time, on terms and conditions satisfactory to the Bank;
5. This Agreement and the security documentation to be provided by the Borrower pursuant hereto shall be construed in accordance with and governed by the laws of the Province of Alberta.
6. Loan Agreement to contain standard yield protection and KYC requirements.



SCHEDULE "F" – DEMAND

SCHEDULE – STANDARD LOAN TERMS

ARTICLE 1 – GENERAL

- 1.1. **Interest Rate.** You will pay interest on each Loan at nominal rates per year at the rate specified in this Agreement.
- 1.2. **Floating rate of interest.** Each floating rate of interest provided for under this Agreement will change automatically, without notice, whenever the Bank's Prime Rate or the U.S. Base Rate, as the case may be, changes.
- 1.3. **Payment of interest.** Interest is calculated on the daily balance of the Loan at the end of each day. Interest is due once a month, unless the Agreement states otherwise. Unless you have made other arrangements with us, we will automatically debit your Operating Account for interest amounts owing. If your Operating Account is in overdraft and you do not deposit to the account an amount equal to the monthly interest payment, the effect is that we will be charging interest on overdue interest (which is known as compounding). Unpaid interest continues to compound whether or not we have demanded payment from you or started a legal action, or get judgment, against you.
- 1.4. **Fees.** You will pay the Bank's fees for the Loans as outlined in the Agreement. You will also reimburse us for all reasonable fees (including legal fees on a solicitor and his own client basis) and out-of-pocket expenses incurred in registering any security, and in enforcing our rights under this Agreement or any security. We will automatically debit your Operating Account for fee amounts owing.
- 1.5. **Payments.** If any payment is due on a day other than a Business Day, then the payment is due on the next Business Day.
- 1.6. **Applying money received.** If you have not made payments as required by this Agreement, or if you have failed to satisfy any term of this Agreement (or any other agreement you have that relates to this Agreement), or at any time before default but after we have given you appropriate notice, we may decide how to apply any money that we receive. This means that we may choose which Loan to apply the money against, or what mix of principal, interest, fees and overdue amounts within any Loan will be paid.
- 1.7. **Information requirements.** We may from time to time reasonably require you to provide further information about your business. We may require information from you to be in a form acceptable to us.
- 1.8. **Insurance.** You will keep all your business assets and property insured (to the full insurable value) against loss or damage by fire and all other risks usual for property such as yours (plus for any other risks we may reasonably require). If we request, these policies will include a loss payee clause (and if you are giving us mortgage security, a Standard Mortgage Clause). As further security, you assign all insurance proceeds to us. If we ask, you will give us either the policies themselves or adequate evidence of their existence. If your insurance coverage for any reason stops, we may (but do not have to) insure the property. We will automatically debit your Operating Account for this amount. In the event there are no funds on deposit, we may add the insurance cost to your Loan. Finally, you will notify us immediately of any loss or damage to the property.
- 1.9. **Environmental Matters.** You will carry on your business, and maintain your assets and property, in accordance with all applicable environmental laws and regulations. If (a) there is any release, deposit, discharge or disposal of pollutants of any sort (collectively, a "Discharge") in connection with either your business or your property, and we pay any fines or for any clean-up, or (b) we suffer any loss or damage as a result of any Discharge, you will reimburse the Bank, its directors, officers, employees and agents for any and all losses, damages, fines, costs and other amounts (including amounts spent preparing any necessary environmental assessment or other reports, or defending any lawsuits) that result. If we ask, you will defend any lawsuits, investigations or prosecutions brought against the Bank or any of its directors, officers, employees and agents in connection with any Discharge. Your obligation to us under this section continues even after all Loans have been repaid and this Agreement has terminated.
- 1.10. **Consent to release information.** We may from time to time give any loan or other information about you to, or receive such information from, (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any person, firm or corporation with whom you may have or propose to have financial dealings, and (c) any person, firm or corporation in connection with any dealings you have or propose to have with us. You agree that we may use that information to establish and maintain your relationship with us and offer any services as permitted by law, including services and products offered by our subsidiaries when it is considered that this may be suitable to you.
- 1.11. **Proof of debt.** This Agreement provides the proof, between the Bank and you, of the loans made available to you. There may be times when the type of loan you have requires you to sign additional documents. Throughout the time that we provide you loans under this Agreement, our loan accounting records will provide complete proof of all terms and conditions of your loan (such as principal loan balances, interest calculations, and payment dates).
- 1.12. **Renewals of this Agreement.** This Agreement will remain in effect for your Loans for as long as they remain unchanged. If there are no changes to the Loans this Agreement will continue to apply, and you will not need to sign anything further. If there are any changes, we will provide you with either an amending agreement, or a new replacement Letter, for you to sign.
- 1.13. **Confidentiality.** The terms of this Agreement are confidential between you and the Bank. You therefore agree not to disclose the contents of this Agreement to anyone except your professional advisors and where required by law.
- 1.14. **Pre-conditions.** You may use the Loans granted to you under this Agreement only if:
 - (a) we have received properly signed copies of all documentation that we may require in connection with the operation of your accounts and your ability to borrow and give security;
 - (b) all the required security has been received and registered to our satisfaction;
 - (c) any special provisions or conditions set forth in the Agreement have been complied with; and
 - (d) if applicable, you have given us the required number of days notice for a drawing under a Loan.
- 1.15. **Notices.** We may give you any notice in person or by telephone, or by letter that is sent either by fax or by mail.
- 1.16. **Use of the Operating Loan.** You will use your Operating Loan only for your business operating cash needs. You are responsible for all debits from the Operating Account that you have either initiated (such as cheques, loan payments, pre-authorized debits,

etc.) or authorized us to make. Payments are made by making deposits to the Operating Account. You may not at any time exceed the lesser of the Loan Amount and the maximum available under the Margin Requirements. We may, without notice to you, return any debit from the Operating Account that, if paid, would result in the Loan Amount being exceeded, unless you have made prior arrangements with us. If we pay any of these debits, you must repay us immediately the amount by which the Loan Amount is exceeded.

1.17. **Non-Revolving Loans.** The following terms apply to each Non-Revolving Loan:

- (a) **Non-revolving Loans.** Unless otherwise stated in the Agreement, any principal payment made permanently reduces the available Loan Amount. Any payment we receive is applied first to overdue interest, then to current interest owing, then to overdue principal, then to any fees and charges owing, and finally to current principal.
- (b) **Floating Rate Non-Revolving Loans.** Floating Rate Loans may have either (i) blended payments or (ii) payments of fixed principal amounts, plus interest as described below:
 - (i) **Blended payments.** If you have a Floating Rate Loan that has blended payments, the amount of your monthly payment is fixed for the term of the loan, but the interest rate varies with changes in the Prime Rate or U.S. Base Rate (as the case may be). If the Prime Rate or U.S. Base Rate during any month is lower than what the rate was at the outset, you may end up paying off the loan before the scheduled end date. If, however, the Prime Rate or U.S. Base Rate is higher than what it was at the outset, the amount of principal that is paid off is reduced. As a result, you may end up still owing principal at the end of the term because of these changes in the Prime Rate or U.S. Base Rate. We will advise you from time to time of any changes in the blended payment necessary to maintain the original amortization period, should we chose to do so.
 - (ii) **Payments of fixed principal plus interest.** If you have a Floating Rate Loan that has regular principal payments, plus interest, the principal payment amount of your Loan is due on the payment date specified in the Agreement. Although the principal payment amount is fixed, your interest payment will usually be different each month, for at least one and possibly more reasons, namely: the reducing principal balance of your loan, the number of days in the month, and changes to the Prime Rate or U.S. Base Rate (as the case may be).
- (c) **Demand of Fixed Rate Demand Non-Revolving Loans.** If you have a Fixed Rate Demand Non-Revolving Loan and we make demand for payment, you will owe us (i) all outstanding principal, (ii) interest, (iii) any other amount due under this Agreement, and (iv) a prepayment charge. The prepayment charge is equal to the greater of three (3) months interest calculated on the unpaid balance at the rate authorized or the Bank's Unwinding Costs.

ARTICLE 2 – DEFINITIONS

2.1. **Definitions.** In this Agreement, the following terms have the following meanings:

“*Agreement*” means the letter agreement between you and Canadian Western Bank to which this Schedule and any other Schedules are attached.

“*Business Day*” means any day (other than a Saturday or a Sunday) that the CWB Branch/Centre is open for business.

“*Cash Flow Coverage Ratio*” means for any fiscal year the ratio of X to Y where:

X =
 Net profit after tax
 + amortization/depreciation
 + all interest expenses
 + all taxes
-unfinanced capital expenditures
-Income taxes payable in cash
-dividends

Y =
 All cash interest paid or accrued during the trailing fiscal year + the Borrower’s actual scheduled principal payment obligations for the trailing fiscal year under the CWB credit facility and any other document or agreement including without limitation:

- in respect of any indebtedness for borrowed money as classified in the balance sheet of the Borrower and in accordance with generally accepted accounting principals; and
- in respect of any capital lease in accordance with generally accepted accounting principles entered into by the Borrower.

The Borrower may make quarterly voluntary principal pre-payments on the term debt which will not be included in “Y” above.

“*Customer Automated Funds Transfer (CAFT)*” is a WEB based service that provides non-personal customers the ability to make multiple electronic transactions for purposes of direct deposit for payroll or direct payment of accounts payable.

“*CWB Branch/Centre*” means the Canadian Western Bank branch or banking centre noted on the first page of this Agreement, as changed from time to time by agreement between the parties.

“*CWBdirect*” is a service available to allow customers the capability to access their bank accounts and general banking information using a personal computer with via the internet.

“*EBITDA*” Earnings (as defined in the Borrower’s consolidated financial statements prepared in accordance with IFRS) before interest expense, income taxes, depreciation, amortization, non cash stock compensation expense and extraordinary/unusual items (such latter to be agreed upon by the Lenders for the respective period). Any acquisition will be allocated the EBITDA from the previous twelve months prior to acquisition, as if the Borrower had owned the company for the period with the historical EBITDA rolling off as new financial information becomes available.

“*Total Debt*” is indebtedness for borrowed money, inclusive of all financial contingent obligations (i.e. financial guarantees, capitalized interest, obligations pursuant to capital leases, etc.) but includes subordinated debt

“*Letter of Credit*” or “*L/C*” means a documentary or stand-by Letter of Credit, a Letter of Guarantee, or a similar instrument in form and substance satisfactory to us.

“*Lien*” includes a mortgage, charge, lien, security interest or encumbrance of any sort on an asset, and includes conditional sales contracts, title retention agreements, capital trusts and capital leases.

“*Loan*” means any loan segment referred to in the Agreement and if there are two or more segments, “*Loan*” includes reference to each segment.

“*Loan Amount*” of any Loan means the amount specified in the Agreement and if there are two or more segments, “*Loan Amount*” includes reference to each segment.

“*Mandatory Capital Expenditures*” means net capital expenditures incurred by you not financed by long term debt. Net capital expenditures means all capitalized fixed asset purchases less fixed asset sales.

“*Monthly Statement of Borrowing Limit*” means the CWB form 1099 by that name, as it may from time to time be changed.

“*Normal Course Lien*” means a Lien that (a) arises by operation of law or in the ordinary course of business as a result of owning any such asset (but does not include a Lien given to another creditor or to secure debts owed to that Loan) and (b) taken together with all other Normal Course Liens, does not materially affect the value of the asset or its use in the business.

“*Operating Account*” means the account that you normally use for the day-to-day cash needs of your business, and may be either or both of a Canadian dollar and a U.S. dollar account.

“*Postponed Debt*” means any debt owed by you that has been formally postponed to the Bank.

“*Principal Sum*” means the loan balance outstanding.

“*Priority Claims*” means priorities that are created when a borrower does not remit monies due for Income Tax, Workers Compensation, Canada Pension Plan, Employment Insurance, GST, Provincial Sales Tax, wage claims including unpaid holiday entitlement, unpaid utility bills and arrears of rent for business premises. These are considered to be deemed trust and rank in priority to all security interests.

“*Prime Rate*” means the variable reference rate of interest per year declared by the Bank from time to time to be its Prime rate for Canadian dollar loans made by the Bank in Canada.

“*Purchase Money Lien*” means a Lien incurred in the ordinary course of business only to secure the purchase price of an asset, or to secure debt used only to finance the purchase of the asset.

“*Shareholders’ Equity*” means share capital, retained earnings and attributed or contributed surplus.

“*Sr. Debt*” is indebtedness for borrowed money, inclusive of all financial contingent obligations (i.e. financial guarantees, capitalized interest, obligations pursuant to capital leases, etc.) but excludes subordinated debt

“*Standard Overdraft Rate*” means the variable reference interest rate per year declared by the Bank from time to time to be its standard overdraft rate on overdrafts in Canadian or U.S. dollar accounts maintained with the Bank in Canada.

“*Unfunded Capex*” Capital expenditures and acquisitions less capex and acquisitions financed with the revolving term loan, capital leases, or new equity issuance. For clarity, deposits made for the purchase of equipment will not be included as capex. If equity raised in one quarter is not fully utilized for capex or acquisitions in the quarter it was raised, the amount that was not utilized may be carried forward a for a maximum of three additional quarters.

“*Unwinding Costs*” means the costs the Bank incurs when a fixed rate loan is paid out early. The unwinding costs are based on an interest rate differential between the loan rate and the bid side yield for Government of Canada securities with the same maturity as the loan, for the remaining term of the loan at the time of repayment.

“*U.S. Base Rate*” means the variable reference rate of interest per year as declared by the Bank from time to time to be its base rate for U.S. dollar loans made by the Bank in Canada.

October 3, 2017

ENTREC Corporation
28712 – 114 Avenue
Acheson, Alberta
T7X 6E6

Attention: Messrs John Stevens and Jason Vandenberg

Re: First Amendment to the Commitment Letter (Original Agreement) dated March 11, 2014 from Canadian Western Bank (the "Bank") to ENTREC Corporation (the "Borrower")

At the request of the Borrower, and the Guarantor(s) the Bank has authorized the following amendments to the Original Agreement:

1. **Interest Rates:**

Section 4 of the Original Agreement shall be amended by *replacing 4.1.* with the following:

- 4.1. Loan Segment (1): Interest to float at a rate of 1.50% per annum above the Bank's Prime Lending Rate ("Prime"). As of the date of this amendment, Prime is 3.20% per annum.

Unless otherwise specified, all interest shall be payable without demand on the dates specified by the Bank and shall be calculated daily, compounded monthly. Overdue interest shall bear interest at the same rate.

2. **Security:**

Schedule "A" of the Original Agreement shall be amended by adding the following:

3. Overdraft Lending Agreement in the amount of \$5,000,000;

3. **Continuation of Original Agreement:**

The Borrower and the Guarantor(s) hereby acknowledge and confirm that except as expressly amended herein, the Original Agreement and all of the terms and conditions therein shall continue to be in full force with respect to the loan.

Yours truly,
CANADIAN WESTERN BANK



Joe Anghelone
Sr. Manager, Commercial Banking



Blair Zahara
AVP & Branch Manager

ACKNOWLEDGEMENT:

The Borrower certifies that all information provided to the Bank is true and hereby accept the terms and conditions set forth in the above Agreement (including all Schedules attached thereto).

BORROWER: ENTREC CORPORATION

Signed



Accepted

Oct 11, 2017
Date

Signed



Accepted

10/11/17
Date

Signed

OVERDRAFT LENDING AGREEMENT**BRANCH: St. Albert, Alberta****DATE: 10 October 2017**

In consideration of CANADIAN WESTERN BANK (the "Bank") establishing a revolving operating line of credit in favor of the undersigned in the amount of \$5,000,000.00 which may be availed of by way of overdraft, the undersigned, and if more than one, both jointly and severally, agrees as follows:

1. Overdrafts will be confined to Account No. 101006869522 at the branch designated above (the "Account").
2. The undersigned may obtain advances under this Agreement in any of the following ways:
 - (a) The undersigned may request advances in person or in writing or in any other manner that the Bank may permit; or
 - (b) If the undersigned makes a withdrawal or conducts a transaction from the Account in excess of the available balance in the Account, an advance may be made to the Account under this Agreement.
3. The Bank will, on each business day, transfer available funds from the Account to reduce the amount of credit outstanding under this Agreement including any fees or interest due under this Agreement. *2.0. A-A102*
4. The undersigned agrees to repay all overdrafts ~~on demand~~ *as agreed in Commitment Letter dated March 11, 2014*, together with interest, calculated on the daily balance of the amount owing and payable monthly, both before and after demand and judgement, at a variable nominal rate per annum of 1.500 percentage points above the Prime Lending Rate established from time to time with interest on overdue interest at the same rate; PROVIDED the interest rate hereunder shall vary automatically on the day the Prime Lending Rate is varied by the Bank and without notice by the Bank to the undersigned. The "Prime Lending Rate" is the rate of interest established from time to time as the Bank's Prime Lending Rate for loans denominated in Canadian dollars, adjusted automatically upon any change by the Bank. The Bank's Prime Lending Rate is 3.200% per annum as of the date hereof.
5. Interest charges may be debited to the account designated above.
6. In accordance with the Bank's usual practice, the Bank reserves the right to withdraw the whole or part of the line of credit ~~at any time without notice.~~ *2.0. A-A102*
if in default of Commitment Agreement.
7. Moneys received by the Bank may be applied on account of such parts of the indebtedness and liability of the undersigned as the Bank deems best. *P2 N101*
8. Should the Bank from time to time take from the undersigned notes representing any advances by way of overdraft, such notes shall not extinguish or pay such advances but shall represent the same only.
9. The undersigned agrees not to make any drawings which would cause the line of credit to be exceeded and the Bank reserves the right to refuse to honor any drawing which in the Bank's opinion would have the effect of causing the line of credit to be exceeded.
10. Notwithstanding that this line of credit is restricted to the amount set out herein and to the account designated above, any overdraft which may occur in excess of the line of credit or which may occur in other accounts of the undersigned, shall be governed by the provisions hereof, except that the rate of interest shall be calculated at a variable nominal rate per annum equal to the Bank's standard overdraft rate as declared by the Bank from time to time with interest on overdue interest at the same rate, such rate to vary automatically on the day the standard overdraft rate is varied by the Bank and without notice by the Bank to the undersigned. The standard overdraft rate on the date hereof is 18.000 per cent per annum.

11. The existing agreements, as may be amended or supplemented from time to time, governing the operation of the undersigned's accounts shall continue to apply to the said accounts except as modified herein. In the event of any conflict, the provisions of this agreement shall govern.
12. This agreement shall not be construed as setting out all of the credit arrangements which have been or which may be entered into between the Bank and the undersigned (notwithstanding that such credit arrangements may relate to or may encompass overdraft borrowing).

13. ~~The undersigned agrees that all advances made by the Bank to the undersigned under the line of credit referred to above and recorded in the account referred to in paragraph 1 of this agreement are made pursuant to the application for credit and promise to give security made by the undersigned to the Bank and dated the ____ day of _____, 20____ and any application(s) for credit and promise(s) to give security supplemental thereto, under section 427 of the Bank Act.~~

14. The undersigned hereby covenants and agrees to pay to the Bank ^{as agreed in Commitment letter dated March 11, 2014} immediately upon demand, any and all charges, expenses and costs including legal costs as between a solicitor and his own client, incurred by the Bank in preparing, enforcing or with the collection of monies owing under this agreement. *B.A. A-102 P2 MAY*

15. Time shall be of the essence of this Overdraft Lending Agreement and every provision thereof.

16. Should the Bank, ^{require to contact the Borrower for any reason, it} in its sole discretion, choose to give notice of termination, any demand or notice of termination shall be in writing and will be effectively given by delivering or mailing the same by pre-paid registered mail to the undersigned at: 28712 114 Avenue, Acheson, Alberta T7X 6E6 *B.A. A-102 P2 MAY*

~~All communication~~
Every such demand or notice of termination will be deemed to have been received on the day on which it is delivered or five (5) business days after mailing as aforesaid; provided however, that if there is any interruption in postal service, the same must be delivered. *B.A. A-102 P2 MAY*

ENTREC Corporation

Per: _____

Signature

Per: _____

Signature

EXHIBIT “L”

This is Exhibit "L" referred to in the
Affidavit of John Stevens
Sworn before me this 14 day
of May, 2020


A Commissioner for Oaths, in and for
the Province of Alberta

Vendor Take Back

Promissory Note

This Promissory Note ("**Promissory Note**") is made as of OCTOBER 1, 2018 by and between 2140303 ALBERTA LTD. (including his successors and permitted assigns, the "**Lender**") and ENT OILFIELD GROUP LTD. (including its successors and permitted assigns, the "**Borrower**"). **Spencer D. Norris**
Barrister and Solicitor

WHEREAS, reference is made to the Share Purchase Agreement dated as of SEPTEMBER 7, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Purchase Agreement**") by and among Smith Wells, Richard Wells, Haden's Hauling Ltd., 2140303 Alberta Ltd., the Borrower and ENTREC Corporation, under which the Borrower has agreed to purchase and the Lender has agreed to sell all the issued and outstanding shares owned by the Lender of CAPSTAN HAULING LTD.;

AND WHEREAS, under the Purchase Agreement, the Borrower has agreed to issue in favour of the Lender a promissory note in the principal amount of \$1,500,000 representing the deferred portion of the purchase price payable to the Lender under the Purchase Agreement;

AND WHEREAS, all of the Borrower's obligations to the Lender under this Promissory Note are secured by security interests in certain equipment of the Borrower pursuant to a Specific Security Agreement made as of OCTOBER 1, 2018 by and between the Lender and the Borrower (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Specific Security Agreement**") ;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Promise to Pay. Subject to the terms and conditions hereof, the Borrower hereby acknowledges itself indebted to the Lender and promises to pay to the order of the Lender the principal amount of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000)** (the "**Principal Amount**") in lawful money of Canada.
2. Interest. The outstanding Principal Amount shall bear interest at the rate of **FIVE per cent (5%) per annum**, calculated daily and payable semi-annually in arrears on the last Business Day of SEPTEMBER and MARCH commencing on MARCH 31, 2019 until the Maturity Date (defined below) both before and after default, maturity and judgment. Interest shall accrue daily and be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Any payment which becomes due on a day which is not a Business Day shall be paid on the next following Business Day and such extension shall be taken into account for the calculation of interest and overdue interest. If any amount of principal or interest payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall bear interest at the **default rate of FIFTEEN percent (15%) per annum** from the date of such non-payment until such amount is paid in full.
3. Method of Payment. Principal and interest due hereunder shall be paid to the Lender in lawful money of Canada in immediately available funds by wire transfer, by certified cheque or bank draft, or as otherwise directed by the Lender.
4. Term and Repayment. The term of this Promissory Note shall commence on the date of this Promissory Note and shall continue up to and including the **FIFTH (5th) anniversary** of the date of this Promissory Note (the "**Maturity Date**"). The Borrower shall permanently repay any portion of

the unpaid balance of the Principal Amount outstanding, and all accrued interest, fees, and other amounts then unpaid, in full on the Maturity Date.

5. Prepayment. The Borrower may at any time, and from time to time, prepay all or any portion of the unpaid balance of the Principal Amount outstanding, together with interest accrued but unpaid thereon, without bonus or penalty.

6. Conclusive Evidence of Indebtedness. The recording by the Borrower in its accounts of the Principal Amount owing, accrued interest and repayments shall, in the absence of manifest mathematical error, be prima facie evidence of the same; *provided that* the failure of the Borrower to record the same shall not affect the obligation of the Borrower to pay such amounts to the Lender.

7. Security. As security for the obligations of the Borrower owing under this Promissory Note, the Borrower has executed and delivered the Specific Security Agreement in favour of the Lender.

8. Events of Default. The outstanding Principal Amount and all accrued interest and other costs, expenses, and charges thereon shall immediately become due and payable by written notice or demand from the Lender to the Debtor upon the occurrence of any of the following events of default (each, an "**Event of Default**"):

(a) If the Borrower fails to pay the Principal Amount on the Maturity Date.

(b) If the Borrower fails to pay any other amounts when due and payable hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.

(c) If the Borrower fails to observe or perform any covenant of this Promissory Note or any security given by the Borrower to the Lender for its obligations hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.

(d) If the Borrower fails to pay any portion of the Holdback Funds, including any interest earned thereon, when due and payable under the Purchase Agreement and such failure continues for THIRTY (30) days after written notice to the Borrower."

(e) If the Borrower ceases to carry on business.

(f) If the Borrower commences any application, proceeding or other action under any laws relating to bankruptcy, insolvency, reorganization, winding-up, dissolution or other analogous laws, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, proposal, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, including, without limitation, that the Borrower files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) or a plan of arrangement under the *Companies' Creditors Arrangement Act* (Canada) or if the Borrower makes a general assignment for the benefit of its creditors.

(g) If there is commenced against the Borrower any application, proceeding or other action of a nature referred to in subsection (e) directly above which results in the entry of an order for any such relief which has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

(h) If a receiver, interim receiver, receiver and manager, trustee, custodian, conservator or other similar official is appointed over all or any part of the assets of the Borrower which

has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

(i) If there is commenced against the Borrower any application, proceeding or other action seeking issuance of a writ of seizure and sale, execution, garnishment, or similar process against all or any part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

9. Waiver. The Borrower hereby waives presentment, protest, notice of protest, notice of non-payment, notice of dishonour and any and all other notices or demands relative to this Promissory Note.

10. Assignment. Neither the Borrower nor the Lender shall in any manner whatsoever assign this Promissory Note or an obligations or benefits hereunder, in whole or in part, without the prior written consent of the other party.

11. Amendments. This Promissory Note may only be amended, amended and restated or otherwise modified by an agreement in writing signed by the Lender and the Borrower.

12. Waiver. No waiver by the Lender of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the Lender. No waiver by the Lender will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Promissory Note will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

13. Successors and Assigns. This Promissory Note is binding upon the Borrower and its successors and permitted assigns and shall enure to the benefit of the Lender and its permitted successors and permitted assigns.

14. Notices. All notices and other communications provided for hereunder shall be in writing and be delivered by the method and to the addressees noted in the Purchase Agreement.

15. Further Assurances. The Borrower shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

16. Severability. If any term or provision of this Promissory Note is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Promissory Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Business Day. All references in this Promissory Note to "Business Day" means a day of the week other than a Saturday, Sunday or any other day which is a statutory holiday in the Province of Alberta.

18. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

19. Governing Law. All matters arising out of or relating to this Promissory Note are governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable in that Province without giving effect to any choice or conflict of law provision or rule (whether of the Province of Alberta or any other jurisdiction).

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first above written.

ENT OILFIELD GROUP LTD

DocuSigned by:
By Jason Vandenberg
9GG68279A1B1409...

Name: Jason Vandenberg

Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the same date:

2140303 ALBERTA LTD.

By _____

Name: Smith Wells

Title: President

19. Governing Law. All matters arising out of or relating to this Promissory Note are governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable in that Province without giving effect to any choice or conflict of law provision or rule (whether of the Province of Alberta or any other jurisdiction).

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first above written.

ENT OILFIELD GROUP LTD

By _____

Name: Jason Vandenberg

Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the same date:

2140303 ALBERTA LTD.

By _____

Name: Smith Wells

Title: President

Vendor Take Back

Promissory Note

This Promissory Note ("**Promissory Note**") is made as of OCTOBER 1, 2018 by and between HADEN'S HAULING LTD. (including his successors and permitted assigns, the "**Lender**") and ENT OILFIELD GROUP LTD. (including its successors and permitted assigns, the "**Borrower**").

WHEREAS, reference is made to the Share Purchase Agreement dated as of SEPTEMBER 7, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Purchase Agreement**") by and among Smith Wells, Richard Wells, Haden's Hauling Ltd., 2140303 Alberta Ltd., the Borrower and ENTREC Corporation, under which the Borrower has agreed to purchase and the Lender has agreed to sell all the issued and outstanding shares owned by the Lender of CAPSTAN HAULING LTD.;

AND WHEREAS, under the Purchase Agreement, the Borrower has agreed to issue in favour of the Lender a promissory note in the principal amount of \$1,500,000 representing the deferred portion of the purchase price payable to the Lender under the Purchase Agreement;

AND WHEREAS, all of the Borrower's obligations to the Lender under this Promissory Note are secured by security interests in certain equipment of the Borrower pursuant to a Specific Security Agreement made as of OCTOBER 1, 2018 by and between the Lender and the Borrower (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Specific Security Agreement**");

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Promise to Pay. Subject to the terms and conditions hereof, the Borrower hereby acknowledges itself indebted to the Lender and promises to pay to the order of the Lender the principal amount of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000)** (the "**Principal Amount**") in lawful money of Canada.
2. Interest. The outstanding Principal Amount shall bear interest at the rate of **FIVE per cent (5%) per annum**, calculated daily and payable semi-annually in arrears on the last Business Day of SEPTEMBER and MARCH commencing on MARCH 31, 2019 until the Maturity Date (defined below) both before and after default, maturity and judgment. Interest shall accrue daily and be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Any payment which becomes due on a day which is not a Business Day shall be paid on the next following Business Day and such extension shall be taken into account for the calculation of interest and overdue interest. If any amount of principal or interest payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall bear interest at the **default rate of FIFTEEN percent (15%) per annum** from the date of such non-payment until such amount is paid in full.
3. Method of Payment. Principal and interest due hereunder shall be paid to the Lender in lawful money of Canada in immediately available funds by wire transfer, by certified cheque or bank draft, or as otherwise directed by the Lender.
4. Term and Repayment. The term of this Promissory Note shall commence on the date of this Promissory Note and shall continue up to and including the **FIFTH (5th) anniversary** of the date of this Promissory Note (the "**Maturity Date**"). The Borrower shall permanently repay any portion of

the unpaid balance of the Principal Amount outstanding, and all accrued interest, fees, and other amounts then unpaid, in full on the Maturity Date.

5. Prepayment. The Borrower may at any time, and from time to time, prepay all or any portion of the unpaid balance of the Principal Amount outstanding, together with interest accrued but unpaid thereon, without bonus or penalty.

6. Conclusive Evidence of Indebtedness. The recording by the Borrower in its accounts of the Principal Amount owing, accrued interest and repayments shall, in the absence of manifest mathematical error, be prima facie evidence of the same; *provided that* the failure of the Borrower to record the same shall not affect the obligation of the Borrower to pay such amounts to the Lender.

7. Security. As security for the obligations of the Borrower owing under this Promissory Note, the Borrower has executed and delivered the Specific Security Agreement in favour of the Lender.

8. Events of Default. The outstanding Principal Amount and all accrued interest and other costs, expenses, and charges thereon shall immediately become due and payable by written notice or demand from the Lender to the Debtor upon the occurrence of any of the following events of default (each, an "**Event of Default**"):

(a) If the Borrower fails to pay the Principal Amount on the Maturity Date.

(b) If the Borrower fails to pay any other amounts when due and payable hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.

(c) If the Borrower fails to observe or perform any covenant of this Promissory Note or any security given by the Borrower to the Lender for its obligations hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.

(d) If the Borrower fails to pay any portion of the Holdback Funds, including any interest earned thereon, when due and payable under the Purchase Agreement and such failure continues for THIRTY (30) days after written notice to the Borrower."

(e) If the Borrower ceases to carry on business.

(f) If the Borrower commences any application, proceeding or other action under any laws relating to bankruptcy, insolvency, reorganization, winding-up, dissolution or other analogous laws, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, proposal, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, including, without limitation, that the Borrower files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) or a plan of arrangement under the *Companies' Creditors Arrangement Act* (Canada) or if the Borrower makes a general assignment for the benefit of its creditors.

(g) If there is commenced against the Borrower any application, proceeding or other action of a nature referred to in subsection (e) directly above which results in the entry of an order for any such relief which has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

(h) If a receiver, interim receiver, receiver and manager, trustee, custodian, conservator or other similar official is appointed over all or any part of the assets of the Borrower which

has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

(i) If there is commenced against the Borrower any application, proceeding or other action seeking issuance of a writ of seizure and sale, execution, garnishment, or similar process against all or any part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

9. Waiver. The Borrower hereby waives presentment, protest, notice of protest, notice of non-payment, notice of dishonour and any and all other notices or demands relative to this Promissory Note.

10. Assignment. Neither the Borrower nor the Lender shall in any manner whatsoever assign this Promissory Note or an obligations or benefits hereunder, in whole or in part, without the prior written consent of the other party.

11. Amendments. This Promissory Note may only be amended, amended and restated or otherwise modified by an agreement in writing signed by the Lender and the Borrower.

12. Waiver. No waiver by the Lender of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the Lender. No waiver by the Lender will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Promissory Note will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

13. Successors and Assigns. This Promissory Note is binding upon the Borrower and its successors and permitted assigns and shall enure to the benefit of the Lender and its permitted successors and permitted assigns.

14. Notices. All notices and other communications provided for hereunder shall be in writing and be delivered by the method and to the addressees noted in the Purchase Agreement.

15. Further Assurances. The Borrower shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

16. Severability. If any term or provision of this Promissory Note is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Promissory Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Business Day. All references in this Promissory Note to "Business Day" means a day of the week other than a Saturday, Sunday or any other day which is a statutory holiday in the Province of Alberta.

18. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

19. Governing Law. All matters arising out of or relating to this Promissory Note are governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable in that Province without giving effect to any choice or conflict of law provision or rule (whether of the Province of Alberta or any other jurisdiction).

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first above written.

ENT OILFIELD GROUP LTD

DocuSigned by:

By _____
9CC68279A1B1409...

Name: Jason Vandenberg

Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the
same date:

HADEN'S HAULING LTD.

By _____
Name: Richard Wells
Title: President

19. Governing Law. All matters arising out of or relating to this Promissory Note are governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable in that Province without giving effect to any choice or conflict of law provision or rule (whether of the Province of Alberta or any other jurisdiction).

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first above written.

ENT OILFIELD GROUP LTD

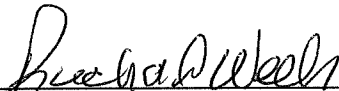
By _____

Name: Jason Vandenberg

Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the same date:

HADEN'S HAULING LTD.

By 

Name: Richard Wells

Title: President

EXHIBIT “M”

SPECIFIC SECURITY AGREEMENT

made by

ENT OILFIELD GROUP LTD.


in favour of

2140303 ALBERTA LTD.

dated as of

OCTOBER 1, 2018

This is Exhibit "M" referred to in the
Affidavit of John Stevens
Sworn before me this 14 day
of May, 2020


A Commissioner for Oaths, in and for
the Province of Alberta
Spencer D. Norris
Barrister and Solicitor

This SPECIFIC SECURITY AGREEMENT, dated as of OCTOBER 1, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with the provisions hereof, this "**Specific Security Agreement**"), is made by ENT OILFIELD GROUP LTD., an Alberta corporation (the "**Debtor**"), in favour of 2140303 ALBERTA LTD., (the "**Lender**").

WHEREAS, reference is made to the Share Purchase Agreement dated as of SEPTEMBER 7, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Purchase Agreement**") by and among SMITH WELLS, RICHARD WELLS, HADEN'S HAULING LTD., 2140303 ALBERTA LTD., the DEBTOR and ENTREC Corporation, under which the Debtor has agreed to purchase and the Lender has agreed to sell all the issued and outstanding shares owned by the Lender of CAPSTAN HAULING LTD.;

AND WHEREAS, pursuant to the Purchase Agreement, the Debtor has issued in favour of the Lender a Promissory Note dated as of OCTOBER 1, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Promissory Note**") in the principal amount of **\$1,500,000** (the "**Principal Amount**") representing the deferred portion of the purchase price payable to the Lender under the Purchase Agreement;

AND WHEREAS, this Specific Security Agreement is given by the Debtor in favour of the Lender to secure the payment and performance of all of the Debtor's obligations under the Promissory Note and this Specific Security Agreement;

AND WHEREAS, it is a condition to the obligations of the Lender under the Share Purchase Agreement that the Debtor execute and deliver the Promissory Note and this Specific Security Agreement.

NOW, THEREFORE, in consideration of the Lender entering into the Purchase Agreement and agreeing to complete the transactions on the terms contemplated thereby including the deferral of a portion of the purchase price payable to the Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor agrees as follows:

ARTICLE I INTERPRETATION

Section 1.01 Definitions.

- (a) Capitalized terms not otherwise defined in this Specific Security Agreement shall have the respective meanings assigned to such terms in the Promissory Note.
- (b) Unless otherwise defined herein or in the Promissory Note, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.
- (c) For purposes of this Specific Security Agreement, the following terms shall have the following meanings:
 - (i) **"Collateral"** has the meaning attributed thereto Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
 - (ii) **"Event of Default"** has the meaning set forth in the Promissory Note;
 - (iii) **"Lien"** means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever;
 - (iv) **"Obligations"** means the payment and discharge of:
 - (A) the Principal Amount of the Promissory Note, and any interest on the Principal Amount, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and
 - (B) all other present and future obligations and liabilities of the Debtor to the Lender arising under the Promissory Note and this Specific Security Agreement including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities;
 - (v) **"Permitted Encumbrances"** means those Liens listed in **Schedule "C"** hereto.
 - (vi) **"PPSA"** means the Personal Property Security Act as in effect from time to time in the Province of Alberta; and
 - (vii) **"Principal Amount"** has the meaning attributed thereto in the recitals hereof.

Section 1.02 Articles, Sections and Schedules. The division of this Specific Security 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 Specific Security Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles, Sections and Schedule are to Articles, Sections and Schedules of this Specific Security Agreement.

Section 1.03 Singular, Gender and Person. In this Specific Security Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall

include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE II GRANT OF SECURITY INTEREST

Section 2.01 Grant of Security Interest. As general and continuing security for the payment and performance of the Obligations, Debtor hereby grants to Lender a continuing and specific security interest in and mortgages, charges and transfers and conveys as and by way of a fixed mortgage and charge, the assets and property set out in **Schedule A** attached hereto, together with all parts, accessories, substitutions, accessions, replacements, repairs and additions now or hereafter attached to, forming part thereof or used in connection therewith (collectively, the “**Collateral**”), all insurance claims and all proceeds (including proceeds of proceeds) therefrom.

Section 2.02 Attachment. The security interest created by this Specific Security Agreement is intended to attach to the Collateral when Debtor signs this Specific Security Agreement and the parties do not intend to postpone the attachment of any security interest created by this Specific Security Agreement.

Section 2.03 Use of Collateral. Until such time as the Secured Party realizes upon the Collateral following an Event of Default, the Debtor may continue to possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof.

Section 2.04 Transfer of Collateral. The Debtor may not transfer, lease, dispose of or otherwise relinquish possession of the Collateral or any part thereof except in the following circumstances:

- (a) as required for necessary maintenance or repairs;
- (b) the disposition of Collateral that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business of the Debtor with the prior written consent of the Lender, such consent not to be unreasonably withheld; provided that it is understood and agreed that it shall be unreasonable for the Lender to withhold its consent in circumstances where the Debtor provides replacement Collateral to the Lender of equal or greater value than the Collateral disposed of;
- (c) any involuntary loss, damage or destruction of Collateral;
- (d) the leasing or subleasing of assets of the Debtor in its ordinary course of business of the Debtor;
- (e) the transfer, lease or disposal of Collateral with the prior written consent of the Lender, such consent not to be unreasonably withheld; provided that it is understood and agreed that it shall be unreasonable for the Lender to withhold its consent in circumstances where the Debtor provides replacement Collateral to the Lender of equal or greater value than the Collateral transferred or leased.

ARTICLE III
GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

Section 3.01 Representations and Warranties.

Debtor hereby represents and warrants to Lender that:

- (a) **Duly Formed.** Debtor is duly formed and validly existing in good standing under the laws of the jurisdiction of its formation, and Debtor is entitled to carry on its business in the jurisdictions in which it carries on business; and Debtor has the corporate power to enter into the Promissory Note and this Specific Security Agreement and all certificates and other documents required hereby or referred to herein;
- (b) **Duly Authorized.** The Promissory Note and this Specific Security Agreement have been duly authorized by all necessary action, corporate or otherwise, on the part of Debtor; and this Specific Security Agreement constitutes a legal and valid agreement binding upon Debtor enforceable in accordance with its terms;
- (c) **No Conflict.** The execution, delivery, observance and performance of the Promissory Note and this Specific Security Agreement does not and will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any Lien on or in any property of Debtor pursuant to any applicable law, Debtor's constating documents, or any material agreement, indenture or other instrument to which Debtor is a party or by which Debtor or any of its property may be bound or affected;
- (d) **No Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of Debtor, threatened in any court or tribunal or before any competent authority against Debtor or any of its property or assets which, in the reasonable and bona fide opinion of Debtor, may have a material adverse effect on the financial condition or business of Debtor;
- (e) **Places of Business.** Debtor's principal places of business and the location of its chief executive office where it keeps its records are set out in **Schedule "B"** to this Specific Security Agreement; and
- (f) **No Liens.** Debtor has good and marketable title to the Collateral free from any Liens except for the Permitted Encumbrances, the Lien granted in favour of Lender hereunder and any other Liens as may be agreed to by the Lender in writing.

Section 3.02 Covenants

Debtor covenants with Lender that:

- (a) **Good Working Order.** It will use commercially reasonable efforts to keep all of the Collateral in good working order and condition, reasonable wear and tear excepted;
- (b) **Manufacturer Compliance.** It shall cause the Collateral to be operated in material accordance with any applicable manufacturer's manuals or instructions, by competent duly qualified personnel;
- (c) **Legal Compliance.** It shall materially comply with all laws relating to the Collateral, its possession and use and ownership thereof by Debtor, and will at all times have

all material licences, permits and consents required by law in connection with its possession, use and operation of the Collateral;

(d) **No fixtures.** It shall not affix the Collateral to real or immovable property nor to any goods, chattels or moveable property not otherwise the subject of the security interest granted hereunder;

(e) **Business Only.** The Collateral shall be used only for business purposes;

(f) **Insurance.** Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral;

(g) **Defend Against Claims.** It shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all Liens except for the Permitted Encumbrances, the Lien granted in favour of Lender hereunder and any other Liens as may be agreed to by the Lender in writing;

(h) **Location of Collateral.** It shall not move the Collateral from the location(s) set out in Schedule B attached hereto (being the sole locations of the Collateral at the date of this Specific Security Agreement) without Lender's prior written consent provided that Collateral which is mobile by nature shall be based at such locations but may be operated away from such location in the ordinary course of Debtor's business;

(i) **Payment of Taxes.** It shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Lender, when required, the receipts and vouchers establishing such payment;

(j) **Access to Information/Inspection.** It shall from time to time forthwith at the request of Lender, furnish to Lender in writing all information reasonably requested relating to the Collateral, and Lender shall be entitled from time to time at any reasonable time and upon reasonable notice to inspect the Collateral and make copies of all such information relating to the Collateral and for such purposes Lender shall have reasonable access to all premises occupied by Debtor or where the Collateral may be found;

(k) **Documents to Perfect Lien.** It shall from time to time forthwith at the request of Lender execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Lender to effectively carry out the full intent and meaning of this Specific Security Agreement or to better evidence and perfect the Lien granted hereby, and Debtor hereby irrevocably constitutes and appoints Lender, or any receiver appointed by the court or Lender, as true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever Lender or any such receiver may consider it to be necessary or expedient;

(l) **Notice of Change.** It shall notify Lender in writing:

(i) Within 15 days prior to changing its name, the location of its principal places of business, chief executive office, the location of its records, or jurisdiction of formation, and at Debtor's cost, Debtor shall enter into such agreements or

take such steps as Lender may reasonably require to ensure that Lender's rights and interests in the Collateral are protected and preserved; and

- (ii) promptly upon Debtor learning of the same, the occurrence of an Event of Default, any proceeding instituted or threatened to be instituted against Debtor in any court or before any regulatory body, or any event, circumstance or claim that could reasonably be expected to have a material adverse effect on the Collateral, the Debtor or its ability to perform its obligations hereunder; and

(m) **Financial Statements.** It shall furnish its financial statements to Lender within 180 days after the close of each financial year of Debtor prepared in accordance with generally accepted accounting principles consistent with prior such statements.

Section 3.03 Lender May Perform. If the Debtor fails to perform any obligation contained in this Agreement, the Lender may itself perform, or cause performance of, such obligation, and the costs and expenses of the Lender incurred in connection therewith shall be payable by the Debtor; *provided that* the Lender shall not be required to perform or discharge any obligation of the Debtor and the performance by the Lender shall not waive the rights of the Lender to enforce this Specific Security Agreement.

ARTICLE IV REMEDIES UPON DEFAULT

Section 4.01 Right to Accelerate Payment. Upon the occurrence of an Event of Default that is continuing, the Lender may, by written notice to the Debtor, declare any or all of the Obligations to be immediately due and payable, whereupon, all of the Obligations shall become and be immediately due and payable without further presentment, demand, protest or notice, all of which are hereby expressly waived by the Debtor.

Section 4.02 Enforcement of Security Interest. Upon the occurrence of an Event of Default that is continuing, the Lender may, by written notice to the Debtor, proceed to realize upon the Collateral and immediately enforce its rights.

Section 4.03 Remedies upon Default. Upon the occurrence of an Event of Default that is continuing, the Lender may exercise, with notice to and demand upon the Debtor, in addition to the other rights and remedies provided herein or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

(a) **Assert PPSA Rights.** The Lender may assert all rights and remedies of a Lender under the PPSA or other applicable law;

(b) **Preserve Collateral.** The Lender may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;

(c) **Take Possession.** The Lender may take possession of the Collateral by requiring the Debtor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Lender at a place and time to be designated by the Lender;

(d) **Carry on Business.** The Lender may take possession of the Collateral by carrying on all or any part of the business of the Debtor, and may to the exclusion of all others, including the Debtor, enter upon, occupy and use any of the premises, buildings,

plant and undertaking owned, occupied or used by the Debtor and may use any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Lender sees fit, free of charge and without liability, in order to carry on the business of the Debtor;

(e) **Enter Premises.** The Lender may enter upon and occupy any land and premises owned, leased or occupied by the Debtor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Debtor;

(f) **Borrow Money.** The Lender may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Specific Security Agreement;

(g) **Sell Collateral.** The Lender may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Lender may deem commercially reasonable;

(h) **Appoint Receiver.** The Lender may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Lender or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "**Receiver**"), of the Collateral or any part of the Collateral and remove or replace any person so appointed. Any receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Lender under this Article V; and

(i) **Court-Appointed Receiver.** The Lender may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Lender under this Article V.

Section 4.04 Receiver Agent of Debtor. In exercising any powers any such receiver so appointed shall act as agent of the Debtor and not the Lender and the Lender shall not in any way be responsible for any of the actions of the Receiver, its employees, agents and contractors. The Lender may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

Section 4.05 Distribution of Proceeds. Any cash held by the Lender as Collateral and all cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Collateral (collectively the "**Proceeds**") shall be applied in whole or in part by the Lender to:

(a) the payment of reasonable expenses incurred by the Lender in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Lender hereunder, including reasonable legal and Receivers' fees, and

(b) the balance of such Proceeds shall be applied or set-off against all or any part of the Obligations in such order as the Lender shall elect.

Any surplus of such cash or cash Proceeds held by the Lender and remaining after payment in full of all the Obligations shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive such surplus. The Debtor shall remain liable for any deficiency if such cash

and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Obligations and the fees and other charges of any solicitor employed by the Lender to collect such deficiency.

Section 4.06 Debtor Pays Expenses. The Debtor agrees to pay all reasonable expenses incurred by the Lender or any Receiver in the enforcement of this Specific Security Agreement, whether directly incurred or for services rendered including reasonable legal and auditor's fees and expenses and remuneration of any Receiver, and all such expenses shall be added to and form part of the Obligations secured hereunder.

ARTICLE V MISCELLANEOUS

Section 5.01 Entire Agreement. This Specific Security Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between Debtor and Lender with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Lender and Debtor except as expressly set forth herein.

Section 5.02 Conflict with Promissory Note. To the extent of any conflict or inconsistency between the terms of this Specific Security Agreement and the terms of the Promissory Note, the terms of the Promissory Note shall govern to the extent necessary to remove the conflict or inconsistency.

Section 5.03 Further Assurance. Debtor will, from time to time, at the request of Lender and at the expense of Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Lender may reasonably deem necessary to perfect and preserve the security granted hereby and to give effect to this Specific Security Agreement. Debtor hereby irrevocably appoints Lender as its attorney in fact to do all such acts and things, with full power of substitution, and Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. Debtor shall pay all reasonable costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

Section 5.04 Severability. If any provision of this Specific Security Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

Section 5.05 Amendments. None of the terms or provisions of this Specific Security Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Debtor therefrom shall be effective unless the same shall be in writing and signed by the Lender and the Debtor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

Section 5.06 Continuing Security Interest; Further Actions. This Specific Security Agreement shall create a general and continuing security interest in the Collateral and shall remain in full force and effect until payment and performance in full of the Obligations, (b) be binding upon the Debtor, its successors and permitted assigns, and (c) enure to the benefit of the Lender and its successors, transferees and permitted assigns.

Section 5.07 Termination; Release. This Agreement will not be or be deemed to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or

indirect, absolute or contingent, to the Lender. On the date on which all Obligations have been paid and performed in full (as determined by the Lender in its sole discretion) and provided that the Debtor is not in default of any terms of the Purchase Agreement, the Promissory Note or this Specific Security Agreement, the Lender will, at the request and sole expense of the Debtor (a) duly assign, transfer and deliver to or at the direction of the Debtor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Lender, together with any monies at the time held by the Lender hereunder, and (b) execute and deliver to the Debtor a proper instrument or instruments acknowledging the satisfaction and termination of this Specific Security Agreement.

Section 5.08 Assignment. The Debtor may not assign or transfer any of its rights under this Agreement without the consent of the Lender. The Lender may not assign its obligations under this Agreement without the prior written consent of the Debtor.

Section 5.09 No Waiver and Cumulative Remedies. The Lender shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

Section 5.10 Notices. All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Purchase Agreement and shall be given in the manner and become effective as set forth in the Purchase Agreement.

Section 5.11 Acknowledgement. The Debtor acknowledges receipt of a fully executed copy of this Specific Security Agreement and waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed, issued, or obtained at any time in respect of this Specific Security Agreement.

Section 5.12 Amalgamation. The Debtor acknowledges that, if it amalgamates with another person, the term Debtor when used in this Specific Security Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Obligations of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of the amalgamation and any Obligations of the amalgamated corporation to the Lender thereafter arising.

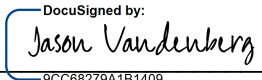
Section 5.13 Governing Law. All matters arising out of or relating to this Specific Security Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of Alberta.

Section 5.14 Counterparts. This Specific Security Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Specific Security Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Specific Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Debtor has executed this Specific Security Agreement as of the date first above written.

ENT OILFIELD GROUP LTD. as Debtor

By  DocuSigned by:
9CC68279A1B1409...

Name: Jason Vandenberg
Title: Chief Financial Officer

SCHEDULE A – COLLATERAL (EQUIPMENT)

See attached.

PT108	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 45110T
PT357	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 4596T
PT358	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Hydra-Lift	C500 / WHL45TC100
T1240	Truck Tractors	TA Truck Tractors	2012	Kenworth	T800
T416	Truck Tractors	Winch Trucks	2012	Kenworth	T800
BT1704	Haul Trucks	Haul Trucks	2012	Kenworth	C500 (Other)
PT359	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 4596T
T092	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T093	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T094	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1219	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1222	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1225	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1235	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1245	Truck Tractors	Winch Trucks	2012	Kenworth	T800
PT107	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 45110T
PT156	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 4596T
T103	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1226	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T502	Haul Trucks	Haul Trucks	2012	Kenworth	C500 (Winch)
158	Truck Tractors	Winch Trucks	2012	Western Star	4900SA
159	Truck Tractors	Winch Trucks	2012	Kenworth	C500
PT194	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT360	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT361	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT362	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT363	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT364	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT366	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT367	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT494	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	T800 / HL30TC70
PT495	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	T800 / HL30TC70
T503	Haul Trucks	Haul Trucks	2013	Kenworth	C500 (Winch)
PT1311	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Fassi	T800 / F660RA
PT1412	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Manitex	T800 / 45110T
PT1505	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Peterbilt / Manitex	367 / 45110
T1230	Truck Tractors	Winch Trucks	2013	Peterbilt	367
T1228	Truck Tractors	Winch Trucks	2013	Kenworth	T800
T1249	Truck Tractors	Winch Trucks	2013	Kenworth	T800
PT498	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2014	Kenworth / Hydra-Lift	C500 / WHL45TC100
BT475	Haul Trucks	Haul Trucks	2014	Kenworth	C500 (Other)
PT172	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT175	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / HL30TC70

PT176	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / HL30TC70
PT177	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT178	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT179	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL45TC100
PT180	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL45TC100
PT181	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL45TC100
PT182	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL30TC70
T159	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T154	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T174	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T156	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T171	Truck Tractors	Winch Trucks	2015	Kenworth	T800
116	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Western Star / National	4900TS / NBT45-103
117	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Western Star / Manitex	4900TS / 4596T
118	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Ferrari	T800 / F749.A6
161	Truck Tractors	Winch Trucks	2015	Peterbilt	367
162	Truck Tractors	Winch Trucks	2015	Western Star	4900SA

SCHEDULE B - PLACES OF BUSINESS AND CHIEF EXECUTIVE OFFICE / RECORDS OFFICE

Place(s) of Business:

Grande Prairie

9511 – 154 Avenue
Grande Prairie, Alberta
T8X 0L2

Bonnyville

6708 – 50 Avenue
Bonnyville, Alberta
T9N 0B7

Whitecourt

2533 – 33 Street
Whitecourt, Alberta
T7S 1X4

Chief Executive Office (i.e. where records are kept):

Acheson

28712 – 114 Avenue
Acheson, Alberta
T7X 6E6

SCHEDULE C – PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means:

- (a) Liens of **Wells Fargo Capital Finance Corporation Canada**, as agent for a syndicate of lenders pursuant to the Asset Backed Lending facility of ENTREC Corporation, and those of their subsequent agents, successors and assigns; and
- (b) Liens of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the ordinary course of business and which individually or in the aggregate do not materially detract from the value of, or impair the use of, any of the Collateral.

SPECIFIC SECURITY AGREEMENT

made by

ENT OILFIELD GROUP LTD.

in favour of

HADEN'S HAULING LTD.

dated as of

OCTOBER 1, 2018

This SPECIFIC SECURITY AGREEMENT, dated as of OCTOBER 1, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time in accordance with the provisions hereof, this "**Specific Security Agreement**"), is made by ENT OILFIELD GROUP LTD., an Alberta corporation (the "**Debtor**"), in favour of HADEN'S HAULING LTD., (the "**Lender**").

WHEREAS, reference is made to the Share Purchase Agreement dated as of SEPTEMBER 7, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Purchase Agreement**") by and among SMITH WELLS, RICHARD WELLS, HADEN'S HAULING LTD., 2140303 ALBERTA LTD., the DEBTOR and ENTREC Corporation, under which the Debtor has agreed to purchase and the Lender has agreed to sell all the issued and outstanding shares owned by the Lender of CAPSTAN HAULING LTD.;

AND WHEREAS, pursuant to the Purchase Agreement, the Debtor has issued in favour of the Lender a Promissory Note dated as of OCTOBER 1, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Promissory Note**") in the principal amount of **\$1,500,000** (the "**Principal Amount**") representing the deferred portion of the purchase price payable to the Lender under the Purchase Agreement;

AND WHEREAS, this Specific Security Agreement is given by the Debtor in favour of the Lender to secure the payment and performance of all of the Debtor's obligations under the Promissory Note and this Specific Security Agreement;

AND WHEREAS, it is a condition to the obligations of the Lender under the Share Purchase Agreement that the Debtor execute and deliver the Promissory Note and this Specific Security Agreement.

NOW, THEREFORE, in consideration of the Lender entering into the Purchase Agreement and agreeing to complete the transactions on the terms contemplated thereby including the deferral of a portion of the purchase price payable to the Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor agrees as follows:

ARTICLE I INTERPRETATION

Section 1.01 Definitions.

- (a) Capitalized terms not otherwise defined in this Specific Security Agreement shall have the respective meanings assigned to such terms in the Promissory Note.
- (b) Unless otherwise defined herein or in the Promissory Note, terms used herein that are defined in the PPSA shall have the meanings assigned to them in the PPSA.
- (c) For purposes of this Specific Security Agreement, the following terms shall have the following meanings:
 - (i) **"Collateral"** has the meaning attributed thereto Section 2.01, and any reference to "Collateral" shall be deemed a reference to "Collateral" or any part thereof;
 - (ii) **"Event of Default"** has the meaning set forth in the Promissory Note;
 - (iii) **"Lien"** means any lien, privilege, mortgage, pledge, hypothec, charge, security interest, attachment, assignment, seizure, sequestration, distress, levy or other encumbrance of any nature or kind whatsoever;
 - (iv) **"Obligations"** means the payment and discharge of:
 - (A) the Principal Amount of the Promissory Note, and any interest on the Principal Amount, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise; and
 - (B) all other present and future obligations and liabilities of the Debtor to the Lender arising under the Promissory Note and this Specific Security Agreement including fees, costs, legal fees and disbursements, reimbursement obligations, contract causes of action, expenses and indemnities;
 - (v) **"Permitted Encumbrances"** means those Liens listed in **Schedule "C"** hereto.
 - (vi) **"PPSA"** means the Personal Property Security Act as in effect from time to time in the Province of Alberta; and
 - (vii) **"Principal Amount"** has the meaning attributed thereto in the recitals hereof.

Section 1.02 Articles, Sections and Schedules. The division of this Specific Security 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 Specific Security Agreement. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles, Sections and Schedule are to Articles, Sections and Schedules of this Specific Security Agreement.

Section 1.03 Singular, Gender and Person. In this Specific Security Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall

include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

ARTICLE II GRANT OF SECURITY INTEREST

Section 2.01 Grant of Security Interest. As general and continuing security for the payment and performance of the Obligations, Debtor hereby grants to Lender a continuing and specific security interest in and mortgages, charges and transfers and conveys as and by way of a fixed mortgage and charge, the assets and property set out in **Schedule A** attached hereto, together with all parts, accessories, substitutions, accessions, replacements, repairs and additions now or hereafter attached to, forming part thereof or used in connection therewith (collectively, the “**Collateral**”), all insurance claims and all proceeds (including proceeds of proceeds) therefrom.

Section 2.02 Attachment. The security interest created by this Specific Security Agreement is intended to attach to the Collateral when Debtor signs this Specific Security Agreement and the parties do not intend to postpone the attachment of any security interest created by this Specific Security Agreement.

Section 2.03 Use of Collateral. Until such time as the Secured Party realizes upon the Collateral following an Event of Default, the Debtor may continue to possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of Debtor's business in any manner not inconsistent with the provisions hereof.

Section 2.04 Transfer of Collateral. The Debtor may not transfer, lease, dispose of or otherwise relinquish possession of the Collateral or any part thereof except in the following circumstances:

- (a) as required for necessary maintenance or repairs;
- (b) the disposition of Collateral that is substantially worn, damaged, or obsolete or no longer used or useful in the ordinary course of business of the Debtor with the prior written consent of the Lender, such consent not to be unreasonably withheld; provided that it is understood and agreed that it shall be unreasonable for the Lender to withhold its consent in circumstances where the Debtor provides replacement Collateral to the Lender of equal or greater value than the Collateral disposed of;
- (c) any involuntary loss, damage or destruction of Collateral;
- (d) the leasing or subleasing of assets of the Debtor in its ordinary course of business of the Debtor;
- (e) the transfer, lease or disposal of Collateral with the prior written consent of the Lender, such consent not to be unreasonably withheld; provided that it is understood and agreed that it shall be unreasonable for the Lender to withhold its consent in circumstances where the Debtor provides replacement Collateral to the Lender of equal or greater value than the Collateral transferred or leased.

ARTICLE III
GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR

Section 3.01 Representations and Warranties.

Debtor hereby represents and warrants to Lender that:

- (a) **Duly Formed.** Debtor is duly formed and validly existing in good standing under the laws of the jurisdiction of its formation, and Debtor is entitled to carry on its business in the jurisdictions in which it carries on business; and Debtor has the corporate power to enter into the Promissory Note and this Specific Security Agreement and all certificates and other documents required hereby or referred to herein;
- (b) **Duly Authorized.** The Promissory Note and this Specific Security Agreement have been duly authorized by all necessary action, corporate or otherwise, on the part of Debtor; and this Specific Security Agreement constitutes a legal and valid agreement binding upon Debtor enforceable in accordance with its terms;
- (c) **No Conflict.** The execution, delivery, observance and performance of the Promissory Note and this Specific Security Agreement does not and will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any Lien on or in any property of Debtor pursuant to any applicable law, Debtor's constating documents, or any material agreement, indenture or other instrument to which Debtor is a party or by which Debtor or any of its property may be bound or affected;
- (d) **No Litigation.** There are no actions, suits or proceedings pending or, to the knowledge of Debtor, threatened in any court or tribunal or before any competent authority against Debtor or any of its property or assets which, in the reasonable and bona fide opinion of Debtor, may have a material adverse effect on the financial condition or business of Debtor;
- (e) **Places of Business.** Debtor's principal places of business and the location of its chief executive office where it keeps its records are set out in **Schedule "B"** to this Specific Security Agreement; and
- (f) **No Liens.** Debtor has good and marketable title to the Collateral free from any Liens except for the Permitted Encumbrances, the Lien granted in favour of Lender hereunder and any other Liens as may be agreed to by the Lender in writing.

Section 3.02 Covenants

Debtor covenants with Lender that:

- (a) **Good Working Order.** It will use commercially reasonable efforts to keep all of the Collateral in good working order and condition, reasonable wear and tear excepted;
- (b) **Manufacturer Compliance.** It shall cause the Collateral to be operated in material accordance with any applicable manufacturer's manuals or instructions, by competent duly qualified personnel;
- (c) **Legal Compliance.** It shall materially comply with all laws relating to the Collateral, its possession and use and ownership thereof by Debtor, and will at all times have

all material licences, permits and consents required by law in connection with its possession, use and operation of the Collateral;

(d) **No fixtures.** It shall not affix the Collateral to real or immovable property nor to any goods, chattels or moveable property not otherwise the subject of the security interest granted hereunder;

(e) **Business Only.** The Collateral shall be used only for business purposes;

(f) **Insurance.** Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral;

(g) **Defend Against Claims.** It shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and shall keep the Collateral free and clear of all Liens except for the Permitted Encumbrances, the Lien granted in favour of Lender hereunder and any other Liens as may be agreed to by the Lender in writing;

(h) **Location of Collateral.** It shall not move the Collateral from the location(s) set out in Schedule B attached hereto (being the sole locations of the Collateral at the date of this Specific Security Agreement) without Lender's prior written consent provided that Collateral which is mobile by nature shall be based at such locations but may be operated away from such location in the ordinary course of Debtor's business;

(i) **Payment of Taxes.** It shall pay all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to Lender, when required, the receipts and vouchers establishing such payment;

(j) **Access to Information/Inspection.** It shall from time to time forthwith at the request of Lender, furnish to Lender in writing all information reasonably requested relating to the Collateral, and Lender shall be entitled from time to time at any reasonable time and upon reasonable notice to inspect the Collateral and make copies of all such information relating to the Collateral and for such purposes Lender shall have reasonable access to all premises occupied by Debtor or where the Collateral may be found;

(k) **Documents to Perfect Lien.** It shall from time to time forthwith at the request of Lender execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by Lender to effectively carry out the full intent and meaning of this Specific Security Agreement or to better evidence and perfect the Lien granted hereby, and Debtor hereby irrevocably constitutes and appoints Lender, or any receiver appointed by the court or Lender, as true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever Lender or any such receiver may consider it to be necessary or expedient;

(l) **Notice of Change.** It shall notify Lender in writing:

(i) Within 15 days prior to changing its name, the location of its principal places of business, chief executive office, the location of its records, or jurisdiction of formation, and at Debtor's cost, Debtor shall enter into such agreements or

take such steps as Lender may reasonably require to ensure that Lender's rights and interests in the Collateral are protected and preserved; and

- (ii) promptly upon Debtor learning of the same, the occurrence of an Event of Default, any proceeding instituted or threatened to be instituted against Debtor in any court or before any regulatory body, or any event, circumstance or claim that could reasonably be expected to have a material adverse effect on the Collateral, the Debtor or its ability to perform its obligations hereunder; and

(m) **Financial Statements.** It shall furnish its financial statements to Lender within 180 days after the close of each financial year of Debtor prepared in accordance with generally accepted accounting principles consistent with prior such statements.

Section 3.03 Lender May Perform. If the Debtor fails to perform any obligation contained in this Agreement, the Lender may itself perform, or cause performance of, such obligation, and the costs and expenses of the Lender incurred in connection therewith shall be payable by the Debtor; *provided that* the Lender shall not be required to perform or discharge any obligation of the Debtor and the performance by the Lender shall not waive the rights of the Lender to enforce this Specific Security Agreement.

ARTICLE IV REMEDIES UPON DEFAULT

Section 4.01 Right to Accelerate Payment. Upon the occurrence of an Event of Default that is continuing, the Lender may, by written notice to the Debtor, declare any or all of the Obligations to be immediately due and payable, whereupon, all of the Obligations shall become and be immediately due and payable without further presentment, demand, protest or notice, all of which are hereby expressly waived by the Debtor.

Section 4.02 Enforcement of Security Interest. Upon the occurrence of an Event of Default that is continuing, the Lender may, by written notice to the Debtor, proceed to realize upon the Collateral and immediately enforce its rights.

Section 4.03 Remedies upon Default. Upon the occurrence of an Event of Default that is continuing, the Lender may exercise, with notice to and demand upon the Debtor, in addition to the other rights and remedies provided herein or otherwise available to it, the following rights and remedies (which rights and remedies may be exercised independently or in combination):

(a) **Assert PPSA Rights.** The Lender may assert all rights and remedies of a Lender under the PPSA or other applicable law;

(b) **Preserve Collateral.** The Lender may take such steps as it considers desirable to maintain, preserve or protect the Collateral or its value;

(c) **Take Possession.** The Lender may take possession of the Collateral by requiring the Debtor to assemble the Collateral or any part thereof and deliver the Collateral, or make the Collateral available, to the Lender at a place and time to be designated by the Lender;

(d) **Carry on Business.** The Lender may take possession of the Collateral by carrying on all or any part of the business of the Debtor, and may to the exclusion of all others, including the Debtor, enter upon, occupy and use any of the premises, buildings,

plant and undertaking owned, occupied or used by the Debtor and may use any of the tools, machinery, equipment and intangibles of the Debtor for such time as the Lender sees fit, free of charge and without liability, in order to carry on the business of the Debtor;

(e) **Enter Premises.** The Lender may enter upon and occupy any land and premises owned, leased or occupied by the Debtor where the Collateral or any part thereof is assembled or located in order to effectuate its rights and remedies hereunder or under law, without obligation whatsoever to the Debtor;

(f) **Borrow Money.** The Lender may borrow money required for the maintenance, preservation or protection of the Collateral or any part thereof, or to carry on the business, and may further charge the Collateral in priority to the security constituted by this Specific Security Agreement;

(g) **Sell Collateral.** The Lender may sell, lease, license, or otherwise dispose of all or any part of the Collateral by private sale or public sale or otherwise, and upon such other terms and conditions (including as to credit, upset or reserve bid or price) as the Lender may deem commercially reasonable;

(h) **Appoint Receiver.** The Lender may appoint, by instrument in writing, any person or persons (whether an officer or employee of the Lender or not) to be a receiver, manager, interim receiver, or receiver and manager (collectively, "**Receiver**"), of the Collateral or any part of the Collateral and remove or replace any person so appointed. Any receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Lender under this Article V; and

(i) **Court-Appointed Receiver.** The Lender may apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Lender under this Article V.

Section 4.04 Receiver Agent of Debtor. In exercising any powers any such receiver so appointed shall act as agent of the Debtor and not the Lender and the Lender shall not in any way be responsible for any of the actions of the Receiver, its employees, agents and contractors. The Lender may from time to time remove and appoint replacements for, any Receiver, and appoint another or others in their stead from time to time.

Section 4.05 Distribution of Proceeds. Any cash held by the Lender as Collateral and all cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Collateral (collectively the "**Proceeds**") shall be applied in whole or in part by the Lender to:

(a) the payment of reasonable expenses incurred by the Lender in connection with the foregoing or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of the Lender hereunder, including reasonable legal and Receivers' fees, and

(b) the balance of such Proceeds shall be applied or set-off against all or any part of the Obligations in such order as the Lender shall elect.

Any surplus of such cash or cash Proceeds held by the Lender and remaining after payment in full of all the Obligations shall be paid over to the Debtor or to whomsoever may be lawfully entitled to receive such surplus. The Debtor shall remain liable for any deficiency if such cash

and the cash Proceeds of any sale or other realization of the Collateral are insufficient to pay the Obligations and the fees and other charges of any solicitor employed by the Lender to collect such deficiency.

Section 4.06 Debtor Pays Expenses. The Debtor agrees to pay all reasonable expenses incurred by the Lender or any Receiver in the enforcement of this Specific Security Agreement, whether directly incurred or for services rendered including reasonable legal and auditor's fees and expenses and remuneration of any Receiver, and all such expenses shall be added to and form part of the Obligations secured hereunder.

ARTICLE V MISCELLANEOUS

Section 5.01 Entire Agreement. This Specific Security Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between Debtor and Lender with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between Lender and Debtor except as expressly set forth herein.

Section 5.02 Conflict with Promissory Note. To the extent of any conflict or inconsistency between the terms of this Specific Security Agreement and the terms of the Promissory Note, the terms of the Promissory Note shall govern to the extent necessary to remove the conflict or inconsistency.

Section 5.03 Further Assurance. Debtor will, from time to time, at the request of Lender and at the expense of Debtor, make, do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, things and assurances as Lender may reasonably deem necessary to perfect and preserve the security granted hereby and to give effect to this Specific Security Agreement. Debtor hereby irrevocably appoints Lender as its attorney in fact to do all such acts and things, with full power of substitution, and Debtor agrees to ratify and confirm all such acts of the said attorney lawfully done. Debtor shall pay all reasonable costs for searches and filings in connection with the registration, perfection and continuation of the security granted hereunder.

Section 5.04 Severability. If any provision of this Specific Security Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect.

Section 5.05 Amendments. None of the terms or provisions of this Specific Security Agreement may be amended, modified, supplemented, terminated or waived, and no consent to any departure by the Debtor therefrom shall be effective unless the same shall be in writing and signed by the Lender and the Debtor, and then such amendment, modification, supplement, waiver or consent shall be effective only in the specific instance and for the specific purpose for which made or given.

Section 5.06 Continuing Security Interest; Further Actions. This Specific Security Agreement shall create a general and continuing security interest in the Collateral and shall remain in full force and effect until payment and performance in full of the Obligations, (b) be binding upon the Debtor, its successors and permitted assigns, and (c) enure to the benefit of the Lender and its successors, transferees and permitted assigns.

Section 5.07 Termination; Release. This Agreement will not be or be deemed to have been discharged by reason only of the Debtor ceasing to be indebted or under any liability, direct or

indirect, absolute or contingent, to the Lender. On the date on which all Obligations have been paid and performed in full (as determined by the Lender in its sole discretion) and provided that the Debtor is not in default of any terms of the Purchase Agreement, the Promissory Note or this Specific Security Agreement, the Lender will, at the request and sole expense of the Debtor (a) duly assign, transfer and deliver to or at the direction of the Debtor (without recourse and without any representation or warranty) such of the Collateral as may then remain in the possession of the Lender, together with any monies at the time held by the Lender hereunder, and (b) execute and deliver to the Debtor a proper instrument or instruments acknowledging the satisfaction and termination of this Specific Security Agreement.

Section 5.08 Assignment. The Debtor may not assign or transfer any of its rights under this Agreement without the consent of the Lender. The Lender may not assign its obligations under this Agreement without the prior written consent of the Debtor.

Section 5.09 No Waiver and Cumulative Remedies. The Lender shall not by any act, delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any Event of Default. All rights and remedies herein provided are cumulative and are not exclusive of any rights or remedies provided by law.

Section 5.10 Notices. All notices, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth in the Purchase Agreement and shall be given in the manner and become effective as set forth in the Purchase Agreement.

Section 5.11 Acknowledgement. The Debtor acknowledges receipt of a fully executed copy of this Specific Security Agreement and waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed, issued, or obtained at any time in respect of this Specific Security Agreement.

Section 5.12 Amalgamation. The Debtor acknowledges that, if it amalgamates with another person, the term Debtor when used in this Specific Security Agreement, shall apply to each of the amalgamating corporations and to the amalgamated corporation, such that the security interests created hereby shall extend to the Collateral in which any amalgamating corporation has any rights at the time of the amalgamation and to any collateral in which the amalgamated corporation thereafter has any rights to secure the Obligations of each of the amalgamating corporations and the amalgamated corporation to the Lender at the time of the amalgamation and any Obligations of the amalgamated corporation to the Lender thereafter arising.

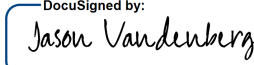
Section 5.13 Governing Law. All matters arising out of or relating to this Specific Security Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable in that Province and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of Alberta.

Section 5.14 Counterparts. This Specific Security Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. A signed copy of this Specific Security Agreement delivered by facsimile, email or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Specific Security Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Debtor has executed this Specific Security Agreement as of the date first above written.

ENT OILFIELD GROUP LTD. as Debtor

By  DocuSigned by:
9CC68279A1B1409...

Name: Jason Vandenberg
Title: Chief Financial Officer

SCHEDULE A – COLLATERAL (EQUIPMENT)

See attached.

PT108	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 45110T
PT357	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 4596T
PT358	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Hydra-Lift	C500 / WHL45TC100
T1240	Truck Tractors	TA Truck Tractors	2012	Kenworth	T800
T416	Truck Tractors	Winch Trucks	2012	Kenworth	T800
BT1704	Haul Trucks	Haul Trucks	2012	Kenworth	C500 (Other)
PT359	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 4596T
T092	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T093	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T094	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1219	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1222	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1225	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1235	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1245	Truck Tractors	Winch Trucks	2012	Kenworth	T800
PT107	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 45110T
PT156	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2012	Kenworth / Manitex	C500 / 4596T
T103	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T1226	Truck Tractors	Winch Trucks	2012	Kenworth	T800
T502	Haul Trucks	Haul Trucks	2012	Kenworth	C500 (Winch)
158	Truck Tractors	Winch Trucks	2012	Western Star	4900SA
159	Truck Tractors	Winch Trucks	2012	Kenworth	C500
PT194	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT360	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT361	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT362	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT363	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT364	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT366	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT367	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT494	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	T800 / HL30TC70
PT495	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Hydra-Lift	T800 / HL30TC70
T503	Haul Trucks	Haul Trucks	2013	Kenworth	C500 (Winch)
PT1311	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Fassi	T800 / F660RA
PT1412	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Kenworth / Manitex	T800 / 45110T
PT1505	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2013	Peterbilt / Manitex	367 / 45110
T1230	Truck Tractors	Winch Trucks	2013	Peterbilt	367
T1228	Truck Tractors	Winch Trucks	2013	Kenworth	T800
T1249	Truck Tractors	Winch Trucks	2013	Kenworth	T800
PT498	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2014	Kenworth / Hydra-Lift	C500 / WHL45TC100
BT475	Haul Trucks	Haul Trucks	2014	Kenworth	C500 (Other)
PT172	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT175	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / HL30TC70

PT176	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / HL30TC70
PT177	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT178	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	C500 / WHL45TC100
PT179	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL45TC100
PT180	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL45TC100
PT181	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL45TC100
PT182	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Hydra-Lift	T800 / WHL30TC70
T159	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T154	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T174	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T156	Truck Tractors	Winch Trucks	2015	Kenworth	T800
T171	Truck Tractors	Winch Trucks	2015	Kenworth	T800
116	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Western Star / National	4900TS / NBT45-103
117	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Western Star / Manitex	4900TS / 4596T
118	Boom Trucks, Bucket Trucks, And Digger Derricks	Boom Trucks	2015	Kenworth / Ferrari	T800 / F749.A6
161	Truck Tractors	Winch Trucks	2015	Peterbilt	367
162	Truck Tractors	Winch Trucks	2015	Western Star	4900SA

SCHEDULE B - PLACES OF BUSINESS AND CHIEF EXECUTIVE OFFICE / RECORDS OFFICE

Place(s) of Business:

Grande Prairie

9511 – 154 Avenue
Grande Prairie, Alberta
T8X 0L2

Bonnyville

6708 – 50 Avenue
Bonnyville, Alberta
T9N 0B7

Whitecourt

2533 – 33 Street
Whitecourt, Alberta
T7S 1X4

Chief Executive Office (i.e. where records are kept):

Acheson

28712 – 114 Avenue
Acheson, Alberta
T7X 6E6

SCHEDULE C – PERMITTED ENCUMBRANCES

"Permitted Encumbrances" means:

- (a) Liens of **Wells Fargo Capital Finance Corporation Canada**, as agent for a syndicate of lenders pursuant to the Asset Backed Lending facility of ENTREC Corporation, and those of their subsequent agents, successors and assigns; and
- (b) Liens of carriers, warehousemen, mechanics, materialmen and repairmen incurred in the ordinary course of business and which individually or in the aggregate do not materially detract from the value of, or impair the use of, any of the Collateral.

EXHIBIT “N”

Spencer D. Norris
Barrister and Solicitor

This is Exhibit "N" referred to in the
Affidavit of John Stevens
Sworn before me this 14 day
of May, 2020

SUBORDINATION AGREEMENT

THIS AGREEMENT is made October 1, 2018 between,  A Commissioner for Oaths, in and for
the Province of Alberta

ENTREC CORPORATION, an Alberta corporation (the "**Parent**"), **ENT OILFIELD GROUP LTD.**, an Alberta corporation ("**Acquireco**"), **CAPSTAN HAULING LTD.**, an Alberta corporation ("**Target**"), **ENTREC SERVICES LTD.**, an Alberta corporation, **ENTREC LIFT SERVICES INC.**, an Alberta corporation, **ENTREC ALBERTA LTD.**, an Alberta corporation, **ENTREC ENGINEERING LTD.**, an Alberta corporation, **ENTREC CRANES & HEAVY HAUL (WESTERN) LTD.**, a British Columbia corporation, and **ENTREC CRANES & HEAVY HAUL INC.**, an Arizona corporation (collectively, including the Parent, the "**Obligors**" and each, an "**Obligor**"),

HADEN'S HAULING LTD. and 2140303 ALBERTA LTD. (collectively, the "**Subordinated Lenders**" and each a "**Subordinated Lender**"), and

WELLS FARGO CAPITAL FINANCE CORPORATION CANADA, in its capacity as administrative agent and collateral agent for each member of the Lender Group and the Bank Product Providers (the "**Senior Agent**").

WHEREAS the Parent, the Senior Agent and the lenders party thereto have entered into a credit agreement dated October 10, 2017 (as amended, modified, supplemented, extended, renewed, restated or replaced, the "**Senior Credit Agreement**") and where the Obligors, other than the Parent, have provided guarantees and security in respect to the Senior Credit Agreement pursuant to which the Lender Group has provided, and may from time to time provide, senior loans and financial accommodations to the Obligors;

AND WHEREAS Acquireco issued a Promissory Note in favour of each of the Subordinated Lenders dated October 1, 2018 (as amended, modified, supplemented, extended, renewed, restated or replaced, collectively, the "**Subordinated Promissory Notes**");

AND WHEREAS the Subordinated Promissory Notes are secured by a specific security agreement (as amended, modified, supplemented, extended, renewed, restated or replaced) (the "**Subordinated GSA**");

NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1. **Capitalized Terms**: All capitalized terms used herein which have not otherwise been defined shall have the meanings ascribed thereto in the Senior Credit Agreement.
2. **Subordination and Postponement**: Subject to the terms of Section 3 hereof, the Obligors and each of the Subordinated Lenders hereby agree that all obligations, liabilities and indebtedness at any time owing by the Obligors to the Subordinated Lenders (collectively, the "**Subordinated Debt**") and all liens, security interests, guarantees and other security agreements (including for certainty, the Subordinated GSA) now or hereafter granted by the Obligors to the Subordinated Lenders to secure all or any part of the Subordinated Debt (collectively, the

"**Subordinated Security**") are hereby deferred, postponed and subordinated in all respects by the Subordinated Lenders to the prior repayment in full by the Obligors of all obligations, liabilities and indebtedness at any time owing by the Obligors to the Senior Agent, the Lender Group, the Bank Product Providers or any of their respective affiliates (including for certainty, all Obligations) (collectively, the "**Senior Debt**") and all liens, security interests, guarantees and other security agreements now or hereafter granted by the Obligors to the Senior Agent to secure all or any part of the Senior Debt (collectively, the "**Senior Security**").

3. **Repayment of Scheduled Interest on Subordinated Debt:** Provided that the Obligors are not in default under the Senior Credit Agreement, and provided such payments will not put the Obligors in default under the Senior Credit Agreement, Acquireco may make, and the Subordinated Lenders may accept:

- (a) scheduled non-default rate interest payments (at a rate not greater than the rate specified in the Subordinated Promissory Notes as in effect on the date hereof) on the principal amount outstanding under the Subordinated Promissory Notes made in accordance with the terms of the Subordinated Promissory Notes in effect on the date hereof; and
- (b) scheduled payment of the principal amount outstanding under the Subordinated Promissory Notes made in accordance with the terms of the Subordinated Promissory Notes in effect on the date hereof.

4. **Status of Subordinated Debt:**

- (a) The amount owing in respect of the Subordinated Debt is Cdn\$3,000,000 in principal as at the date hereof and Cdn\$0 in accrued interest as at the date hereof. A true and complete copy of the Subordinated Promissory Notes is attached hereto as Schedule A.
- (b) The Obligors may not grant any Subordinated Lender any additional security or amend the Subordinated GSA for the Subordinated Debt without the prior written consent of the Senior Agent, not to be unreasonably withheld.
- (c) The Obligors and the Subordinated Lenders covenant and agree, upon request by the Senior Agent from time to time, to promptly:
 - (i) deliver to the Senior Agent copies of all documentation with respect to the Subordinated Debt and the Subordinated Security;
 - (ii) provide details to the Senior Agent of the outstanding amount of the Subordinated Debt; and
 - (iii) provide notice (and reasonable details) to the Senior Agent of any default with respect to the Subordinated Debt and the Subordinated Security.

5. **Restriction on Enforcement:** The Subordinated Lenders shall not take any steps to realize on or enforce the Subordinated GSA or otherwise exercise (or cause to be exercised) any

rights or remedies granted to the Subordinated Lenders, and they shall not commence, or join with any other creditor in commencing any enforcement, receivership, bankruptcy, reorganization, readjustment of debt, adjustment of debt, reorganization, compromise, arrangement, dissolution, receivership, liquidation or insolvency proceedings with respect to the Acquireco (collectively, the "**Subordinated Rights**") until no earlier than 180 days after it has delivered a default notice to the Senior Agent (the "**Standstill Period**") unless they have received prior written consent of the Senior Agent (in its sole discretion). Notwithstanding the foregoing, the Subordinated Lenders agree that any permitted realization or enforcement of the Subordinated GSA shall not interfere in any manner with the realization or enforcement by the Senior Agent of the Senior Security. Further provided that under no circumstances shall any Subordinated Lender exercise any Subordinated Rights if, notwithstanding the expiration of the Standstill Period, the Senior Agent: (A) shall have commenced and be diligently pursuing the exercise of their rights or remedies with respect to all, substantially all or any material portion of the collateral; or (B) are stayed or otherwise precluded from pursuing such rights or remedies pursuant to applicable laws or Insolvency Proceedings (including pursuant to any order made in connection therewith). For certainty, if any Subordinated Lender is entitled to proceed with or to exercise any Subordinated Rights following the expiry of the Standstill Period, it is hereby acknowledged and agreed that (x) the Subordinated Security remains junior and subordinate in right, priority, operation, effect and all other respects to any and all Senior Security and (y) the Senior Agent shall be entitled to receive from the proceeds of the collateral indefeasible payment in full of the Senior Debt in accordance with this Agreement until payment in full and termination of the Senior Debt.

Nothing in this Section 5 shall preclude any of the Subordinated Lenders from filing a proof of claim in connection with any bankruptcy or similar proceeding in respect of the Obligors.

6. **Senior Agent's Rights:** Each Subordinated Lender agrees that:

- (a) the Senior Agent, in its absolute discretion and without diminishing the obligations of the Subordinated Lenders hereunder, may grant time or other indulgences to the Obligors and any other person or persons now or hereafter liable to the Senior Agent in respect of the payment of the Senior Debt, and may give up, modify, vary, exchange, renew or abstain from taking advantage of the Senior Security in whole or in part and may discharge part or parts of or accept any composition or arrangements or realize upon the Senior Security when and in such manner as the Senior Agent may think expedient, and in no such case shall the Senior Agent be responsible for any neglect or omission with respect to the Senior Security or any part thereof;
- (b) the Subordinated Lenders shall not be released or exonerated from its obligations hereunder by extension of time periods or any other forbearance whatsoever, whether as to time, performance or otherwise or by any release, discharge, loss or alteration in or dealing with all or any part of the Senior Debt and the Senior Security or by any failure or delay in giving any notice required under this Agreement or under the Senior Debt or Senior Security or any part thereof, the waiver by the Senior Agent of compliance with any conditions precedent to any advance of funds, or by any amendment, modification, supplementation,

extension, renewal, restatement or replacement of the Senior Credit Agreement, the Senior Debt or the Senior Security or any part thereof, or by anything done, suffered or permitted by the Senior Agent, or as a result of the method or terms of payment under the Senior Debt or Senior Security or any assignment or other transfer of all or any part of the Senior Debt or the Senior Security or any part thereof;

- (c) the Senior Agent shall not be bound to seek or exhaust any recourse against the Obligors or any other person or against the property of the Obligors or any other person or against any security, guarantee or indemnity before being entitled to the benefit of the Subordinated Lenders's obligations hereunder and the Senior Agent may enforce the various remedies available to it and may realize upon the Senior Security or any part thereof in such order as the Senior Agent may determine appropriate; and
- (d) the Senior Agent shall be entitled to advance its own monies as it sees fit in order to preserve or protect the property of the Obligors and all such sums advanced shall constitute part of the Senior Debt and shall be secured by the Senior Security.

7. **Liquidation, Dissolution, Bankruptcy, etc.:**

- (a) In the event of distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, of all or any part of the property of the Obligors, or the proceeds thereof, to creditors in connection with the bankruptcy, liquidation or winding-up of the Obligors or in connection with any composition with creditors or scheme of arrangement to which the Obligors are party, the Senior Agent shall be entitled to receive payment in full (including interest accruing to the date of receipt of such payment at the applicable rate whether or not allowed as a claim in any such proceeding) of the Senior Debt before any of the Subordinated Lenders is entitled to receive any direct or indirect payment or distribution of any cash or other property of the Obligors on account of the Subordinated Debt, and the Senior Agent shall be entitled to receive directly, for application in payment of such Senior Debt (to the extent necessary to pay all Senior Debt in full after giving effect to any substantially concurrent payment or distribution to the Senior Agent in respect of the Senior Debt), any payment or distribution of any kind or character, whether in cash or other property, which shall be payable or deliverable upon or with respect to the Subordinated Debt.
- (b) To the extent any payment of Senior Debt is declared to be a fraudulent preference or otherwise preferential, set aside or required to be paid to a trustee, receiver or other similar person under any bankruptcy, insolvency, receivership or similar law, then if such payment is recoverable by, or paid over to, such trustee, receiver or other person, the Senior Debt or part thereof originally intended to be satisfied shall be deemed to be reinstated and outstanding as if such payment had not occurred.

- (c) In order to enable the Senior Agent to enforce its rights hereunder in any of the actions or proceedings described in this Section 7, upon the failure of any or all of the Subordinated Lenders to make and present on a timely basis a proof of claim against the Obligors on account of the Subordinated Debt or other motion or pleading as may be expedient or proper to establish any of the Subordinated Lenders' entitlement to payment of any Subordinated Debt, the Senior Agent is hereby irrevocably authorized and empowered (until the Senior Debt has been indefeasibly paid in full and the Senior Credit Agreement has been terminated), in its discretion, to make and present for and on behalf of the applicable Subordinated Lender such proofs of claims or other motions or pleadings and to demand, receive and collect any and all dividends or other payments or disbursements made thereon in whatever form the same may be paid or issued and to apply the same on account of the Senior Debt.
- (d) Each Subordinated Lender hereby covenants and agrees not to exercise any voting right or other privilege that it may have from time to time in any of the actions or proceedings described in this Section 7 in favour of any plan, proposal, compromise, arrangement or similar transaction that would defeat:
 - (i) the right of the Senior Agent to receive payments and distributions otherwise payable or deliverable upon or with respect to the Subordinated Debt so long as any Senior Debt remains outstanding; or
 - (ii) the obligation of the Subordinated Lenders to receive, hold in trust, and pay over to the Senior Agent certain payments and distributions as contemplated by this Agreement.

8. **Payments Received by the Subordinated Lenders:** Except as otherwise provided for herein, if, prior to the indefeasible payment in full of the Senior Debt and the termination of the Senior Credit Agreement, any Subordinated Lender or any person on its behalf shall receive any payment from or distribution of property of the Obligors or on account of the Subordinated Debt, then such Subordinated Lender shall, and shall cause such other person to, receive and hold such payment or distribution in trust for the benefit of the Senior Agent and promptly pay the same over or deliver to the Senior Agent in precisely the form received by such Subordinated Lender or such other person on its behalf (except for any necessary endorsement or assignment) and such payment or distribution shall be applied by the Senior Agent to the repayment of the Senior Debt or as it may otherwise determine.

9. **No Release:** This Agreement shall remain in full force and effect without regard to, and the obligations of the Subordinated Lenders hereunder shall not be released or otherwise affected or impaired by, any one or more of the following matters:

- (a) any exercise or non-exercise by the Senior Agent of any right, remedy, power or privilege in any of the Loan Documents;

- (b) any waiver, consent, extension, indulgence or other action, inaction or omission by the Senior Agent under or in respect of this Agreement or any of the Loan Documents;
- (c) any default by the Obligors under, any limitation on the liability of the Obligors or on the method or terms of payment under, or any irregularity or other defect in, any of the Loan Documents, the Senior Debt or the Senior Security;
- (d) the lack of authority or revocation thereof by any other party;
- (e) the failure of the Senior Agent to file or enforce a claim of any kind;
- (f) any defence based upon an election of remedies by the Senior Agent which destroys or otherwise impairs the subrogation rights of any or all of the Subordinated Lenders or the right of any or all of the Subordinated Lenders to proceed against the Obligors for reimbursement, or both;
- (g) any merger, consolidation or amalgamation of any Subordinated Lender or the Obligors into or with any other person;
- (h) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting any Subordinated Lender or the Obligors;
- (i) the creation, grant, execution, delivery, validity or enforceability of the Senior Security and/or the Subordinated Security;
- (j) the attachment or perfection of the liens and security interests under the Senior Security and/or the Subordinated Security;
- (k) the registration of the Senior Security and/or the Subordinated Security or the filing of financing statements or other instruments and documents with respect thereto;
- (l) any notice to or demand upon the Obligors or to any other Person (or the failure to give any notice or demand);
- (m) any loan(s), advance or advances of money or money's worth made to the Obligors; or
- (n) delivery to the Obligors of any property subject to the Senior Security and/or the Subordinated Security.

The Senior Security and the Subordinated Security shall be liens and security interests upon the property of the Obligors in the same manner and to the same extent as if they had been executed, delivered and registered for the purpose of perfecting the security represented thereby in the order of the respective priorities as indicated in Section 2 hereof.

10. **Modification of Senior Debt, Senior Security and Senior Credit Agreement:** The Senior Agent, the Lender Group, the Bank Product Providers and their respective affiliates, as applicable, may at any time and from time to time without the consent of or notice to the Subordinated Lenders, without incurring liability to the Subordinated Lenders and without impairing or releasing the obligations of the Subordinated Lenders under this Agreement, amend, modify, supplement, extend, renew, restate or replace any of the terms of the Senior Debt, the Senior Security, the Senior Credit Agreement or any other Loan Document.

11. **Modification of Subordinated Debt, Subordinated Security and Subordinated Promissory Notes:** Until the Senior Debt has been indefeasibly paid in full and the Senior Credit Agreement terminated, the Subordinated Lenders and the Obligor shall not amend, modify, supplement, extend, renew, restate or replace any of the terms of the Subordinated Debt, the Subordinated Security, the Subordinated GSA, the Subordinated Promissory Notes or any agreement or instrument with respect to the Subordinated Debt without the prior written consent of the Senior Agent, acting reasonably.

12. **Further Assurances:** The parties hereto shall forthwith, and from time to time, execute and do all deeds, documents and things which may be necessary or advisable, in the reasonable opinion of the Senior Agent, to give full effect to this Agreement and the rights and remedies of the Senior Agent hereunder, in accordance with the intent of this Agreement.

13. **Successors and Assigns:**

- (a) This Agreement is binding upon the parties hereto and their respective successors and assigns and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- (b) The Subordinated Lenders shall not be entitled to sell, assign or transfer all or any part of its rights and obligations under this Agreement or in respect of the Subordinated Debt, the Subordinated Security or the Subordinated Promissory Notes unless, prior to entering into such sale, assignment or transfer, the proposed assignee or transferee, as applicable, enters into a written agreement with the Senior Agent pursuant to which the proposed assignee or transferee, as applicable, agrees to be bound by the terms hereof in effect as of the date of such sale, assignment or transfer and, if reasonably required by the Senior Agent, the Subordinated Lenders delivers to the Senior Agent a favourable opinion of counsel to the proposed assignee or transferee, as applicable, confirming the enforceability of such agreement against such proposed assignee or transferee, as applicable, in form and content satisfactory to the Senior Agent, acting reasonably.

14. **Governing Law:** This Agreement shall be governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

15. **Attornment:** The parties hereto irrevocably consent and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta and waive any objection based on venue or *forum non conveniens* with respect to any action instituted therein arising under this Agreement

and agree that any dispute with respect to any such matters shall be heard only in the courts described above (except that the Senior Agent shall have the right to bring any action or proceeding against the Obligors or their property in the courts of any other jurisdiction which the Senior Agent deems necessary or appropriate in order to realize on the collateral or to otherwise enforce its rights against the Obligors or their property).

16. **Acknowledgement:** The Obligors hereby acknowledge receipt of a copy of this Agreement and agree with the Senior Agent and the Subordinated Lenders to give effect to all of the provisions of this Agreement.

17. **Termination:** This Agreement shall terminate upon the indefeasible payment in full of the Senior Debt and the termination of the Senior Credit Agreement.

18. **Counterparts:** This Agreement may be executed in one or more counterparts, by original, emailed (PDF) or facsimile signature, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same Agreement.

19. **Notice:** Any notice or other communication to be given hereunder shall be in writing and shall be given by prepaid first-class mail, by facsimile or by hand-delivery to the address of the applicable party beside its name below or such other address that a party may advise all the other parties hereto in accordance with this Section.

[Signature pages follow.]

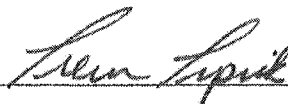
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA, as Senior
Agent

By:

Name:

Title:



TREVOR TYSICK

VICE PRESIDENT

WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA

By:

Name:

Title:

Address:

40 King Street West

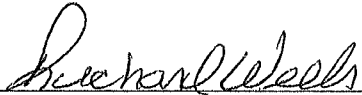
Suite 2500

Toronto, Ontario M5H 3Y2

Attention: Trevor Tysick

Fax: (866) 533-7574

**HADEN'S HAULING LTD., as
Subordinated Lender**

By: 
Name: Richard Wells
Title: President

Address:
14, 713033 Range Road 51
County of Grande Prairie No. 1, AB T8X 4A4
Attention: Richard Wells

**2140303 ALBERTA LTD., as Subordinated
Lender**

By: 

Name: Smith Wells

Title: President

Address:

722003 Range Road 50

County of Grande Prairie No. 1, AB T8X 4J2

Attention: Smith Wells

ENTREC CORPORATION, as Parent

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 - 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

ENT OILFIELD GROUP LTD., as Obligor

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

CAPSTAN HAULING LTD., as Obligor

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

ENTREC SERVICES LTD., as Obligor

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

**ENTREC LIFT SERVICES INC., as
Obligor**

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

ENTREC ALBERTA LTD., as Obligor

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

**ENTREC ENGINEERING LTD., as
Obligor**

By:

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

**ENTREC CRANES & HEAVY HAUL
(WESTERN) LTD., as Obligor**

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

**ENTREC CRANES & HEAVY HAUL
INC., as Obligor**

By: 

Name: Jason Vandenberg

Title: Chief Financial Officer

Address:

28712 – 114 Avenue

Acheson, Alberta T7X 6E6

Attention: Chief Financial Officer

Fax: 780 962-1722

SCHEDULE A

Subordinated Promissory Notes

See attached.

Vendor Take Back

Promissory Note

This Promissory Note ("**Promissory Note**") is made as of OCTOBER 1, 2018 by and between HADEN'S HAULING LTD. (including his successors and permitted assigns, the "**Lender**") and ENT OILFIELD GROUP LTD. (including its successors and permitted assigns, the "**Borrower**").

WHEREAS, reference is made to the Share Purchase Agreement dated as of SEPTEMBER 7, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Purchase Agreement**") by and among Smith Wells, Richard Wells, Haden's Hauling Ltd., 2140303 Alberta Ltd., the Borrower and ENTREC Corporation, under which the Borrower has agreed to purchase and the Lender has agreed to sell all the issued and outstanding shares owned by the Lender of CAPSTAN HAULING LTD.;

AND WHEREAS, under the Purchase Agreement, the Borrower has agreed to issue in favour of the Lender a promissory note in the principal amount of \$1,500,000 representing the deferred portion of the purchase price payable to the Lender under the Purchase Agreement;

AND WHEREAS, all of the Borrower's obligations to the Lender under this Promissory Note are secured by security interests in certain equipment of the Borrower pursuant to a Specific Security Agreement made as of OCTOBER 1, 2018 by and between the Lender and the Borrower (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Specific Security Agreement**");

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Promise to Pay. Subject to the terms and conditions hereof, the Borrower hereby acknowledges itself indebted to the Lender and promises to pay to the order of the Lender the principal amount of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000)** (the "**Principal Amount**") in lawful money of Canada.
2. Interest. The outstanding Principal Amount shall bear interest at the rate of **FIVE per cent (5%) per annum**, calculated daily and payable semi-annually in arrears on the last Business Day of SEPTEMBER and MARCH commencing on MARCH 31, 2019 until the Maturity Date (defined below) both before and after default, maturity and judgment. Interest shall accrue daily and be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Any payment which becomes due on a day which is not a Business Day shall be paid on the next following Business Day and such extension shall be taken into account for the calculation of interest and overdue interest. If any amount of principal or interest payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall bear interest at the **default rate of FIFTEEN percent (15%) per annum** from the date of such non-payment until such amount is paid in full.
3. Method of Payment. Principal and interest due hereunder shall be paid to the Lender in lawful money of Canada in immediately available funds by wire transfer, by certified cheque or bank draft, or as otherwise directed by the Lender.
4. Term and Repayment. The term of this Promissory Note shall commence on the date of this Promissory Note and shall continue up to and including the **FIFTH (5th) anniversary** of the date of this Promissory Note (the "**Maturity Date**"). The Borrower shall permanently repay any portion of

the unpaid balance of the Principal Amount outstanding, and all accrued interest, fees, and other amounts then unpaid, in full on the Maturity Date.

5. Prepayment. The Borrower may at any time, and from time to time, prepay all or any portion of the unpaid balance of the Principal Amount outstanding, together with interest accrued but unpaid thereon, without bonus or penalty.

6. Conclusive Evidence of Indebtedness. The recording by the Borrower in its accounts of the Principal Amount owing, accrued interest and repayments shall, in the absence of manifest mathematical error, be prima facie evidence of the same; *provided that* the failure of the Borrower to record the same shall not affect the obligation of the Borrower to pay such amounts to the Lender.

7. Security. As security for the obligations of the Borrower owing under this Promissory Note, the Borrower has executed and delivered the Specific Security Agreement in favour of the Lender.

8. Events of Default. The outstanding Principal Amount and all accrued interest and other costs, expenses, and charges thereon shall immediately become due and payable by written notice or demand from the Lender to the Debtor upon the occurrence of any of the following events of default (each, an "**Event of Default**"):

- (a) If the Borrower fails to pay the Principal Amount on the Maturity Date.
- (b) If the Borrower fails to pay any other amounts when due and payable hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.
- (c) If the Borrower fails to observe or perform any covenant of this Promissory Note or any security given by the Borrower to the Lender for its obligations hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.
- (d) If the Borrower fails to pay any portion of the Holdback Funds, including any interest earned thereon, when due and payable under the Purchase Agreement and such failure continues for THIRTY (30) days after written notice to the Borrower."
- (e) If the Borrower ceases to carry on business.
- (f) If the Borrower commences any application, proceeding or other action under any laws relating to bankruptcy, insolvency, reorganization, winding-up, dissolution or other analogous laws, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, proposal, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, including, without limitation, that the Borrower files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) or a plan of arrangement under the *Companies' Creditors Arrangement Act* (Canada) or if the Borrower makes a general assignment for the benefit of its creditors.
- (g) If there is commenced against the Borrower any application, proceeding or other action of a nature referred to in subsection (e) directly above which results in the entry of an order for any such relief which has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.
- (h) If a receiver, interim receiver, receiver and manager, trustee, custodian, conservator or other similar official is appointed over all or any part of the assets of the Borrower which

has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

(i) If there is commenced against the Borrower any application, proceeding or other action seeking issuance of a writ of seizure and sale, execution, garnishment, or similar process against all or any part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

9. Waiver. The Borrower hereby waives presentment, protest, notice of protest, notice of non-payment, notice of dishonour and any and all other notices or demands relative to this Promissory Note.

10. Assignment. Neither the Borrower nor the Lender shall in any manner whatsoever assign this Promissory Note or an obligations or benefits hereunder, in whole or in part, without the prior written consent of the other party.

11. Amendments. This Promissory Note may only be amended, amended and restated or otherwise modified by an agreement in writing signed by the Lender and the Borrower.

12. Waiver. No waiver by the Lender of any of the provisions hereof is effective unless explicitly set forth in writing and signed by the Lender. No waiver by the Lender will operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Promissory Note will operate or be construed as a waiver thereof; nor will any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

13. Successors and Assigns. This Promissory Note is binding upon the Borrower and its successors and permitted assigns and shall enure to the benefit of the Lender and its permitted successors and permitted assigns.

14. Notices. All notices and other communications provided for hereunder shall be in writing and be delivered by the method and to the addressees noted in the Purchase Agreement.

15. Further Assurances. The Borrower shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated hereby.

16. Severability. If any term or provision of this Promissory Note is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other term or provision of this Promissory Note or invalidate or render unenforceable such term or provision in any other jurisdiction.

17. Business Day. All references in this Promissory Note to "Business Day" means a day of the week other than a Saturday, Sunday or any other day which is a statutory holiday in the Province of Alberta.

18. Defined Terms. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

19. Governing Law. All matters arising out of or relating to this Promissory Note are governed by and construed in accordance with the laws of the Province of Alberta, and the federal laws of Canada applicable in that Province without giving effect to any choice or conflict of law provision or rule (whether of the Province of Alberta or any other jurisdiction).

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first above written.

ENT OILFIELD GROUP LTD

DocuSigned by:
By Jason Vandenberg
9CC66270A1B3409
Name: Jason Vandenberg
Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the same date:

HADEN'S HAULING LTD.

By _____
Name: Richard Wells
Title: President

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IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first above written.

ENT OILFIELD GROUP LTD

By _____

Name: Jason Vandenberg

Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the same date:

HADEN'S HAULING LTD.

By  _____

Name: Richard Wells

Title: President

Vendor Take Back

Promissory Note

This Promissory Note ("**Promissory Note**") is made as of OCTOBER 1, 2018 by and between 2140303 ALBERTA LTD. (including his successors and permitted assigns, the "**Lender**") and ENT OILFIELD GROUP LTD. (including its successors and permitted assigns, the "**Borrower**").

WHEREAS, reference is made to the Share Purchase Agreement dated as of SEPTEMBER 7, 2018 (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Purchase Agreement**") by and among Smith Wells, Richard Wells, Haden's Hauling Ltd., 2140303 Alberta Ltd., the Borrower and ENTREC Corporation, under which the Borrower has agreed to purchase and the Lender has agreed to sell all the issued and outstanding shares owned by the Lender of CAPSTAN HAULING LTD.;

AND WHEREAS, under the Purchase Agreement, the Borrower has agreed to issue in favour of the Lender a promissory note in the principal amount of \$1,500,000 representing the deferred portion of the purchase price payable to the Lender under the Purchase Agreement;

AND WHEREAS, all of the Borrower's obligations to the Lender under this Promissory Note are secured by security interests in certain equipment of the Borrower pursuant to a Specific Security Agreement made as of OCTOBER 1, 2018 by and between the Lender and the Borrower (as amended, amended and restated, renewed, extended, supplemented, replaced or otherwise modified from time to time, the "**Specific Security Agreement**") ;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Promise to Pay. Subject to the terms and conditions hereof, the Borrower hereby acknowledges itself indebted to the Lender and promises to pay to the order of the Lender the principal amount of **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000)** (the "**Principal Amount**") in lawful money of Canada.
2. Interest. The outstanding Principal Amount shall bear interest at the rate of **FIVE per cent (5%) per annum**, calculated daily and payable semi-annually in arrears on the last Business Day of SEPTEMBER and MARCH commencing on MARCH 31, 2019 until the Maturity Date (defined below) both before and after default, maturity and judgment. Interest shall accrue daily and be calculated on the basis of a year of 365 or 366 days, as the case may be, and the actual number of days elapsed. Any payment which becomes due on a day which is not a Business Day shall be paid on the next following Business Day and such extension shall be taken into account for the calculation of interest and overdue interest. If any amount of principal or interest payable hereunder is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such overdue amount shall bear interest at the **default rate of FIFTEEN percent (15%) per annum** from the date of such non-payment until such amount is paid in full.
3. Method of Payment. Principal and interest due hereunder shall be paid to the Lender in lawful money of Canada in immediately available funds by wire transfer, by certified cheque or bank draft, or as otherwise directed by the Lender.
4. Term and Repayment. The term of this Promissory Note shall commence on the date of this Promissory Note and shall continue up to and including the **FIFTH (5th) anniversary** of the date of this Promissory Note (the "**Maturity Date**"). The Borrower shall permanently repay any portion of

the unpaid balance of the Principal Amount outstanding, and all accrued interest, fees, and other amounts then unpaid, in full on the Maturity Date.

5. Prepayment. The Borrower may at any time, and from time to time, prepay all or any portion of the unpaid balance of the Principal Amount outstanding, together with interest accrued but unpaid thereon, without bonus or penalty.

6. Conclusive Evidence of Indebtedness. The recording by the Borrower in its accounts of the Principal Amount owing, accrued interest and repayments shall, in the absence of manifest mathematical error, be prima facie evidence of the same; *provided that* the failure of the Borrower to record the same shall not affect the obligation of the Borrower to pay such amounts to the Lender.

7. Security. As security for the obligations of the Borrower owing under this Promissory Note, the Borrower has executed and delivered the Specific Security Agreement in favour of the Lender.

8. Events of Default. The outstanding Principal Amount and all accrued interest and other costs, expenses, and charges thereon shall immediately become due and payable by written notice or demand from the Lender to the Debtor upon the occurrence of any of the following events of default (each, an "**Event of Default**"):

- (a) If the Borrower fails to pay the Principal Amount on the Maturity Date.
- (b) If the Borrower fails to pay any other amounts when due and payable hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.
- (c) If the Borrower fails to observe or perform any covenant of this Promissory Note or any security given by the Borrower to the Lender for its obligations hereunder and such failure continues for THIRTY (30) days after written notice to the Borrower.
- (d) If the Borrower fails to pay any portion of the Holdback Funds, including any interest earned thereon, when due and payable under the Purchase Agreement and such failure continues for THIRTY (30) days after written notice to the Borrower."
- (e) If the Borrower ceases to carry on business.
- (f) If the Borrower commences any application, proceeding or other action under any laws relating to bankruptcy, insolvency, reorganization, winding-up, dissolution or other analogous laws, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it as bankrupt or insolvent, or seeking reorganization, arrangement, proposal, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, including, without limitation, that the Borrower files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada) or a plan of arrangement under the *Companies' Creditors Arrangement Act* (Canada) or if the Borrower makes a general assignment for the benefit of its creditors.
- (g) If there is commenced against the Borrower any application, proceeding or other action of a nature referred to in subsection (e) directly above which results in the entry of an order for any such relief which has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.
- (h) If a receiver, interim receiver, receiver and manager, trustee, custodian, conservator or other similar official is appointed over all or any part of the assets of the Borrower which

has not been vacated, dismissed, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

(i) If there is commenced against the Borrower any application, proceeding or other action seeking issuance of a writ of seizure and sale, execution, garnishment, or similar process against all or any part of its assets which results in the entry of an order for any such relief which has not been vacated, discharged, stayed or bonded pending appeal within THIRTY (30) days from the entry thereof.

9. Waiver. The Borrower hereby waives presentment, protest, notice of protest, notice of non-payment, notice of dishonour and any and all other notices or demands relative to this Promissory Note.

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ENT OILFIELD GROUP LTD

DocuSigned by:
By Jason Vandenberg
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Name: Jason Vandenberg
Title: Chief Financial Officer

Accepted and agreed to by the Lender as of the same date:

2140303 ALBERTA LTD.

By _____
Name: Smith Wells
Title: President

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Title: Chief Financial Officer

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2140303 ALBERTA LTD.

By _____

Name: Smith Wells

Title: President