

RESOP ASSIGNMENT AND NOVATION AGREEMENT (RECEIVER)

BETWEEN the Independent Electricity System Operator (the "IESO"), the Receiver and the New Generator and effective as of the date that this Assignment and Novation has been fully executed ("Effective Date").

RESOP CONTRACT: RESOP CONTRACT #13231 DATED MAY 9, 2008, AS AMENDED, ASSIGNED AND NOVATED, BETWEEN A PREDECESSOR TO THE IESO AND THE ORIGINAL GENERATOR

ORIGINAL GENERATOR: SEACLIFF ENERGY LTD.

NEW GENERATOR: SEACLIFF ENERGY CORP.

RECEIVER: ~~PTI CONSULTING CANADA INC.~~ solely in its capacity as receiver of all of the assets, property and undertaking of the Original Generator and not in its personal or corporate capacity

SECURED LENDER: CATERPILLAR FINANCIAL SERVICES LIMITED

Whereas:

On April 30, 2015, the Receiver sold, transferred and assigned to the New Generator, and the New Generator purchased from the Receiver, all of the Original Generator's present and future right, title and interests in and to the Contract Facility that is the subject of the RESOP Contract;

The Receiver was appointed by the Secured Lender as Receiver of the assets, property and undertaking of the Original Generator including all present and future right, title and interests of the Original Generator in and to the Contract Facility that is subject to the RESOP Contract, and in such capacity has authority to assign all of the Original Generator's present and future right, title and interest in and to the RESOP Contract to the New Generator; and

The Receiver wishes to assign and novate to the New Generator all of the Original Generator's right, title and interest in and under the RESOP Contract to the New Generator, and the New Generator has agreed to accept such assignment and novation and to assume the obligations of the Original Generator under the RESOP Contract;

NOW THEREFORE in consideration of these premises and the covenants and agreements hereinafter set forth and contained and for other good and valuable consideration, in receipt and sufficiency of which is hereby irrevocably acknowledged, the parties hereto covenant and agree as set forth below.

1. All terms not otherwise defined shall have the meanings assigned to those terms in the RESOP Contract.
2. The Receiver hereby assigns, transfers, sets over and conveys unto the New Generator, effective as of the date hereof, all of the Original Generator's right, title and interest in and to the RESOP Contract and all of its obligations and liabilities in respect thereof, to have and to hold the same for the New Generator's sole use and benefit absolutely.
3. The New Generator hereby accepts the assignments herein provided and covenants and agrees with the Receiver and with the IESO to assume, as of the date hereof, and thereupon and thereafter to be bound by, observe, carry out, perform and fulfill all of the covenants, conditions, obligations and liabilities of the Original Generator under the RESOP Contract.

4. The IESO hereby releases and discharges the Original Generator and the Receiver, and the Receiver hereby releases and discharges the IESO, from any and all obligations arising under the RESOP Contract after the Effective Date without further or other act or formality, subject to the survival of any provision of the RESOP Contract that survives the termination pursuant its terms.
5. This assignment and novation shall not affect or prejudice any rights or obligations that have accrued or arisen, if any, under the RESOP Contract prior to the Effective Date.
6. The New Generator agrees that it is bound by all other provisions of the RESOP Contract.
7. The New Generator represents and warrants that all statements made in its statutory declaration made on April 30, 2015 are true, complete and accurate on the date hereof.
8. The Receiver represents and warrants to the IESO, and acknowledges that the IESO is relying on such representations in agreeing to this assignment and novation:
 - a. The Receiver was appointed as receiver with respect to all present and future assets, property (both real and personal) and undertakings of the Original Generator (the "Collateral"), with the sole power and authority to sell or dispose and concur in the selling and disposing of all or any part of the Collateral in any manner the Receiver may determine as being commercially reasonable, and to undertake such activities as may be considered necessary or desirable in connection therewith.
 - b. The Receiver will sell, transfer, convey, assign and deliver to the New Generator, all of the Original Generator's right, title and interest in, to and under (a) the Connection Agreement for a Small Embedded Generation Facility or a Mid-Sized Embedded Generation Facility dated July 23, 2010, as assigned and novated, between the Original Generator and Hydro One Networks Inc, and (b) any access rights of the Original Generator under the RESOP Contract.
 - c. The Receiver has the requisite power, authority and capacity to enter into this assignment and novation agreement and to perform its obligations hereunder.
 - d. To the best of the Receiver's knowledge, the execution, delivery and performance of this assignment and novation agreement by the Receiver and the consummation of the transactions contemplated hereby will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of, the material obligations of the Receiver or any judgment, decree, order or award to which it is subject or any license, permit, approval, consent or authorization held by the Receiver.
9. The New Generator represents and warrants to the IESO, and acknowledges that the IESO is relying on such representations in agreeing to this assignment and novation:
 - a. The New Generator has the requisite power, authority and capacity to enter into this assignment and novation agreement and to perform its obligations hereunder.

- b. This assignment and novation agreement has been duly authorized, executed, and delivered by the New Generator and constitutes a valid and binding obligation enforceable against the New Generator in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
 - c. The representations of the Generator set out at Sections 6.1 and 6.2 of the RESOP Contract are hereby restated and reaffirmed by the New Generator as representations made to the IESO as of the Effective Date, provided that every occurrence of the term "this Agreement" shall be read to mean "this Agreement and this assignment and novation agreement".
 - d. All statements, specifications, data, confirmations and information delivered to the IESO in connection with this assignment and novation are complete and accurate in all material respects.
 - e. The execution, delivery and performance of this assignment and novation agreement by the New Generator and the consummation of the transactions contemplated hereby will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of, the material obligations of the New Generator or any judgment, decree, order or award to which it is subject or any license permit, approval, consent or authorization held by the New Generator.
 - f. As of the Effective Date, no Generator Event of Default is continuing.
- 10. The RESOP Contract together with this assignment and novation agreement constitute the entire agreement between the Parties pertaining to the subject matter of the RESOP Contract and this assignment and novation agreement.
 - 11. Each of IESO and the New Generator shall, from time to time on written request of the other, do all such further acts and execute and deliver or cause to be done, executed or delivered all such further acts, deeds, documents, assurances and things as may be reasonably required in order to fully perform and to more effectively implement and carry out the terms of this assignment and novation agreement. For greater certainty, nothing herein creates any obligation for the Receiver to do any further acts other than entering into this assignment and novation agreement.
 - 12. This assignment and novation agreement and all of the provisions of this letter of amendment shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns.
 - 13. This assignment and novation agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

[signature page to follow]

IN WITNESS WHEREOF and intending to be legally bound the parties have executed this assignment and novation agreement.

SEACLIFF ENERGY CORP.

By: W.I. AA
Name: Roland Austrup
Title: President
Date:

_____, solely in its capacity as receiver of the assets, property and undertaking of SEACLIFF ENERGY LTD. and not in its personal or corporate capacity

By: _____
Name:
Title:
Date:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____
JoAnne Butler
Vice President, Markets and Resource Development
Date:

The Secured Lender hereby consents to this assignment and novation pursuant to Section 9.1(2) of the RESOP Contract

CATERPILLAR FINANCIAL SERVICES LIMITED

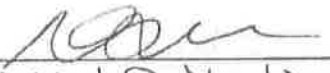
By: _____
Name:
Title:
Date:

IN WITNESS WHEREOF and intending to be legally bound the parties have executed this assignment and novation agreement.

SEACLIFF ENERGY CORP.

By: _____
Name: Roland Austrup
Title: President
Date:

FTI Consulting Canada Inc., solely in its capacity as receiver of the assets, property and undertaking of SEACLIFF ENERGY LTD. and not in its personal or corporate capacity

By: 
Name: Nigel D. Macle
Title: Senior Managing Director
Date:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____
JoAnne Butler
Vice President, Markets and Resource Development
Date:

The Secured Lender hereby consents to this assignment and novation pursuant to Section 9.1(2) of the RESOP Contract

CATERPILLAR FINANCIAL SERVICES LIMITED

By: _____
Name:
Title:
Date:

IN WITNESS WHEREOF and intending to be legally bound the parties have executed this assignment and novation agreement.

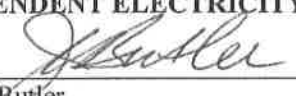
SEACLIFF ENERGY CORP.

By: _____
Name: Roland Austrup
Title: President
Date:

_____, solely in its capacity as receiver of the assets, property and undertaking of SEACLIFF ENERGY LTD. and not in its personal or corporate capacity

By: _____
Name:
Title:
Date:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By:  _____
JoAnne Butler
Vice President, Markets and Resource Development
Date:

The Secured Lender hereby consents to this assignment and novation pursuant to Section 9.1(2) of the RESOP Contract

CATERPILLAR FINANCIAL SERVICES LIMITED

By: _____
Name:
Title:
Date:

IN WITNESS WHEREOF and intending to be legally bound the parties have executed this assignment and novation agreement.

SEACLIFF ENERGY CORP.

By: _____
Name: Roland Austrup
Title: President
Date:

_____, solely in its capacity as receiver of the assets, property and undertaking of SEACLIFF ENERGY LTD. and not in its personal or corporate capacity

By: _____
Name:
Title:
Date:

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

By: _____
JoAnne Butler
Vice President, Markets and Resource Development
Date:

The Secured Lender hereby consents to this assignment and novation pursuant to Section 9.1(2) of the RESOP Contract

CATERPILLAR FINANCIAL SERVICES LIMITED

By: Renée Taraso
Name: Renée Taraso
Title: Credit and Operations Manager
Date: Caterpillar Financial Services Limited