IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
TRIDENT RESOURCES CORP., et al.,[1]	:	Case No. 09-13150 (MFW)
	:	(Jointly Administered)
Debtors.	:	

DECLARATION OF TODD A. DILLABOUGH IN SUPPORT OF CONFIRMATION OF THE SECOND AMENDED JOINT PLAN OF REORGANIZATION OF TRIDENT RESOURCES CORP. AND CERTAIN AFFILIATED DEBTORS AND DEBTORS IN POSSESSION

Todd A. Dillabough makes this declaration, and says:

1. I am the President, Chief Executive Officer, and Chief Operating Officer of Trident Resources Corp. ("TRC"), a corporation organized under the laws of Delaware and one of the debtors and debtors-in-possession in this proceeding (collectively, the "Debtors").

2. I submit this declaration (the "Declaration") in support of the confirmation of the *Second Amended Joint Plan of Reorganization of Trident Resources Corp. and Certain Affiliated Debtors and Debtors in Possession.* I am familiar with the terms and provisions of the Plan (as defined below) and the *Disclosure Statement for Second Amended Joint Plan of Reorganization of Trident Resources Corp. and Certain Affiliated Debtors and Debtors in Possession.* I am familiar with the documents comprising the Plan and the Disclosure Statement (as defined below). Together with the Debtors' legal advisors, I have reviewed the requirements

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[1] The Debtors in these Chapter 11 Cases, along with each Debtor's place of incorporation and the last four digits of its federal tax identification number, where applicable, are: Trident Resources Corp. (*Delaware*) (2788), Aurora Energy LLC (*Utah*) (6650), NexGen Energy Canada, Inc. (*Colorado*) (9277), Trident CBM Corp. (*California*) (3534), and Trident USA Corp. (*Delaware*) (6451).

for confirmation of the Plan under section 1129 of title 11 of the United States Code (the "Bankruptcy Code"). If called upon, I would testify competently to the facts set forth herein.

3. Except as otherwise indicated herein, all facts set forth in this Declaration are based on my personal knowledge, my discussions with other members of the Debtors' senior management and the Debtors' advisors, my review of relevant documents, or my opinion based on my experience and knowledge of the Debtors' operations and financial condition.

4. Additionally, the Affidavit of Todd A. Dillabough in Support of the Debtors' Chapter 11 Petitions and Request for First Day Relief, filed on the Petition Date (as defined herein) [Docket No. 8], is incorporated by reference herein.

5. The references to sections of the Bankruptcy Code in this Declaration have been supplied by counsel to the Debtors in order to provide the context for the statements made herein.

Background

6. On September 8, 2009 (the "Petition Date"), the Debtors commenced reorganization proceedings (the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the District of Delaware (the "Court"). All of the Debtors are also applicants in the Canadian Proceedings (as defined below). As of the date hereof, the Debtors are continuing in possession of their respective properties and are operating and managing their businesses, as debtors in possession, pursuant to sections 1107 and 1108 of the Bankruptcy Code.

7. On the Petition Date, the Debtors along with Trident Exploration Corp. ("TEC") and certain of TEC's Canadian subsidiaries (collectively, the "Canadian Debtors"[2] and together with the Debtors, "Trident" or the "Company") filed an application with the Court of Queen's Bench of Alberta, Judicial District of Calgary (together with the Court, the "Courts") under the Companies' Creditors Arrangement Act (Canada), seeking relief from their creditors (collectively, the "Canadian Proceedings").[3]

8. Prior to the Petition Date, Trident funded its operations through certain secured bank facilities comprised of two secured term loans and a revolving credit facility as well as an unsecured loan (together, the "Prepetition Debt"). The Prepetition Debt is described below:

- *First Lien Facility*: TEC is the borrower under that certain Amended and Restated Credit Agreement dated as of July 8, 2004 among TEC, the lenders defined therein and the Toronto-Dominion Bank as agent of the lenders (as amended, restated, or modified from time to time, the "First Lien Facility"). The First Lien Facility consisted of a secured revolving credit facility with a maximum availability of C$10.0 million, which was retired on or before October 9, 2009.

- *Second Lien Credit Agreement*: TEC is the borrower under that certain Amended and Restated Credit Agreement dated as of April 25, 2006 among TEC, the guarantors party thereto, the lenders defined therein and Credit Suisse, Toronto Branch as administrative agent and collateral agent, and Wilmington Trust as successor agent, (as amended, restated, or modified from time to time, the "Second Lien Credit Agreement"). The Second Lien Credit Agreement consists of a US$450.0 million term loan and a US$50.0 million term loan, and has an outstanding aggregate principal balance totaling US$500.0 million as of the Petition Date and accrued interest as of the Petition Date of approximately US$8.5 million.

- *The 2006 Credit Agreement*: TRC is the borrower under that certain credit agreement dated as of November 24, 2006 among TRC, the subsidiary guarantors named therein, the lenders defined therein and Credit Suisse, Toronto Branch as administrative agent and collateral agent (as amended, restated, or modified from

[2] The Canadian Debtors are as follows: Trident Exploration Corp., Fort Energy Corp., Fenergy Corp., 981384 Alberta Ltd., 981405 Alberta Ltd., 981422 Alberta Ltd., Trident Resources Corp., Trident CBM Corp., Aurora Energy LLC, NexGen Energy Canada, Inc., and Trident USA Corp.

[3] FTI Consulting Canada ULC has been appointed in the Canadian Proceedings as the court-appointed monitor.

time to time, the "2006 Credit Agreement "). The 2006 Credit Agreement had an outstanding aggregate principal balance of approximately US$410.0 million as of the Petition Date, consisting of an original principal amount of US$270.0 million and paid in kind interest payments, and accrued interest as of the Petition Date of approximately US$12.3 million. The 2006 Credit Agreement is guaranteed by certain direct and indirect subsidiaries of TRC and is secured by liens on certain present and future assets of the Debtors.

- *The 2007 Loan Agreement*: TRC is the borrower under that certain Subordinated Loan Agreement dated as of August 20, 2007 among TRC, the subsidiary guarantors named therein, the lenders defined therein and Wells Fargo Bank, N.A. as administrative agent (as amended, restated, or modified from time to time, the "2007 Loan Agreement"). The 2007 Loan Agreement has an outstanding aggregate balance of principal and accrued interest as of the Petition Date of approximately US$137.1 million. The 2007 Loan Agreement is subordinated in right of payment to the 2006 Credit Agreement. The 2007 Loan Agreement is guaranteed by certain direct and indirect subsidiaries of TRC. These guarantees are subordinated in right of payment to guarantees of the 2006 Credit Agreement and the Second Lien Credit Agreement, as applicable.

9. On March 29, 2010, the Debtors filed the Joint Plan of Reorganization of Trident Resources Corp. and Certain Affiliated Debtors and Debtors in Possession [Docket No. 295] and the corresponding disclosure statement [Docket No. 296]. On April 30, 2010, the Debtors filed the Amended Joint Plan of Reorganization of Trident Resources Corp. and Certain Affiliated Debtors and Debtors in Possession [Docket No. 337] and the corresponding disclosure statement [Docket No. 338] and on May 5, 2010, the Debtors filed the Second Amended Joint Plan of Reorganization of Trident Resources Corp. and Certain Affiliated Debtors and Debtors in Possession (the "Plan") [Docket No. 349], as amended on June 10, 2010 as set forth in the Notice of Filing of Revised Second Amended Joint Plan of Reorganization of Trident Resources Corp. and Certain Affiliated Debtors and Debtors in Possession, and as otherwise amended or modified from time to time, and the corresponding disclosure statement (the "Disclosure Statement") [Docket No. 350].

10. On May 5, 2010, the Court entered an order approving the Debtors' motion to approve, among other things, the Disclosure Statement (the "Disclosure Statement

Order"). Specifically, the Disclosure Statement Order (i) fixed the record date for purposes of voting on the Plan; (ii) approved the notice of the hearing and objection procedures in respect of confirmation of the Plan and set the date for the hearing on confirmation of the Plan (the "Confirmation Hearing"); (iii) approved the solicitation packages and procedures for distribution thereof; (iv) approved the forms of ballots and established procedures for voting on the Plan; (v) established the Voting Deadline;[4] (vi) approved procedures for vote tabulation; (vii) approved the Rights Offering Procedures and forms; and (viii) authorized the employment and retention of Epiq Systems as subscription agent nunc pro tunc to April 8, 2010 [Docket No. 353].

11. On May 31, 2010, Trident filed its plan of arrangement in the Canadian Proceedings (the "CCAA Plan" and together with the Plan, the "Plans").

12. The Plans are based upon the Commitment Letter (defined below), which memorializes an agreement between the Debtors and holders of approximately 90% in principal amount of the 2006 Credit Agreement Claims and 95% in principal amount of 2007 Loan Agreement Claims (the "Backstop Parties") to backstop a new money equity investment to facilitate Trident's restructuring. On February 23, 2010, the Courts approved and authorized Trident to enter into the Commitment Letter (as amended on May 5, 2010, and as may be further amended or modified from time to time, the "Commitment Letter") [Docket Nos. 251, 351]. Pursuant to the Commitment Letter, the Backstop Parties will backstop a rights offering of up to US$255 million (the "Rights Offering") for 60% of reorganized TRC's pro forma equity (prior to giving effect to dilution resulting from the Equity Put Fee, Management Equity Issuance and Contingent Value Rights) with the remaining 40% of Reorganized TRC's pro forma equity

[4] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan and Disclosure Statement.

allocated to the 2006 TRC Credit Agreement lenders (prior to giving effect to dilution resulting from the Equity Put Fee, Management Equity Issuance and Contingent Value Rights).

13. As reflected in the Voting Certification filed contemporaneously herewith, the Plan has the overwhelming support of all voting classes.

14. In light of the foregoing and as discussed herein, I believe that the prompt confirmation of the Plan is in the best interests of the Debtors and other parties in interest.

The Plan and Section 1129 of the Bankruptcy Code

15. The following sets forth the facts about which I have personal knowledge that support the confirmation requirements in section 1129.

- Sections 1122 and 1123(a)(1) of the Bankruptcy Code: Sections 3 and 4 of the Plan, together with the applicable definitions, designate six classes of claims and two classes of interests. Each of the claims or interests in each class is substantially similar to the other claims or interests in such class, and the classification of claims and interests was based on the differences in the legal nature and/or priority of such claims and interests.

- Section 1123(a)(2) of the Bankruptcy Code: Sections 3, 4.1, 4.2, 4.7, and 4.8 of the Plan specify that Classes 1, 2, 7, and 8 are not impaired.

- Section 1123(a)(3) of the Bankruptcy Code: Sections 3, 4.3, 4.4, 4.5, and 4.6, of the Plan set forth the treatment of all the classes that are impaired under the Plan.

- Section 1123(a)(4) of the Bankruptcy Code: Section 4 of the Plan provides that the treatment of each claim or equity interest in each particular class is the same as the treatment of each other claim or interest in such class.

- Section 1123(a)(5) of the Bankruptcy Code: Section 5 of the Plan and the various documents contemplated by the Plan provide adequate and proper means for the implementation of the Plan, including, without limitation, (i) the continued corporate existence of the Debtors (subject to the Restructuring Transactions); (ii) the revesting of assets in the Reorganized Debtors; (iii) the filing of the New Governance Documents; (iv) the entry into the New Equity Agreement and issuance of the New Equity; (v) the selection of the New Board and officers of the Reorganized Debtors; (vi) the Rights Offering and the use of the proceeds from the Rights Offering; (vii) the Exit Financing Agreement; and (viii) the cancellation of the 2006 Credit Agreement Claims, 2007 Loan Agreement Claims and the Interests in TRC. See Plan Art. 6. In addition, the Debtors have filed

many of the documents necessary to implement the Plan in the *Plan Supplement*, filed May 25, 2010 [Docket No. 372]. The transactions contemplated by the Plan and the Exit Financing Agreement are designed to maximize the value of the Debtors' business and assets.

- Section 1123(a)(6) of the Bankruptcy Code. The Plan does not provide for the issuance of nonvoting equity securities and the New Governance Documents will prohibit the issuance of nonvoting equity securities.

- Section 1123(a)(7) of the Bankruptcy Code. Section 6.5 of the Plan provides that the size and composition of the New Board of Reorganized TRC on and after the Effective Date will consist of seven individuals as identified in the Plan Supplement. As specified by 6.5 of the Plan, the persons serving as executive officers of the Reorganized Debtors, as designated in the Plan Supplement, immediately before the Effective Date shall maintain their current positions after the Effective Date.

16. Section 1123(b)(2) of the Bankruptcy Code (Executory Contracts and Unexpired Leases). Section 7.1 of the Plan provides that, unless otherwise specified, all executory contracts and unexpired leases to which any of the Debtors are parties shall be assumed as of the effective date of the Plan (the "Effective Date").

17. Section 1123(b)(6) of the Bankruptcy Code and Releases, Etc. The Plan contains certain release and exculpation provisions that were an important part of the negotiations underlying the Plan. I believe these provisions to be fair and reasonable and essential to the reorganization and the realization of the substantial value provided by the Plan for all creditors.

18. The releases, injunctions, and exculpations set forth in sections 11.4, 11.5, 11.6 and 11.7 of the Plan are the product of arm's-length negotiations among the Debtors and key stakeholders and were necessary to the formation of the consensus to support the Plan. Without the releases, the Debtors would not have obtained the level of support that has enabled them to negotiate the financial restructuring accomplished by the Plan, which will allow the Debtors to emerge as a delevered reorganized company. I believe that the significance attached

to the releases by the parties whose cooperation was necessary to the reorganization, the significant consideration given by the Released Parties to obtain the releases, the increase in value available to creditors as a result of successfully consummating this restructuring, and the resulting distribution under the Plan, all demonstrate that the releases are fair to the parties giving them. Moreover, the voting Classes affected by the releases overwhelmingly voted to accept the Plan.

19. The releases are integral to the Plan and the agreement by the non-debtor Released Parties to support the Plan. The releases were a foundation for the plan negotiations and were essential to the ability of the parties to effectuate a consensual reorganization. The releases provided an incentive for the parties to make concessions and come to agreement quickly, and the releases ensured that once a deal was reached, the parties could move forward with the security of knowing that all disputes had been resolved with no threat of future litigation and the accompanying cost and distraction. Such releases enabled the Debtors to build consensus around a plan that is designed to minimize disruption to the business and emerge from chapter 11 on a streamlined timetable. Without this consensus, the Debtors could not have achieved the restructuring contemplated by the Plan and certainly would have suffered significant lost value, to the detriment of all parties.

20. In my view, the Released Parties have given up valuable rights and have facilitated the restructuring of the Debtors and their estates.

21. Section 1129(a)(3) of the Bankruptcy Code (Good Faith). The Plan was developed after extensive, arm's-length negotiations with the Backstop Parties. To advance its restructuring efforts, Trident sent out a notice on November 25, 2009 to representatives of all of Trident's major stakeholder groups, which requested formal restructuring proposals by

December 15, 2009 (the "RFP"). The RFP process yielded two restructuring proposals – one proposal from the Backstop Parties (the "Backstop Proposal") and another from certain holders of the Debtors' preferred stock. Trident determined, after consultation with its advisors, that out of the two proposals, the Backstop Proposal presented the most viable option for Trident to successfully emerge from the bankruptcy proceedings. Accordingly, Trident engaged in intensive, arm's-length negotiations with the Backstop Parties before reaching the final terms and conditions set forth in the Commitment Letter, which serves as the basis of the Plan.

22. The Plan (including all documents necessary to implement the Plan) was developed and negotiated in good faith and at arm's-length among representatives of the Debtors and the Backstop Parties. The restructuring contemplated by the Plan implements a substantial reduction in long term debt to enhance the value of the Debtors' estates and for the distribution of this value to the Debtors' creditors. The Plan provides for among other things, a pay-down and refinancing of the Debtors' structurally senior debt at TEC, conversion of the 2006 Credit Agreement Claims into a portion of the New Common Stock, and discharge of the 2007 Loan Agreement Claims in exchange for the right to participate in the Rights Offering. The Plan will substantially reduce the Debtors' outstanding indebtedness, and the new capital structure provided under the Plan will improve the ability of the Debtors to compete in the natural gas industry, especially in the current challenging economic environment. Furthermore, the restructuring proposed under the Plan provides a recovery to Classes 1, 2, 4, 5, 7, and 8.

23. Thus, I believe the Plan achieves the primary objectives underlying a chapter 11 bankruptcy: the reorganization and continuation of the Debtors as viable businesses and the distribution of value to creditors.

24. The Debtors have analyzed their ability to fulfill their obligations under the Plan. As part of this analysis, the Debtors have prepared projections of their financial performance for the remainder of the fiscal year 2010, and fiscal years 2011 through 2014 (the "Projections"). As set forth in the Disclosure Statement, the Projections are premised on, among other things, the economic, competitive, environmental, regulatory and general business conditions prevailing at the time, as well as management's forecast for the natural gas industry and future performance. I supervised preparation of the Projections and believe that they were prepared in a reasonable manner, using supportable assumptions and logically consistent computations. I also believe that the Projections constitute a fair and reasonable projection of the Debtors' future operations.

25. Section 1129(a)(4) of the Bankruptcy Code (Payments for Services or Costs and Expenses). As of the date hereof, any payment made or to be made by the Debtors for services or for costs and expenses in or in connection with the Chapter 11 Cases, or in connection with the Plan and incident to the Chapter 11 Cases, has been approved by, or is subject to the approval of, the Court as reasonable. Moreover, the Plan provides for the payment of only Allowed Claims. Accordingly, to the best of my knowledge, information and belief, I believe that the Debtors have satisfied the requirements of section 1129(a)(4) of the Bankruptcy Code.

26. Section 1129(a)(5) of the Bankruptcy Code (Directors and Officers). Section 6.5 of the Plan provides that the size and composition of the New Board of TRC on and after the Effective Date will consist of seven individuals as identified in the Plan Supplement. The following persons have been identified as the New Board of Reorganized TRC in the Plan Supplement: Harrison Bubrosky, Todd Dillabough, John Forsgren, Daryl Gilbert, Harry Quarls,

Stuart Wagner, and Jon Weber. As specified by 6.5 of the Plan and the Plan Supplement, the persons serving as executive officers of the Reorganized Debtors immediately before the Effective Date shall maintain their current positions after the Effective Date. The executive officers' knowledge of the Debtors' operations, business, accounts, finances, and business relationships are critical to maximizing the value of the Debtors' estates in these cases. Their particular business knowledge will also facilitate prompt distribution to creditors pursuant to the Plan. As such, these individuals' continuation as executive officers is consistent with the interests of the Debtors' creditors.

27. Section 1129(a)(6) of the Bankruptcy Code (No Rate Changes). After confirmation of the Plan, the Debtors' business will not involve rates established or approved by, or otherwise subject to, any governmental regulatory commission.

28. Section 1129(a)(7) of the Bankruptcy Code (Best Interests Test). Holders of claims or interests in Classes 3 and 6 are deemed to reject the Plan. Articles XI.D and XII.C and Exhibit B of the Disclosure Statement set forth the Debtors' analysis of what creditors and interest holders would recover if the Debtors were liquidated under chapter 7 (the "Liquidation Analysis"). The Liquidation Analysis demonstrates that the values that would be realized by the non-accepting holders of claims and interests on disposition of the Debtors' assets pursuant to a chapter 7 liquidation would not be greater than the value of the recoveries available to such holders under the Plan. The Liquidation Analysis is described in greater detail in the Disclosure Statement and in the declaration of Neil A. Augustine (the "Augustine Declaration").

29. Section 1129(a)(9) of the Bankruptcy Code (Treatment of Administrative Claims, Professional Claims and Priority Tax Claims). Section 2.1 of the Plan provides that each holder of an allowed Administrative Claim will receive cash in an amount equal to such claim.

Section 10.1 of the Plan provides that holders of Professional Claims shall be paid in full from the Reorganized Debtors' cash on hand in such amounts as are allowed by the Court. It is my understanding that the Reorganized Debtors will be authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Confirmation Date and until the Effective Date in the ordinary course and without the need for Court approval.

30. Section 2.2 of the Plan provides that each holder of an allowed Priority Tax Claim shall receive cash in an amount equal to such allowed Priority Tax Claim on the Effective Date or periodic cash payments in an aggregate amount equal to such allowed Priority Tax Claim together with interest over a period not exceeding five years after the date of assessment of such allowed Priority Tax Claim. All allowed Priority Tax Claims that are not due and payable on or before the Effective Date will be paid in the ordinary course of business as such obligations become due.

31. Section 1129(a)(10) of the Bankruptcy Code (Acceptance). 100% of holders of claims in Classes 4 and 5 that voted on the Plan voted to accept the Plan, without including the acceptance of the Plan by insiders in such class.

32. Section 1129(a)(11) of the Bankruptcy Code (Feasibility). The Projections indicate that the Debtors will have sufficient resources to meet all of their obligations under the Plan, service debt obligations, and continue operations on a go-forward basis. Accordingly, I believe that the Plan has more than a reasonable likelihood of success and satisfies the feasibility standard of section 1129(a)(11) of the Bankruptcy Code.

33. Section 1129(a)(12) of the Bankruptcy Code (Payment of Fees). Section 14.2 of the Plan provides that all fees and charges assessed against the estates pursuant to 28 U.S.C. § 1930 will be paid on the Effective Date or thereafter as may be required.

34. Section 1129(a)(13) of the Bankruptcy Code (Continuation of Retiree Benefits). Section 7.6 of the Plan provides that that the Reorganized Debtors shall honor retiree benefits in the ordinary course of business and at levels established pursuant to section 1114 of the Bankruptcy Code. Accordingly, I have been advised that the Plan satisfies the requirements of section 1129(a)(13) of the Bankruptcy Code.

35. Section 1129(b)(2) of the Bankruptcy Code. The rejecting classes, Classes 3 and 6, consist of the classes that are not entitled to any distribution or to retain any property pursuant to the Plan, (the "Deemed Rejecting Classes"). It is my understanding that the Deemed Rejecting Classes are deemed not to have accepted the Plan because the Plan does not entitle the holders of such claims and interests to receive or retain any property on account of such claims or interests. I have been advised that the Plan does not discriminate unfairly and is fair and equitable with respect to the aforementioned Classes, as required by sections 1129(b)(1) and (b)(2) of the Bankruptcy Code. No holder of any Claims or Interests junior to a Claim or Interest in Classes 3 and 6, respectively, will receive or retain any property under the Plan on account of such junior Claim or Interest, and no holder of a Claim in a Class senior to such Classes is receiving more than 100% recovery on account of its Claim.

36. Section 1129(d) of the Bankruptcy Code. I believe that the principal purpose of the Plan is not the avoidance of taxes or the avoidance of the application of Section 5 of the Securities Act of 1933.

Pursuant to 28 U.S.C. § 1746, I declare to the best of my knowledge and under penalty of perjury that the foregoing is true and correct.

Executed on June 10, 2010.

By: /s/ Todd A. Dillabough
Todd A. Dillabough
President, CEO, COO and Director
Trident Resources Corp.