

Date:

Addressee

**Attn:**

Dear Sirs,

**Re:** \_\_\_\_\_ **Area**

(the "Company") has interests in certain oil and gas properties in the  area of Alberta.

(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 the Company's working interest in all the petroleum and natural gas rights identified in Schedule "A" attached hereto and includes all wells, equipment, facilities and other interests associated or related thereto.

**2. PURCHASE PRICE**

The purchase price for the Assets, in Canadian Funds, shall, subject to clause 7, be \$.

**3. CURRENT OBLIGATIONS**

The Purchaser is aware that the Company is in receipt of Operational Notices from  specific to the Assets and in an amount of approximately \$. On closing, the Purchaser agrees to satisfy such amounts by:

- a. direct reimbursement to the Purchaser of amounts already paid;
- b. payment to  of amounts outstanding.

**4. 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 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 Calgary.

**5. DUE DILIGENCE PERIOD**

The Purchaser's obligations hereunder shall be subject to it having 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 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,

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