

Date

Addressee

**Attn:**

Dear Sirs,

**Re:** \_\_\_\_\_ **Area, AB**

**Company X** (the "Company") has an interest in the lands in the \_\_\_\_\_ area of Alberta.

**Purchaser** (the "Purchaser"), hereby offers to purchase all of the Company's interest in the Assets on the following terms and conditions:

**1. ASSETS**

In this offer, Assets means all the petroleum and natural gas rights in the lands and leases set out in the attached Schedule "A", all wells, equipment, facilities and other interests associated or related thereto.

**2. PURCHASE PRICE**

- a. The purchase price for the Assets, in Canadian funds, shall, subject to clause 6 hereof, be \$\_\_\_\_\_; and
- b. The purchase price shall be paid on closing by certified cheque or bank draft.

**3. PURCHASE AND SALE AGREEMENT**

A formal purchase and sale agreement (the "Purchase and Sale Agreement") shall be executed by the Purchaser and the Company within fifteen (15) business days of the delivery of the duly accepted offer to the Purchaser. The Purchase and Sale Agreement will be prepared by the Purchaser and will contain representations, warranties, indemnifications and conditions consistent with normal industry purchase and sale agreements entered into in the City of \_\_\_\_\_.

**4. DUE DILIGENCE PERIOD**

The Purchaser's obligations hereunder shall be subject to it having ten (10) business days from the date this offer is duly accepted during which time it shall examine the files and records of the Company. Within such ten (10) business days the Purchaser shall confirm in writing to the Company whether the Purchaser is prepared to proceed with the purchase of the Assets on the general terms set out herein, and if the Purchaser does not wish to proceed, the agreement resulting from the acceptance of this offer shall terminate and each of the parties shall be fully released and discharged from their respective obligations hereunder. Following acceptance of this offer, the Company shall promptly make available to the Purchaser and its consulting engineers all geological and geophysical data, facilities information, production and operating data, well files, contracts, land schedules, correspondence and other materials in order that the estimate of value on which the purchase price is based can be verified to the Purchaser's satisfaction.

**THIS IS A 3-PAGE FORM.**