

OFFER TO PURCHASE LETTER AGREEMENT

\* indicates Optional Clause

Date

Addressees

Re: Offer to Purchase
\_\_\_\_\_ Area, Alberta
... file: \_\_\_\_\_

... (the "Purchaser") hereby offers to purchase from \_\_\_\_\_ (the "Vendor"), subject to and in accordance with the terms and conditions herein contained, all of the Vendor's Interest as described on Schedule "A" attached hereto, in the lands, the leases and the leased substances including all wells, equipment and material related thereto and the contracts and permits pertaining thereto (the "Assets").

1. PURCHASE PRICE

The purchase price shall be \_\_\_\_\_ (\$ \_\_\_\_\_), Canadian funds.

2. ALLOCATION OF PURCHASE PRICE

The purchase price for the Assets shall be allocated as follows:

- Petroleum & Natural Gas Rights \_\_\_\_\_
Tangibles \_\_\_\_\_
Miscellaneous Interests \_\_\_\_\_

3. INTEREST ON PURCHASE PRICE

There shall be no interest payable on the purchase price between the Effective Date and the Closing Date.

OR

\* Interest shall be payable on the purchase price from the Effective Date to and including the day prior to the Closing Date, calculated daily and not compounded at the rate of \_\_\_\_ (\_\_\_%) percent per annum above the rate designated as the prime rate for Canadian dollar commercial loans by the main branch in Calgary of the Vendor's primary banking institution.