

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager, lawyer or other professional advisor.

[date of offer]

[OFFEROR]

OFFER TO PURCHASE FOR CASH

all outstanding common shares of

[CORPORATION]

for \$[purchase price] cash for each common share

The offer (the "Offer") by [OFFEROR] (the "Offeror") to purchase all common shares ("Shares") of [CORPORATION] (the "Corporation") currently outstanding will be open for acceptance until [time] ([city] time) on [termination date], unless withdrawn or extended. The Offer is conditional (unless waived or amended by the Offeror) upon, among other things, there being validly deposited under the Offer and not withdrawn a number of Shares which constitutes at least 90% of the outstanding Shares (calculated on a fully diluted basis).

The board of directors of the Corporation has determined and advised that it UNANIMOUSLY RECOMMENDS that the Corporation Shareholders ACCEPT the Offer. (See "Pre-Acquisition Agreement".)

Holders of Shares who wish to accept the Offer must deposit the certificate or certificates representing their Shares, together with a properly completed and executed Letter of Transmittal, at the principal office of the Corporation set forth in the Letter of Transmittal for the Shares and on the last page of the offer and Circular in accordance with the instructions in the Letter of Transmittal. Alternatively, a holder of Shares who wishes to deposit Shares and whose certificates representing such Shares are not immediately available may accept the Offer by following the procedures for guaranteed delivery set forth under Section 3 of the Offer, "Procedure for Guaranteed Delivery".

Persons whose Shares are registered in the name of a nominee should contact their stockbroker, investment dealer, bank, trust company or other nominee for assistance in depositing their Shares if they wish to accept the Offer. Questions and requests for assistance may be directed to the Corporation, the Depository for the Offer. Additional copies of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery are available at the principal office of the Depository set forth in the Letter of Transmittal and on the last page of the Offer and Circular.

Pursuant to Lock-Up Agreements, certain Shareholders, including the directors and officers of the Corporation, who hold Shares have agreed to accept the Offer and deposit _____ Shares, including Shares issuable on exercise of options, (or approximately _____% of the outstanding Shares on a fully-diluted basis) subject to the right to withdraw such shares in certain events. See "Lock-Up Agreements" in the Circular.

The Shares are not listed and posted for trading on any stock exchange.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of holders of Shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to holders of Shares in such jurisdiction.

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SUMMARY

The following is only a summary of selected information contained in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery and is qualified in its entirety by the more detailed information and provisions contained in those documents. Shareholders are urged to read the Offer and the Circular in their entirety.

The Offer

The Offeror offers to purchase, subject to the terms and conditions set forth in the Offer, all Shares currently outstanding on the basis of \$[purchase price] for each Share.

The Offer is open for acceptance until, but not later than, the Expiry Time unless withdrawn or extended by the Offeror.

The Offer is made only for Shares and is not made for any options to purchase Shares or any securities convertible into Shares. Any holder of such options or other securities who wishes to accept the Offer should, to the extent permitted by the terms thereof and except to the extent such securities are repurchased by the Corporation, exercise the options or convert such securities in order to obtain certificates representing Shares and deposit the same in accordance with the Offer.

The board of directors of the Corporation has determined and advised that it UNANIMOUSLY RECOMMENDS that the Corporation Shareholders ACCEPT the Offer.

The obligation of the Offeror to take up and pay for Shares pursuant to the Offer is subject to certain conditions. See Section 6 of the Offer, "Conditions of the Offer".

The Offer is not being made to, nor will deposits be accepted from, or on behalf of, Shareholders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror or its respective agents may, in their sole discretion, take such action as they may deem necessary to extend the Offer to Shareholders in any such jurisdiction.

The Offeror

The Offeror is a [jurisdiction] corporation and was incorporated under the Business Corporations Act ([province]) on [incorporation date]. The principal executive office of the Offeror is located at [offeror's head office address].

The Corporation

As indicated by information provided by the Corporation, the Corporation is a private [jurisdiction] corporation, engaged in the [description of the Corporation's business]. The principal corporate office of the Corporation is located at [corporation's head office address].

Object of the Offer

The object of the Offer is to enable the Offeror to acquire all of the equity interest in the Corporation. The acquisition of the Corporation will provide the Offeror with the opportunity to [expand its operations/other - provide information].

Pre-Acquisition Agreement

The Offeror and the Corporation have entered into the Pre-Acquisition Agreement relating to the Offer. The Pre-Acquisition Agreement contains, among other things, covenants of the Offeror relating to the making of the Offer, covenants of the Corporation relating to steps to be taken to support the Offer and covenants of the Corporation relating to the conduct of its business pending completion of the Offer. See "Pre-Acquisition Agreement" in the Circular.

Lock-Up Agreements

Pursuant to the Lock-Up Agreements, certain Shareholders, including the directors and officers of the Corporation, who hold Shares have agreed to accept the Offer and deposit _____ Shares, including Shares issuable on exercise of options, (or approximately _____% of the outstanding Shares on a fully-diluted basis) subject to the right to withdraw such shares in certain events. See "Lock-Up Agreements" in the Circular.

Plans for the Corporation

After completion of the Offer, the Offeror will review the operations, assets and business of the Corporation. It is possible that the Corporation could be amalgamated with or be wound-up into the Offeror or an affiliate thereof.

Board of Directors

If the Offer is successful, the Corporation has represented in the Pre-Acquisition Agreement that the board of directors of the Corporation has agreed that it will use its best efforts to enable the Offeror to elect or appoint all of the directors of the Corporation as soon as possible after the Offeror takes up and pays for sufficient Shares pursuant to the Offer so that it holds at least 90% of the outstanding Shares on a fully diluted basis.

Manner and Time of Acceptance

The holders of Shares wishing to accept the Offer must deposit the certificates representing their Shares, together with a properly completed and signed Letter of Transmittal and all other required documents, at the principal office of the Depositary specified in the Letter of Transmittal, at or prior to the Expiry Time.

Shareholders whose Shares are registered in the name of a nominee should contact their stockbroker, investment dealer, bank, trust company or other nominee for assistance in depositing their Shares if they wish to accept the Offer.

If a holder of Shares is unable to deposit the certificates representing its Shares in a timely manner, the holder may accept the Offer by following the procedures for guaranteed delivery set forth in Section 3 of the Offer, "Procedure for Guaranteed Delivery".

Conditions

The Offeror shall not be required to accept for payment, purchase or pay for any Shares tendered, and may terminate the Offer or amend the Offer to postpone the acceptance for payment of and payment for, Shares tendered, unless all of the conditions set out in Section 6 of the Offer, "Conditions of the Offer", have been satisfied or waived prior to the Expiry Time by the Offeror. The Offer is conditional (unless waived or amended by the Offeror) upon, among other things:

prior to the Expiry Time and at the time the Offeror shall first take up and pay for Shares under the Offer, there shall have been validly deposited under the Offer and not withdrawn at least 90% of the outstanding Shares calculated on a fully diluted basis (the "Minimum Condition").

For a complete description of the conditions of the Offer, see Section 6 of the Offer, "Conditions of the Offer".

Payment for Deposited Shares

If all of the conditions under Section 6 of the Offer, "Conditions of the Offer", have been satisfied, complied with or waived at the Expiry Time, the Offeror will become obligated to take up and pay for the Shares validly deposited under the Offer and not withdrawn not later than the third (3rd) business day after the Expiry Time. In accordance with applicable law, the Offeror will pay for any Shares deposited under the Offer after the date which it first takes up the Shares deposited under the Offer within _____ days of the deposit of such Shares. See Section 7 of the Offer, "Payment for Deposited Shares".

Acquisition of Shares Not Deposited

The purpose of the Offer is to enable the Offeror to acquire, directly or indirectly, all of the Shares. If the Offeror acquires at least 90% of the Shares, the Offeror may acquire the remaining Shares pursuant to the compulsory acquisition provisions of Part 16 of the Business Corporations Act (Alberta). If the Offeror acquires less than 90% of the Shares, the Offeror may take such other corporate actions or proceedings as may be legally available to acquire the remaining Shares without the consent of the holders thereof. If such statutory right of compulsory acquisition is not available or if the Offeror elects not to proceed by way of such statutory right, the Offeror will consider other means of acquiring, directly or indirectly, all of the securities not deposited under the Offer including a Subsequent Acquisition Transaction. The Offeror will cause the securities acquired under the Offer to be voted in favour of such a transaction and, to the extent permitted under applicable corporate and securities laws, to be counted as part of any minority or independent shareholder approval that may be required in connection with such transaction. See "Acquisition of Shares Not Deposited" in the Circular.

Certain Canadian Federal Income Tax Considerations

Generally a Shareholder who is resident in Canada, who holds Shares as capital property and who disposes of such shares to the Offeror under the Offer will realize a capital gain (or a capital loss) equal to the amount by which the amount of cash received, net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Shareholder of such Shares. Individuals resident in Canada who have held their Shares for at least 24 months may be entitled to an exemption on up to \$500,000 of capital gains realized from the sale of such shares. See "Certain Canadian Federal Income Tax Considerations" in the Circular.

Depositary

The Corporation is acting as Depositary under the Offer. The Depositary will receive deposits of certificates representing the Shares and accompanying Letter of Transmittal at the office specified in the Letter of Transmittal. The Depositary will receive the Notices of Guaranteed Delivery at its office specified therein. The Offeror will be responsible for forwarding payment for Shares properly deposited by Shareholders under the Offer.

No brokerage fees or commissions will be payable by any Shareholder who deposits Shares directly with the Depositary. Shareholders should contact the Depositary or a broker or dealer for assistance in accepting the Offer and in depositing Shares with the Depositary. See "Depositary" in the Circular.

DEFINITIONS

In the Offer and in the accompanying Circular:

- (a) "ABCA" means the Business Corporations Act (Alberta), as amended;
- (b) "Acquisition Proposal" means any inquiry or proposal regarding any merger, amalgamation, arrangement, take-over bid to acquire more than 20% of the outstanding Shares, sale of substantial assets, sale of treasury shares (other than pursuant to the exercise of presently outstanding options) or any similar transaction involving the Corporation made by a third party prior to the Expiry Time;
- (c) "Affected Securities" has the meaning ascribed thereto in the Circular under the heading "Acquisition of Shares Not Deposited";
- (d) "affiliate" has the meaning ascribed thereto in the Securities Act (Alberta), as amended, except as otherwise provided;
- (e) "associate" has the meaning ascribed thereto in the Securities Act (Alberta), as amended, except as otherwise provided;
- (f) "business day" means any day other than a Saturday, Sunday or statutory holiday in [city], Alberta;
- (g) "Corporation" means [CORPORATION];
- (h) "Cdn." means, with reference to a dollar amount, Canadian dollars; unless otherwise expressly stated herein, all dollar amounts whether or not including the reference "Cdn." are in Canadian dollars;
- (i) "Circular" means the take-over bid circular accompanying, and forming part of, the Offer;
- (j) "Depositary" means the Corporation at its principal office in the City of [city], Alberta;
- (k) "Effective Date" has the meaning ascribed thereto in Section 2 of the Offer, "Manner and Time of Acceptance";
- (l) "Eligible Institution" means a Canadian chartered Schedule I bank, a member of the investment Dealers Association of Canada, a member firm of The Toronto Stock Exchange, The Montreal Exchange, The Canadian Venture Exchange Inc., a member of a national securities exchange in the United States of America or a member of the National Association of Securities Dealers Inc., who are members of the Securities Transfer Association Medallion (STAMP) Program;
- (m) "Expiry Time" means [time] ([city] time) on the Termination Date;
- (n) "fully diluted basis" means, with respect to a number of outstanding shares at any time, such number of shares calculated assuming that all options and other rights to acquire such shares are exercised;
- (o) "Letter of Transmittal" means the letter of transmittal in the form accompanying, and forming part of the Offer respecting the Shares;
- (p) "Lock-Up Agreements" means the agreements between the Offeror and certain Shareholders, including the directors and officers of the Corporation, with respect to the deposit of their Shares under the Offer;
- (q) "Minimum Condition" has the meaning ascribed thereto in Section 6 of the Offer, "Conditions of the Offer";

- (r) "Notice of Guaranteed Delivery" means a notice of guaranteed delivery in the form accompanying, and forming part of the Offer;
- (s) "Offer" means the offer of the Offeror to acquire the Shares made hereby;
- (t) "Offeror" means [OFFEROR];
- (u) "Offer Period" means the period commencing on [commencement date] (which shall be deemed to be the date of the Offer) and ending at the Expiry Time;
- (v) "Other Securities" has the meaning ascribed thereto in Section 2 of the Offer, "Manner and Time of Acceptance";
- (w) "Pre-Acquisition Agreement" means the agreement dated as of [date of pre-acquisition agreement], as amended, between the Offeror and the Corporation respecting the acquisition by the Offeror of all Shares;
- (x) "Purchased Shares" has the meaning ascribed thereto in Section 2 of the Offer, "Manner and Time of Acceptance";
- (y) "Shareholder" means a holder of Shares;
- (z) "Shares" means, collectively, all voting common shares of the Corporation currently outstanding and all such common shares of the Corporation issued on the exercise of currently outstanding options to purchase common shares of the Corporation;
- (aa) "Subsequent Acquisition Transaction" has the meaning ascribed thereto in the Circular under the heading "Acquisition of Shares Not Deposited";
- (bb) "Subsidiary" has the meaning ascribed thereto in the Securities Act (Alberta);
- (cc) "Superior Proposal" means an Acquisition Proposal for which adequate financial arrangements have been made which the board of directors of the Corporation determines in good faith would, if consummated in accordance with its terms, result in a transaction financially superior for the Corporation and the Shareholders than the Offer;
- (dd) "Tax Act" means the Income Tax Act (Canada), as amended; and
- (ee) "Termination Date" means [termination date] or such later date as may be fixed by notice of extension given under Section 2 of the Offer, "Manner and Time of Acceptance".

OFFER TO PURCHASE

[date]

To the holders of Shares of [Corporation]:

1. THE OFFER

The Offeror hereby offers to purchase, subject to the terms and conditions set forth in the Offer, all Shares of [Corporation] currently outstanding and all Shares issued on the exercise of currently outstanding options to purchase Shares. The price to be paid is \$[purchase price] for each Share on the terms set out in the Offer.

The Offer is made only for Shares and is not made for any options to purchase Shares or any securities convertible into Shares. Any holder of such options or other securities who wishes to accept the Offer should, to the extent permitted by the terms thereof and to the extent such securities are not repurchased by the Corporation, exercise the options or convert such securities in order to obtain certificates representing Shares and deposit the same in accordance with the Offer.

The Offer is not being made, nor will deposits be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to holders of Shares in any such jurisdiction.

The Offer, together with the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery which are incorporated into and form part of the Offer, contain important information which should be read carefully before making a decision with respect to the Offer.

2. MANNER AND TIME OF ACCEPTANCE

The Offer is open for acceptance until the Expiry Time, or until such later time or date to which the Offer may be extended, unless the Offer is withdrawn by the Offeror.

The Offer may be accepted by a holder of Shares by depositing, during the Offer Period or until such later time and date to which the Offer may be extended, and unless the Offer is withdrawn, with the Depository at the place of deposit specified in the Letter of Transmittal accompanying this Offer:

- (a) the certificate(s) representing the Shares in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal (or facsimile thereof) in respect of the Shares duly completed and signed with the signature guaranteed by an Eligible Institution in accordance with the instructions set out in the Letter of Transmittal; and
- (c) any relevant documents required by the instructions set out in the Letter of Transmittal.

The Offeror reserves the right to permit holders of Shares to accept the Offer in a manner other than that set out above.

Except as otherwise provided, the Offer will be deemed to have been accepted when the Depository has actually received certificates in respect of the Shares and the related Letter of Transmittal duly completed and executed.

The deposit of Shares pursuant to the procedures described herein will constitute a binding agreement between the depositing Shareholder and the Offeror upon the terms and subject to the conditions of the Offer including the depositing Shareholder's representation and warranty that: (i) such person has full power and authority to deposit, sell, assign and transfer the Shares being deposited; (ii) such person owns the Shares being deposited within the meaning of applicable securities laws; (iii) the deposit of such Shares complies with applicable securities laws; and (iv) when such Shares are taken up and paid for by