

ASSET EXCHANGE AGREEMENT

THIS AGREEMENT dated as of the ____ day of _____, _____.

BETWEEN:

_____, a body corporate, registered to carry on business in the Province of Alberta and having an office in the City of _____, in the Province of Alberta (herein called "X")

OF THE FIRST PART

- and -

_____, a body corporate, registered to carry on business in the Province of Alberta and having an office in the City of _____, in the Province of Alberta (herein called "Y")

OF THE SECOND PART

WHEREAS X wishes to transfer to Y and Y wishes to obtain from X those assets more particularly described in Schedule "A" attached hereto, on the terms and conditions and for the consideration set forth herein; and

WHEREAS Y wishes to transfer to X and X wishes to obtain from Y those assets more particularly described in Schedule "B" attached hereto, on the terms and conditions and for the consideration set forth herein.

NOW THEREFORE in consideration of the premises and the mutual covenants and warranties herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals and the Schedules, the following terms shall have the respective meanings hereby assigned to them, subject to subclause 8.2d:

- a. "Agreement" means this document, together with the Schedules attached hereto and made a part hereof.
- b. "Assets" means the X Assets where X is the Transferor and the Y Assets where Y is the Transferor, as the context in each case may require.
- c. "X Assets" means the Petroleum and Natural Gas Rights more particularly described in Schedule "A" and the Tangibles and Miscellaneous Interests pertaining thereto.
- d. "X Lands" means the lands set forth and described in Schedule "A", insofar as rights thereto are granted by the X Leases.
- e. "X Leases" means the leases, licences, permits and other documents of title set forth and described in Schedule "A", by virtue of which the holder thereof is entitled to drill for, win,

take, own or remove the Petroleum Substances within, upon or under the X Lands or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the X Lands or any lands with which the X Lands are pooled or unitized and includes, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor.

- f. "Y Assets" means the Petroleum and Natural Gas Rights more particularly described in Schedule "B" and the Tangibles and Miscellaneous Interests pertaining thereto.
- g. "Y Lands" means the lands set forth and described in Schedule "B", insofar as rights thereto are granted by the Y Leases.
- h. "Y Leases" means the leases, licences, permits and other documents of title set forth and described in Schedule "B", by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances within, upon or under the Y Lands or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the Y Lands or any lands with which the Y Lands are pooled or unitized and includes, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefor.
- i. "Closing" means the exchange of Conveyance Documents at the Closing Date, as more particularly described in clause 3.3.
- j. "Closing Date" means 2:00 p.m. _____ Time, on the _____ day of _____, _____ or such other time and date as may be agreed to by Parties pursuant to clause 3.1 or paragraph 8.2b.i.
- k. "Conveyance Documents" means the documents described in paragraph 3.3a.i. and paragraph 3.3a.ii., which provide for the assignment, transfer or other disposition of the Transferor's interest in the Assets to the Transferee.
- l. "Effective Date" means a.m., _____ Time on the _____ day of _____, _____.
- m. "Lands" means the X Lands where X is the Transferor and the Y Lands where Y is the Transferor, as the context in each case may require.
- n. "Miscellaneous Interests" means the entire interest of the Transferor in and to all property, assets and rights, other than the Petroleum and Natural Gas Rights and the Tangibles, to the extent such property, assets and rights pertain to the Petroleum and Natural Gas Rights or the Tangibles, including, without limitation, the entire interest of the Transferor in:
 - i. all contracts, agreements and documents, to the extent that they relate directly to the Petroleum and Natural Gas Rights or the Tangibles, including agreements for sale, processing or transportation of Petroleum Substances;
 - ii. any subsisting rights to enter upon, use and occupy the surface of any of the Lands, of any lands upon which any Tangibles are located or of any lands to be crossed in order to gain access to any of the Lands or the Tangibles;
 - iii. the well bores and casing located on the Lands which may be used to produce Petroleum Substances from the Lands or otherwise serve the Lands; and

- iv. copies of geological and engineering records, files, reports and data that, in the Transferor's reasonable judgment, relate directly to the Petroleum and Natural Gas Rights, any well thereon or the Tangibles, other than the Transferor's tax and financial records, economic evaluations and geophysical data.

Unless otherwise agreed in writing by the Parties, the Miscellaneous Interests shall not include agreements, documents or data to the extent that:

- 1) they pertain to the Transferor's proprietary technology or interpretations;
- 2) they are owned or licensed by third parties with restrictions on their deliverability or disclosure by the Transferor to any assignee which is not an affiliate of the Transferor;
or
- 3) they are referred to specifically as exclusions in Schedule "A" or "B".

THIS IS A 10-PAGE DOCUMENT INCLUDING ATTACHMENTS.