

DECLARATION OF TRUST

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

BETWEEN:

TRUSTEE, a body corporate, having an office in the City of _____,
in the Province of Alberta (hereinafter called the "Trustee")

OF THE FIRST PART

- and -

BENEFICIARY, a body corporate, having an office in the City of _____,
in the Province of Alberta (hereinafter called the
"Beneficiary")

OF THE SECOND PART

WHEREAS Trustee is the holder of Crown Petroleum and Natural Gas Leases ("Leases") as described in Schedule "A" hereto, relating to certain lands ("Lands") as described in Schedule "A" hereto; and

WHEREAS pursuant to a Sale and Conveyance Agreement dated _____ and effective ____, Beneficiary purchased Trustee's interest in the Leases and Lands ("Trust Interest"); and

WHEREAS the parties hereto desire to make provision for the holding in trust of the Trust Interest.

NOW THEREFORE the parties hereto agree as follows:

1. In consideration of the sum of One (\$1.00) Dollar and other valuable considerations paid by Beneficiary, the receipt and sufficiency of which is hereby acknowledged, Trustee agrees that it holds and will hold the Trust Interest in trust for Beneficiary, subject to the terms and conditions of this Agreement and of the Leases.
2. Trustee agrees that it shall not sell, assign, transfer, convey, encumber, surrender or in any way dispose of the Trust Interest except upon the written instructions of Beneficiary. Further, Trustee shall not assign its interests and obligations pursuant to this Agreement without the written express consent of Beneficiary first had and obtained, which consent shall not be unreasonably withheld.
3. Trustee agrees to allow Beneficiary access to the Lands for the purpose of exploring, drilling for, winning, taking, removing and disposing of the petroleum and natural gas and other hydrocarbons, as such rights are granted by the Leases.
4. Beneficiary covenants and agrees with Trustee to indemnify and save harmless Trustee from all costs, actions, claims, demands, charges and expenses of every nature and kind whatsoever, to the extent of the Trust Interest, whether arising directly or indirectly as a result of Trustee holding the Trust Interest in trust for Beneficiary excepting any gross negligence of Trustee, its agents, servants or employees.

THIS IS A 4-PAGE CONTRACT INCLUDING SCHEDULES.