ACTION NO.: 0901-16005

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE OF CALGARY

BETWEEN:

NATIONAL BANK OF CANADA

Plaintiff

-and-

ACTION ENERGY INC., NORTHERN GAS MARKETING, INC. AND GRIFFON PETROLEUM INC.

Defendants

THIRD REPORT OF THE RECEIVER OF ACTION ENERGY INC.

ERNST & YOUNG INC.

March 10, 2010

Ernst & Young

INTRODUCTION

1. Ernst & Young Inc. was appointed Receiver and Manager (the "Receiver") of the property, assets and undertaking (the "Assets") of Action Energy Inc. ("Action" or the "Company") pursuant to an Order (the "Appointment Order") of this Honourable Court dated October 28, 2009.

2. The Appointment Order authorized the Receiver, among other things, to carry on the business of the Company, to market and solicit offers to purchase the Assets of the Company, and to make such arrangements or agreements as deemed necessary by the Receiver.

PURPOSE OF REPORT

3. The purpose of this third report (the "Third Report") of the Receiver is to advise this Honourable Court with respect to:

    a) the activities of the Receiver since the second report of the Receiver dated November 24, 2009 (the "Second Report");

    b) the Receiver's marketing efforts to solicit offers for the sale of the remaining assets that were not included in the asset purchase and sale agreement dated October 30, 2009 between the Receiver and Westfire Energy Ltd. ("Westfire") which was approved by Court on November 30, 2009 (the "Westfire ASA"); and

    c) the Receiver's analysis and recommendations with respect to the approval of the Cutpick Energy Inc. asset purchase and sale agreement (the "Cutpick ASA") and the approval of a vesting order relating to the assets included in the Cutpick ASA.

4. Capitalized terms not defined in this Third Report are as defined in the First Report and Second Report. All references to currency in the Third Report are in Canadian dollars.

BACKGROUND

5. Action is an oil and gas company engaged in the production, exploration, development and acquisition of natural gas and petroleum properties in the Provinces of Alberta and Saskatchewan. The head office of Action is located in Calgary, Alberta.

6. Action is a public company listed on the TSX Venture Exchange. Action is the successor, by amalgamation, of numerous predecessor corporations including High Plains Energy Inc., Powermax Energy Inc, and Rolling Thunder Exploration Ltd.

7. The Defendants, Northern Gas Marketing, Inc. ("Northern") and Griffon Petroleum Inc. ("Griffon") are each subsidiaries of Action and the Receiver understands these companies are inactive and have no material assets. Accordingly, Northern and Griffon were not included in October 28, 2009 Receivership Order.

8. Action's major producing interests included lands and facilities located in Alberta near Lloydminster and Teepee Creek and in Saskatchewan near Shackleton and Lake Alma. Action also has minor interests which are primarily located in Alberta near Gordondale, West Calais, and Lindbergh and in Southern Saskatchewan near Greater Shackleton, Russelton and Bienfait.

9. At the receivership date the Company operated approximately 172 producing wells which were producing approximately 853 barrels of oil equivalent ("BOE") per day. A large portion of Action's properties and have been sold to Westfire as set out in the Westfire ASA.

10. The Receiver continues to operate the remaining oil and gas assets which mainly comprise oil and gas properties located in Redwillow, Galahad, and Killam in Alberta (the "Alberta Assets") as well as gas properties located in South West Saskatchewan (the "Saskatchewan Assets") with cumulative production of approximately 125 BOE per day.

11. At the date of the Receivership, the Company had 13 full-time employees and 20 contract operators. However due to the significant reduction in operations due to the sale of assets to Westfire, the Receiver currently employs a field superintendent, three contract operators, a full time administration staff, and two part-time contract accountants.

ACTIVITIES OF THE RECEIVER SINCE THE SECOND REPORT

Operational Update

12. Since the Second Report of the Receiver, the operations of the Company have generally continued in the normal course and production levels have remained fairly consistent with historical trends for the assets that remain in the possession of the Receiver.

13. The Receiver's remaining tasks relating to the Action receivership include:

    a) Completion of certain administrative tasks relating to the Westfire ASA;

    b) Collection of certain remaining receivables; and

    c) Selling Actions remaining assets.

Westfire ASA

14. Since the approval of the Westfire ASA by this Honourable Court on November 30, 2009, the Receiver has taken the following steps to complete the Westfire sale:

    a) Collected the purchase price of $30 million;

    b) Calculated and paid a preliminary final statement of adjustments. The preliminary final statement of adjustments included certain accruals due to the timing of receipt of invoices, however the Receiver does not expect there to be any future adjustments of a material nature;

    c) Completed and filed the 2008 and 2009 tax returns and filed Form T1046 with the Canada Revenue Agency (the "CRA") in order to designate certain pre-succession cumulative tax pools to Westfire as required by the Westfire ASA; and

    d) Currently in the process of working with Westfire, the Energy Resources Conservation Board of Alberta (the "ERCB") and the Saskatchewan Ministry of Energy and Resources to facilitate the transfer of titles to Westfire relating to the assets included in the Westfire ASA.

15. Subsequent to the closing of the Westfire ASA, upon reconciliation with certain information received from the ERCB, the Receiver noted that there were several non-producing well sites which were located in areas of the assets sold to Westfire that were inadvertently excluded from the Westfire ASA. The Receiver is currently working with Westfire to transfer the properties to Westfire as was intended in the original Westfire ASA. These properties are non-producing and do not have future value.

Remaining Assets

16. Upon closing the Westfire ASA, Action's remaining assets consisted of:

    a) Certain remaining accounts receivable;

    b) The Alberta Assets which are oil and gas properties located in the Redwillow, Galahad, and Killam areas of Alberta;

    c) The Saskatchewan Assets which are oil and gas properties located in South West Saskatchewan; and

    d) Certain other corporate attributes of Action ("Corporate Attributes").

Collection of Accounts Receivables

17. The Receiver has continued efforts to collect pre-receivership accounts receivables by engaging a former employee of Action who is familiar with the customers and the related accounts. Since commencement of the receivership, the Receiver has collected approximately $265,000 in pre-receivership joint venture billing receivables. The Receiver understands that certain additional recoveries may be available including amounts relating to the gas cost allowance receivable. The Receiver is in the process of arranging for the relevant forms to be filed.

DESCRIPTION OF THE RECEIVER’S MARKETING PROCESS

Overview of the Marketing Process

18. On about November 25, 2009, the Receiver commenced its marketing efforts (the “Receiver’s Marketing Process”) to obtain expressions of interest for the Alberta Assets, the Saskatchewan Assets and the Corporate Attributes (collectively referred to as the “Remaining Assets Package”). The following summarizes the steps that have been taken by the Receiver in an effort obtain interest from parties interested in the Remaining Assets Package:

   a) Completed marketing teasers summarizing key attributes of the Saskatchewan Assets, Alberta Assets and Corporate Attributes;

   b) Mailed or e-mailed the marketing teasers to 158 individuals of 75 different companies (“Prospective Purchasers”) who had been previously identified to be potentially interested in oil and gas acquisition opportunities. The Prospective Purchasers included parties who operated in similar areas to the Saskatchewan Assets and Alberta Assets;

   c) A virtual data room was developed which contained detailed information related to the Saskatchewan and Alberta Assets including reserve reports, production volumes, financial information and lease operating statements and the 2008 and 2009 tax returns;

   d) Prospective purchasers who expressed interest in the Remaining Assets Package were sent confidentiality agreements to be executed. Once executed these interested parties were granted access to the virtual data room;

   e) The Receiver’s Marketing Process also included providing Prospective Purchasers with access to hard copy information, arranging for site visits, and other meetings with the Receiver and employees of Action; and

   f) The Receiver advised the Prospective Purchasers that bids could be made on the entire Remaining Assets Package or individual groups of assets.

Results of the Receiver's Marketing Process

19. The Receiver's Marketing Process requested interested parties submit bids by February 11, 2010. Since February 11, 2010 the Receiver has continued discussions and negotiations with the Prospective Purchasers which ultimately resulted in the following:

    a) 22 parties executing confidentiality agreements;

    b) 22 parties accessing Action's online data room; and

    c) Six offers being received.

Analysis of Offers

20. To date the Receiver has received six expressions of interest for different combinations of the Remaining Assets Package. The Receiver reviewed the offers and assess each offer based on the following:

    a) The total purchase price;

    b) The type of consideration being offered;

    c) The capability of the prospective purchaser to close the transaction in a timely manner; and

    d) The terms and conditions of the offer.

21. Based on the results of the Receiver's Marketing Process, the Receiver concluded that an offer for the Alberta Assets from Cutpick Energy Inc. ("Cutpick") was superior to the other offers received and; accordingly, on February 19, 2010, the Receiver and Cutpick entered into a letter of intent. On March 4, 2010, upon further discussions and negotiations, the Receiver and Cutpick executed a purchase and sale agreement which included the following terms and conditions:

    a) Purchase price of $225,000;

    b) Assets to be acquired included all the Alberta Assets comprising of the Red Willow, Galahad and Killam areas;

c) Effective date of February 1, 2010;

d) $50,000 deposit, refundable only in the event that the court does not approve the purchase and sale transaction; and

e) Subject to Court approval.

22. The Receiver's counsel was provided the $50,000 deposit by Cutpick upon execution of the Cutpick ASA, a copy of which is attached at Appendix A.

23. While certain parties expressed interest in several different combinations of the remaining assets, the Receiver believes that the Cutpick ASA should be approved at this time given the following:

a) The Alberta Assets and the entire Remaining Assets Package have been adequately exposed to the marketplace and the purchase price contemplated by the Cutpick ASA is superior to the other offers received to date on the Alberta Assets;

b) The sale of the Alberta Assets should not negatively affect the value of the remaining assets including the Saskatchewan Assets and the Corporate Attributes. The Alberta Assets and Saskatchewan Assets are located in different geographic locations and accordingly attracted separate Potential Purchasers. There does not appear to be any perceived enhanced value by the Potential Purchasers of acquiring the Alberta and Saskatchewan Assets together; and

c) National Bank of Canada, the senior secured creditor to Action and the Plaintiff to the Receivership Order has reviewed the terms of the Cutpick ASA and support its approval.

24. The Receiver understands that all Action's oil and gas properties located in Alberta will have been sold/and or transferred assuming approval and completion of the Cutpick ASA and the transfer of certain non-producing properties to Westfire as was contemplated in the original Westfire ASA.

25. The Receiver intends to continue discussions and negotiations with Potential Purchasers with respect to the remaining Saskatchewan Assets and Corporate Attributes and will further report to Court in due course.

RECOMMENDATIONS

26. The Receiver recommends the approval of the Cutpick ASA and the granting of the related Vesting Order.

All of which is respectfully submitted this 10 day of March 2010.

ERNST & YOUNG INC.,
in its capacity as Receiver
of Action Energy Inc.

Deryck Helkaa, CA•CIRP
Senior Vice-President

Appendix A

ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made effective the 1st day of February, 2010

BETWEEN:

ERNST & YOUNG INC., in its capacity as Receiver and Receiver and Manager of **ACTION ENERGY INC.** and not in its personal capacity (hereinafter called the "**Vendor**")

OF THE FIRST PART

\- and -

CUTPICK ENERGY INC., a body corporate having an office in the City of Calgary, in the Province of Alberta (hereinafter called the "**Purchaser**")

OF THE SECOND PART

WHEREAS the Vendor is a receiver appointed by the Court;

AND WHEREAS the Vendor has agreed to the sale of the Assets to the Purchaser and the Purchaser has agreed to purchase the Assets from the Vendor on the terms and conditions set forth herein;

NOW THEREFORE in consideration of the premises and the covenants and warranties herein contained, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals the Schedules and this Article 1, the following terms shall have the respective meanings hereby assigned to them:

(a) **"Abandonment and Reclamation Obligations"** means all obligations under common law, the Leases and the Regulations to:

(i) abandon the Wells;

(ii) decommission and remove the Tangibles, including foundations and related structures; and

(iii) restore, remediate and reclaim the lands to which the same relate;

(b) **"Action"** means Action Energy Inc.;

(c) **"AFEs"** means all authorities for expenditure, operations' notices and mail ballots, if any, governing the conduct of, or payment for, any activity or operation on or with respect to any of the Assets;

(d) **"Affiliate"** has the meaning attributed thereto in the *Business Corporations Act* (Alberta);

(e) **"Agreement"** means this document, together with the Schedules attached hereto and made a part hereof;

(f) **"Approval and Vesting Order"** means an order to be granted by the Court which authorizes or ratifies Vendor's execution and performance of this Agreement, substantially in the form contained in Schedule C of this Agreement;

(g) **"Assets"** means the Petroleum and Natural Gas Rights, the Tangibles, the Wells and the Miscellaneous Interests, but in each case subject to the Permitted Encumbrances;

(h) **"Base Price"** means the Purchase Price but prior to any adjustments being made as provided herein;

(i) **"Business Day"** means a day, other than a Saturday, Sunday or statutory holiday when businesses are open for the conduct of business in Calgary, Alberta;

(j) **"Certificate"** means a certificate, substantially in the form attached as Schedule B, to be provided by each Party pursuant to Clause 5.2;

(k) **"Claims"** means all claims against Action or its Affiliates or against the Assets of every nature of kind whatsoever and howsoever arising including, without limiting the generality of the foregoing, all encumbrances, liens, charges, pledges, mortgages and security interests, but excluding Permitted Encumbrances and any security for borrowings made by the Receiver;

(l) **"Closing"** means the exchange of the Specific Conveyances and the General Conveyance on the Closing Date, the delivery by Purchaser of the Purchase Price, and the transfer of the Assets to the Purchaser; the Closing shall occur at the offices of Davis LLP at 1000, 250-2nd Street S.W. in the City of Calgary in the Province of Alberta on the Closing Date;

(m) **"Closing Date"** means the later of

  (i) the second (2nd) Business Day following receipt by the Receiver of the Approval and Vesting Order and

  (ii) the Business Day which is the twenty-fifth (25th) day following the date of execution of this Agreement by the Parties

in each case at the hour of 11:00 a.m. (local time) at which Closing is to occur as the same may be extended by agreement of the Parties, acting reasonably

(n) **"Court"** means the Court of Queen's Bench of Alberta;

(o) **"Deposit"** has the meaning specified in Article 3 herein;

(p) **"Effective Date"** means February 1, 2010 at the hour of 12:01 A.M. local time;

(q) **"Facilities"** means Action's interest in and to all production facilities (downstream of the wellhead of any Well) including flow lines, and any dehydration or other field processing or storage facilities located on the Lands, for the purpose of transportation, storage and processing of Petroleum Substances, including but not limited to those identified in Schedule A.2 including the Pipelines;

(r) **"General Conveyance"** means a document substantially in the form annexed hereto as Schedule D;

(s) **"Governmental Authority"** means any government or political subdivision thereof, any agency of government appointed pursuant to the Regulations and any other body or agency having, or purporting to have, authority over the Lands, the Facilities or any operation or activity thereon or with respect thereto;

(t) **"GST"** means the goods and services tax payable pursuant to the *Excise Tax Act*, 1985 R.S.C., c. E-15, as amended, and the regulations thereunder;

(u) **"Lands"** means Action's interest in and to the lands set forth and described in Schedule A.1, insofar as rights to the Petroleum Substances within those lands are granted by the Leases;

(v) **"Leases"** means Action's interest in and to the leases, licences, permits and other documents of title set forth and described in Schedule A.1, by virtue of which the holder thereof is entitled to drill for, win, take, own or remove the Petroleum Substances within, upon or under the Lands or by virtue of which the holder thereof is deemed to be entitled to a share of Petroleum Substances removed from the Lands or any lands with which the Lands are pooled or unitized and includes, if applicable, all renewals and extensions of such documents and all documents issued in substitution therefore;

(w) **"Major Agreements"** means those agreements, identified in Schedule A.3, respecting the processing, treating, sale or transmission of Petroleum Substances or respecting the operation of any Wells;

(x) **"Miscellaneous Interests"** means Action's interest in and to all property, assets and rights on or with respect to the Lands, other than the Petroleum and Natural Gas Rights and the Tangibles, to the extent such property, assets and rights pertain to the Petroleum and Natural Gas Rights or the Tangibles, or any rights relating thereto, including, without limitation of the generality of the foregoing, the entire interest of Action in:

(i) all contracts, agreements and documents, to the extent that they relate directly to the Petroleum and Natural Gas Rights or the Tangibles, including agreements for the sale, processing or transportation of Petroleum Substances;

(ii) all subsisting rights to enter upon, use and occupy the surface of any of the Lands, or any lands upon which any Tangibles are located or of any lands to be crossed in order to gain access to any of the Lands or the Tangibles;

(iii) all Wells including the wellbores, casing, production tubing and wellheads located on the Lands which may be used to produce Petroleum Substances from the Lands or otherwise serve the Lands; and

(iv) copies of engineering records, files, reports and data that, in the Vendor's reasonable judgement, relate directly to the Petroleum and Natural Gas Rights, any Well or the Tangibles, but excluding the Vendor's tax and financial records, economic evaluations.

Unless otherwise agreed in writing by the Parties, however, the Miscellaneous Interests shall not include agreements, documents or data to the extent that: (i) they pertain to Action's proprietary technology or interpretations; or (ii) they are owned or licensed by Third Parties with restrictions on their deliverability or disclosure by Action to any assignee which is not an Affiliate of Action.

(y) **"Party"** means any Person bound by this Agreement.

(z) **"Permitted Encumbrances"** means:

(i) all encumbrances, overriding royalties, net profits interests and other burdens identified in Schedule A.1;

(ii) any Right of First Refusal or any similar restriction applicable to any of the Assets,

(iii) the terms and conditions of

(A) the Leases, including, without limitation, the requirement to pay any rentals or royalties to the grantor thereof to maintain the Leases in good standing and any royalty or other burden reserved to the grantor thereof or any gross royalty trusts applicable to the grantor's interest in any of the Leases;

(B) the Major Agreements; and

(C) the AFEs;

(iv) the right reserved to or vested in any grantor, government or other public authority by the term of any Lease or by the Regulations to terminate any Lease;

(v) easements, rights of way, servitudes or other similar rights in land, including, without in any way limiting the generality of the foregoing, rights of way and servitudes for highways, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;

(vi) taxes on Petroleum Substances or the income or revenue therefrom, unless specifically excluded and governmental restrictions on production rates from the Wells or on operations being conducted on the Lands or otherwise affecting the value of any of the Assets, but excluding all such taxes incurred up to the Effective Date that have not been paid;

(vii) agreements for the sale, processing or transportation of Petroleum Substances, which are terminable on not more than thirty (30) days notice (without an early termination penalty or other cost);

(viii) any obligation of Action to hold any portion of its interest in and to any of the Assets in trust for Third Parties;

(ix) any authority under the Regulations and any rights reserved to or vested in any municipality or Governmental Authority to control or regulate any of the Assets in any manner;

(x) undetermined or inchoate liens incurred or created as security in favour of any Person with respect to the development or operation of any of the Assets, as regards Action's share of the costs and expenses thereof, which are not due or delinquent on the Effective Date or, if then due or delinquent, are being contested in good faith by the Vendor on the Effective Date;

(xi) the reservations, limitations, provisos and conditions in any grants or transfers from the Crown of any of the Lands or interests therein, and statutory exceptions to title;

(xii) agreements and plans relating to pooling or unitization of any of the Lands;

(xiii) the agreements, identified in Schedule A.3 respecting the processing, treating or transmission of Petroleum Substances or respecting the operation of Wells by contract field operators;

(xiv) provisions for penalties and forfeitures under agreements as a consequence of nonparticipation in operations; and

(xv) liens granted in the ordinary course of business to a public utility, municipality or Governmental Authority with respect to operations pertaining to any of the Assets;

(aa) **"Person"** includes individuals, executors, administrators, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and Governmental Authorities;

(bb) **"Petroleum and Natural Gas Rights"** means the Petroleum Substances, the Leases and the Lands and, insofar as they pertain to the Lands and the Leases, lands with which the Lands are pooled or unitized;

(cc) **"Petroleum Substances"** means Action's interest in and to petroleum, natural gas, and related hydrocarbons and every other mineral or substance whether hydrocarbon or not, produced in association therewith, or any of them, the right to explore for which, or an interest in which, is granted pursuant to the Leases, but only insofar as they pertain to the Lands;

(dd) **"Pipelines"** means Action's interest in the pipelines, if any, identified in Schedule A.2;

(ee) **"Prime Rate"** means the annual rate of interest designated as the base rate, by the main branch in Calgary of the National Bank of Canada, for the determination of interest rates payable on Canadian dollar demand loans to its preferred commercial customers, as such rate may change from time to time;

(ff) **"Purchase Price"** means the amount payable by the Purchaser to the Vendor for the Assets pursuant to Article 2, adjusted as provided for herein;

(gg) **"Receiver"** means Ernst & Young Inc., in its capacity as Receiver and Receiver and Manager of Action and not in its personal capacity appointed by the Court under action number 0901-16005 on October 28, 2009 (the "Receivership Order") to facilitate the sale of the Assets:

(hh) **"Regulations"** means all statutes, laws, rules, orders and regulations in effect from time to time and made by any Governmental Authority;

(ii) **"Right of First Refusal"** means any preferential right to purchase any of the Assets, held by a Third Party to which the provisions of Article 9 shall apply;

(jj) **"Specific Conveyances"** means all conveyances, assignments, transfers, registerable transfers, novations, notice of assignments and other documents and instruments that are reasonably required or desirable to convey, assign and transfer the Assets to the Purchaser and to novate the Purchaser in the place and stead of Action with respect to the Assets. It shall be the responsibility of the Vendor to prepare (at its sole cost and expense) and present at Closing for execution by Purchaser (in form and substance satisfactory to Purchaser, acting reasonably), all of the Specific Conveyances deemed necessary by Purchaser to transfer Action's interest in and to the Assets after Closing;

(kk) **"Tangibles"** means the entire interest of Action, whether leased or owned, in and to all tangible depreciable property, real property (other than the Leases and the Lands) and assets that are:

(i) located in or on the Lands and used, or intended for use, in connection with production, processing, gathering, storage, treatment or transportation operations respecting the Petroleum Substances, including, without limitation, the Wells, the Facilities and the Pipelines; and

(ii) any additional items or equipment, whether located on or off the Lands that are related to the Assets including any rental equipment (but, with respect to rental equipment, limited to Action's right to convey its lessee's interest therein and, in any event, excluding any proprietary information technology owned by Third Parties and licensed to Action); and

(iii) any additional items or equipment, whether located on or off the Lands that are indicated in Schedule A.2 to be specifically included as Tangibles;

(ll) **"Third Party"** means any Person other than the Vendor and Purchaser;

(mm) **"Vendor's Counsel"** means Davis LLP having its address at 1000, 250-2nd Street S.W. Calgary, Alberta T2P 0C1;

(nn) **"Wells"** means Action's interest in and to all producing, suspended, abandoned, shut-in, injection, disposal and other wells located on the Lands or any lands pooled or unitized therewith, including, without limitation, the wells listed in Schedule A.4.

1.2 Schedules

The following Schedules are attached hereto and made part of this Agreement:

(a) Schedule A, which contains:

(i) Schedule A.1 - which identifies the Lands and the Leases

(ii) Schedule A.2 - which identifies the Facilities

(iii) Schedule A.3- which identifies the Major Agreements; and

(iv) Schedule A.4 - which identifies the Wells;

(b) Schedule B, which is the Certificate;

(c) Schedule C which is the Approval and Vesting Order; and

(d) Schedule D which is the General Conveyance.

1.3 References

The references "hereunder", "herein" and "hereof" refer to the provisions of this Agreement, and references to Articles, Clauses, Subclauses, Paragraphs or Subparagraphs herein refer to Articles, Clauses, Subclauses, Paragraphs or Subparagraphs of this Agreement. Any reference to time shall refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force.

1.4 Headings

The headings of the Articles, Clauses, Schedules and any other headings, captions or indices herein are inserted for convenience of reference only and shall not be used in any way in construing or interpreting any provision hereof.

1.5 Singular/Plural

Whenever the singular or masculine or neuter is used in this Agreement or in the Schedules, it shall be interpreted as meaning the plural or feminine or body politic or corporate, and vice versa, as the context requires.

1.6 Use Of Canadian Funds

All references to "dollars" or "$" herein shall refer to lawful currency of Canada unless the contrary is specified or provided for elsewhere in this Agreement.

1.7 Derivatives

Where a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

1.8 Interpretation If Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets hereunder shall be construed as having been contingent upon Closing having occurred.

1.9 Conflicts

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of a Schedule or a Specific Conveyance, the provision of the body of this Agreement shall prevail. If any term or condition of this Agreement conflicts with a term or condition of a Lease or the Regulations, the term or condition of such Lease or the Regulations shall prevail, and this Agreement shall be deemed to be amended to the extent required to eliminate any such conflict.

ARTICLE 2
PURCHASE AND SALE

2.1 Agreement Of Purchase And Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees, effective as and from the Effective Date, to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from the Vendor, all of the right, title, estate and interest (whether absolute or contingent, legal or beneficial), if any, of Action in and to the Assets, in each case subject to the Permitted Encumbrances and in accordance with the terms of this Agreement.

2.2 Allocation Of Purchase Price

The monetary consideration payable by the Purchaser for the Assets is Two Hundred and Twenty-Five Thousand ($225,000.00) dollars, and shall be allocated among the Assets as follows:

To Petroleum and Natural Gas Rights	$168,750.00
To Tangibles	$56,249.00
To Miscellaneous Interests	$1.00
BASE PRICE	$225,000.00

2.3 Assumption of Abandonment and Reclamation Obligations and Permitted Encumbrances

In determining the Purchase Price, the Parties have taken into account the Purchaser's assumption of responsibility for:

(a) the payment of all costs for existing or future Abandonment and Reclamation Obligations associated with the Assets, as set forth in this Agreement, and

(b) the Permitted Encumbrances

and the absolute release of Action and the Vendor of all and any responsibility or liability therefore.

2.4 Interest on Base Price

There shall be added to the Purchase Price an amount equal to interest on the Base Price calculated at the Prime Rate plus 1% from the Effective Date until the Closing Date.

2.5 Adjustment of Purchase Price

On or before Closing, the Parties shall meet and attempt, in good faith, to agree on any adjustments to be made to the Purchase Price to reflect any expenses paid, prior to the Effective Date, by Action or the Vendor, all or part of which are attributable to any period or periods commencing on the Effective Date, the benefit of which will be enjoyed by the Purchaser. If such agreement is reached, the Purchase Price shall be adjusted upwards to reflect the benefit enjoyed by Purchaser.

2.6 GST

At Closing, Purchaser shall be solely responsible for all sales taxes, transfer taxes, fees, charges, levies or similar assessments which may be imposed by any Governmental Authority and pertaining to its acquisition of the Assets or to the circulation and registration of the Specific Conveyances including, but not limited to, GST. The Purchase Price does not include GST. Vendor (to the extent required) and Purchaser agree to prepare and execute GST Form 44 in respect of the Assets to minimize any GST payable thereon. Purchaser shall file GST Form 44 within the limits prescribed in the *Excise Tax Act*. If GST is payable in respect of the purchase of the Assets pursuant hereto, Purchaser shall be responsible for the payment of, and shall indemnify and save harmless Vendor and the Receiver in respect of, the GST and all interest and penalties payable pursuant to the *Excise Tax Act* in respect thereof. The GST registration number of Action is 13481 6651 RT0001. The GST registration number of Purchaser is 80123 2026 RT0001.

ARTICLE 3
DEPOSIT

3.1 Payment of Deposit

Upon execution and delivery of the letter of intent dated February 19th, 2010, the Purchaser has paid by wire transfer, bank draft or solicitors trust cheque or in immediately available funds to Purchaser's Counsel as a non-refundable deposit, except as otherwise specified herein, against the payment of the Purchase Price, the amount of $50,000.00 (the "**Deposit**"); and:

(a) forthwith after execution by Purchaser of this Agreement, the Deposit shall be paid to Vendor's Counsel;

(b) Vendor's Counsel shall hold the Deposit in an interest bearing account on behalf of the Parties, subject to the terms hereof;

(c) if Closing occurs, the Deposit together with the interest actually earned thereon, shall be applied to payment of the Purchase Price

(d) if Closing does not occur due to Purchaser's failure to tender payment of the Purchase Price on the Closing Date (in which event Vendor shall have the right, on written notice to Purchaser, to terminate this Agreement), the Deposit, together with interest thereon shall immediately become the sole property of the Vendor or

(e) if Closing does not occur because the Approval and Vesting Order is not granted on or before the nineteenth (19^{th}) day following execution of this Agreement by the Parties (or such later date or dates, if any, as may be agreed between the Vendor and the Purchaser) the Deposit plus the interest actually earned thereon, shall be returned to the Purchaser and the Parties shall be released from all of their obligations hereunder.

(f) in all other circumstances where Closing does not occur, the Deposit and all interest earned thereon shall become the sole and absolute property of the Vendor.

3.2 Deposit as Damages

The Parties agree that the amount of the Deposit constitutes their genuine estimate of all damages that will be suffered by Vendor or Purchaser as a result of Closing not occurring and that Vendor's retention, or payment to Purchaser, of the Deposit shall constitute liquidated damages to, and be the sole remedy of, the Vendor or the Purchaser, as the case may be, as a result of Closing not occurring.

ARTICLE 4
CONDITIONS OF CLOSING

4.1 Required Consents

It is a condition precedent to Closing that any and all approvals required under the Regulations and any and all material consents of Third Parties required to permit the transactions contemplated herein to be completed shall have been obtained or that such approval or consent requirement shall have been waived or otherwise lapsed. Each of the Parties shall use all reasonable efforts to obtain any such consent. Notwithstanding the foregoing, the Parties acknowledge that the consent of Third Parties to the Major Agreements may not be obtainable until after Closing and that the acquisition of such consents shall not be a condition precedent to Closing.

4.2 Court Approval

Forthwith after execution of this Agreement by the Parties, but in no event later than the twenty-first (21^{st}) day following the date of execution hereof, the Receiver will seek and use all reasonable efforts to obtain, approval of the Court to complete the transactions contemplated by this Agreement, all as required by the Receivership Order. The obligations of the Parties to complete the transactions contemplated by this Agreement are subject to the condition, which is for the benefit of both Parties , that on or prior to that date which is twenty-one (21) days following execution of this Agreement the Vendor shall have obtained the Approval and Vesting Order and no stay or appeal of the Approval and Vesting Order or application to vary the Approval and Vesting Order will be in effect or filed as at the Closing Date. Should this condition not be satisfied, this Agreement will terminate on such twenty-first (21^{st}) day and Vendor shall return the Deposit together with interest actually earned thereon to Purchaser whereupon neither Party shall have any further obligation hereunder to the other Party.

4.3 Purchaser's Conditions

The obligation of Purchaser to purchase the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

(a) the representations and warranties of Vendor herein contained shall be true in all material respects when made and as of the Closing Date;

(b) all obligations of Vendor contained in this Agreement (including the obligation to prepare and deliver to the Purchaser the Specific Conveyances), to be performed prior to or at Closing shall have been duly and timely performed in all material respects; and

(c) Vendor shall have performed or complied in all material respects with each of the terms, covenants and conditions of this Agreement to be performed or complied with by the Vendor at or prior to the Closing Date;

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Date, the Purchaser may rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement in accordance with this Clause 4.3 each of Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in Article 3 and Article 10.

4.4 Vendor's Conditions

The obligation of Vendor to sell and transfer the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Vendor and may be waived by Vendor:

(a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Date;

(b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been duly and timely performed in all material respects;

(c) Purchaser shall have paid to Vendor the Purchase Price at Closing in the manner provided in this Agreement; and

(d) Purchaser shall have performed or complied in all material respects with each of the terms, covenants and conditions of this Agreement to be performed or complied with by the Purchaser at or prior to the Closing Date;

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor, at or before the Closing Date, the Vendor may rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement in accordance with this Clause 4.4 each of Purchaser and Vendor shall be released and discharged from all obligations hereunder except as provided in Article 3 and Article 10

4.5 Efforts to Fulfil Conditions of Closing

Each Party shall proceed diligently and in good faith and use diligent commercial efforts to satisfy and comply with, or assist the other Party in, the satisfaction and compliance with the conditions precedent specified in this Article 4.

4.6 Waiver of Conditions

The conditions in Clauses 4.3 and 4.4 are for the sole benefit of the Purchaser and Vendor, respectively. A Party ("Benefiting party") may waive any of the conditions which have been inserted for its benefit, in whole or in part, by written notice to the other Party, without prejudice to any of the rights of the Benefiting Party , including, without limitation, reliance on or enforcement of the representations, warranties or covenants which are preserved and pertain to conditions similar to the condition so waived. However, the Benefiting Party may not waive the existence and operation of any , any required consent of a Third Party to the Vendor's disposition of any of the Assets.

4.7 Failure to Satisfy Conditions

In the event any of the conditions in this Article 4 has not been satisfied at or before the Closing Date and such condition has not been waived by the Benefiting Party, the Benefiting Party may terminate this Agreement by written notice to the other Party. However a Benefiting Party may not terminate this Agreement in such manner after Closing and its remedies thereafter, if any, with respect to the failure to satisfy such condition shall be limited to damages.

ARTICLE 5
CLOSING

5.1 Closing Date

Unless otherwise agreed by the Parties, Closing of the transactions contemplated in this Agreement shall occur on the Closing Date.

5.2 At Closing

(a) Vendor shall:

(i) execute and deliver to the Purchaser the Specific Conveyances;

(ii) execute and deliver to the Purchaser a copy of the General Conveyance;

(iii) deliver to the Purchaser a Certificate, with respect to Vendor's representations and warranties under this Agreement, duly executed by an officer of the Vendor; and

(iv) provide to Purchaser a certified copy of the Approval and Vesting Order approved by the Court.

(b) Purchaser shall:

(i) execute and deliver to the Vendor the Specific Conveyances;

(ii) deliver to the Vendor payment of the Purchase Price, as adjusted herein;

(iii) deliver to the Vendor a certificate of status evidencing the registration in good standing of the Purchaser in each jurisdiction in which the Lands are located;

(iv) deliver to the Vendor a Certificate, with respect to Purchaser's representations and warranties under this Agreement, duly executed by an officer of Purchaser; and

(v) execute and deliver a copy of the General Conveyance.

ARTICLE 6
MAINTENANCE OF BUSINESS

6.1 Assets To Be Maintained In Proper Manner

The Vendor shall continue to maintain the Assets in a proper and prudent manner in accordance with good oil field practice and the Regulations until Closing. The Vendor shall maintain insurance respecting the Assets during the period between the Effective Date and the Closing Date and provided Closing occurs, the proceeds of any such insurance paid or payable with respect to insured losses occurring between the Effective Date and the Closing Date shall be the property of the Purchaser.

6.2 Material Commitments

(a) Until Closing, the Vendor shall not (except as otherwise contemplated in this Agreement), without the prior written consent of the Purchaser:

(i) voluntarily assume any obligation or commitment with respect to the Assets, where the Vendor's share of the expenditure associated with such obligation or commitment is estimated to exceed $25,000.00;

(ii) surrender or abandon any of the Assets;

(iii) amend any agreement or enter into any new agreement respecting the Assets other than renewals, in the ordinary course of business, of agreements in effect on the Effective Date;

(iv) propose or initiate the exercise of any right (including bidding rights at Crown sales, rights under area of mutual interest provisions and rights of first refusal) or option relative to, or arising as a result of the ownership of the Assets, or propose or initiate any operations on the Lands which have not been commenced or committed to by the Vendor as of the earlier of the date of this Agreement or the Effective Date, if such exercise or option would result in either an obligation of the Purchaser hereunder after the Effective Date;

(v) sell, transfer or otherwise dispose of the Assets, or any of them, subject to the provisions of Article 9; or

(vi) grant a security interest or any encumbrance with respect to any of the Assets other than as permitted by the Receivership Order to secure Receiver's borrowings.

However, the Vendor may assume such obligations or commitments and propose or initiate such operations or exercise any such right or option without the prior consent of the Purchaser, if the Vendor reasonably determines that such expenditures or actions are necessary for the protection of life or property, in which case the Vendor shall promptly notify the Purchaser of such intention or actions and the Vendor's estimate of the costs and expenses associated therewith.

(b) If an operation or the exercise of any right or option respecting the Assets is proposed in circumstances in which such operation or the exercise of such right or option would result in an obligation of the Purchaser pursuant to Subclause 6.2(a), the following Paragraphs shall apply to such operation or the exercise of such right or option (hereinafter referred to as the "**Proposal**"):

(i) the Vendor shall promptly give notice of the Proposal to the Purchaser, including with such notice the particulars of such Proposal in reasonable detail;

(ii) the Purchaser shall, not later than forty-eight (48) hours prior to the time the Vendor is required to make its election with respect to the Proposal, advise the Vendor, by notice, whether it wishes the Vendor to exercise its rights with respect to the Proposal on behalf of and at the sole cost of the Purchaser, provided that failure of the Purchaser to make such election within such period shall be deemed to be an election by the Purchaser to participate in the Proposal;

(iii) the Vendor shall make the election authorized by the Purchaser with respect to the Proposal within the period during which the Vendor may respond to the Proposal; and

(iv) the election by the Purchaser not to participate in any Proposal required to preserve the existence of any of the Assets shall not entitle the Purchaser to any reduction of the Purchase Price in the event that the Vendor's interest therein is terminated as a result of such election, and such termination shall not constitute a failure or breach of the Vendor's representations and warranties pertaining to such Assets, notwithstanding Article 4.

6.3 Maintenance Of Assets Until Novations Completed

Following Closing and to the extent that the Purchaser must be, and has not then been, novated into operating agreements or other agreements (including but not limited to the Major Agreements) governing any of the Assets, the following provisions shall apply with respect to such Assets from the Closing Date until the novation has been effected:

(a) the Vendor shall not initiate any operation with respect to the Assets, except upon the written instruction of the Purchaser or if the Vendor reasonably determines that it is required for the protection of life or property, in which case the Vendor may take such actions as it reasonably determines are required without the written instruction of the Purchaser and shall promptly notify the Purchaser of such intention or actions and the Vendor's estimate of the costs and expenses associated therewith;

(b) the Vendor shall forthwith provide to the Purchaser all authorizations for expenditure, notices, specific information and other documents the Vendor receives with respect to the Assets, and shall respond to such authorizations for expenditure, notices, information and other documents pursuant to the written instruction of the Purchaser, if received on a timely basis, provided that the Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful, unethical or in conflict with an applicable contract; and

(c) the Vendor shall forthwith deliver to the Purchaser all revenues, proceeds and other benefits received by the Vendor with respect to the Assets, less the share of the applicable lessor royalties, operating costs, treating, processing and transportation expenses and those other costs and expenses directly associated with the Assets and the production of Petroleum Substances, provided that the Vendor shall not be permitted to deduct from such revenues, proceeds and other benefits any other costs and expenses it incurs as a result of such delivery to the Purchaser.

6.4 Vendor Deemed Agent Of Purchaser

(a) Insofar as the Vendor maintains the Assets and takes actions with respect thereto on behalf of the Purchaser pursuant to this Article, the Vendor shall be deemed to have been the duly authorized agent of the Purchaser hereunder. The Purchaser ratifies all actions taken by the Vendor or refrained from being taken by the Vendor pursuant to the terms of this Article 6 in such capacity during such period, with the intention that all such actions shall be deemed to be those of the Purchaser.

(b) Insofar as the Vendor participates in either operations or the exercise of rights or options as the agent of the Purchaser pursuant to this Article, the Vendor may require the Purchaser to secure the costs to be incurred by the Vendor on behalf of the Purchaser pursuant to such election in such manner as may be reasonably appropriate in the circumstances.

(c) The Purchaser shall indemnify the Vendor and its directors, officers, servants, agents or employees against all liabilities, losses, costs (including legal costs on a solicitor client basis), claims or damages which the Vendor or its directors, officers, servants, agents or employees may suffer or incur as a result of maintaining the Assets as the agent of the Purchaser pursuant to this Article, insofar as such liabilities, losses, costs, claims or damages are not a direct result of the gross negligence or wilful misconduct of the Vendor or its directors, officers, servants, agents or employees. An action or omission of the Vendor or its directors, officers, servants, agents or employees shall not be regarded as gross negligence or wilful misconduct, however, to the extent it was done or omitted to be done in accordance with the instructions of or with the concurrence of the Purchaser.

6.5 Restriction On Purchaser's Proposal Of Operations

Prior to Closing, the Purchaser shall not, without the written consent of the Vendor, propose to the Vendor, or request the Vendor to propose to others, the conduct of any operations on the Lands or the exercise of any right or option respecting the Assets.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES OF PARTIES

7.1 Vendor's Representations And Warranties

The Vendor represents and warrants to the Purchaser that:

(a) **Standing:** The Vendor is the duly appointed Receiver and Receiver Manager of the assets, undertakings and properties of Action

(b) **Requisite Authority:** The Vendor has the requisite capacity, power and authority to execute this Agreement and to perform the obligations to which it thereby becomes subject, provided that Vendor shall have no liability for the discharge by it of any obligation hereunder unless and until the Approval and Vesting Order has been granted;

(c) **Execution and Enforceability** This Agreement has been validly executed and delivered by the Vendor, and this Agreement and all other documents executed and delivered on behalf of the Vendor hereunder shall, subject to

(i) approval of the Court of the Approval and Vesting Order, and

(ii) subject to laws relating to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally, and the discretion of the courts with respect to equitable or discretionary remedies and defences

constitute valid and binding obligations of the Vendor enforceable in accordance with their respective terms and conditions;

(d) **Residency for Tax Purposes:** Action is not a non resident of Canada within the meaning of the *Income Tax Act* (Canada);

(e) **No Finders' Fees:** The Purchaser shall not have any responsibility for any obligation or liability, contingent or otherwise, for brokers' or finders' fees, if any, incurred by the Vendor with respect to the transactions herein.;

7.2 Purchaser's Representations And Warranties

The Purchaser represents and warrants to the Vendor that:

(a) **Standing:** The Purchaser is a corporation, duly organized, valid and subsisting under the laws of its jurisdiction of incorporation, and duly registered and authorized to carry on business in each jurisdiction in which the Lands are located;

(b) **Requisite Authority:** The Purchaser has the requisite capacity, power and authority to execute this Agreement and the Specific Conveyances and to perform the obligations to which it thereby becomes subject;

(c) **No Conflict:** The execution and delivery of this Agreement and the completion of the purchase of the Assets in accordance with the terms of this Agreement are not and will not be in violation or breach of, or be in conflict with:

(i) any term or provision of the charter, by-laws or other governing documents of the Purchaser; or

(ii) the Regulations or any judicial order, award, judgement or decree applicable to the Purchaser;

(d) **Execution and Enforceability:** The Purchaser has taken all actions necessary to authorize the execution and delivery of this Agreement and, as of the Closing Date, the Purchaser shall have taken all actions necessary to authorize and complete the purchase of the Assets in accordance with the provisions of this Agreement. This Agreement has been validly executed and delivered by the Purchaser. Subject to laws relating to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally, and the discretion of the courts with respect to equitable or discretionary remedies and defences, this Agreement and all other documents executed and delivered on behalf of the Purchaser hereunder shall constitute valid and binding obligations of the Purchaser enforceable in accordance with their respective terms and conditions;

(e) **Residency for Tax Purposes:** The Purchaser is not a non resident of Canada within the meaning of the *Income Tax Act* (Canada);

(f) **No Sales' Commissions:** The Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees with respect to the transactions herein for which the Vendor shall have any responsibility;

(g) **Purchaser As Principal:** The Purchaser is acquiring the Assets in its capacity as a principal, and is not purchasing the Assets for the purpose of resale or distribution to a Third Party; and

(h) **Well Licences:** The Purchaser satisfies all qualification requirements of all Governmental Authorities to purchase, to take a transfer of and to hold the Assets, including without limitation, the requirements of any Governmental Authority to have any of the licences for the Wells and Facilities to be transferred to Purchaser.

7.3 Survival Of Representations And Warranties

Each Party acknowledges that the other may rely on the representations and warranties made by such Party pursuant to Clause 7.1 or 7.2, as the case may be. Subject to Subclause 6.2(b)(iv), the representations and warranties in Clauses 7.1 and 7.2 shall be true on the Effective Date and on the Closing Date, and such representations and warranties shall continue in full force and effect and shall survive the Closing Date for a period of one (1) year, for the benefit of the Party to which such representations and warranties were made. In the absence of fraud, however, no claim or action shall be commenced with respect to a breach of any such representation or warranty, unless, within such period, written notice specifying such breach in reasonable detail has been provided to the Party which made such representation or warranty.

7.4 No Merger

The representations and warranties in Clauses 7.1 and 7.2 shall be deemed to apply to all Specific Conveyances conveying any of the Assets from Action to the Purchaser. There shall not be any merger of any of such representations or warranties in such Specific Conveyances, notwithstanding any rule of law, equity or statute to the contrary, and all such rules are hereby waived.

7.5 No Additional Representations Or Warranties By Vendor

(a) The Vendor expressly negates any representations or warranties, whether written or verbal, made by the Vendor, its agents, servants or employees except as expressly stated in Clause 7.1 and in particular, without limiting the generality of the foregoing, the Vendor disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated (orally or in writing) to the Purchaser or any of its employees, agents, consultants or representatives. The Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by the Vendor, express or implied, arising at law, by statute or in equity or otherwise with respect to:

  (i) the value of the Assets;

  (ii) the quality, condition, fitness, merchantability or serviceability of the Assets;

  (iii) the suitability of the Assets use for any purpose; or

  (iv) compliance with the Regulations by Action or Vendor.

(b) Without restricting the generality of the foregoing, the Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of the Vendor's interests in the Assets and the state and condition thereof and that it has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets.

(c) Except with respect to the representations and warranties in Clause 7.1 or in the event of fraud, the Purchaser forever releases and discharges the Vendor and its directors, officers, servants, agents and employees from any claims and all liability to the Purchaser or the Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to the Purchaser by the Vendor or its directors, officers, servants, agents or employees prior to or pursuant to this Agreement, including, without limitation, any evaluations, projections, reports and interpretive or non factual materials prepared by or for the Vendor, or otherwise in the Vendor's possession.

ARTICLE 8
LIABILITY AND INDEMNIFICATION

8.1 Responsibility Of Purchaser

Provided that Closing has occurred, the Purchaser shall:

(a) be liable to the Vendor for all losses, costs, damages and expenses whatsoever which the Vendor may suffer, sustain, pay or incur; and

(b) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or which they may sustain, pay or incur;

as a result of any matter or thing arising out of, resulting from, attributable to or connected with the Assets and occurring or accruing subsequent to the Effective Date or arising from the breach of any representation, warranty or covenant of the Purchaser contained in this Agreement, except any losses, costs, damages, expense, claims, liabilities, actions, proceedings and demands to the extent that the same either are reimbursable by insurance maintained by the Vendor or are caused by the gross negligence or wilful misconduct of the Vendor, its directors, officers, servants, agents, employees or assigns. The responsibility prescribed by this Clause, however, does not provide either an extension of any representation or warranty contained in Clause 7.1 or an additional remedy for the Purchaser's breach of such a representation or warranty.

8.2 Assets Acquired On "As Is" Basis

Notwithstanding the foregoing provisions of this Article, the Purchaser acknowledges that it is acquiring the Assets on an "as is" basis, as of the Effective Date. The Purchaser acknowledges that it is familiar with the condition of the Assets, including the past and present use of the Lands and the Tangibles, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition, environmental or otherwise, of the Assets, except as is specifically made pursuant to Clause 7.1. Provided that Closing has occurred, the Purchaser further agrees that, as of the Effective Date, it shall:

(a) be solely liable and responsible for any and all losses, costs, damages and expenses which the Vendor may suffer, sustain, pay or incur; and

(b) indemnify and save the Vendor and its directors, officers, servants, agents and employees harmless from any and all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by the Vendor, its directors, officers, servants, agents or employees or which they may sustain, pay or incur;

as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with acts or omissions pertaining to environmental damage or contamination or other environmental problems pertaining to the Assets, however or by whomever the same occurred, whether such claims, demands, losses, costs, risks or expenses arose prior or subsequent to the Effective Date including, but not limited to, any matters relating to:

(i) surface, underground, air, groundwater or surface contamination;
(ii) the abandonment or plugging of any Wells;
(iii) the Abandonment and Reclamation Costs of any part of the Assets;
(iv) the breach of any Regulations, as the same relate to the environment, in effect at any time; or
(v) the removal of or failure to remove any foundations, structure or equipment from the Lands or the surface overlying any of the Lands.

Once Closing has occurred, the Purchaser shall be solely responsible for all of the foregoing environmental liabilities respecting the Lands, the Abandonment and Reclamation Obligations as between the Vendor and the Purchaser, and hereby releases the Vendor from any claims the Purchaser may have against the Vendor with respect to all such liabilities and responsibilities, except for any claims which the Purchaser may have for the breach of a representation or warranty made by the Vendor pursuant to Clause 7.1.

8.3 No Merger Of Legal Responsibilities

The liabilities and indemnities created in this Article shall be deemed to apply to, and shall not merge in, all and any Specific Conveyances conveying any of the Assets from Action to the Purchaser, notwithstanding the terms of such Specific Conveyances, the Regulations or any rule of law or equity to the contrary, and all such rules are hereby waived.

8.4 Substitution And Subrogation

Insofar as is possible, each Party shall have full rights of substitution and subrogation in and to all covenants, representations and warranties by others previously given or made in respect of the Assets or any of them.

8.5 Responsibility Extends To Legal Costs

Notwithstanding any provision to the contrary contained in this Article, references to costs in the liability and indemnification obligations prescribed by Clauses 8.1 and 8.2 shall be deemed to include reasonable legal costs on a solicitor client basis.

ARTICLE 9
RIGHTS OF FIRST REFUSAL

9.1 Preferential Right Of Purchase

(a) If any of the Assets is subject to a Right of First Refusal, or if the disposition contemplated herein requires the consent of any Third Party, the Purchaser shall forthwith (and in no event later than the second (2^{nd}) day following execution of this Agreement) advise the Vendor in writing thereof, specifying the Asset or Assets subject to such Right of First Refusal and the agreement or agreements giving rise to each such Right of First Refusal and Vendor shall promptly serve all notices as are required under such Right of First Refusal or consent. Unless otherwise agreed by the Purchaser, each such notice by Vendor shall include a request for a waiver of any Right of First Refusal or and for the granting of any consent that may be required.

(b) The Purchaser, together with the notices provided by it pursuant to Subclause 9.1(a), shall provide to the Vendor the value placed by the Purchaser, for the purposes of this Agreement, on any of the Assets with respect to which the Vendor is required to give notice pursuant to this Clause. Should any Third Party elect to exercise its Right of First Refusal, (i) that portion of the Assets shall be deemed to be removed from the definition of Assets and the description of the Assets contained in Schedule A shall be deemed to be amended to exclude such Assets, (ii) such Assets shall not be conveyed to the Purchaser and (iii) the Purchase Price shall be reduced by an amount equal to the bona fide value allocated to such Assets by the Purchaser and the GST and any other applicable taxes based on the Purchase Price, if any, shall be reduced accordingly. Notwithstanding the foregoing, Purchaser shall be liable to Vendor for any amount of the Purchase Price allocated by it to any Lands subject to an exercised Right of First Refusal which is determined, following any arbitration initiated by the Third Party holding such right, to be in excess of the arbitrated value of the Lands subject to such right.

9.2 Operatorship And Third Parties

Nothing in this Agreement shall be interpreted as any assurance by the Vendor that the Purchaser will be able to serve as operator with respect to any of the Assets in which interests are held by Third Parties, whether or not such Assets are presently operated by the Vendor.

ARTICLE 10
CONFIDENTIALITY

10.1 Purchaser's Obligation To Maintain Information as Confidential

Information respecting the Assets shall be retained in confidence and used only for the purposes of this Agreement and shall not be disclosed, used, dealt with or exploited by Purchaser for any other purpose, provided that upon Closing, the Purchaser's rights to use or disclose such information shall be subject only to any operating, unit or other agreements that may apply thereto. Any additional information obtained as a result of such access which does not relate to the Assets shall continue to be treated as confidential and shall not be disclosed, used, dealt with or exploited by the Purchaser without the prior written consent of the Vendor. However, the restrictions on disclosure and use of information in this Agreement shall not apply to information to the extent it:

(a) is or becomes publicly available through no act or omission of the Purchaser or its consultants or advisors;

(b) is subsequently obtained lawfully from a Third Party, which, after reasonable inquiry, the Purchaser does not know to be bound to the Vendor to restrict the use or disclosure of such information; or

(c) is already in the Purchaser's possession at the time of disclosure, without restriction on disclosure.

However, specific items of information shall not be considered to be in the public domain merely because more general information respecting the Assets is in the public domain.

10.2 Consultants And Advisors Bound

If the Purchaser employs consultants, advisors or agents to assist in its review of the Assets, the Purchaser shall be responsible to the Vendor for ensuring that such consultants, advisors and agents comply with the restrictions on the use and disclosure of information set forth in this Article 10.

ARTICLE 11
WAIVER

11.1 Waiver Must Be In Writing

No waiver by any Party of any breach (whether actual or anticipated) of any of the terms, conditions, representations or warranties contained herein shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party. Any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

ARTICLE 12
ASSIGNMENT

12.1 Assignments Before Closing

Prior to Closing, neither Party may assign its interest in or under this Agreement or to the Assets without the prior written consent of the other Party, except as may be required by the Vendor to comply with its obligations respecting any Right of First Refusal, as provided in Article 9.

12.2 Assignments By Purchaser After Closing

No assignment, transfer or other disposition of this Agreement or all or any portion of the Assets by the Purchaser after Closing shall relieve the Purchaser from its obligations to the Vendor herein. The Vendor shall have the option to claim payment or performance of such obligations from the Purchaser or the assignee or transferee, and to bring proceedings in the event of default against either or all of them, provided that nothing herein shall entitle the Vendor to receive duplicate payment or performance of the same obligation.

ARTICLE 13
NOTICE

13.1 Service Of Notices

Notwithstanding anything to the contrary contained herein, all notices required or permitted hereunder shall be in writing. Any notice to be given hereunder shall be deemed to be served properly if served in any of the following modes:

(a) personally, by delivering the notice to the Party on which it is to be served at that Party's address for service. Personally served notices shall be deemed to be received by the addressee when actually delivered as aforesaid, provided that such delivery shall be during normal business hours on any day other than a Saturday, Sunday or statutory holiday in Alberta. If a notice is not delivered on such a day or is delivered after the addressee's normal business hours, such notice shall be deemed to have been received by such Party at the commencement of the addressee's first business day next following the time of the delivery;

(b) by telecopier or facsimile (or by any other like method by which a written message may be sent) directed to the Party on which it is to be served at that Party's address for service. A notice so served shall be deemed to be received by the addressee when actually received by it, if received within normal business hours on any day other than a Saturday, Sunday or statutory holiday in Alberta or at the commencement of the next ensuing business day following transmission if such notice is not received during such normal business hours; or

(c) by mailing it first class (air mail if to or from a location outside of Canada) registered post, postage prepaid, directed to the Party on which it is to be served at that Party's address for service. Notices so served shall be deemed to be received by the addressee at noon, local time, on the earlier of the actual date of receipt or the fourth (4th) day (excluding Saturdays, Sundays and statutory holidays in Alberta) following the mailing thereof. However, if postal service is (or is reasonably anticipated to be) interrupted or operating with unusual delay, notice shall not be served by such means during such interruption or period of delay.

13.2 Addresses For Notices

The address for service of notices hereunder of each of the Parties shall be as follows:

VENDOR: **Ernst & Young Inc.**
c/o Davis LLP
Attention: Mr. L Robinson Q.C.
1000, 250-2nd Street S.W.
Calgary AB T2P 0C1

fax: 403-296-4474

PURCHASER: **Cutpick Energy Inc.**
Attn: Ken McNeill - V.P Land and Corporate Development
1100, 633-6th Ave. S.W.
Calgary AB T2P 2Y5

fax - 403-444-2819

13.3 Right To Change Address

A Party may change its address for service by notice to the other Party, and such changed address for service thereafter shall be effective for all purposes of this Agreement.

ARTICLE 14
PUBLIC ANNOUNCEMENTS

14.1 Approval Required for Press Releases

(a) The Parties shall cooperate with each other in relaying to Third Parties information concerning this Agreement and shall receive written approval from the other Party of all press releases and other releases of information prior to publication which approval may not be unreasonably withheld. However, nothing in this Clause shall prevent a Party from furnishing any information to any Governmental Authority or to the public, insofar only as is required by the Regulations or securities laws applicable to such Party, provided that a Party which proposes to make such a public disclosure shall, to the extent reasonably possible, provide an officer of the other Party with a draft of such statement a sufficient time prior to its release to enable such other Party to review such draft and advise that Party of any comments it may have with respect thereto.

(b) Notwithstanding Subclause 14.1(a), the Vendor shall be permitted to disclose information pertaining to this Agreement and the identity of the Purchaser, to the extent required to enable the Vendor to fulfil its obligations pertaining to Rights of First Refusal and other Third Party rights, in accordance with Article 9 and such disclosure as Vendor believes is necessary or advisable to obtain the Approval and Vesting Order.

14.2 Signs And Notification To Governmental Authorities

Following Closing, the Vendor may remove any signs which indicate Action's ownership or operation of the Assets. If the Purchaser will be the operator of the Assets, it shall be the responsibility of the Purchaser to erect or install any signs required by Governmental Authorities which pertain to the Assets. In addition, the Purchaser shall be responsible for advising all Governmental Authorities, contractors, suppliers and other affected Third Parties of the Purchaser's interest in the Assets. It shall be the further obligation of the Purchaser to replace, on or prior to Closing, any and all letters of credit or other financial assurances placed by the Vendor or Action with any Governmental Authority for the due and timely discharge of any obligation under the Regulations with respect to the Assets.

ARTICLE 15
MISCELLANEOUS PROVISIONS

15.1 Further Assurances

At the Closing Date and thereafter as may be necessary, the Parties shall execute, acknowledge and deliver such instruments and take such other actions as may be reasonably necessary to fulfil their respective obligations under this Agreement.

Purchaser shall provide Vendor with reasonable access to, and Vendor may retain or subsequently obtain from Purchaser copies or photocopies of, any of the documents comprised in Miscellaneous Interests that Vendor considers necessary to enable it to comply with any laws or the requirements of any Governmental Authority or to conduct audits relating to the period prior to the Closing Date. Such right of access shall terminate twenty-four (24) months after the Closing Date.

15.2 Governing Law

This Agreement shall be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta. Each Party accepts the exclusive jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom.

15.3 Time

Time shall be of the essence in this Agreement

15.4 No Amendment Except In Writing

This Agreement may be amended only by written instrument executed by the Vendor and the Purchaser.

15.5 Consequences Of Termination

If this Agreement is terminated in accordance with its terms prior to Closing, then except for the provisions of Article 10 and Article 3 and the covenants, warranties, representations or other obligations breached prior to the time at which such termination occurs, the Parties shall be released from all of their obligations under this Agreement. If this Agreement is so terminated, the Purchaser shall promptly return to the Vendor all materials delivered to the Purchaser by the Vendor hereunder, together with all copies of them that may have been made by or for the Purchaser.

15.6 Arbitration

(a) Should the Parties disagree in the interpretation or application of any provision of this Agreement, including but not limited to any adjustment of the Purchase Price to be made pursuant to Clause 2.5, a Party ("Submitting Party") may submit the matter for resolution by arbitration under this Clause. The arbitration shall be initiated by written notice from

Submitting Party to the other Party, specifying the matter in dispute and the resolution of such matter proposed by the Submitting Party. The arbitration shall thereafter be conducted pursuant to the provisions of the *Arbitration Act* of Alberta, and the arbitration proceedings shall be heard in the English language and conducted in the City of Calgary before a single arbitrator. Should the Parties be unable to agree on the person to act as arbitrator, either Party may submit the determination of the person to act as arbitrator to the Court for resolution. The decision of the arbitrator shall be final and binding on the Parties except in the case of want of jurisdiction, error of law or manifest error.

(b) The period between the date of execution of this Agreement and Closing, otherwise provided for herein, shall be extended for the period of any arbitration initiated prior to the Closing Date, and Closing shall occur on the fifth (5^{th}) Business Day following the rendering by the arbitrator of his or her decision.

15.7 Supersedes Earlier Agreements

This Agreement supersedes all other agreements between the Parties with respect to the Assets and expresses the entire agreement of the Parties with respect to the transactions contained herein.

15.8 Enurement

This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

IN WITNESS WHEREOF the Parties have duly executed this Agreement this 4th day of March, 2010 with effect as and from the Effective Date.

ERNST & YOUNG INC., in its capacity as Receiver and Receiver and Manager of Action Energy Inc. and not in its personal capacity	**CUTPICK ENERGY INC.**
Per: ______________________	Per: ______________________
•	• KEN McNEILL - VP LAND
Per: ______________________	Per: ______________________
•	•

RECEIPT

To: **CUTPICK ENERGY INC.**

Re: **Asset Purchase and Sale Agreement** ("Agreement")
Dated February 1st, 2010
Halkirk Area, Alberta

ERNST & YOUNG INC., in its capacity as Receiver and Receiver and Manager of ACTION ENERGY INC. and not in its personal capacity ("Ernst & Young") hereby acknowledges receipt from Cutpick Energy Inc. ("Cutpick") of a Bank Draft in the amount of Fifty Thousand Dollars ($50,000.00) in Canadian funds, in satisfaction of the Deposit to be paid pursuant to the Agreement between Ernst & Young, as Vendor and Cutpick, as Purchaser.

DATED at Calgary, Alberta the 4th day of March, 2010.

ERNST & YOUNG INC. in its capacity as Receiver and Receiver and Manager of Action Energy Inc. and not in its personal capacity

Per: ______________________

BANQUE NATIONALE DU CANADA
NATIONAL BANK OF CANADA

TRAITE DE BANQUE
BANK DRAFT

32207256

DATE 2 0 1 0 0 3 0 2
A/Y M/M J/D

(17421) 2700, 530 - 8 Ave SW
CALGARY, AB T2P 3S8
SUCCURSALE / BRANCH

Cutpick Energy Inc.**
Nom de l'envoyeur / Name of remitter

$ 50,000.00**

PAYEZ À L'ORDRE DE / PAY TO THE ORDER OF DAVIS LLP**

la somme de / the sum of 50,000 00 ¢

en règlement de / in settlement of

BANQUE NATIONALE DU CANADA
NATIONAL BANK OF CANADA

Z70780
Directeur / Manager

Z59702
Responsable / Supervisor

⑈32207256⑈ ⑆05861⑉006⑆ 00⑉005⑉29⑈

Schedule A.1

This is SCHEDULE "A.1" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG INC.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

"the LANDS AND THE LEASES"

ACTION ENERGY INC.

Mineral Property Report

Generated by Karen Skipper on March 03, 2010 at 7:37:50 am.

Selection

Admin Company:	
Category:	
Country:	
Province:	
Division:	
Area(s):	GALAHAD KILLAM RED WILLOW
Active / Inactive:	Active
Status Types:	
Lease Types:	
Acreage Status:	
Expiry Period:	

CS*EXPLORER Version: 8.00.14

ACTION ENERGY INC.

Mineral Property Report

Print Options

Acres / Hectares:	Acres		
Working Interest DOI:	Yes		
Other DOI:	No		
Related Contracts:	Yes	**Related Units:**	No
Royalty Information:	Yes	**Expand:**	Yes
Well Information:	Yes		
Remarks:	No		
Acreage:	Producing / Non Producing		
	Developed / Undeveloped		
	Proven / Unproven		

Sort Options

Division:	No
Category:	No
Province:	Yes
Area:	Yes
Location:	Yes

EXPLORER™ Software Solutions Ltd.

CS*EXPLORER Version: 8.0014

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M0347	PNG CR	**Eff:** Jan 09, 1997	640.000	C0145 A No	BPO	TWP 39 RGE 15 W4M SEC 32
Sub: A	RI	**Exp:** Jan 08, 2002	640.000	PETROBAKKENPRTN	100.00000000	PNG BELOW BASE VIKING TO BASE
ACTIVE	0497010158	**Ext:** 15	0.000			MANNVILLE EXCL PNG IN GALAHAD
	PETROBANK PROD			Total Rental: 896.00		ELLERSLIE D POOL
100.00000000	PETROBANK PROD	**Count Acreage =** No				

Status		Acres	Net		Acres	Net
PRODUCING	**Prod:**	320.000	0.000	**NProd:**	320.000	0.000
DEVELOPED	**Dev:**	320.000	0.000	**Undev:**	320.000	0.000
PROVEN	**Prov:**	320.000	0.000	**NProv:**	320.000	0.000

Related Contracts

C0145 A	FARMOUT	Jun 24, 2002

Well U.W.I.	Status/Type
100/01-32-039-15-W4/00	PRODUCING/GAS
100/01-32-039-15-W4/02	PRODUCING/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0145 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	100.00000000 % of PROD

Roy Percent:						
Deduction:	UNKNOWN					
Gas: Royalty:	12.50000000			**Min Pay:**		**Prod/Sales:**
S/S OIL: Min:	5.00000000	**Max:**	12.50000000	**Div:**	23.8365	**Prod/Sales:**
Other Percent:				**Min:**		**Prod/Sales:**

Paid to: ROY PAYEE (C)
ACTION 100.00000000

Paid by: BPO (C)
PETROBAKKENPRTN 100.00000000

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:						
Deduction:	STANDARD					
Gas: Royalty:				**Min Pay:**		**Prod/Sales:**
S/S OIL: Min:		**Max:**		**Div:**		**Prod/Sales:**
Other Percent:				**Min:**		**Prod/Sales:**

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: BPO (C)
PETROBAKKENPRTN 100.00000000

M0347	PNG CR	**Eff:** Jan 09, 1997	640.000	C0249 A Unknown	WI	TWP 39 RGE 15 W4M SEC 32
Sub: B	WI	**Exp:** Jan 08, 2002	640.000	ACTION *	100.00000000	PNG IN GALAHAD ELLERSLIE D POOL
ACTIVE	0497010158	**Ext:** 15	640.000			

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0347
Sub: B ACTION
100.00000000 PETROBANK PROD

Total Rental: 0.00

Related Contracts

C0249 A	TRUST	Dec 18, 2002

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	320.000	320.000	NProd:	320.000	320.000
DEVELOPED	Dev:	640.000	640.000	Undev:	0.000	0.000
PROVEN	Prov:	320.000	320.000	NProv:	320.000	320.000

Well U.W.I.	Status/Type
100/16-32-039-15-W4/00	PRODUCING/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)
ACTION 100.00000000

M0384 PNG CR
Sub: A WI
ACTIVE 0488060270
ACTION
100.00000000 ACTION

Eff: Jun 16, 1988
Exp: Jun 15, 1993
Ext: 15

640.000
640.000 ACTION
640.000

WI
100.00000000

Total Rental: 896.00

TWP 39 RGE 15 W4M SEC 34
ALL PNG BELOW TOP SURFACE TO BASE MANNVILLE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	640.000	640.000	NProd:	0.000	0.000
DEVELOPED	Dev:	640.000	640.000	Undev:	0.000	0.000
PROVEN	Prov:	640.000	640.000	NProv:	0.000	0.000

Well U.W.I.	Status/Type
100/03-34-039-15-W4/00	SHUTIN/GAS
100/14-34-039-15-W4/00	SHUTIN/GAS

Royalty / Encumbrances

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	* DOI Code *	Lease Description / Rights Held

(cont'd)

M0384 A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) — ALBERTA RESOURC 100.00000000
Paid by: WI (M) — ACTION 100.00000000

M0657 PNG CR Eff: Oct 01, 1973 480.000 WI
Sub: A WI Exp: Sep 30, 1983 480.000 ACTION * 100.00000000
ACTIVE 32692 Ext: 15 480.000 ENTERRA
ENTERRA
100.00000000 ENTERRA Total Rental: 672.00

TWP 40 RGE 14 W4M S/2 NE/4 11
NG TO BASE MANNVILLE

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	480.000	480.000
DEVELOPED	Dev:	480.000	480.000	Undev:	0.000	0.000
NON PROVEN	Prov:	0.000	0.000	NProv:	480.000	480.000

Related Contracts

C0174 A	P&S	May 15, 2007
C0174 B	P&S	May 15, 2007
C0253 A	TRUST	Jun 22, 2007

Well U.W.I.	Status/Type
100/07-11-040-14-W4/00	COMMINGLED/GA

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) — AB PROV TREAS 100.00000000
Paid by: WI (M) — ACTION 100.00000000
ENTERRA

GENERAL REMARKS -
CSS - CROWN ALLOWED DECUTIONS

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Dates	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M0658	PNG	CR	Eff: Oct 01, 1973	160.000		WI	TWP 40 RGE 14 W4M NW/4 11
Sub: A	WI		Exp: Sep 30, 1983	160.000	ACTION *	100.00000000	NG TO BASE MANNVILLE
ACTIVE	32692A		Ext: 15	160.000	ENTERRA		
	ENTERRA						
100.00000000	ENTERRA				Total Rental: 224.00		

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	160.000	160.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	160.000	160.000
NON PROVEN	Prov:	0.000	0.000	NProv:	160.000	160.000

Related Contracts

C0174 A	P&S	May 15, 2007
C0174 B	P&S	May 15, 2007
C0253 A	TRUST	Jun 22, 2007

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name	Dates	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M0280	PET	FH	Eff: Nov 01, 1991	320.000	C0082 A No	WI	TWP 40 RGE 15 W4M W/2 1
Sub: A	WI		Exp: Apr 30, 1993	320.000	ACTION	95.00000000	PET FROM TOP SURFACE TO BASE
ACTIVE	ENCANA		Ext: HBP	304.000	W.F. BROWN EXPL	5.00000000	MANNVILLE
	ACTION						
100.00000000	ACTION				Total Rental: 640.00		

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	320.000	304.000	NProd:	0.000	0.000
DEVELOPED	Dev:	320.000	304.000	Undev:	0.000	0.000
PROVEN	Prov:	320.000	304.000	NProv:	0.000	0.000

Related Contracts

C0080 A	P&S	Jul 01, 2003
C0081 A	ASSETEX	Sep 28, 2005
C0082 A	JOA	Jan 20, 1992
C0083 A	FARMOUT	Nov 01, 1991

Well U.W.I.	Status/Type
100/04-01-040-15-W4/00	PRODUCING/GAS
100/11-01-040-15-W4/00	SHUTIN/OIL
100/12-01-040-15-W4/00	STANDING/OIL
100/12-01-040-15-W4/02	PRODUCING/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	OIL	N	N	100.00000000 % of SALES

Roy Percent: 18.50000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
ENCANA CORP 100.00000000

Paid by: WI (C)
ACTION 95.00000000
W.F. BROWN EXPL 5.00000000

ALLOWABLE DEDUCTIONS -
THIS ROYALTY IS TO BE PAID FREE AND CLEAR OF DEDUCTIONS.

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0280 A **GENERAL REMARKS - Jul 26, 2007**
CHANGED ROYALTY TO BE PAID ON SALES NOT ON PRODUCTION (KB)

M0281	NG FH	Eff: Aug 26, 2001	320.000		WI	TWP 40 RGE 15 W4M S/2 1
Sub: A	WI	Exp: Aug 25, 2004	320.000	ACTION	100.00000000	ALL NG FROM TOP SURFACE TO BASE
ACTIVE	BROWN, A & K	Ext: HBP	320.000			BASEMENT
	ACTION			Total Rental: 320.00		
100.00000000	ACTION					

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	320.000	320.000	NProd:	0.000	0.000
DEVELOPED	Dev:	320.000	320.000	Undev:	0.000	0.000
PROVEN	Prov:	320.000	320.000	NProv:	0.000	0.000

Related Contracts

C0080 A	P&S	Jul 01, 2003
C0081 A	ASSETEX	Sep 28, 2005

Well U.W.I.	Status/Type
100/07-01-040-15-W4/00	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 17.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
BROWN, A & K 100.00000000
Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS - Aug 21, 2007
LESSEE MAY DEDUCT REASONABLE EXPENSES INCURRED FOR SEPERATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING LEASED SUBSTANCES TO POINT OF SALE BEYOND THE WELLHEAD OR IF THE LEASED SUBSTANCES ARE NOT SOLD BY LESSEE IN ARM'S LENGTH TRANSACTION, TO THE FIRST POINT WHERE THE LEASED SUBSTANCES ARE USED BY LESSEE FOR PURPOSES OTHER THAN THAT DESCRIBED IN SUBCLAUSE (B).
DEDUCTIONS NOT TO EXCEED 50%.

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held
M0254	NG	FH	**Eff:** Oct 12, 1993	640.000	C0065 A No	WI	TWP 40 RGE 15 W4M SEC 9
Sub: A	WI		**Exp:** Oct 11, 1998	320.000	ACTION	57.50000000	(UNDIVIDED 50% INTEREST)
ACTIVE	FETEZ, M.		**Ext:** HBP	184.000	APACHE CANADA	25.00000000	ALL NG FROM TOP SURFACE TO BASE
	ACTION				PENN WEST LTD.	17.50000000	BASEMENT
50.00000000	ACTION						

Total Rental: 320.00

Status		Acres	Net		Acres	Net
PRODUCING	**Prod:**	320.000	184.000	**NProd:**	0.000	0.000
DEVELOPED	**Dev:**	320.000	184.000	**Undev:**	0.000	0.000
PROVEN	**Prov:**	320.000	184.000	**NProv:**	0.000	0.000

Related Contracts

C0065 A	JOA	Jul 14, 1983

Well U.W.I.	Status/Type
100/04-09-040-15-W4/00	SHUTIN/GAS
100/04-09-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)		**Paid by:** WI (C)	
LISTER, ANNE	33.34000000	ACTION	57.50000000
FETAZ, LOUISE	33.33000000	APACHE CANADA	25.00000000
BECK, PATRICIA	33.33000000	PENN WEST LTD.	17.50000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0255	NG	FH	**Eff:** Oct 12, 1993	640.000	C0065 A No	WI	TWP 40 RGE 15 W4M SEC 9
Sub: A	WI		**Exp:** Oct 11, 1998	320.000	ACTION	57.50000000	(UNDIVIDED 50% INTEREST)
ACTIVE	REHMAN ET AL		**Ext:** HBP	184.000	APACHE CANADA	25.00000000	(EXCEPT A PTN OF THE NW/4 SEE
	ACTION				PENN WEST LTD.	17.50000000	LEASE FOR MORE DEATILS)

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0255
Sub: A
50.00000000 ACTION

Total Rental: 320.00

ALL NG FROM TOP SURFACE TO BASE BASEMENT

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	320.000	184.000	NProd:	0.000	0.000
DEVELOPED	Dev:	320.000	184.000	Undev:	0.000	0.000
PROVEN	Prov:	320.000	184.000	NProv:	0.000	0.000

——— Related Contracts ———

C0065 A	JOA	Jul 14, 1983

Well U.W.I.	Status/Type
100/04-09-040-15-W4/00	SHUTIN/GAS
100/04-09-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)		Paid by: WI (C)	
REHMAN, M.	33.33300000	ACTION	57.50000000
RANSOM, P.	33.33300000	APACHE CANADA	25.00000000
KNEELAND, R.G.	33.33400000	PENN WEST LTD.	17.50000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0256	NG	FH	Eff: Apr 06, 1995	1.013	C0065 A No	WI	TWP 40 RGE 15 W4M PTN NW/4 9
Sub: A	WI		Exp: Apr 05, 1999	1.013	ACTION	57.50000000	ALL NG FROM TOP SURFACE TO BASE
ACTIVE	CATHOLIC ARCH		Ext: HBP	0.582	APACHE CANADA	25.00000000	BASEMENT
	ACTION				PENN WEST LTD.	17.50000000	
100.00000000	HUSKY OIL						——— Related Contracts ———

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0256
Sub: A

Total Rental: 10.00

C0065 A JOA Jul 14, 1983

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	1.013	0.582	NProd:	0.000	0.000
DEVELOPED	Dev:	1.013	0.582	Undev:	0.000	0.000
PROVEN	Prov:	1.013	0.582	NProv:	0.000	0.000

—— Well U.W.I.	Status/Type ——
100/04-09-040-15-W4/00	SHUTIN/GAS
100/04-09-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
CATHOLIC ARCH 100.00000000

Paid by: WI (C)

ACTION	57.50000000
APACHE CANADA	25.00000000
PENN WEST LTD.	17.50000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0385 PNG CR **Eff:** Mar 08, 2001 640.000
Sub: A WI **Exp:** Mar 07, 2006 640.000 ACTION
ACTIVE 0401030222 **Ext:** 15 640.000
ACTION
100.00000000 ACTION

Total Rental: 896.00

WI
100.00000000

TWP 40 RGE 15 W4M SEC 10
ALL PNG BELOW TOP SURFACE TO
BASE MANNVILLE

Status	Acres	Net	Acres	Net	—— Well U.W.I.	Status/Type ——

ACTION ENERGY INC.
Mineral Property Report

** REPORTED IN ACRES**

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held	
(cont'd)									
M0385									
Sub: A	PRODUCING	Prod:	640.000	640.000	NProd:	0.000	0.000	100/13-10-040-15-W4/02	SHUTIN/GAS
	DEVELOPED	Dev:	640.000	640.000	Undev:	0.000	0.000	100/13-10-040-15-W4/03	SHUTIN/GAS
	PROVEN	Prov:	640.000	640.000	NProv:	0.000	0.000	100/13-10-040-15-W4/00	ABD ZONE/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000
Paid by: WI (M)
ACTION 100.00000000

M0382	PNG	CR	Eff: Feb 16, 1995	640.000	WI	TWP 40 RGE 15 W4M SEC 11
Sub: A	WI		Exp: Feb 15, 2000	640.000 ACTION	100.00000000	ALL PNG BELOW TOP SURFACE TO
ACTIVE	0495020493		Ext: 15	640.000		BASE MANNVILLE
	ACTION			Total Rental: 896.00		
100.00000000	ACTION					

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	640.000	640.000	NProd:	0.000	0.000
DEVELOPED	Dev:	640.000	640.000	Undev:	0.000	0.000
PROVEN	Prov:	640.000	640.000	NProv:	0.000	0.000

Well U.W.I.	Status/Type
100/01-11-040-15-W4/00	D&A/UNKNOWN
100/02-11-040-15-W4/00	STANDING/UNKN
100/04-11-040-15-W4/02	UNKNOWN/UNKNO
100/04-11-040-15-W4/00	SHUTIN/GAS
100/11-11-040-15-W4/00	PRODUCING/OIL
100/11-11-040-15-W4/02	D&A/GAS
100/11-11-040-15-W4/03	D&A/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)
M0382 A

Gas: Royalty: | Min Pay: | Prod/Sales:
S/S OIL: Min: | Max: | Div: | Prod/Sales:
Other Percent: | Min: | Prod/Sales:

Paid to: LESSOR (M) | Paid by: WI (M)
ALBERTA RESOURC 100.00000000 | ACTION 100.00000000

M0340	PNG	CR	Eff:	Oct 27, 1970	640.000	C0094 A No	WI	TWP 40 RGE 15 W4M SEC 14
Sub: A	WI		Exp:	Oct 26, 1980	640.000	ACTION	85.00000000	PNG BELOW TOP SURFACE TO BASE
ACTIVE	23217		Ext:	15	544.000	APACHE CANADA	15.00000000	MANNVILLE EXCL NG IN GLAUCONITE
	ACTION							
100.00000000	ACTION					Total Rental: 896.00		

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	640.000	544.000	NProd:	0.000	0.000
DEVELOPED	Dev:	640.000	544.000	Undev:	0.000	0.000
PROVEN	Prov:	640.000	544.000	NProv:	0.000	0.000

Related Contracts

C0094 A	JOA	Oct 09, 1973
C0095 A	ROYALTY	Mar 18, 1997
C0096 A	ROYALTY	Dec 29, 1972

Well U.W.I.	Status/Type
100/02-14-040-15-W4/00	D&A/D&A
100/11-14-040-15-W4/00	SHUTIN/OIL
100/16-14-040-15-W4/00	PRODUCING/GAS

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0095 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	50.00000000 % of PROD

Roy Percent: 2.00000000
Deduction: UNKNOWN
Gas: Royalty: | Min Pay: | Prod/Sales:
S/S OIL: Min: | Max: | Div: | Prod/Sales:
Other Percent: | Min: | Prod/Sales:

Paid to: ROY PAYEE (C) | Paid by: WI (C)
PROVIDENT 100.00000000 | ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
STANDARD

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0096 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	40.00000000 % of PROD

Roy Percent: 2.00000000

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0340 A

Deduction: UNKNOWN
Gas: Royalty: — **Min Pay:** — **Prod/Sales:**
S/S OIL: Min: — **Max:** — **Div:** — **Prod/Sales:**
Other Percent: — **Min:** — **Prod/Sales:**

Paid to: ROY PAYEE (C) — **Paid by:** WI (C)
VIKING ENGINEER 100.00000000 — ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
STANDARD
GENERAL REMARKS -
THIS ROYALTY IS NOT PAYABLE UNTIL WELL HAS ACHIEVED PAYOUT

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales		
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000	% of	SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: — **Min Pay:** — **Prod/Sales:**
S/S OIL: Min: — **Max:** — **Div:** — **Prod/Sales:**
Other Percent: — **Min:** — **Prod/Sales:**

Paid to: LESSOR (M) — **Paid by:** WI (C)
ALBERTA RESOURC 100.00000000 — ACTION 85.00000000
APACHE CANADA 15.00000000

M0340 — PNG — CR — **Eff:** Oct 27, 1970 — 640.000 — BPO — TWP 40 RGE 15 W4M SEC 14
Sub: B — WRI — **Exp:** Oct 26, 1980 — 640.000 ACTION 80.00000000 — NG IN GLAUCONITE
ACTIVE — 23217 — **Ext:** 15 — 512.000 APACHE CANADA 20.00000000
ACTION
100.00000000 ACTION — **Count Acreage =** No — Total Rental: 0.00

Status		Acres	Net		Acres	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	640.000	512.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	640.000	512.000
NON PROVEN	**Prov:**	0.000	0.000	**NProv:**	640.000	512.000

Related Contracts

C0095 A	ROYALTY	Mar 18, 1997
C0096 A	ROYALTY	Dec 29, 1972

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
			*	*	

(cont'd)

M0340 B

Royalty / Encumbrances

<Linked> C0095 A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	50.00000000 % of PROD

Roy Percent: 2.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: ROY PAYEE (C) Paid by: WI (C)
PROVIDENT 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
STANDARD

<Linked> C0096 A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	40.00000000 % of PROD

Roy Percent: 2.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: ROY PAYEE (C) Paid by: WI (C)
VIKING ENGINEER 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
STANDARD
GENERAL REMARKS -
THIS ROYALTY IS NOT PAYABLE UNTIL WELL HAS ACHIEVED PAYOUT

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min:

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) — Paid by: BPO (M)

ALBERTA RESOURC	100.00000000	ACTION	80.00000000
		APACHE CANADA	20.00000000

M0340 B

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	50.00000000 % of PROD

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 15.00000000 Min Pay: Prod/Sales:
S/S OIL: Min: 5.00000000 Max: 15.00000000 Div: 23 Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: PAIDTO (R) — Paid by: BPO (M)

ACTION	100.00000000	ACTION	80.00000000
		APACHE CANADA	20.00000000

GENERAL REMARKS -
THIS GORR IS ONLY PAID ON GLAUCONIT PRODUCTION FROM THE 11-14 WELL.

M0254 NG FH Eff: Oct 12, 1993 320.000 C0066 A No POOLED
Sub: B WI Exp: Oct 11, 1998 160.000 ACTION 78.75000000
ACTIVE FETEZ, M. Ext: HBP 126.000 APACHE CANADA 12.50000000
ACTION PENN WEST LTD. 8.75000000
50.00000000 ACTION

Total Rental: 160.00

TWP 40 RGE 15 W4M W/2 15
(UNDIVIDED 50% INTEREST)
ALL NG FROM TOP SURFACE TO TOP
PALEOZOIC

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	126.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	126.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	126.000	NProv:	0.000	0.000

Related Contracts

C0066 A POOL Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held

(cont'd)

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN

M0254 B

Gas: Royalty:		Min Pay:		Prod/Sales:	
S/S OIL: Min:	Max:	Div:		Prod/Sales:	
Other Percent:		Min:		Prod/Sales:	

Paid to: LESSOR (M)		Paid by: PPOOL1 (C)	
LISTER, ANNE	33.34000000	ACTION	57.50000000
FETAZ, LOUISE	33.33000000	APACHE CANADA	25.00000000
BECK, PATRICIA	33.33000000	PENN WEST LTD.	17.50000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0254	NG	FH	Eff: Oct 12, 1993	320.000	C0065 A No		WI	TWP 40 RGE 15 W4M W/2 15
Sub: C	WI		Exp: Oct 11, 1998	160.000	ACTION		57.50000000	(UNDIVIDED 50% INTEREST)
ACTIVE	FETEZ, M.		Ext: HBP	92.000	APACHE CANADA		25.00000000	ALL NG BELOW TOP PALEOZOIC TO
	ACTION				PENN WEST LTD.		17.50000000	BASE BASEMENT
50.00000000	ACTION		Count Acreage = No					

Total Rental: 0.00

Related Contracts

C0065 A	JOA	Jul 14, 1983

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	160.000	92.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	160.000	92.000
NON PROVEN	Prov:	0.000	0.000	NProv:	160.000	92.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)
M0254 C

Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)		Paid by: WI (C)	
LISTER, ANNE	33.34000000	ACTION	57.50000000
FETAZ, LOUISE	33.33000000	APACHE CANADA	25.00000000
BECK, PATRICIA	33.33000000	PENN WEST LTD.	17.50000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0255	NG	FH	Eff: Oct 12, 1993	320.000	C0066 A No	POOLED	TWP 40 RGE 15 W4M W/2 15
Sub: B	WI		Exp: Oct 11, 1998	160.000	ACTION	78.75000000	(UNDIVIDED 50% INTEREST)
ACTIVE	REHMAN ET AL		Ext: HBP	126.000	APACHE CANADA	12.50000000	ALL NG FROM TOP SURFACE TO TOP
	ACTION				PENN WEST LTD.	8.75000000	PALEOZOIC
50.00000000	ACTION						

Total Rental: 160.00

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	126.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	126.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	126.000	NProv:	0.000	0.000

Related Contracts

C0066 A	POOL	Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0255 B

Paid to: LESSOR (M)		Paid by: PPOOL1 (C)	
REHMAN, M.	33.33300000	ACTION	57.50000000
RANSOM, P.	33.33300000	APACHE CANADA	25.00000000
KNEELAND, R.G.	33.33400000	PENN WEST LTD.	17.50000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0255	NG FH	Eff:	Oct 12, 1993	320.000	C0065 A No	WI	TWP 40 RGE 15 W4M W/2 15
Sub: C	WI	Exp:	Oct 11, 1998	160.000	ACTION	57.50000000	(UNDIVIDED 50% INTEREST)
ACTIVE	REHMAN ET AL	Ext:	HBP	92.000	APACHE CANADA	25.00000000	ALL NG BELOW TOP PALEOZOIC TO
	ACTION				PENN WEST LTD.	17.50000000	BASE BASEMENT
50.00000000	ACTION	Count Acreage =	No				

Total Rental: 0.00

Related Contracts
C0065 A JOA Jul 14, 1983

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	160.000	92.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	160.000	92.000
NON PROVEN	Prov:	0.000	0.000	NProv:	160.000	92.000

Royalty / Encumbrances

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY		GAS	N	N	100.00000000 % of PROD
Roy Percent:	15.00000000				
Deduction:	UNKNOWN				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)		Paid by: WI (C)	
REHMAN, M.	33.33300000	ACTION	57.50000000
RANSOM, P.	33.33300000	APACHE CANADA	25.00000000

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)							
M0255	C	KNEELAND, R.G.		33.33400000	PENN WEST LTD.	17.50000000	

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0257	NG	FH	Eff: Mar 11, 1996	320.000	C0066 A No	POOLED	TWP 40 RGE 15 W4M E/2 15
Sub: A	WI		Exp: Mar 10, 1999	53.334	ACTION	78.75000000	(UNDIVIDED 16.667% INTEREST)
ACTIVE	STRANDQUIST, D.		Ext: HBP	42.001	APACHE CANADA	12.50000000	ALL NG FROM TOP SURFACE TO TOP
	ACTION				PENN WEST LTD.	8.75000000	PALEOZOIC
16.66700000	ACTION						

Total Rental: 54.00

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	53.334	42.001	NProd:	0.000	0.000
DEVELOPED	Dev:	53.334	42.001	Undev:	0.000	0.000
PROVEN	Prov:	53.334	42.001	NProv:	0.000	0.000

Related Contracts

C0066 A	POOL	Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: PPOOL2 (C)
STRANDQUIST, D. 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0257 A PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0257 NG FH **Eff:** Mar 11, 1996 320.000 WI TWP 40 RGE 15 W4M E/2 15
Sub: B WI **Exp:** Mar 10, 1999 53.334 ACTION 100.00000000 (UNDIVIDED 16.667% INTEREST)
ACTIVE STRANDQUIST, D. **Ext:** HBP 53.334 NG BELOW TOP PALEOZOIC TO BASE
ACTION Total Rental: 0.00 BASEMENT
16.66700000 ACTION **Count Acreage =** No

Status		Acres	Net		Acres	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	53.334	53.334
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	53.334	53.334
NON PROVEN	**Prov:**	0.000	0.000	**NProv:**	53.334	53.334

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** WI (M)
STRANDQUIST, D. 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0258 NG FH **Eff:** Mar 11, 1996 320.000 C0066 A No POOLED TWP 40 RGE 15 W4M E/2 15
Sub: A WI **Exp:** Mar 10, 1999 53.334 ACTION 78.75000000 (UNDIVIDED 16.667% INTEREST)

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)						
M0258 Sub: A ACTIVE 16.66700000	STRANDQUIST, H. ACTION ACTION	Ext: HBP	42.001	APACHE CANADA PENN WEST LTD.	12.50000000 8.75000000	ALL NG BELOW TOP SURFACE TO TOP PALEOZOIC

Total Rental: 54.00

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	53.334	42.001	NProd:	0.000	0.000
DEVELOPED	Dev:	53.334	42.001	Undev:	0.000	0.000
PROVEN	Prov:	53.334	42.001	NProv:	0.000	0.000

Related Contracts

C0066 A	POOL	Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
STRANDQUIST, H. 100.00000000

Paid by: PPOOL2 (C)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0258 Sub: B ACTIVE 16.66700000	NG WI STRANDQUIST, H. ACTION ACTION	FH	Eff: Mar 11, 1996 Exp: Mar 10, 1999 Ext: HBP	320.000 53.334 53.334	ACTION	WI 100.00000000	TWP 40 RGE 15 W4M E/2 15 (UNDIVIDED 16.667% INTEREST) NG BELOW TOP PALEOZOIC TO BASE BASEMENT

Count Acreage = No
Total Rental: 0.00

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0258
Sub: B

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	53.334	53.334
UNDEVELOPED	Dev:	0.000	0.000	Undev:	53.334	53.334
NON PROVEN	Prov:	0.000	0.000	NProv:	53.334	53.334

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** WI (M)
STRANDQUIST, H. 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0259	NG FH	**Eff:** Mar 11, 1996	320.000	C0066 A No	POOLED	TWP 40 RGE 15 W4M E/2 15
Sub: A	WI	**Exp:** Mar 10, 1999	53.334	ACTION	78.75000000	(UNDIVIDED 16.667% INTEREST)
ACTIVE	STRANDQUIST, J.	**Ext:** HBP	42.001	APACHE CANADA	12.50000000	ALL NG BELOW TOP SURFACE TO TOP
	ACTION			PENN WEST LTD.	8.75000000	PALEOZOIC
16.66700000	ACTION					

Total Rental: 54.00

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	53.334	42.001	NProd:	0.000	0.000
DEVELOPED	Dev:	53.334	42.001	Undev:	0.000	0.000
PROVEN	Prov:	53.334	42.001	NProv:	0.000	0.000

Related Contracts

C0066 A POOL Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M0259 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** PPOOL2 (C)
STRANDQUIST, J. 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0259	NG	FH	**Eff:** Mar 11, 1996	320.000		WI	TWP 40 RGE 15 W4M E/2 15
Sub: B	WI		**Exp:** Mar 10, 1999	53.334	ACTION	100.00000000	(UNDIVIDED 16.667% INTEREST)
ACTIVE	STRANDQUIST, J.		**Ext:** HBP	53.334			NG BELOW TOP PALEOZOIC TO BASE
	ACTION				Total Rental: 0.00		BASEMENT
16.66700000	ACTION		**Count Acreage =** No				

Status		Acres	Net		Acres	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	53.334	53.334
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	53.334	53.334
NON PROVEN	**Prov:**	0.000	0.000	**NProv:**	53.334	53.334

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0259 B

Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: WI (M)
STRANDQUIST, J. 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0260 NG FH **Eff:** Mar 11, 1996 320.000 C0066 A No POOLED
Sub: A WI **Exp:** Mar 10, 1999 53.334 ACTION 78.75000000
ACTIVE STRANDQUIST, JEFF **Ext:** HBP 42.001 APACHE CANADA 12.50000000
ACTION PENN WEST LTD. 8.75000000
16.66700000 ACTION

TWP 40 RGE 15 W4M E/2 15
(UNDIVIDED 16.667% INTEREST)
ALL NG BELOW TOP SURFACE TO TOP PALEOZOIC

Total Rental: 54.00

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	53.334	42.001	NProd:	0.000	0.000
DEVELOPED	Dev:	53.334	42.001	Undev:	0.000	0.000
PROVEN	Prov:	53.334	42.001	NProv:	0.000	0.000

Related Contracts

C0066 A	POOL	Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: PPOOL2 (C)

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator	Lessor Type / Lse No/Name / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0260	A	STRANDQUIST, JE	100.00000000	ACTION	100.00000000	

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0260 | NG | FH | **Eff:** Mar 11, 1996 | 320.000
Sub: B | WI | **Exp:** Mar 10, 1999 | 53.334 | ACTION | WI 100.00000000
ACTIVE | STRANDQUIST, JEFF | **Ext:** HBP | 53.334
ACTION | Total Rental: 0.00
16.66700000 | ACTION | **Count Acreage =** No

TWP 40 RGE 15 W4M E/2 15
(UNDIVIDED 16.667% INTEREST)
NG BELOW TOP PALEOZOIC TO BASE BASEMENT

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	53.334	53.334
UNDEVELOPED	Dev:	0.000	0.000	Undev:	53.334	53.334
NON PROVEN	Prov:	0.000	0.000	NProv:	53.334	53.334

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: | **Min Pay:** | **Prod/Sales:**
S/S OIL: Min: | **Max:** | **Div:** | **Prod/Sales:**
Other Percent: | **Min:** | **Prod/Sales:**

Paid to: LESSOR (M)
STRANDQUIST, JE 100.00000000

Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)							
M0260	B	IMPORTANT ROYALTY INFORMATION.					
M0261	NG	FH	Eff: Mar 11, 1996	320.000	C0066 A No	POOLED	TWP 40 RGE 15 W4M E/2 15
Sub: A	WI		Exp: Mar 10, 1999	53.334	ACTION	78.75000000	(UNDIVIDED 16.667% INTEREST)
ACTIVE	LOHNER, E.		Ext: HBP	42.001	APACHE CANADA	12.50000000	ALL NG BELOW TOP SURFACE TO TOP
	ACTION				PENN WEST LTD.	8.75000000	PALEOZOIC
16.66700000	ACTION						

Total Rental: 54.00

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	53.334	42.001	NProd:	0.000	0.000
DEVELOPED	Dev:	53.334	42.001	Undev:	0.000	0.000
PROVEN	Prov:	53.334	42.001	NProv:	0.000	0.000

Related Contracts

C0066 A	POOL	Apr 12, 1996

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
LOHNER, E. 100.00000000

Paid by: PPOOL2 (C)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0261	NG	FH	Eff: Mar 11, 1996	320.000		WI	TWP 40 RGE 15 W4M E/2 15
Sub: B	WI		Exp: Mar 10, 1999	53.334	ACTION	100.00000000	(UNDIVIDED 16.667% INTEREST)

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)						
M0261 Sub: B ACTIVE 16.66700000	LOHNER, E. ACTION ACTION	Ext: HBP Count Acreage = No	53.334	Total Rental: 0.00		NG BELOW TOP PALEOZOIC TO BASE BASEMENT

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	53.334	53.334
UNDEVELOPED	Dev:	0.000	0.000	Undev:	53.334	53.334
NON PROVEN	Prov:	0.000	0.000	NProv:	53.334	53.334

Royalty / Encumbrances

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY		GAS	N	N	100.00000000 % of PROD
Roy Percent:	15.00000000				
Deduction:	UNKNOWN				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)
LOHNER, E. 100.00000000

Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0262 Sub: A ACTIVE 16.66700000	NG FH WI STRANDQUIST, H. ACTION ACTION	Eff: Mar 11, 1996 Exp: Mar 10, 1999 Ext: HBP	320.000 53.334 42.001	C0066 A No ACTION APACHE CANADA PENN WEST LTD. Total Rental: 54.00	POOLED 78.75000000 12.50000000 8.75000000	TWP 40 RGE 15 W4M E/2 15 (UNDIVIDED 16.667% INTEREST) ALL NG BELOW TOP SURFACE TO TOP PALEOZOIC

Related Contracts

C0066 A	POOL	Apr 12, 1996

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0262
Sub: A

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	53.334	42.001	NProd:	0.000	0.000
DEVELOPED	Dev:	53.334	42.001	Undev:	0.000	0.000
PROVEN	Prov:	53.334	42.001	NProv:	0.000	0.000

Well U.W.I.	Status/Type
100/11-15-040-15-W4/00	ABD ZONE/GAS
100/11-15-040-15-W4/02	SHUTIN/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
STRANDQUIST, HA 100.00000000

Paid by: POOLED (C)
ACTION 78.75000000
APACHE CANADA 12.50000000
PENN WEST LTD. 8.75000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0262 NG FH **Eff:** Mar 11, 1996 320.000 WI
Sub: B WI **Exp:** Mar 10, 1999 53.334 ACTION 100.00000000
ACTIVE STRANDQUIST, H. **Ext:** HBP 53.334
ACTION Total Rental: 0.00
16.66700000 ACTION **Count Acreage =** No

TWP 40 RGE 15 W4M E/2 15
(UNDIVIDED 16.667% INTEREST)
NG BELOW TOP PALEOZOIC TO BASE BASEMENT

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	53.334	53.334
UNDEVELOPED	Dev:	0.000	0.000	Undev:	53.334	53.334

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / DOI Code / Doi Partner(s) * *	Lease Description / Rights Held

(cont'd)

M0262
Sub: B NON PROVEN Prov: 0.000 0.000 NProv: 53.334 53.334

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
STRANDQUIST, HA 100.00000000

Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE ROYALTY SHARE OF PRODUCTION, SUCH DEDUCTIONS NOT TO BE GREATER THAN 50%. SEE LEASE ADDENDUM FOR IMPORTANT ROYALTY INFORMATION.

M0253 PNG CR Eff: Jul 14, 1983 640.000 C0065 A No
Sub: A WI Exp: Jul 13, 1988 640.000 ACTION
ACTIVE 0483070017 Ext: 15 368.000
ACTION
100.00000000 ACTION

Doi Partner(s)	WI
ACTION	57.50000000
APACHE CANADA	25.00000000
PENN WEST LTD.	17.50000000

Total Rental: 896.00

TWP 40 RGE 15 W4M SEC 16 (EXCL 2-16 & 12-16 WELLBORES)
PNG FROM TOP SURFACE TO BASE MANNVILLE (EXCL 2-16 & 12-16 WELLBORES)

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	640.000	368.000	NProd:	0.000	0.000
DEVELOPED	Dev:	640.000	368.000	Undev:	0.000	0.000
PROVEN	Prov:	640.000	368.000	NProv:	0.000	0.000

Related Contracts

C0065 A JOA Jul 14, 1983

Well U.W.I.	Status/Type
100/01-16-040-15-W4/02	SHUTIN/GAS
100/01-16-040-15-W4/00	SHUTIN/GAS

Royalty / Encumbrances

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales	
CROWN SLIDING SCALE ROYALTY		ALL PRODUCTS	Y	N	100.00000000	% of SALES

M0253 A
Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)
ACTION 57.50000000
APACHE CANADA 25.00000000
PENN WEST LTD. 17.50000000

M0253 PNG CR Eff: Jul 14, 1983 640.000 C0065 B No BPEN
Sub: B WI Exp: Jul 13, 1988 640.000 ACTION 75.00000000
ACTIVE 0483070017 Ext: 15 480.000 APACHE CANADA 25.00000000
ACTION PENN WEST LTD.
100.00000000 ACTION Count Acreage = No
Total Rental: 0.00

TWP 40 RGE 15 W4M SEC 16 (12-16 WELLBORE ONLY)
(12-16 WELLBORE ONLY)

Related Contracts
C0065 B JOA Jul 14, 1983

Well U.W.I. Status/Type
100/12-16-040-15-W4/00 STANDING/UNKN

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	640.000	480.000
DEVELOPED	Dev:	160.000	120.000	Undev:	480.000	360.000
PROVEN	Prov:	160.000	120.000	NProv:	480.000	360.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales	
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000	% of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: BPEN (C)
ACTION 75.00000000

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)							
M0253	B				APACHE CANADA PENN WEST LTD.	25.00000000	

M0253	PNG	CR	Eff: Jul 14, 1983	640.000	C0065 C No	BPEN	TWP 40 RGE 15 W4M SEC 16 (2-16
Sub: C	WI		Exp: Jul 13, 1988	640.000	ACTION	82.50000000	WELLBORE ONLY)
ACTIVE	0483070017		Ext: 15	528.000	PENN WEST LTD.	17.50000000	(2-16 WELLBORE ONLY)
	ACTION				APACHE CANADA		
100.00000000	ACTION		Count Acreage = No				
					Total Rental: 0.00		

Related Contracts

C0065 C	JOA	Jul 14, 1983

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	640.000	528.000
DEVELOPED	Dev:	160.000	132.000	Undev:	480.000	396.000
PROVEN	Prov:	160.000	132.000	NProv:	480.000	396.000

Well U.W.I.	Status/Type
100/02-16-040-15-W4/00	STANDING/UNKN

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: BPEN (C)
ACTION 82.50000000
PENN WEST LTD. 17.50000000
APACHE CANADA

M0253	PNG	CR	Eff: Jul 14, 1983	640.000	C0065 D No	BPEN	TWP 40 RGE 15 W4M SEC 16 (16-16
Sub: D	WI		Exp: Jul 13, 1988	640.000	ACTION	69.70000000	WELLBORE ONLY)
ACTIVE	0483070017		Ext: 15	446.080	PENN WEST LTD.		(16-16 WELLBORE ONLY)
	ACTION				APACHE CANADA	30.30000000	
100.00000000	ACTION		Count Acreage = No				

Related Contracts

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0253
Sub: D

Total Rental: 0.00

C0065 D JOA Jul 14, 1983

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	640.000	446.080
DEVELOPED	Dev:	160.000	111.520	Undev:	480.000	334.560
PROVEN	Prov:	160.000	111.520	NProv:	480.000	334.560

Well U.W.I.	Status/Type
100/16-16-040-15-W4/00	PRODUCING/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: BPEN (C)
ACTION 69.70000000
PENN WEST LTD.
APACHE CANADA 30.30000000

M0300 PNG CR Eff: Sep 16, 1975 160.000 WI
Sub: A WI Exp: Sep 15, 1985 160.000 ACTION 100.00000000
ACTIVE 40088 Ext: 15 160.000
ACTION Total Rental: 224.00
100.00000000 ACTION

TWP 40 RGE 15 W4M NE/4 22
PNG BELOW TOP SURFACE TO BASE
MANNVILLE

Related Contracts
C0103 A ROYALTY May 01, 1998

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	160.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	160.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	160.000	NProv:	0.000	0.000

Well U.W.I.	Status/Type
100/07-22-040-15-W4/02	PRODUCING/GAS
100/07-22-040-15-W4/00	STANDING/GAS

Royalty / Encumbrances

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

<Linked> C0103 A

M0300 A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 8.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: ROY PAYEE (C) — APACHE CANADA 100.00000000
Paid by: WI (C) — ACTION 100.00000000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) — ALBERTA RESOURC 100.00000000
Paid by: WI (M) — ACTION 100.00000000

M0383 PNG CR Eff: Jul 14, 1993 480.000 WI
Sub: A WI Exp: Jul 13, 1998 480.000 ACTION 100.00000000
ACTIVE 0488070084 Ext: 15 480.000
ACTION Total Rental: 672.00
100.00000000 ACTION

TWP 40 RGE 15 W4M S/2 22, NW/4 22
ALL PNG BELOW TOP SURFACE TO BASE MANNVILLE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	480.000	480.000	NProd:	0.000	0.000
DEVELOPED	Dev:	480.000	480.000	Undev:	0.000	0.000
PROVEN	Prov:	480.000	480.000	NProv:	0.000	0.000

Well U.W.I.	Status/Type
100/07-22-040-15-W4/02	PRODUCING/GAS
100/07-22-040-15-W4/00	STANDING/GAS

Royalty / Encumbrances

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0383 A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000
Paid by: WI (M)
ACTION 100.00000000

M0450 PNG CR Eff: Aug 22, 1973 160.000 C0175 A No BPO
Sub: A RI Exp: Aug 21, 1983 160.000 ARSENAL ENERGY 100.00000000
ACTIVE 32297A Ext: 15 0.000
ARSENAL ENERGY Total Rental: 224.00
100.00000000 ARSENAL ENERGY

TWP 40 RGE 15 W4M NW/4 34
PNG TO BASE MANNVILLE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	0.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	0.000	NProv:	0.000	0.000

Related Contracts

C0174 B	P&S	May 15, 2007
C0175 A	RETROFO	Oct 01, 2002

Well U.W.I.	Status/Type
102/11-34-040-15-W4/00	SUSPENDED/OIL
102/12-34-040-15-W4/00	PRODUCING/OIL
103/12-34-040-15-W4/00	PRODUCING/OIL
107/12-34-040-15-W4/00	PRODUCING/OIL
109/12-34-040-15-W4/00	PRODUCING/OIL
110/12-34-040-15-W4/00	PRODUCING/OIL
111/12-34-040-15-W4/00	PRODUCING/OIL
112/12-34-040-15-W4/00	PRODUCING/OIL
100/13-34-040-15-W4/00	PRODUCING/OIL
102/13-34-040-15-W4/00	PRODUCING/OIL
103/13-34-040-15-W4/00	PRODUCING/OIL
104/13-34-040-15-W4/00	PRODUCING/OIL
105/13-34-040-15-W4/00	PRODUCING/OIL
102/12-34-040-15-W4/02	STANDING/UNKN
100/11-34-040-15-W4/00	ABANDONED/UNK
100/12-34-040-15-W4/00	ABANDONED/UNK
100/13-34-040-15-W4/02	PRODUCING/OIL

Royalty / Encumbrances

<Linked> C0175 A

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: PAIDTO (R)
ARSENAL ENERGY 100.00000000
Paid by: BPO (C)
ARSENAL ENERGY 100.00000000

GENERAL REMARKS -
THIS ROYALTY WAS A SCHEDULED ENCUMBRANCE UNDER THE AGREEMENT, AND WAS SUBSEQUENTLY

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0450 A ACQUIRED BY FARMEE. THE PARTIES CONSTITUTING FARMOR WILL PAY THEIR PROPORTIONATE SHARE OF SAME UPON CONVERTING TO WORKING INTERESTS AFTER PAYOUT.

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0175 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	Y	100.00000000 % of PROD

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 15.00000000 Min Pay: Prod/Sales: PROD
S/S OIL: Min: 5.00000000 Max: 15.00000000 Div: 23.8365 Prod/Sales: PROD
Other Percent: Min: Prod/Sales:

Paid to: PAIDTO (R)		Paid by: BPO (C)	
ACTION	50.00000000	ARSENAL ENERGY	100.00000000
PEARSON RES	50.00000000		

ALLOWABLE DEDUCTIONS -
IN ACCORDANCE WITH THE CAPL 1997 FARMOUT & ROYALTY PROCEDURE (NOT TO EXCEED THOSE PERMITTED FOR THE CALCULATION OF CROWN ROYALTIES).

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)		Paid by: BPO (C)	
ALBERTA RESOURC	100.00000000	ARSENAL ENERGY	100.00000000

M0451	PNG	CR	Eff: Aug 22, 1973	400.000	C0176 A No		WI	TWP 40 RGE 15 W4M SW/4 34
Sub: A	WI		Exp: Aug 21, 1983	400.000	ACTION		25.00000000	TWP 40 RGE 15 W4M LSD 1, 2, 7,
ACTIVE	32297		Ext: 15	100.000	ARSENAL ENERGY		75.00000000	10, 15, 16 SEC 34
	ARSENAL ENERGY							PNG TO BASE MANNVILLE
100.00000000	ARSENAL ENERGY				Total Rental: 560.00			

Status	Acres	Net	Acres	Net

Related Contracts

C0174 B	P&S	May 15, 2007

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held
(cont'd)								
M0451 Sub: A	PRODUCING	Prod:	80.000	20.000	NProd:	320.000	80.000	C0176 A RETROJOA Jan 01, 2003
	DEVELOPED	Dev:	80.000	20.000	Undev:	320.000	80.000	
	PROVEN	Prov:	80.000	20.000	NProv:	320.000	80.000	

Well U.W.I.	Status/Type
100/15-34-040-15-W4/00	PRODUCING/OIL
100/16-34-040-15-W4/00	PRODUCING/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)
ACTION 25.00000000
ARSENAL ENERGY 75.00000000

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
GROSS OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 5.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: PAIDTO (R)
ARSENAL ENERGY 100.00000000

Paid by: PAIDBY (R)
ACTION 25.00000000
ARSENAL ENERGY 75.00000000

GENERAL REMARKS -
THIS ROYALTY WAS A SCHEDULED ENCUMBRANCE UNDER THE AGREEMENT, AND WAS SUBSEQUENTLY ACQUIRED BY ONE OF THE PARTICIPANTS HEREUNDER. NO COPY OF ROYALTY AGREEMENT ON FILE.

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : GALAHAD

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code	*	Lease Description / Rights Held

Area Total:	Total Gross:	7,601.017	Total Net:	6,348.588				
	Prod Gross:	6,321.017	Prod Net:	5,308.588	NProd Gross:	1,280.000	NProd Net:	1,040.000
	Dev Gross:	7,121.017	Dev Net:	6,108.588	Undev Gross:	480.000	Undev Net:	240.000
	Prov Gross:	6,321.017	Prov Net:	5,308.588	NProv Gross:	1,280.000	NProv Net:	1,040.000

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M0453	PNG	CR	Eff: Jun 20, 1957	80.000	C0177 A No	WI	TWP 41 RGE 12 W4M LSD 3, 7 SEC
Sub: A	WI		Exp: Jun 19, 1978	80.000	ACTION	8.50000000	10
ACTIVE	110394		Ext: 15	6.800	TALISMAN	2.00000000	PET TO BASE ELLERSLIE;
	ACTION				ARSENAL ENERGY	69.34375000	CASINGHEAD OR ASSOCIATED GAS IN
100.00000000	HARVEST OP CORP				SIGNALTA RES	5.15625000	ELLERSLIE; NG TO TOP ELLERSLIE
					WESCO OILS	15.00000000	

Total Rental: 112.00

Related Contracts

C0174 C	P&S	May 15, 2007
C0177 A	FI&OPT	Feb 06, 1985

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	80.000	6.800
DEVELOPED	Dev:	80.000	6.800	Undev:	0.000	0.000
NON PROVEN	Prov:	0.000	0.000	NProv:	80.000	6.800

Well U.W.I.	Status/Type
100/07-10-041-12-W4/00	SHUTIN/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)

ACTION	8.50000000
TALISMAN	2.00000000
ARSENAL ENERGY	69.34375000
SIGNALTA RES	5.15625000
WESCO OILS	15.00000000

M0453	PNG	CR	Eff: Jun 20, 1957	80.000	C0177 B No	WI	TWP 41 RGE 12 W4M LSD 3, 7 SEC
Sub: B	WI		Exp: Jun 19, 1978	80.000	ACTION	7.99036000	10
ACTIVE	110394		Ext: 15	6.392	TALISMAN	13.75000000	NG IN ELLERSLIE EXCL CASINGHEAD
	ACTION				ARSENAL ENERGY	13.59025000	OR ASSOCIATED GAS
100.00000000	HARVEST OP CORP		Count Acreage = No		SIGNALTA RES	10.31250000	
					MERMAID RES	7.94657000	
					WESCO OILS	7.05032000	

Related Contracts

C0174 C	P&S	May 15, 2007

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0453
Sub: B

SUNCOR ENERGY	39.36000000	C0177 B	FI&OPT	Feb 06, 1985

Total Rental: 0.00

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	80.000	6.392
UNDEVELOPED	Dev:	0.000	0.000	Undev:	80.000	6.392
NON PROVEN	Prov:	0.000	0.000	NProv:	80.000	6.392

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)

ACTION	7.99036000
TALISMAN	13.75000000
ARSENAL ENERGY	13.59025000
SIGNALTA RES	10.31250000
MERMAID RES	7.94657000
WESCO OILS	7.05032000
SUNCOR ENERGY	39.36000000

M0453 PNG CR Eff: Jun 20, 1957 40.000 C0177 C No
Sub: C WI Exp: Jun 19, 1978 40.000
ACTIVE 110394 Ext: 15 3.759
ACTION
100.00000000 HARVEST OP CORP Count Acreage = No

	WI
ACTION	9.39784000
ARSENAL ENERGY	20.25063000
SIGNALTA RES	10.31250000
MERMAID RES	12.38682000
WESCO OILS	8.29221000
SUNCOR ENERGY	39.36000000

TWP 41 RGE 12 W4M LSD 4 SEC 10
NG TO BASE ELLERSLIE EXCL
VIKING, EXCL CASINGHEAD OR
ASSOCIATED OR GAS IN ELLERSLIE

Related Contracts

C0174 C	P&S	May 15, 2007

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0453
Sub: C

C0177 C FI&OPT Feb 06, 1985

Total Rental: 0.00

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	40.000	3.759
UNDEVELOPED	Dev:	0.000	0.000	Undev:	40.000	3.759
NON PROVEN	Prov:	0.000	0.000	NProv:	40.000	3.759

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI	(C)
ACTION	9.39784000
ARSENAL ENERGY	20.25063000
SIGNALTA RES	10.31250000
MERMAID RES	12.38682000
WESCO OILS	8.29221000
SUNCOR ENERGY	39.36000000

M0453 PNG CR Eff: Jun 20, 1957 40.000 C0177 D No
Sub: D WI Exp: Jun 19, 1978 40.000
ACTIVE 110394 Ext: 15 6.800
ACTION
100.00000000 HARVEST OP CORP

Doi Partner(s)	WI
ACTION	17.00000000
ARSENAL ENERGY	35.28066000
SIGNALTA RES	10.31250000
MERMAID RES	22.40684000
WESCO OILS	15.00000000

Total Rental: 56.00

TWP 41 RGE 12 W4M LSD 4 SEC 10
PET TO BASE ELLERSLIE EXCL
VIKING; ASSOCIATED OR
CASINGHEAD GAS IN ELLERSLIE

Related Contracts

C0174 C	P&S	May 15, 2007
C0177 D	FI&OPT	Feb 06, 1985

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0453
Sub: D

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	40.000	6.800
DEVELOPED	Dev:	40.000	6.800	Undev:	0.000	0.000
NON PROVEN	Prov:	0.000	0.000	NProv:	40.000	6.800

Well U.W.I.	Status/Type
100/04-10-041-12-W4/00	ABANDONED/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)

ACTION	17.00000000
ARSENAL ENERGY	35.28066000
SIGNALTA RES	10.31250000
MERMAID RES	22.40684000
WESCO OILS	15.00000000

M0453 PNG CR Eff: Jun 20, 1957 80.000 C0177 E No
Sub: E WI Exp: Jun 19, 1978 80.000
ACTIVE 110394 Ext: 15 3.400
ACTION
100.00000000 HARVEST OP CORP

Doi Partner(s)	WI
ACTION	4.25000000
ARSENAL ENERGY	85.25000000
WESCO OILS	7.50000000
DOMINION EXPL	3.00000000

Total Rental: 112.00

TWP 41 RGE 12 W4M LSD 5, 6 SEC 10
PNG TO BASE ELLERSLIE EXCL VIKING

Related Contracts		
C0174 C	P&S	May 15, 2007
C0177 E	FI&OPT	Feb 06, 1985

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	80.000	3.400
DEVELOPED	Dev:	80.000	3.400	Undev:	0.000	0.000
NON PROVEN	Prov:	0.000	0.000	NProv:	80.000	3.400

Well U.W.I.	Status/Type
100/05-10-041-12-W4/00	ABANDONED/OIL
102/06-10-041-12-W4/00	SHUTIN/OIL

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0453 E

Royalty / Encumbrances

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY		ALL PRODUCTS	Y	N	100.00000000 % of PROD
Roy Percent:					
Deduction:	STANDARD				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)

ACTION	4.25000000
ARSENAL ENERGY	85.25000000
WESCO OILS	7.50000000
DOMINION EXPL	3.00000000

M0459 PNG CR Eff: Jan 11, 2001 320.000 C0180 A No BPO
Sub: A WI Exp: Jan 10, 2006 320.000 ACTION 100.00000000
ACTIVE 0401010221 Ext: 15 320.000
ACTION Total Rental: 448.00
100.00000000 ANDERSON ENERGY

TWP 41 RGE 13 W4M W/2 14
NG IN MANNVILLE

Related Contracts

C0174 C	P&S	May 15, 2007
C0180 A	POOLFI	Apr 12, 2005

Well U.W.I.	Status/Type
100/10-14-041-13-W4/02	SUSPENDED/GAS

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	320.000	320.000
DEVELOPED	Dev:	320.000	320.000	Undev:	0.000	0.000
PROVEN	Prov:	320.000	320.000	NProv:	0.000	0.000

Royalty / Encumbrances

<Linked>	Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0180 A	GROSS OVERRIDING ROYALTY		GAS	N	Y	50.00000000 % of PROD
	Roy Percent:	15.00000000				
	Deduction:	UNKNOWN				
	Gas: Royalty:			Min Pay:		Prod/Sales:
	S/S OIL: Min:		Max:	Div:		Prod/Sales:

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

Other Percent: **Min:** **Prod/Sales:**

Paid to: PPOOL1 (C) **Paid by:** BPO (C)
HERMES ENERGY 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
DEDUCTIONS TO BE EQUIVALENT TO THOSE USED IN CALCULATION OF ALBERTA CROWN ROYALTIES.

M0459 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** BPO (C)
ALBERTA RESOURC 100.00000000 ACTION 100.00000000

M0464	NG FH	**Eff:** Mar 30, 2005	160.000		WI	TWP 41 RGE 14 W4M NE/4 5
Sub: A	WI	**Exp:** Mar 29, 2010	160.000	ACTION	100.00000000	ALL NG
ACTIVE	BRODER, G.M.		160.000			
	ACTION			Total Rental: 0.00		**Related Contracts**
100.00000000	ACTION					C0174 C P&S May 15, 2007

Status		Acres	Net		Acres	Net
NON PRODUCING	**Prod:**	0.000	0.000	**NProd:**	160.000	160.000
UNDEVELOPED	**Dev:**	0.000	0.000	**Undev:**	160.000	160.000
NON PROVEN	**Prov:**	0.000	0.000	**NProv:**	160.000	160.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of SALES

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0464 A
Roy Percent: 16.00000000
Deduction: UNKNOWN
Gas: Royalty: — Min Pay: — Prod/Sales:
S/S OIL: Min: — Max: — Div: — Prod/Sales:
Other Percent: — Min: — Prod/Sales:

Paid to: LESSOR (M) — Paid by: WI (M)
BRODER, G.M. 100.00000000 — ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
ANY REASONABLE EXPENSE INCURRED (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE LEASED SUBSTANCES TO THE POINT OF SALE, SUCH DEDUCTIONS NOT TO EXCEED 50%.

M0465	NG	FH	Eff: Mar 30, 2005	160.000		WI	TWP 41 RGE 14 W4M NW/4 5
Sub: A	WI		Exp: Mar 29, 2010	160.000	ACTION	100.00000000	ALL NG
ACTIVE	KUEFLER, A.M.			160.000			
	ACTION				Total Rental: 0.00		
100.00000000	ACTION						

Related Contracts

C0174 C	P&S	May 15, 2007

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	160.000	160.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	160.000	160.000
NON PROVEN	Prov:	0.000	0.000	NProv:	160.000	160.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of SALES

Roy Percent: 16.00000000
Deduction: UNKNOWN
Gas: Royalty: — Min Pay: — Prod/Sales:
S/S OIL: Min: — Max: — Div: — Prod/Sales:
Other Percent: — Min: — Prod/Sales:

Paid to: LESSOR (M) — Paid by: WI (M)
KUEFLER, A.M. 100.00000000 — ACTION 100.00000000

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s)	DOI Code * *	 Lease Description / Rights Held

(cont'd)

M0465 A

ALLOWABLE DEDUCTIONS -

ANY REASONABLE EXPENSE INCURRED (INCLUDING A REASONABLE RATE OF RETURN ON INVESTMENT) FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING THE LEASED SUBSTANCES TO THE POINT OF SALE, SUCH DEDUCTIONS NOT TO EXCEED 50%.

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : KILLAM

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	* DOI Code	*	Lease Description / Rights Held	
Area Total:	Total Gross:	840.000	Total Net:	657.000			
	Prod Gross:	0.000	Prod Net:	0.000	NProd Gross:	840.000	NProd Net: 657.000
	Dev Gross:	520.000	Dev Net:	337.000	Undev Gross:	320.000	Undev Net: 320.000
	Prov Gross:	320.000	Prov Net:	320.000	NProv Gross:	520.000	NProv Net: 337.000

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code *	*	Lease Description / Rights Held
M0266 Sub: A ACTIVE 100.00000000	PET WI ENCANA ACTION ACTION	FH	Eff: Nov 01, 1999 Exp: Oct 31, 2001 Ext: HBP	160.000 160.000 160.000	 ACTION Total Rental: 800.00	WI 100.00000000		TWP 40 RGE 15 W4M NW/4 19 PET FROM TOP SURFACE TO BASE CAMROSE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	160.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	160.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	160.000	NProv:	0.000	0.000

Related Contracts

C0068 A	P&S	Dec 04, 2003
C0069 A	JOA	Mar 14, 2000 (I)
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/12-19-040-15-W4/00	D&A/D&A
100/13-19-040-15-W4/00	SHUTIN/OIL
103/13-19-040-15-W4/00	PRODUCING/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	OIL	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ENCANA RESOURCE 100.00000000
Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
SEE LEASE

File Number / File Status / Mineral Int	Lse Type / Int Type / Lse No/Name / Operator / Payor	Lessor Type		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
M0263 Sub: A ACTIVE 100.00000000	PNG WI 0484090049 ACTION ACTION	CR	Eff: Sep 06, 1984 Exp: Sep 05, 1989 Ext: 15 Count Acreage = No	640.000 640.000 512.000	C0067 A Yes ACTION DEVON CANADA Total Rental: 0.00	WI 80.00000000 20.00000000	TWP 40 RGE 15 W4M NW/4 30 (1) TWP 40 RGE 15 W4M SW/4 30 (2) TWP 40 RGE 15 W4M E/2 30 (3) (1) PNG BELOW TOP SURFACE TO BASE CAMROSE (2) PNG IN MANNVILLE (3) PNG BELOW TOP SURFACE TO BASE MANNVILLE

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	640.000	512.000
DEVELOPED	Dev:	640.000	512.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	128.000	NProv:	480.000	384.000

Related Contracts

C0067 A	FARMOUT	Aug 09, 1989

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0263 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000

Paid by: WI (C)
ACTION 80.00000000
DEVON CANADA 20.00000000

Contract	Type	Date
C0067 C	FARMOUT	Aug 09, 1989
C0068 A	P&S	Dec 04, 2003
C0174 A	P&S	May 15, 2007

M0263 PNG CR Eff: Sep 06, 1984 640.000 C0067 C Yes BPEN
Sub: B WI Exp: Sep 05, 1989 640.000 ACTION 100.00000000
ACTIVE 0484090049 Ext: 15 640.000
ACTION Total Rental: 896.00
100.00000000 ACTION

TWP 40 RGE 15 W4M NW/4 30 (1)
TWP 40 RGE 15 W4M SW/4 30 (2)
TWP 40 RGE 15 W4M E/2 30 (3)
100/12-30-40-15 W4/03 WELLBORE ONLY
P&NG IN GLAUCONITE & MANNVILLE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	640.000	640.000	NProd:	0.000	0.000
DEVELOPED	Dev:	640.000	640.000	Undev:	0.000	0.000
PROVEN	Prov:	640.000	640.000	NProv:	0.000	0.000

Related Contracts

C0067 C	FARMOUT	Aug 09, 1989

Well U.W.I.	Status/Type
100/12-30-040-15-W4/02	SUSPENDED/GAS
100/12-30-040-15-W4/00	ABD ZONE/OIL
100/12-30-040-15-W4/03	ABD ZONE/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)							
M0263	B	Paid to: LESSOR (M) ALBERTA RESOURC		100.00000000	Paid by: BPEN (C) ACTION	100.00000000	
M0268 Sub: A ACTIVE 100.00000000	PNG WI 0495060051 ACTION ACTION	CR	Eff: Jun 06, 1995 Exp: Jun 05, 2000 Ext: 15	160.000 160.000 160.000	ACTION Total Rental: 224.00	WI 100.00000000	TWP 40 RGE 15 W4M SE/4 30 PNG BELOW BASE MANNVILLE TO BASE CAMROSE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	160.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	160.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	160.000	NProv:	0.000	0.000

Related Contracts

C0068 A	P&S	Dec 04, 2003
C0071 A	JOA	Mar 14, 2000 (I)
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/02-30-040-15-W4/00	SHUTIN/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) ALBERTA RESOURC 100.00000000
Paid by: WI (M) ACTION 100.00000000

M0541 Sub: A ACTIVE 50.00000000	NG WI THIBAULT, J.K. ACTION ACTION	FH	Eff: Oct 22, 2007 Exp: Oct 21, 2010	159.876 159.876 159.876	ACTION Total Rental: 4000.00	WI 100.00000000	TWP 40 RGE 16 W4M NW/4 13 (UNDIVIDED 50% INTEREST) ALL NG FROM TOP SURFACE TO BASE BASEMENT

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	159.876	159.876

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0541
Sub: A

Status		Acres	Net		Acres	Net
UNDEVELOPED	Dev:	0.000	0.000	Undev:	159.876	159.876
NON PROVEN	Prov:	0.000	0.000	NProv:	159.876	159.876

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

Roy Percent: 17.00000000
Deduction: UNKNOWN
Gas: Royalty:　**Min Pay:**　**Prod/Sales:**
S/S OIL: Min:　**Max:**　**Div:**　**Prod/Sales:**
Other Percent:　**Min:**　**Prod/Sales:**

Paid to: LESSOR (M)
THIBAULT, J.K. 100.00000000

Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
DEDUCTIONS NOT TO EXCEED 60%

M0575　NG　FH　**Eff:** Nov 05, 2007　159.876　　WI
Sub: A　WI　**Exp:** Nov 04, 2010　159.876　ACTION　100.00000000
ACTIVE　THIBAULT, M.L.　159.876
ACTION　Total Rental: 4000.00
50.00000000　ACTION

TWP 40 RGE 16 W4M NW/4 13
(AN UNDIVIDED 50% MINERAL INTEREST)
ALL NG FROM TOP SURFACE TO BASE BASEMENT

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	159.876	159.876
UNDEVELOPED	Dev:	0.000	0.000	Undev:	159.876	159.876
NON PROVEN	Prov:	0.000	0.000	NProv:	159.876	159.876

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	N	N	100.00000000 % of PROD

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number File Status Mineral Int	Lse Type Lessor Type Int Type / Lse No/Name Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR Doi Partner(s) *	DOI Code *	Lease Description / Rights Held

(cont'd)

M0575 A

Roy Percent: 17.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: WI (M)
THIBAULT, M.L. 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
DEDUCTIONS NOT TO EXCEED 60%

M0659 NG FH **Eff:** Apr 25, 2008 320.000 WI TWP 40 RGE 16 W4M S/2 13
Sub: A WI **Exp:** Apr 24, 2011 320.000 ACTION 100.00000000 ALL NG FROM TOP SURFACE TO BASE
ACTIVE HAEBERLE ET AL 320.000 BASEMENT
ACTION Total Rental: 0.00
100.00000000 ACTION

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	320.000	320.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	320.000	320.000
NON PROVEN	Prov:	0.000	0.000	NProv:	320.000	320.000

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	ALL PRODUCTS	N	N	60.00000000 % of PROD

Roy Percent: 17.00000000
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: WI (M)
HAEBERLE, R. 33.34000000 ACTION 100.00000000
HAEBERLE, M.J. 33.33000000
HAEBERLE, J.D. 33.33000000

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0659 A

ALLOWABLE DEDUCTIONS -
LESSEE MAY DEDUCT ANY REASONABLE EXPENSE INCURRED BY THE LESSEE FOR SEPARATING, TREATING, PROCESSING, COMPRESSING AND TRANSPORTING LEASED SUBSTANCES BEYOND THE WELLHEAD, PROVIDED THAT THE ROYALTY SHALL NOT BE LESS THAN 60% OF THE ROYALTY THAT WOULD HAVE BEEN PAYABLE TO THE LESSOR IF NO SUCH EXPENSES HAD BEEN INCURRED BY THE LESSEE

M0265 PET FH **Eff:** Nov 01, 1998 161.000 WI
Sub: A WI **Exp:** Oct 31, 2001 161.000 ACTION 100.00000000
ACTIVE ENCANA **Ext:** HBP 161.000
ACTION Total Rental: 805.00
100.00000000 ACTION

TWP 40 RGE 16 W4M SE/4 23
PET FROM TOP SURFACE TO BASE
CAMROSE

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	161.000	161.000	NProd:	0.000	0.000
DEVELOPED	Dev:	161.000	161.000	Undev:	0.000	0.000
PROVEN	Prov:	161.000	161.000	NProv:	0.000	0.000

Related Contracts

C0068 A	P&S	Dec 04, 2003
C0069 A	JOA	Mar 14, 2000 (I)
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/01-23-040-16-W4/00	PRODUCING/OIL
100/08-23-040-16-W4/00	ABD ZONE/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	OIL	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M) **Paid by:** WI (M)
ENCANA RESOURCE 100.00000000 ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0269 NG FH **Eff:** Dec 13, 1996 320.000 WI TWP 40 RGE 16 W4M SEC 23

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0269
Sub: A — RI — Exp: Dec 12, 2001 — 320.000 — ENTERRA — 100.00000000
ACTIVE — ACTION ENERGY INC. — Ext: HBP — 0.000
ENTERRA — Total Rental: 320.00
100.00000000 — ENTERRA

(UNDIVIDED 50% INTEREST)
ALL NG FROM TOP SURFACE TO BASE BASEMENT

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	320.000	0.000	NProd:	0.000	0.000
DEVELOPED	Dev:	320.000	0.000	Undev:	0.000	0.000
PROVEN	Prov:	320.000	0.000	NProv:	0.000	0.000

Related Contracts

C0068 A	P&S	Dec 04, 2003

Well U.W.I.	Status/Type
102/01-23-040-16-W4/02	PRODUCING/GAS
102/01-23-040-16-W4/03	PRODUCING/GAS
102/01-23-040-16-W4/00	SUSPENDED/GAS

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	GAS	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: — Min Pay: — Prod/Sales:
S/S OIL: Min: — Max: — Div: — Prod/Sales:
Other Percent: — Min: — Prod/Sales:

Paid to: LESSOR (M) — ACTION — 100.00000000
Paid by: WI (M) — ENTERRA — 100.00000000

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0319 — FEE — FEE — Eff: Jun 13, 2005 — 0.000 — WI
Sub: A — WI — Exp: — 0.000 — ACTION — 100.00000000
ACTIVE — ACTION ENERGY INC. — 0.000
ACTION — Total Rental: 0.00
100.00000000 — ACTION — Count Acreage = No

TWP 40 RGE 16 W4M SEC 23
ALL MINES AND MINERALS EXCEPT COAL, PETROLEUM AND VALUABLE STONE FROM TOP SURFACE TO BASE BASEMENT

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	0.000	0.000
UNDEVELOPED	Dev:	0.000	0.000	Undev:	0.000	0.000

Related Contracts

C0111 A	P&S	Jan 01, 2000

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0319
Sub: A NON PROVEN Prov: 0.000 0.000 NProv: 0.000 0.000

M0267 PNG CR Eff: Feb 16, 1995 160.000 WI TWP 40 RGE 16 W4M NE/4 24
Sub: A WI Exp: Feb 15, 2000 160.000 ACTION 100.00000000 PNG BELOW BASE CAMROSE TO BASE
ACTIVE 0495020495 Ext: 15 160.000 LEDUC
ACTION Total Rental: 224.00
100.00000000 ACTION

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	160.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	160.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	160.000	NProv:	0.000	0.000

Related Contracts

C0068 A	P&S	Dec 04, 2003
C0071 A	JOA	Mar 14, 2000 (I)
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/15-24-040-16-W4/00	PRODUCING/OIL
100/15-24-040-16-W4/02	D&A/OIL
100/16-24-040-16-W4/00	D&A/D&A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: WI (M)
ALBERTA RESOURC 100.00000000 ACTION 100.00000000

M0285 PNG CR Eff: Mar 20, 2003 160.000 WI TWP 40 RGE 16 W4M NE/4 24
Sub: A WI Exp: Mar 19, 2008 160.000 ACTION 100.00000000 ALL PNG FROM TOP SURFACE TO
ACTIVE 0403030760 Ext: 15 160.000 BASE CAMROSE
ACTION Total Rental: 224.00
100.00000000 ACTION

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	160.000	160.000

Related Contracts

C0087 A	P&S	Apr 30, 2004

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code		Lease Description / Rights Held
(cont'd)							
M0285							
Sub: A	UNDEVELOPED	Dev:	0.000	0.000 Undev:	160.000	160.000	
	NON PROVEN	Prov:	0.000	0.000 NProv:	160.000	160.000	

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M) Paid by: WI (M)
ALBERTA RESOURC 100.00000000 ACTION 100.00000000

M0287	PNG CR	Eff: Nov 03, 1988	160.000	C0089 A Unknown	WI		TWP 40 RGE 16 W4M SW/4 24
Sub: A	WI	Exp: Nov 02, 1993	160.000	ACTION	100.00000000		(100/03-24-040-16 W4/00 ONLY)
ACTIVE	0488110101	Ext: 15	160.000				ALL PNG FROM TOP SURFACE TO
	ACTION			Total Rental: 0.00			BASE CAMROSE (100/03-24-040-16
100.00000000	ACTION	Count Acreage = No					W4/00 ONLY)

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	160.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	160.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	160.000	NProv:	0.000	0.000

—— Related Contracts ——
C0089 A SEISREVOPT Jul 30, 1992

—— Well U.W.I. Status/Type ——
100/03-24-040-16-W4/00 SUSPENDED/OIL

Royalty / Encumbrances

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0089 A	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 12.50000000 Min Pay: Prod/Sales:
S/S OIL: Min:

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

Other Percent: 6.00000000 **Max:** 15.50000000 **Div:** 23.87 **Min:** **Prod/Sales:** **Prod/Sales:**

Paid to: ROY PAYEE (C)
DEVON CANADA 100.00000000
Paid by: WI (C)
ACTION 100.00000000

GENERAL REMARKS -
PAYABLE ON THE OPTION WELL ONLY.
ALLOWABLE DEDUCTIONS -
ROYALTY SHALL BEAR ITS PROPORTIONATE SHARE OF TREATING AND TRANSPORTATION TO MARKET CONNECTION. DEDUCTIONS FOR GATHERING, COMPRESSING, TREATING, PROCESSING AND TRANSPORTATION SHALL NOT EXCEED THOSE PERMITTED BY THE CROWN.

M0287 A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
ALBERTA RESOURC 100.00000000
Paid by: WI (C)
ACTION 100.00000000

M0287 PNG CR **Eff:** Nov 03, 1988 160.000 C0089 A Unknown WI
Sub: B WI **Exp:** Nov 02, 1993 160.000 ACTION 100.00000000
ACTIVE 0488110101 **Ext:** 15 160.000
ACTION Total Rental: 224.00
100.00000000 ACTION

TWP 40 RGE 16 W4M SW/4 24
(EXCL 100/03-24-040-16 W4/00)
ALL PNG FROM TOP SURFACE TO
BASE CAMROSE (EXCL
100/03-24-040-16 W4/00)

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	160.000	160.000	NProd:	0.000	0.000
DEVELOPED	Dev:	160.000	160.000	Undev:	0.000	0.000
PROVEN	Prov:	160.000	160.000	NProv:	0.000	0.000

Related Contracts

C0089 B	SEISREVOPT	Jul 30, 1992
C0089 A	SEISREVOPT	Jul 30, 1992

Well U.W.I. **Status/Type**

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0287 B — Royalty / Encumbrances — 102/03-24-040-16-W4/00 PRODUCING/OIL

<Linked>	Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
C0089 B	GROSS OVERRIDING ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of PROD

Roy Percent:
Deduction: UNKNOWN
Gas: Royalty: 12.50000000 — Min Pay: — Prod/Sales:
S/S OIL: Min: 5.00000000 — Max: 15.00000000 — Div: 23.87 — Prod/Sales:
Other Percent: — Min: — Prod/Sales:

Paid to: ROY PAYEE (C) — Paid by: WI (C)
DEVON CANADA 100.00000000 — ACTION 100.00000000

GENERAL REMARKS -
PAYABLE ON ALL WELLS SUBSEQUENT TO THE OPTION WELL.
ALLOWABLE DEDUCTIONS -
ROYALTY SHALL BEAR ITS PROPORTIONATE SHARE OF TREATING AND TRANSPORTATION TO MARKET CONNECTION. DEDUCTIONS FOR GATHERING, COMPRESSING, TREATING, PROCESSING AND TRANSPORTATION SHALL NOT EXCEED THOSE PERMITTED BY THE CROWN.

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY	ALL PRODUCTS	Y	N	100.00000000 % of SALES

Roy Percent:
Deduction: STANDARD
Gas: Royalty: — Min Pay: — Prod/Sales:
S/S OIL: Min: — Max: — Div: — Prod/Sales:
Other Percent: — Min: — Prod/Sales:

Paid to: LESSOR (M) — Paid by: WI (C)
ALBERTA RESOURC 100.00000000 — ACTION 100.00000000

M0270	PET	FH	Eff: Nov 01, 1999	120.000			WI	TWP 40 RGE 16 W4M LSD 1, 2, 7
Sub: A	WI		Exp: Oct 31, 2001	120.000	ACTION		100.00000000	SEC 25
ACTIVE	ENCANA		Ext: HBP	120.000				PET FROM TOP SURFACE TO TOP
	ACTION				Total Rental:	600.00		CAMROSE
100.00000000	ACTION		Count Acreage = No					

——— Related Contracts ———

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code * *	Lease Description / Rights Held

(cont'd)

M0270
Sub: A

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	40.000	40.000	NProd:	80.000	80.000
DEVELOPED	Dev:	40.000	40.000	Undev:	80.000	80.000
PROVEN	Prov:	40.000	40.000	NProv:	80.000	80.000

C0068 A	P&S	Dec 04, 2003
C0069 A	JOA	Mar 14, 2000 (I)
C0174 A	P&S	May 15, 2007

—— Well U.W.I. Status/Type ——
100/02-25-040-16-W4/00 PRODUCING/OIL

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	OIL	N	N	100.00000000 % of PROD

Roy Percent: 15.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ENCANA RESOURCE 100.00000000
Paid by: WI (M)
ACTION 100.00000000

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0270 PET FH Eff: Nov 01, 1999 120.000 C0070 A No POOLED
Sub: B WI Exp: Oct 31, 2001 120.000 ACTION 95.41670000
ACTIVE ENCANA Ext: HBP 114.500 DEVON CANADA 4.58330000
ACTION
100.00000000 ACTION
Total Rental: 0.00

TWP 40 RGE 16 W4M LSD 1, 2, 7
SEC 25
PET IN CAMROSE (EXCL
100/01-25-040-16 W4/00 WELL
BORE)

Status		Acres	Net		Acres	Net
PRODUCING	Prod:	40.000	38.167	NProd:	80.000	76.333
DEVELOPED	Dev:	40.000	38.167	Undev:	80.000	76.333
PROVEN	Prov:	40.000	38.167	NProv:	80.000	76.333

—— Related Contracts ——

C0068 A	P&S	Dec 04, 2003
C0070 A	POOL	Jun 06, 2000
C0174 A	P&S	May 15, 2007

—— Well U.W.I. Status/Type ——
102/02-25-040-16-W4/00 SHUTIN/OIL

Royalty / Encumbrances

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor	Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held

(cont'd)

M0270 B

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY		OIL	N	N	100.00000000 % of PROD
Roy Percent:	15.00000000				
Deduction:	UNKNOWN				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)
ENCANA RESOURCE 100.00000000

Paid by: POOLED (C)
ACTION 95.41670000
DEVON CANADA 4.58330000

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0270 PET FH
Sub: C WI
ACTIVE ENCANA
ACTION
100.00000000 ACTION

Eff: Nov 01, 1999 40.000 C0070 B No BPEN
Exp: Oct 31, 2001 40.000 ACTION 91.94150000
Ext: HBP 36.777 DEVON CANADA 8.05850000

Count Acreage = No Total Rental: 0.00

TWP 40 RGE 16 W4M LSD 1 SEC 25
(100/01-25-040-16 W4/00 WELL BORE ONLY)
(100/01-25-040-16 W4/00 WELL BORE ONLY)

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	40.000	36.777
DEVELOPED	Dev:	40.000	36.777	Undev:	0.000	0.000
NON PROVEN	Prov:	0.000	0.000	NProv:	40.000	36.777

Related Contracts

C0068 A	P&S	Dec 04, 2003
C0070 B	POOL	Jun 06, 2000
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/01-25-040-16-W4/00	SHUTIN/OIL

Royalty / Encumbrances

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY		OIL	N	N	100.00000000 % of PROD
Roy Percent:	15.00000000				
Deduction:	UNKNOWN				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR (M)
Paid by: BPEN (C)

File Number / File Status / Mineral Int	Lse Type / Int Type / Operator / Payor	Lessor Type / Lse No/Name		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s) *	DOI Code *	Lease Description / Rights Held
(cont'd)							
M0270	C	ENCANA RESOURCE		100.00000000	ACTION DEVON CANADA	91.94150000 8.05850000	

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0264 Sub: B ACTIVE 100.00000000	PET WI ENCANA AB86-20407 ACTION ACTION	FH	Eff: Nov 28, 1995 Exp: Nov 27, 1998 Ext: HBP	40.000 40.000 38.167	C0070 A No ACTION DEVON CANADA	POOLED 95.41670000 4.58330000	TWP 40 RGE 16 W4M LSD 8 SEC 25 PET IN CAMROSE

Total Rental: 80.00

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	40.000	38.167
DEVELOPED	Dev:	40.000	38.167	Undev:	0.000	0.000
NON PROVEN	Prov:	0.000	0.000	NProv:	40.000	38.167

Related Contracts

C0068 A	P&S	Dec 04, 2003
C0070 A	POOL	Jun 06, 2000
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/08-25-040-16-W4/00	D&A/D&A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	OIL	N	N	100.00000000 % of PROD

Roy Percent: 25.00000000
Deduction: UNKNOWN
Gas: Royalty: **Min Pay:** **Prod/Sales:**
S/S OIL: Min: **Max:** **Div:** **Prod/Sales:**
Other Percent: **Min:** **Prod/Sales:**

Paid to: LESSOR (M)
ENCANA RESOURCE 100.00000000

Paid by: PPOOL2 (C)
ACTION 81.66670000
DEVON CANADA 18.33330000

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0264	PET	FH	Eff: Nov 28, 1995	80.000	C0067 B Yes	WI	TWP 40 RGE 16 W4M LSD 9, 16 SEC

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type / Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross / Net	Oper.Cont. ROFR / Doi Partner(s)	DOI Code	Lease Description / Rights Held
(cont'd)						
M0264						
Sub: A	WI	Exp: Nov 27, 1998	80.000	ACTION	81.66670000	25
ACTIVE	ENCANA AB86-20407	Ext: HBP	65.333	DEVON CANADA	18.33330000	PET IN CAMROSE
	ACTION					
100.00000000	ACTION			Total Rental: 160.00		

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	80.000	65.333
DEVELOPED	Dev:	40.000	32.667	Undev:	40.000	32.667
NON PROVEN	Prov:	0.000	0.000	NProv:	80.000	65.333

Related Contracts

C0067 B	FARMOUT	Aug 09, 1989
C0068 A	P&S	Dec 04, 2003
C0174 A	P&S	May 15, 2007

Well U.W.I.	Status/Type
100/16-25-040-16-W4/00	D&A/D&A

Royalty / Encumbrances

Royalty Type	Product Type	Sliding Scale	Convertible	% of Prod/Sales
LESSOR OVERRIDING ROYALTY	OIL	N	N	100.00000000 % of PROD

Roy Percent: 25.00000000
Deduction: UNKNOWN
Gas: Royalty: Min Pay: Prod/Sales:
S/S OIL: Min: Max: Div: Prod/Sales:
Other Percent: Min: Prod/Sales:

Paid to: LESSOR (M)
ENCANA RESOURCE 100.00000000

Paid by: WI (C)
ACTION 81.66670000
DEVON CANADA 18.33330000

ALLOWABLE DEDUCTIONS -
SEE LEASE

M0505	PNG CR	Eff: Jul 12, 2007	640.000		WI	TWP 40 RGE 16 W4M SEC 34
Sub: A	WI	Exp: Jul 11, 2012	640.000	ACTION	100.00000000	ALL PNG
ACTIVE	0407070044		640.000			(SURFACE RESTRICIONS APPLY)
	ACTION			Total Rental: 896.00		
100.00000000	ACTION					

Status		Acres	Net		Acres	Net
NON PRODUCING	Prod:	0.000	0.000	NProd:	640.000	640.000

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure / Gross / Net	Oper.Cont. ROFR / Doi Partner(s)		DOI Code *	*	Lease Description / Rights Held
(cont'd)								
M0505								
Sub: A	UNDEVELOPED	Dev:	0.000	0.000	Undev:	640.000	640.000	
		Prov:	0.000	0.000	NProv:	0.000	0.000	

Royalty / Encumbrances

Royalty Type		Product Type	Sliding Scale	Convertible	% of Prod/Sales
CROWN SLIDING SCALE ROYALTY		ALL PRODUCTS	Y	N	% of
Roy Percent:					
Deduction:	STANDARD				
Gas: Royalty:			Min Pay:		Prod/Sales:
S/S OIL: Min:		Max:	Div:		Prod/Sales:
Other Percent:			Min:		Prod/Sales:

Paid to: LESSOR	(M)		Paid by: WI	(M)	
ALBERTA RESOURC		100.00000000	ACTION		100.00000000

** REPORTED IN ACRES**

ACTION ENERGY INC.
Mineral Property Report

Province: ALBERTA
Area : RED WILLOW

File Number / File Status / Mineral Int	Lse Type Lessor Type / Int Type / Lse No/Name / Operator / Payor		Exposure Gross Net	Oper.Cont. ROFR / Doi Partner(s)	*	DOI Code *		Lease Description / Rights Held	
Area Total:		Total Gross:	3,440.752	Total Net:	3,098.752				
		Prod Gross:	1,801.000	Prod Net:	1,479.167	NProd Gross:	1,639.752	NProd Net:	1,619.585
		Dev Gross:	1,881.000	Dev Net:	1,550.001	Undev Gross:	1,559.752	Undev Net:	1,548.752
		Prov Gross:	1,801.000	Prov Net:	1,479.167	NProv Gross:	999.752	NProv Net:	979.585
Province Total:		Total Gross:	11,881.769	Total Net:	10,104.340				
		Prod Gross:	8,122.017	Prod Net:	6,787.755	NProd Gross:	3,759.752	NProd Net:	3,316.585
		Dev Gross:	9,522.017	Dev Net:	7,995.589	Undev Gross:	2,359.752	Undev Net:	2,108.752
		Prov Gross:	8,442.017	Prov Net:	7,107.755	NProv Gross:	2,799.752	NProv Net:	2,356.585
Report Total:		Total Gross:	11,881.769	Total Net:	10,104.340				
		Prod Gross:	8,122.017	Prod Net:	6,787.755	NProd Gross:	3,759.752	NProd Net:	3,316.585
		Dev Gross:	9,522.017	Dev Net:	7,995.589	Undev Gross:	2,359.752	Undev Net:	2,108.752
		Prov Gross:	8,442.017	Prov Net:	7,107.755	NProv Gross:	2,799.752	NProv Net:	2,356.585

** End of Report **

Schedule A.2

This is SCHEDULE "A.2" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG INC.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

"the FACILITIES"

ACTION ENERGY INC.

Red Willow / Galahad / Killam - AB

Facility Location	Facility Type	Capacity	AEC WI%	Partner / WI%	Equipment Description
16-24-040-16W4	MWB / Gathering / Treating / SWD / Comp.	400 m3/d emulsion			Compressor Treater / FWKO Inlet Seperator
11-01-040-16W4	MWB				Inlet Sep & Tankage
12-30-040-16W4	SWB				Pumpjack & Seperator Package
07-22-040-16W4	SWB				Pumpjack & Seperator Package
11-11-040-16W4	SWB				Pumpjack & Seperator Package
04-09-040-16W4	SWB				Pumpjack & Seperator Package
10-14-41-13W4					Separator Package, S/N 420278 A#521481 Double walled insulated 100 bbl tank 500 gal chemical tank Onspec H2S Analyser Compressor Package, S/N 7127, Model CC75 (Compact Compression Inc.) 75HP @ 2000 RPM Max Suction: 70 psi Max Discharge: 250 psi 5.7 Litre (173HP) Engine built by KEM Equipment

Schedule A.3

This is SCHEDULE "A.3" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG INC.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

"the MAJOR AGREEMENTS"

Well Effluent & Water Disposal Contracts

File No.	Area	Operator	Producer	Contract No.	Effective Date	Delivery Point	Capacity (m3/day)	Well(s)	Terms
WE001	Killam	Grand Petroleum Inc. 1450, 407 - 2nd Street SW Calgary AB T2P 2Y3	Action Energy Inc.	Galahad 101-300-336	10-Feb-05	Galahad 16-23-41-14W4 Central Battery	100 m3/day	100/01-18-041-13W4/0	Priority 3 Processing Well Effluent Processing Fee: - for the first 50m3/day - $4.50/m3 - for volumes between 50m3 and 100m3/day - $3.00/m3 - for volumes greater than 100m3/day - $1.00/m3 Produced Water Disposal Fee: - for the first 50m3/day - $2.00/m3 - for volumes between 50m3 and 100m3/day - $1.00/m3 - for volumes greater than 100m3/day - $0.50/m3

Contract Well / Facilities Operating Agreements

File No.	Area	Contractor	Owner	Contract No.	Effective Date	Well(s)	UWI	Fees	Comments
CO013	Galahad / Red Willow	Delta Drilling (1986) Ltd R.R. #1 Halkirk AB T0C 1M0 Attention: Terry Vockeroth Phone: (403) 323-0534	Action Energy Inc. 300, 435 - 4th Avenue SW Calgary AB T2P 3A8		1-Jan-07	See Schedule A of Agreement		$50/hr	
CO015	Galahad / Red Willow	576383 ALTA. Inc. Box 2013 Stettler AB T0C 2L0 Attention: Greg Davis Hall	Action Energy Inc. 300, 435 - 4th Avenue SW Calgary AB T2P 3A8		1-Jan-07	See Schedule A of Agreement		$50/hr	
CO017	Galahad/ Red Willow	Leonard J. Hauck Box 818 Castor AB T0C 0X0 Phone: (403) 882-2952 E-Mail: lhauck@telusplanet.net	Action Energy Inc. 300, 435 - 4th Avenue SW Calgary AB T2P 3A8		1-Jun-07	See Schedule A of Agreement		$45/hr	
CO020	Killam	Grand Petroleum Inc. 1450, 407 - 2nd Street SW Calgary AB T2P 2V3 Attention: Bert Gracey	Action Energy Inc. 300, 435 - 4th Avenue SW Calgary AB T2P 3A8	C0088 (Magnus) 101.300.337	10-Feb-05	GPI Killam 1-18-41-13 - Prd Oil GPI et al Killam 8-18-41-13 - Prd Oil GPI Killam 9-18-41-13 - SI Gas	100/01-18-041-13W4/00 100/08-18-041-13W4/00 102/09-18-041-13W4/00	Contract Operating: $450/mo Producing $250/mo Shut-In Administrative Overhead: $250/mo	
CO021	Killam	Penn West Petroleum Ltd. 2200, 425 - 1st Street SW Calgary AB T2P 3L8	Action Energy Inc. (Magnus One Energy)		1-Dec-05	Killam 10-14-41-13	102/10-14-041-13W4/02	Contract Operating: $750/mo/well Administrative Fee: $250/mo/well	
CO027	Galahad	Action Energy Inc. 800, 350 - 7th Avenue SW Calgary AB T2P 3N3	Twin Butte Energy Ltd. Home Oil Tower 600, 324 - 8th Avenue SW Calgary AB T2P 2Z2		1-Apr-07	Galahad 8-2-40-15W4/03	100/08-02-040-15W4/03	Contract Operating: $500/mo/well Overtime Rate: $65/hr	

Construction, Ownership and Operation Agreements

File No.	Area	Operator	Owners	Contract No.	Effective Date	Facility Decription	Facility Owners & Participating Interest Gathering System	Comments
COO002 *Draft*	Red Willow / Galahad	Action Energy Inc. (Powermax/High Plains) 800, 350 - 7th Avenue SW Calgary AB T2P 3N9	Functional Unit Battery & Water Disposal Facilities: Argonauts Group Ltd. - **Action - 31%** KVR/Mangus - **Action - 31%** Northstar Energy Corp - **Devon** - 8% Powermax Energy Inc. - **Action - 30%** Functional Unit Gas Sales Line: Argonauts Group Ltd. - **Action - 34%** KVR/Magnus - **Action - 34.5%** Northstar Energy Corp - **Devon** - 10% Powermax Energy Inc. - **Action - 21%**	*Draft*	1-Nov-00	Red Willow 16-24-40-15W4 Battery Fuel Gas Pipeline GGS to Gathering Pipeline		To date Agreement has not been finalized.
COO003	Galahad	Action Energy Inc. (Powermax/High Plains) 800, 350 - 7th Avenue SW Calgary AB T2P 3N9	Penn West Petroleum Ltd. 200, 207 - 9th Avenue SW Calgary AB T2P 1K3 Attention: Joint Venture Department Phone: (403) 777-2500 Fax: (403) 777-2699		1-Jan-97	Paintearth Gathering System 11-11-40-15W4 to 4-16-40-14W4 1-16-40-15W4 to 11-11-40-15W4 4-9-40-15W4 to 1-16-40-15W4 11-15-40-15W4 to 1-16-40-15W4 7-22-40-15W4 to 11-15-40-15W4	AEC: 91.250% PW: 8.750% AEC: 89.0625% PW: 10.9375% AEC: 82.500% PW: 17.500% AEC: 95.625% PW: 4.375% AEC: 100.000%	

Electricity Supply Contracts

File No.	Area	Supplier	Customer	Effective Date	Expiry	Contract No.	Location	Site ID#	Comments
E001	Galahad	Valeo Power Corporation 1650, 311 - 6th Avenue SW Calgary AB T2P 3H2 Attention: Roger Wellmann VP, Operations Phone: (403) 770-1170 Fax: (403) 770-1171	Action Energy Inc. 800, 350 - 7th Avenue SW Calgary AB T2P 3N9	01-Oct-07	30-Sep-08	ACTIO 0907	16-24-40-16W4 13-10-40-15W4 3C-24-40-16W4 16-24-40-16W4 (4-24) 8-23-40-16W4 12-30-40-15W4 2-25-40-16W4	0010456937517 0010017924721 0010307967270 0010440074613 0010440075512 0010453877311 0010459893517	Valeo Power will invoice Customer on a monthly basis. Invoices must be paid within 10 day of invoice date. Valeo Power may assign this Agreement in whole or in part with notice to the Customer.

Gas Handling Contracts

File No.	Area	Operator	Producer	Contract No.	Effective Date	Delivery Point	Processing Fee	Transportation Fee	Well(s)	Processing Priority	Comments
GH006	Galahad	Action Energy Inc. (High Plains Energy Inc.)	Prairie Schooner Limited Partnership 1000, 520 - 5th Avenue SW Calgary AB T2P 3R7 Now: True Energy Inc. 2300, 530 - 8th Avenue SW Calgary AB T2P 3S8	JS0004	1-Mar-06	Galahad Gas Gathering System Facility Inlet: 14-12-40-15W4 Facility Outlet: 4-16-40-14W4		\$2.84 / 103m3	100/05-24-040-15W4/00 (Shut-In)	Priority 4	See Exhibit B for Specifications for Producer Inlet Substances Water Handling & Disposal Fee: Actual trucking costs + \$5.50/m3 for disposal

Gas Processing Contracts

File No.	Area	Operator	Producer	Contract No.	Effective Date	Delivery Point	Minimun Pressure	Processing Fee	Well(s)	Processing Priority	Comments
GPR004	Galahad	Arsenal Energy Inc. 1800, 505 - 3rd Street SW Calgary AB T2P 3E6	Action Energy Inc.		1-Jan-05	Galahad 12-34-40-15W4 Oil Treating Facility	700 kPa	$2.75 / 103m3	100/16-34-040-15W4/0	Priority 2	

Gas Transportation Contracts

File No.	Area	Operator	Producer	Contract No.	Effective Date	Acceptance Point	Fees	Well(s)	Comments
GT003	Galahad/ Red Willow	Central Alberta Midstream 2000, 450 - 1st Street SW Calgary AB T2P 5H1 Attention: Terry McGowan Phone: (403) 536-6000 Fax; (403) 536-3158	Action Energy Inc. (Powermax/High Plains)	160409	1-Dec-05		Transportation		
GT006	Galahad	Husky Oil Operations Limited 707 - 8th Avenue SW Calgary AB T2P 3G7	Action Energy Inc. (Powermax Energy Inc.)	F33720	1-Mar-06	Hastings Coulee Gas Plant Acceptance Point: 4-16-40-14W4 Capacity: 2.000 Mmcf/d	Transportation Fee: $3.19/ 103m3 Priority 4 Gas Processing Fee: $32.53/ 103m3	100/07-22-040-15W4 100/03-34-039-15W4 100/13-10-040-15W4 100/11-11-040-15W4 100/16-14-040-15W4 100/07-01-040-15W4 100/11-01-040-15W4 100/12-01-040-15W4 100/04-01-040-15W4	See Exhibit B for Specifications for Producer Gas
GT007	Galahad	Action Energy Inc. 800, 350 - 7th Avenue SW Calgary AB T2P 3N9	Twin Butte Energy Ltd. Home Oil Tower 600, 324 - 8th Avenue SW Calgary AB T2P 2Z2	GT007	1-Jan-05	Galahad Gas Gathering System Facility Inlet: 14-12-40-15W4 Facility Outlet: 4-16-40-14W4	Transportation Fee: $12.45 / 103m3 Priority 4 Gas	100/08-02-040-15W4/03	See Exhibit B for Specifications for Producer Gas

Natural Gas Supply Contracts

File No.	Area	Supplier	Consumer	Effective Date	Delivery Point	Maximum Load	Well(s)	Comments
NG002	Galahad / Red Willow	Painteardh Gas Co-op Ltd. PO Box 5 Castor AB T0C 0X0 Fax No.: (403) 882-3972 Attention: Manager	Action Energy Inc. 800, 350 - 7th Avenue SW Calgary AB T2P 3N9	15-Dec-07	Red Willow 4-24-40-16W4	2.0 GJ per hour	16-24-40-16W4 Battery	Bills will be rendered monthly to consumer. Consumer shall pay to the Co-op on a monthly basis: The amount per gigajoule charged from time to time by the Co-op. All applicable taxes levied with respect to the sale of natural gas and with respect to the facilities. A monthly operating charge of $200.00. The sum of $0.35 per gigajoule for each gigjoule of natural gas supplied under the Agreement. **Term:** 5 years from effective date and shall thereafter continue on a year to year basis unless terminated on 30-day notice by either party.

Schedule A.4

This is SCHEDULE "A.4" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG INC.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

"the WELLS"

Action Energy Inc.
Master Well List - Producing/Shut-In (Galahad / Killam / Red Willow)

AREA	UWI	LSD	SEC	TWP	RGE	M	ES	WELL NAME	WORKING INTEREST	GORR	WELL STATUS	WELL TYPE	PRODUCING ZONE
Galahad	100	1	32	39	15	4	0	Monolith Galahad 1-32-39-15		12.5%/100% PRD	PRD	GAS	Ellerslie
Galahad	100	1	32	39	15	4	2	Monolith Galahad 1-32-39-15		12.5%/100% PRD	PRD	GAS	Ellerslie
Galahad	100	16	32	39	15	4	0	Powermax Galahad 16-32-39-15	100.00000%		SHUTIN	GAS	Ellerslie
Galahad	100	3	34	39	15	4	0	Powermax Provost 3-34-39-15	100.00000%		SHUTIN	GAS	Lloydminster
Galahad	100	14	34	39	15	4	0	Powermax Galahad 14-34-39-15	100.00000%		SHUTIN	GAS	Glauconite
Galahad	100	14	35	39	15	4	0	Powermax Galahad 14-35-39-15	100.00000%		STANDING	GAS	Ellerslie
Galahad	100	4	1	40	15	4	0	Powermax Galahad 4-1-40-15	95.00000%		PRD	OIL	Ellerslie
Galahad	100	7	1	40	15	4	0	Powermax Galahad 7-1-40-15	100.00000%		PRD	GAS	Ellerslie
Galahad	100	11	1	40	15	4	0	Powermax Galahad 11-1-40-15	95.00000%		SHUTIN	OIL	Ellerslie
Galahad	100	12	1	40	15	4	0	Powermax Galahad 12-1-40-15			STANDING		
Galahad	100	12	1	40	15	4	2	Powermax Galahad 12-1-40-15	95.00000%		PRD	OIL	Ellerslie
Galahad	100	4	9	40	15	4	0	Powermax et al Galahad 4-9-40-15			SHUTIN	GAS	Ellerslie
Galahad	100	4	9	40	15	4	2	Powermax et al Galahad 4-9-40-15	57.50000%		SHUTIN	GAS	Lloydminster
Galahad	100	13	10	40	15	4	0	Powermax Galahad 13-10-40-15			ABD ZONE	GAS	
Galahad	100	13	10	40	15	4	2	Powermax Galahad 13-10-40-15			SHUTIN	GAS	Ostracod
Galahad	100	13	10	40	15	4	3	Powermax Galahad 13-10-40-15	100.00000%		SHUTIN	GAS	Lloydminster
Galahad	100	2	11	40	15	4	0	Powermax Galahad 2-11-40-15	100.00000%		STANDING		
Galahad	100	4	11	40	15	4	0	Powermax Galahad 4-11-40-15			SHUTIN	GAS	Glauconite
Galahad	100	4	11	40	15	4	2	Powermax Galahad 4-11-40-15	100.00000%		STANDING		
Galahad	100	11	11	40	15	4	0	Powermax et al Galahad 11-11-40-15			PRD	OIL	Ellerslie
Galahad	100	11	11	40	15	4	2	Powermax et al Galahad 11-11-40-15			D&A		
Galahad	100	11	11	40	15	4	3	Powermax et al Galahad 11-11-40-15	100.00000%		D&A		
Galahad	100	11	14	40	15	4	0	Powermax Galahad 11-14-40-15	85.00000%		SHUTIN	OIL	Glauconite
Galahad	100	16	14	40	15	4	0	Powermax Galahad 16-14-40-15	85.00000%		PRD	GAS	Ellerslie
Galahad	100	11	15	40	15	4	0	Powermax et al Galahad 11-15-40-15			ABD ZONE	GAS	Ellerslie
Galahad	100	11	15	40	15	4	2	Powermax et al Galahad 11-15-40-15	78.75000%		SHUTIN	GAS	Glauconite
Galahad	100	1	16	40	15	4	0	Powermax et al Galahad 1-16-40-15			SHUTIN	GAS	Ellerslie
Galahad	100	1	16	40	15	4	2	Powermax et al Galahad 1-16-40-15	57.50000%		SHUTIN	GAS	Glauconite
Galahad	100	2	16	40	15	4	0	Powermax et al Galahad 2-16-40-15	82.50000%		STANDING		
Galahad	100	12	16	40	15	4	0	Powermax et al Galahad 12-16-40-15	75.00000%		STANDING		
Galahad	100	16	16	40	15	4	0	Action Galahad 16-16-40-15	57.50000%		PRD	GAS	Ellerslie
Red Willow	100	13	19	40	15	4	0	Powermax Red Willow 13-19-40-15	100.00000%		SHUTIN	OIL	Camrose
Red Willow	103	13	19	40	15	4	0	Powermax Red Willow 13-19-40-15	100.00000%		PRD	OIL	Ireton
Galahad	100	7	22	40	15	4	0	Powermax Galahad 7-22-40-15			STANDING		
Galahad	100	7	22	40	15	4	2	Powermax Galahad 7-22-40-15	100.00000%		PRD	GAS	Glauconite
Red Willow	100	2	30	40	15	4	0	Powermax Red Willow 2-30-40-15	100.00000%		SHUTIN	OIL	Camrose
Red Willow	100	12	30	40	15	4	0	Powermax Red Willow 12-30-40-15			ABD ZONE	OIL	Camrose
Red Willow	100	12	30	40	15	4	2	Powermax Red Willow 12-30-40-15			ABD ZONE	GAS	Ellerslie
Red Willow	100	12	30	40	15	4	3	Powermax Red Willow 12-30-40-15	80.00000%		PRD	GAS	Glauconite
Galahad	102	12	34	40	15	4	2	TIV 102 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	102	12	34	40	15	4	2	TIV 102 Galahad 12-34-40-15		5-15%/100% PRD	STANDING		
Galahad	103	12	34	40	15	4	0	TIV 103 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	107	12	34	40	15	4	0	TIV 12C2 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	109	12	34	40	15	4	0	TIV 12A3 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	110	12	34	40	15	4	0	TIV 12A2 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	111	12	34	40	15	4	0	TIV 12C3 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	112	12	34	40	15	4	0	TIV 13A2 Galahad 12-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	100	13	34	40	15	4	2	TIV 100 Galahad 13-34-40-15		5-15%/100% PRD	PRD	OIL	Lloydminster
Galahad	102	13	34	40	15	4	0	TIV 102 Galahad 13-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	103	13	34	40	15	4	0	TIV 13B3 Galahad 13-34-40-15		5-15%/100% PRD	PRD	OIL	Dina
Galahad	104	13	34	40	15	4	0	TIV 13A Galahad 13-34-40-15		5-15%/100% PRD	PRD	OIL	Ellerslie
Galahad	105	13	34	40	15	4	0	TIV 13B4 Galahad 13-34-40-15		5-15%/100% PRD	PRD	OIL	Dina
Galahad	100	15	34	40	15	4	0	TIV Galahad 15-34-40-15	25.00000%		PRD	OIL	Ellerslie
Galahad	100	16	34	40	15	4	0	TIV 16B Galahad 16-34-40-15	25.00000%		PRD	OIL	Ellerslie
Red Willow	100	1	23	40	16	4	0	Powermax Red Willow 1-23-40-16	100.00000%		PRD	OIL	Camrose
Red Willow	102	1	23	40	16	4	2	ProEx 102 Red Willow 1-23-40-16		15%/100% PRD	PRD	GAS	Glauconite
Red Willow	100	3	24	40	16	4	0	Powermax Red Willow 3-24-40-16	100.00000%		SHUTIN	OIL	Camrose
Red Willow	102	3	24	40	16	4	0	Powermax 3C Red Willow 3-24-40-16	100.00000%		PRD	OIL	Camrose
Red Willow	100	8	24	40	16	4	0	Powermax Red Willow 8-24-40-16	100.00000%		DISPOSAL	WATER	Nisku
Red Willow	100	15	24	40	16	4	0	Powermax Red Willow 15-24-40-16			PRD	OIL	Leduc
Red Willow	100	15	24	40	16	4	2	Powermax Red Willow 15-24-40-16	100.00000%		D&A	OIL	Camrose
Red Willow	100	1	25	40	16	4	0	Powermax Red Willow 1-25-40-16	91.94150%		SHUTIN	OIL	Camrose
Red Willow	100	2	25	40	16	4	0	Powermax Red Willow 2-25-40-16	100.00000%		PRD	OIL	Camrose
Red Willow	102	2	25	40	16	4	0	Powermax Red Willow 2-25-40-16	95.41670%		SHUTIN	OIL	Camrose
Killam	100	6	10	41	12	4	0	Provident Bell 6-10-41-12	4.25000%		SHUTIN	OIL	Blairmore
Killam	100	7	10	41	12	4	0	Provident Bell 7-10-41-12	8.50000%		SHUTIN	OIL	Blairmore
Killam	100	1	18	41	13	4	0	GPI Killam 1-18-41-13	50.00000%		PRD	OIL	Ellerslie
Killam	100	8	18	41	13	4	0	GPI et al Killam 8-18-41-13	50.00000%		PRD	OIL	Ellerslie

Action Energy Inc.
Master Well List - Suspended (Galahad / Killam / Red Willow)

AREA	UWI							WELL NAME	WORKING INTEREST	GORR	WELL STATUS	WELL TYPE	PRODUCING ZONE
		LSD	SEC	TWP	RGE	M	ES						
Galahad	102	11	34	40	15	4	0	TIV 102 Galahad 11-34-40-15		5-15%/100% PRD	SUSPENDED	OIL	Ellerslie
Red Willow	100	6	25	40	16	4	0	Powermax Red Willow 6-25-40-16			SUSPENDED	OIL	Camrose
Red Willow	100	6	25	40	16	4	2	Powermax Red Willow 6-25-40-16			SUSPENDED	GAS	Camrose
Killam	100	10	14	41	13	4	2	KVR Killam 10-14-41-13	100.00000%		SUSPENDED	GAS	Sparky
Killam	102	9	18	41	13	4	0	Grand Pet Killam 9-18-41-13	75.00000%		SUSPENDED	GAS	Ellerslie

Action Energy Inc.
Master Well List - D&A / Abandoned (Galahad / Killam / Red Willow)

AREA	UWI	LSD	SEC	TWP	RGE	M	ES	WELL NAME	WORKING INTEREST	GORR	WELL STATUS	WELL TYPE	PRODUCING ZONE
Galahad	100	12	3	40	15	4	0	Powermax Galahad 12-3-40-15			CAPPED	GAS	
Galahad	100	12	3	40	15	4	2	Powermax Galahad 12-3-40-15			CAPPED	GAS	
Galahad	100	12	3	40	15	4	3	Powermax Galahad 12-3-40-15	100.00000%		CAPPED	GAS	
Galahad	100	1	11	40	15	4	0	Powermax Galahad 1-11-40-15	100.00000%		D&A		
Galahad	100	2	14	40	15	4	0	Powermax Galahad 2-14-40-15	85.00000%		D&A		
Red Willow	100	12	19	40	15	4	0	Cequel 12D Galahad 12-19-40-15	100.00000%		D&A		
Galahad	100	11	34	40	15	4	0	Burns GIVL Galahad 11-34-40-15		5-15%/100% PRD	ABD		
Galahad	100	12	34	40	15	4	0	BA GRT Plains Forestburg 12-34-40-15		5-15%/100% PRD	ABD		
Red Willow	100	8	23	40	16	4	0	Powermax Red Willow 8-23-40-16	100.00000%		ABD ZONE	OIL	Camrose
Red Willow	100	16	24	40	16	4	0	Cequel Red Willow 16-24-40-16	100.00000%		D&A		
Red Willow	100	8	25	40	16	4	0	Cequel et al Red Willow 8-25-40-16	81.66670%		D&A		
Killam	100	4	10	41	12	4	0	Provident Bell 4-10-41-12	17.00000%		ABD	OIL	
Killam	100	5	10	41	12	4	0	C&D et al Bell 5-10-41-12	4.25000%		ABD	OIL	
Killam	100	9	19	41	13	4	0	PCP PCR Palliser Killam 9-19-41-13			ABD ZONE	GAS	Glauconite
Killam	100	9	19	41	13	4	2	PCP PCR Palliser Killam 9-19-41-13			CAPPED	OIL	Glauconite
Killam	100	9	19	41	13	4	3	PCP PCR Palliser Killam 9-19-41-13	100.00000%		ABD ZONE	GAS	Glauconite

This is SCHEDULE "B" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG Inc.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc.. and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

(VENDOR'S/PURCHASER'S) OFFICER'S CERTIFICATE

RE: Article 7 of the Agreement of Purchase and Sale ("Agreement") dated February 1, 2010

Unless otherwise stated, the definitions provided for in the Agreement are adopted in this Certificate.

I, (• Name), (• Position) of (•"Vendor/ Purchaser") hereby certify that as of the date of this Certificate:

1. Each of the covenants, representations and warranties of the Vendor/Purchaser contained in Clause 7.2 of the Agreement was true and correct in all material respects as of the Effective Date and is true and correct in all material respects as of the Closing Date.

2. This Certificate is made for and on behalf of the Vendor/Purchaser and is binding upon it, and I am not incurring and will not incur any personal liability whatsoever with respect to it.

3. This Certificate is made with full knowledge that the Purchaser/Vendor is relying on the same for the Closing of the transactions contemplated by the Agreement.

IN WITNESS WHEREOF I have executed this Certificate this ___ day of ____________, 2010.

• (Vendor/Purchaser).

Per: ____________________________________

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Schedule C

This is SCHEDULE "C" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG INC.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

"the APPROVAL AND VESTING ORDER"

Action No. 0901-16005

IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

NATIONAL BANK OF CANADA

Plaintiff

- and -

ACTION ENERGY INC., NORTHERN GAS MARKETING INC. and GRIFFON PETROLEUM INC.

Defendants

Before The Honourable	)	At the Courts Centre, in the City of Calgary, in
________________________________	)	the Province of Alberta, on __________, the
In Chambers	)	___ day of March, 2010.
	)	

APPROVAL AND VESTING ORDER

UPON the application of Ernst & Young Inc. in its capacity as Receiver and Receiver and Manager (the "**Receiver**") of Action Energy Inc. ("**Action**"); **AND UPON** reading the Third Report of the Receiver dated ___________, filed, and the Asset Purchase and Sale Agreement dated February 1, 2010 between the Receiver and Cutpick Energy Inc. (the "**ASA**") attached thereto; **AND UPON** hearing counsel for the Receiver and counsel for other interested parties; **AND UPON** it appearing that the ASA is in the best interests of Action and its creditors;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of notice of this application and the supporting materials is deemed to be good and sufficient, and the time for service is abridged to the time actually given;

Defined Terms

2. All capitalised terms not defined herein shall have the meanings defined in the First Report of the Receiver and the ASA (as applicable);

Approval of the Transaction

3. The ASA is commercially reasonable and is hereby authorised and approved. The Receiver is hereby authorised and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the terms of the ASA;

4. The Receiver is hereby authorised and directed to perform or cause to be performed the covenants of the ASA substantially in accordance with its terms, subject to such amendments as the Receiver and the Purchaser may approve which do not materially and adversely affect the terms therein;

Vesting Provisions

5. Upon Closing, all of Action's right, title, interest, estate and equity of redemption in and to the Assets shall, without further instrument of transfer or assignment, vest in the Purchaser in accordance with and as contemplated by the ASA absolutely and forever, free and clear of and from any and all claims by, through, or under Action, and free and clear of and from any and all estate, right, title, interest, and liens, including but not limited to, claims, hypothecs, mortgages, charges, liens (whether contractual, statutory or otherwise), security interests, assignments, actions, levies, taxes, judgments, writs of execution, trusts or deemed trusts (whether contractual, statutory or otherwise), options, agreements, disputes, debts, easements, covenants, caveats, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of Action whether or not they have attached or have been perfected, registered or filed, whether secured or unsecured or otherwise, whether liquidated, unliquidated or contingent (all of the foregoing being collectively referred to hereinafter as the "**Claims**"), excepting only the Permitted Encumbrances, and whether such Claims came into existence prior to, subsequent to, or as a result of any previous

order of this Court, by or of all persons or entities of any kind whatsoever, including, without limitation, all individuals, firms, corporations, partnerships, joint ventures, trusts, unincorporated organizations, governmental and administrative bodies, agencies, authorities or tribunals and all other natural persons or corporations, whether acting in their capacity as principals or as agents, trustees, executives, administrators or other legal representatives (collectively, the "**Claimants**"), including for greater certainty and without limiting the generality of the foregoing: (i) the Claims held by or in favour of the individuals and entities served (either directly or through their solicitors) with this Application; and (ii) the beneficiary of any Claims created or provided for pursuant to any previous Order of this Court in these proceeding;

6. The Purchaser shall, by virtue of the completion of the transaction, have no liability of any kind whatsoever to any Claimants in respect of any Claims any of the Claimants may have against Action;

7. Other than a certified copy of this Order and a letter from Davis LLP, counsel to the Receiver, authorising the use of this Order (the "**Authorisation Letter**"), no further authorisation or approval or other action by any governmental authority or regulatory body exercising jurisdiction over the Assets shall be required for the Closing and post-Closing implementation of the transaction contemplated in the ASA;

<u>Discharge of Registrations</u>

8. The Receiver is authorised and directed to deliver to the Purchaser at Closing a general conveyance and specific conveyances signed by the Receiver in the manner provided for in Paragraph 10 of this Order, and upon filing of a certified copy of this Order and the Authorisation Letter, together with any applicable registration fees, the appropriate government authorities are hereby directed to register such transfers, discharges, discharge statements or conveyances, as may be required to convey clear title to the Assets to the Purchaser except for Permitted Encumbrances. Without limiting the foregoing:

(a) the Registrars of the North and South Alberta Land Registration Districts (the "**Registrars**") shall, notwithstanding subsection 191(1) of the *Land Titles Act*, R.S.A. 2000, c. L-4 (Alberta), as amended, cancel and discharge the claims registered against the interests of Action in respect of freehold properties located in the Province of Alberta and, without limiting the generality of the foregoing, the Registrars shall cancel and discharge the claims identified in Schedule 1 to this Order. For greater and further certainty, the Registrars shall not cancel and discharge the registration of any claims registered against the estates or interests other than the estate or interest of Action; and

(b) the Ministry of Energy for Alberta acting pursuant to section 99 of the *Mines and Minerals Act*, R.S.A. 2000, c. M-17 (Alberta), as amended and sections 36 and 47 of the *Builders' Lien Act*, R.S.A. 2000, c. B-7 (Alberta), as amended, is hereby directed to cancel and discharge the claims registered against the estate or interest of Action in and to the Assets located in the Province of Alberta including, and without limiting the generality of the foregoing, the Minister of Energy shall cancel and discharge the claims identified in Schedule 2 to this Order. For further certainty, the Minister of Energy shall not cancel and discharge the registration of such builders' liens, security interests or builders' lien statements registered against estates or interests other than the estate of interest of Action;

Proceeds to Stand in Place

9. The net proceeds of the sale of the Assets shall stand in the place and stead of the Assets and all Claims not identified as Permitted Encumbrances shall, to the extent that they are not paid from the net sale proceeds or otherwise, cease to be attached to or encumber or otherwise form a lien or a claim against the Assets and shall attach to the net sale proceeds with the same validity, priority and in the same amounts, and subject to the same defences, that existed when the Claims attached to the Assets;

Miscellaneous

10. Any transfers, assignments, or other conveyances in respect of the Assets to be registered at any Land Titles Office, Alberta Energy or any other government agency, shall be deemed to be validly executed if signed in the following manner:

> Ernst & Young Inc., in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity.
>
> Per: ______________________

11. The transaction contemplated in the ASA shall not be void or voidable and shall not constitute nor shall be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance or other challengeable or reviewable transaction under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended or any other applicable federal or provincial legislation, and the transaction, or any actions taken in connection therewith, shall not constitute conduct meriting an oppression remedy;

12. Nothing in this Order shall prejudice any person's *in personam* claim against Action;

13. This Honourable Court hereby requests the aid and recognition of any court or administrative body in any province of Canada, the Federal Court of Canada, any administrative tribunal or other court constituted pursuant to the Parliament of Canada or any of its provinces or territories and any federal or state court or administrative body in the United States of America or any other foreign courts or any administrative body or other tribunal to act in aid of and to be complimentary to this Court in carrying out the terms of this Order;

14. The Receiver is at liberty to reapply for further advice, assistance and direction as may be necessary to give full force and effect to the terms of this Order.

____
J.C.C.Q.B.A.

ENTERED this _____ day of March, 2010.

____

Clerk of the Court of Queen's Bench

Schedule 1

Instrument Number	Date of Registration	Type of Registration	Registrant
092 282 707	2009/08/13	Security Interest	National Bank of Canada

Schedule 2

Encumbrance ID	Crown Lease Number	Date of Registration	Type of Registration	Registrant
0903086	40088	2009/08/07	Security Notice	National Bank of Canada
0903086	0488070084	2009/08/07	Security Notice	National Bank of Canada

Action No. 0901-16005

IN THE COURT OF QUEEN'S BENCH
OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

BETWEEN:

NATIONAL BANK OF CANADA

Plaintiff

- and -

ACTION ENERGY INC., NORTHERN GAS MARKETING INC. and GRIFFON PETROLEUM INC.

Defendants

APPROVAL AND VESTING ORDER

DAVIS LLP
Barristers & Solicitors
1000 - 250 2nd St. SW
Calgary, Alberta
T2P 0C1

Larry B. Robinson, Q.C.
Phone: 403.698.8715
Fax: 403.697.6609
File No. 38689-00001

Schedule D

This is SCHEDULE "D" to an Agreement of Purchase and Sale dated February 1, 2010 **ERNST & YOUNG INC.,** in its capacity as Receiver and Receiver and Manager of Action Energy Inc., and not in its personal capacity, as Vendor, and **CUTPICK ENERGY INC.** as Purchaser

"the GENERAL CONVEYANCE"

GENERAL CONVEYANCE AND AGREEMENT

THIS AGREEMENT made as of the 1st day of February, 2010.

BETWEEN:

ERNST & YOUNG INC., in its capacity as Receiver and Receiver and Manager of **ACTION ENERGY INC.**, and not in its personal capacity (hereinafter called "Transferor")

OF THE FIRST PART

- and -

CUTPICK ENERGY INC. a corporation having an office in the City of Calgary, in the Province of Alberta (hereinafter called "Transferee")

OF THE SECOND PART

WHEREAS:

A. Pursuant to an order of the Court of Queen's Bench of the Province of Alberta (the "Court") in Action Number 0901-16005 the Transferor was appointed as Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Action Energy Inc. ("Action");

B. Transferor has agreed, pursuant to an Agreement of Purchase and Sale (hereinafter called the "Sale Agreement"), effective on the Effective Date (as herein defined), to convey to Transferee all of the right, title, estate and interest of Action in and to the Petroleum and Natural Gas Rights, the Tangibles, and the Miscellaneous Interests (all of which rights, titles, interests and properties are hereinafter called "the "Assets");

C. The entering into and performance of the Sale Agreement was approved by the Court on ♦, 2010; and

D. Transferor and Transferee have agreed to the conveyance of the Assets in accordance with the terms of the Approval and Vesting Order in Action Number 0901-16005 granted by the Court on ♦.

NOW THEREFORE THIS AGREEMENT WITNESSETH that, in and for the consideration provided in the Sale Agreement, Transferor hereby bargains, sells, assigns, transfers and conveys to Transferee all of Action's right, title, interest and property whatsoever in, to or arising out of the Assets all as and from the Effective Date.

<u>IT IS FURTHER AGREED BETWEEN THE PARTIES AS FOLLOWS</u>:

1. INTERPRETATION

Unless otherwise expressly indicated herein, all capitalized terms used herein (including the recitals and this Section 1) shall bear the definitions ascribed thereto in the Sale Agreement.

2. TITLE

Transferee hereby covenants and agrees with Transferor that nothing herein, expressed or implied, shall operate to have effect as any representation, warranty or guarantee of title or covenant for title to the Assets on the part of Transferor, and that the representations and warranties contained in the Sale Agreement, and only such representations and warranties, shall apply hereto and only for the period provided in the Sale Agreement.

3. EFFECTIVE DATE AND ADJUSTMENTS

Transferor and Transferee agree that the effective date of the transaction provided in this General Conveyance and Agreement shall be 12.01 a.m. Calgary time on February 1, 2010 (the "Effective Date").

4. ACCEPTANCE

Transferee hereby accepts this conveyance and in consideration thereof, Transferee hereby assumes and agrees to perform and be bound by all the terms and conditions of the contracts, agreements and documents included in the Assets and of this General Conveyance and Agreement.

5. NOTICES

All notices required or permitted hereunder or with respect to this General Conveyance and Agreement shall be deemed to have been properly given and delivered when delivered personally or when sent from a point within Canada by registered mail or facsimile (or by any other like method by which a written and recorded message may be sent), with all postage or charges fully prepaid and addressed to the Parties, respectively, as follows:

TRANSFEROR:
ERNST & YOUNG INC.

c/o Davis LLP
Barristers & Solicitors
Suite 1000, 250-2nd Street S.W.
Calgary AB T2P 0C1

Attention: Larry Robinson Q.C.
Fax: 403-296-4474

TRANSFEREE:
CUTPICK ENERGY LTD.

1100, 633-6TH Ave.S.W.
Calgary AB T2P 2Y3

attn: Ken McNeill
Fax: 403-444-2819

Any notice or communication so mailed shall be deemed to have been given to and received by the addressee four (4) days after the mailing thereof, Saturdays, Sundays and statutory holidays observed by the post office in Calgary, Alberta excepted, provided that neither Party shall use the mail system for the giving of notice during the term of any strike or disruption, or threatened strike or disruption, of postal service in Canada. Any notice or communication sent by facsimile or similar means shall be deemed received when reception of the transmission is complete except that, if such transmission is sent on a Saturday, Sunday or day when the receiving Party's office is not open for the regular conduct of business, or after 4:00 p.m. Calgary time, such notice or communication shall be deemed to be received on the next day that such office is open for the regular conduct of business. Either Party may change its address for the purposes hereof by directing a notice in writing of such change to the other Party at its address for notice hereunder.

6. FURTHER ASSURANCES

Transferor and Transferee will each from time to time, and at all times hereafter, at the request and cost of the other, do and perform all such acts and things, and execute all such assurances, deeds, documents and writings with respect to the Assets as the other may reasonably require in order to carry out the purposes of this General Conveyance and Agreement.

7. SALE AGREEMENT

The terms hereof shall be read in conjunction with the terms of the Sale Agreement and subject thereto. In the event of any conflict between any of the provisions of this General Conveyance and Agreement and the Sale Agreement, the provisions of the Sale Agreement shall prevail.

8. ENUREMENT

This General Conveyance and Agreement shall extend to and be binding upon the Parties and their successors and assigns.

IN WITNESS WHEREOF the Parties have executed this General Conveyance and Agreement in accordance with their respective requirements for execution as of the Effective Date.

TRANSFEROR:
ERNST & YOUNG INC., in its capacity as Receiver and Receiver and Manager of **ACTION ENERGY INC.**, and not in its personal capacity.

Per: ______________________________

Name: Deryck Helkaa

Title: Senior Vice-President - Transaction Advisory Services

TRANSFEREE:
CUTPICK ENERGY INC.

Per: ______________________________

Name: Ken McNeill

Title: President

(Execution page to General Conveyance and Agreement dated the 1st day of February, 2010)