

**TRUST AGREEMENT**

**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 the Trustee holds legal title to the petroleum and natural gas leases covering certain lands, as more particularly set forth and described in Schedule "A" attached hereto and made a part hereof (such leases and all extensions and renewals thereof hereinafter referred to as the "Title Documents" and such lands hereinafter referred to as the "Lands"); and

WHEREAS pursuant to an Agreement of Purchase and Sale dated the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (hereinafter referred to as the "Agreement"), the Beneficiary purchased a portion of the Trustee's interest in the Lands, which interest is more particularly described in Schedule "A" (such interest in the Lands hereinafter referred to as the "Acquired Interest"); and

WHEREAS it is agreed by the parties hereto that the Trustee shall hold the Acquired Interest in trust for the Beneficiary.

NOW THEREFORE THIS TRUST AGREEMENT WITNESSES that in consideration of the premises and mutual covenants and conditions contained herein and in the Agreement and in consideration of the sum of One Dollar (\$1.00) and other valuable consideration paid by the Beneficiary to the Trustee, the receipt of which is hereby acknowledged by the Trustee, the parties hereto agree as follows:

1. The Trustee shall hold the Acquired Interest in trust for the Beneficiary on the terms and conditions hereinafter set forth.
2. The Trustee agrees that it will not sell, assign, transfer, convey, encumber or surrender the Title Documents insofar as they affect and relate to the Acquired Interest, except with the written consent of the Beneficiary, which consent shall not be unreasonably withheld. However, this obligation shall not be construed to require the Trustee to conduct any drilling or other operation on or with respect to the Lands to maintain the Lands in good standing, unless and to the extent that the Beneficiary requests such operations to be conducted at the expense of the Beneficiary and secures payment for such operations in a manner satisfactory to the Trustee.
3. The Beneficiary shall:
  - (a) be liable to the Trustee for all losses, costs, damages and expenses whatsoever which the Trustee may suffer, sustain, pay or incur; and

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