

THIS IS EXHIBIT "F"

Referred to in the Affidavit of Don Umbach

Sworn before me this 6th Day of December, 2013

A handwritten signature in blue ink, appearing to read "David LeGeyt", is written over a horizontal line.

**A COMMISSIONER FOR OATHS
IN AND FOR THE PROVINCE OF ALBERTA**

**David LeGeyt
Barrister & Solicitor**

AGREEMENT OF PURCHASE AND SALE

BETWEEN;

Second Wave Petroleum Inc.
(as Vendor)

- and -

CanRock Energy Corp.
(a wholly owned subsidiary of PetroSands Resources (Canada) Inc.)
(as Purchaser)

- and -

PetroSands Resources (Canada) Inc.

DATED
February 24, 2011

AGREEMENT OF PURCHASE AND SALE

(Provost Area, Alberta)

THIS AGREEMENT made as of the 24th day of February, 2011,

BETWEEN:

SECOND WAVE PETROLEUM INC., a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "Vendor")

- and -

CANROCK ENERGY CORP. (a wholly owned subsidiary of PetroSands Resources (Canada) Inc.), a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "Purchaser")

- and -

PETROSANDS RESOURCES (CANADA) INC., a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "Parent")

WHEREAS Vendor wishes to sell and Purchaser wishes to purchase the interest of Vendor in and to the Assets, subject to and in accordance with the terms and conditions hereof;

AND WHEREAS Purchaser is a wholly-owned subsidiary of Parent and Parent has agreed to be jointly and severally liable for the performance of Purchaser's obligations hereunder;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE I **INTERPRETATION**

1.1 Definitions

In this Agreement, unless the context otherwise requires:

- (a) **"Abandonment and Reclamation Obligations"** means all past, present and future obligations to:
 - (i) abandon wells and close, decommission, dismantle and remove structures, foundations, buildings, pipelines, equipment and other facilities located on the Lands or lands pooled or unitized therewith or used in respect of Petroleum Substances produced from the Lands or lands pooled or unitized therewith; and

- (ii) restore, remediate and reclaim the surface and subsurface locations thereof and lands used to gain access thereto including such obligations relating to wells, pipelines and facilities which were abandoned or decommissioned prior to the Adjustment Date that were located on the Lands or lands pooled or unitized therewith or that were located on other lands and used in respect of Petroleum Substances produced from the Lands or lands pooled or unitized therewith,

all in accordance with generally accepted oil and gas field practices in Alberta and in compliance with the Regulations;

- (b) "**Adjustment Date**" means February 1, 2011;
- (c) "**AFEs**" means authorities for expenditure, operations notices, or amounts, if any, set out in Schedule "F" under the headings "AFEs";
- (d) "**Assets**" means the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests but, notwithstanding anything to the contrary herein, excludes the Excluded Assets;
- (e) "**Business Day**" means any day other than (i) a Saturday, (ii) a Sunday, or (iii) a statutory holiday in Calgary, Alberta;
- (f) "**Closing**" means the transfer of possession, beneficial ownership and risk of Vendor's interest in and to the Assets to Purchaser and the exchange of conveyance documents and payment of the Purchase Price and all other items and consideration required to be delivered at the Closing Time pursuant hereto;
- (g) "**Closing Time**" means 12:00 noon (Calgary time) on February 24, 2011 or such other time and date as may hereafter be agreed upon in writing by the Parties;
- (h) "**Environmental Liabilities**" means any and all past, present or future environmental damage, contamination, or other environmental problems pertaining to the Lands caused by the Assets or the Lands or operations thereon or directly related thereto, whether caused by a breach of the applicable Regulations or otherwise, which occur or arise in whole or in part prior to, at or subsequent to the Closing Time, and regardless of whether or not a reclamation certificate has been issued and shall be deemed to include all Abandonment and Reclamation Obligations. Without limiting the generality of the foregoing, such environmental damage or contamination or other environmental problems shall include those arising from or related to (i) surface, underground, air, ground water, surface water or marine environment contamination; (ii) Abandonment and Reclamation Obligations; (iii) the restoration, cleanup or reclamation of or failure to restore, cleanup or reclaim any part of the Assets or the Lands or lands adjacent thereto; (iv) the removal of or failure to remove foundations, structures or equipment; (v) the release, spill, escape or emissions of toxic, hazardous or oilfield waste substances; and (vi) damages and losses suffered by Third Parties as a result of any of the occurrences in subclauses (i) through (v) of this subsection;
- (i) "**Excluded Assets**" means the Excluded Mineral Fee Title and the Excluded Miscellaneous Interests, if any, and includes any surplus items contemplated by section 7.1(h) or amounts contemplated by section 7.3;

- (j) "**Excluded Mineral Fee Title**" means any and all interests of Vendor as registered or beneficial owner of fee simple mineral rights;
-
- (k) "**Excluded Miscellaneous Interest**" means all property, assets, interest and rights pertaining to the Excluded Tangibles, if any, but only to the extent that such property, assets, interests and rights pertain to the Excluded Tangibles;
- (l) "**Excluded Tangibles**" means Vendor's entire interest in the tangibles set forth and described in Schedule "H", if any;
- (m) "**Facilities**" means the facility or facilities, if any, set out in Schedule "C" under the heading "Facilities";
- (n) "**General Conveyance**" means the general conveyance agreement between Purchaser and Vendor in the form set out in Schedule "G";
- (o) "**GST**" means the goods and services tax administered pursuant to the *Excise Tax Act (Canada)*, as amended, and the regulations thereunder or under any successor or parallel federal or provincial legislation that imposes a tax on the recipient of goods and services;
- (p) "**Lands**" means the lands geographically described in Schedule "A";
- (q) "**Leased Substances**" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Unit Agreements and the Title Documents (but only to the extent that the Title Documents pertain to the Lands);
- (r) "**Losses**" means all actions, causes of action, losses, costs, claims, demands, damages, penalties, fines, assessments, charges, expenses or other liabilities whatsoever, whether contractual or tortious, which are suffered, sustained, paid or incurred by a Party and includes reasonable legal fees on a solicitor and client basis and other professional fees but notwithstanding the foregoing shall not include any liability for indirect or consequential damages including business loss, loss of profit, economic loss, punitive damages or income tax liabilities;
- (s) "**Maturity Date**" shall mean the date that is 18 months from the date of Closing, or such other date as may be defined as the "Maturity Date" in the Secured Loan Agreement that is entered into at Closing;
- (t) "**Miscellaneous Interests**" means, subject to any and all limitations and exclusions provided for in this definition, all property, assets, interest and rights of Vendor pertaining to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, but only to the extent that such property, assets, interest and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any and all of the following:
- (i) contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including gas purchase contracts, processing agreements, transportation agreements and agreements for construction, ownership and operation of facilities;

- (ii) fee simple rights to, and rights to enter upon, use or occupy the surface of, any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and Tangibles, or either of them, excluding any such rights that pertain only to a well or wells other than the Wells;
 - (iii) all subsisting rights to carry out operations relating to the Lands and Tangibles, including all easements and well, pipeline and all other permits, licenses, approvals and authorizations granted or issued under the Regulations;
 - (iv) all records, books, documents, licenses, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, excluding any of the foregoing that pertain to seismic, geological or geophysical matter; and
 - (v) the Wells, including the wellbores and any and all casing pertaining to the Wells;
 - (vi) all non-interpretive technical data;
 - (vii) lease agreements and other contracts pertaining to the Tangibles, including those set out in Schedule "C";
 - (viii) those surface leases and other agreements pertaining to the undrilled well locations or other actual or potential surface sites on the Lands which, in Vendor's opinion, acting reasonably, pertain to the past or future development of the Assets in the area being sold; and
 - (ix) Vendor's interest in and to the Provost JJX-3D Seismic Program, in SEGy stack data format only;
- (u) **"Party"** means a party to this Agreement;
- (v) **"Permitted Encumbrances"** means:
- (i) liens for taxes, assessments and governmental charges any of which are not due or the validity of which is being diligently contested in good faith by or on behalf of Vendor;
 - (ii) liens incurred or created in the ordinary course of business as security in favor of the person who is conducting the development or operation of the property to which such liens relate for Vendor's proportionate share of costs and expenses of such development or operation which are not due at Closing;
 - (iii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due at Closing;
 - (iv) easements, rights of way, servitudes and other similar rights in land (including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains and electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;

- (v) the right reserved to or vested in any municipality or government or other public authority by the terms of any lease, license, franchise, grant, permit or approval or by any statutory provision or Regulation, to terminate any such lease, license, franchise, grant, permit or approval or to require annual or other periodic payments as a condition of the continuance thereof;
- (vi) rights of general application reserved to or vested in any governmental authority to levy taxes on the Leased Substances or any of them or the income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;
- (vii) statutory exceptions to title, and the reservation, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;
- (viii) any security held by any Third Party encumbering Vendor's interest in and to the Assets or any part or portion thereof, in respect of which Vendor delivers a discharge in registrable form, a "no interest letter" with undertaking to discharge the security interest or like document (in form satisfactory to Purchaser, acting reasonably) to Purchaser at or prior to Closing;
- (ix) the Sale, Processing and Transportation Contracts and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 31 days' notice (without an early termination penalty or other cost);
- (x) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A";
- (xi) the terms and conditions of the Title Documents and any obligations arising thereunder.
- (w) **"Petroleum and Natural Gas Rights"** means all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including the interests set out in Schedule "A";
- (x) **"Petroleum Substances"** means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including sulphur and coal bed methane
- (y) **"Privacy Laws"** means the *Personal Information Protection and Electronic Documents Act* (Canada), *Personal Information Protection Act* (Alberta), *Freedom of Information and Protection of Privacy Act* (Alberta), *Health Information Act* (Alberta), equivalent legislation in other provinces and Territories, all regulations thereunder, and all Commissioner orders issued pursuant thereto;
- (z) **"Purchase Price"** has the meaning set forth in section 2.6;
- (aa) **"Regulations"** means all statutes, laws, rules, orders, judgments, writs, injunctions, decrees, regulations and directions of governmental boards or agencies, tribunals, courts,

commissions, administrative agencies, arbitrators, or judicial authorities having jurisdiction over the Assets, the Parties or the transaction to be effected hereby;

- (bb) "**Rights of First Refusal**" means preferential, pre-emptive or first purchase rights whereby a Third Party has the right to acquire or purchase all or part of the Assets that becomes operative by virtue of this Agreement or the transaction to be effected hereby;
- (cc) "**Sale, Processing and Transportation Contracts**" means the agreement or agreements, if any, set out in Schedule "E" under the heading "Sales, Processing and Transportation Contracts";
- (dd) "**Secured Loan Agreement**" means the secured loan agreement between the Parties in the form set out in Schedule "J";
- (ee) "**Specific Conveyances**" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Vendor in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Vendor with respect to the Assets;
- (ff) "**Take or Pay Obligations**" means obligations to sell or deliver Petroleum Substances or any of them, rights to which are granted, reserved or otherwise conferred pursuant to the Title Documents, without being entitled in due course to receive and retain full payment for such Petroleum Substances;
- (gg) "**Tangibles**" means, subject to any and all limitations and exclusions provided for in this definition, the Facilities and any and all tangible depreciable property and assets other than the Facilities that are located within, upon or in the vicinity of the Lands or the Wells and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances, or any of them, or in connection with water injection, water disposal, or removal operations that pertain to the Petroleum and Natural Gas Rights, including any and all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, scrubbers, separators, pumps, tanks, boilers communication equipment (including SCADA systems) and those tangibles, if any, set out in Schedule "C" under the heading "Tangibles";
- (hh) "**Third Party**" means any individual or entity other than the Parties, including any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof, and includes any heir, executor, administrator or other legal representative of an individual;
- (ii) "**this Agreement**", "**herein**", "**hereto**", "**hereof**" and similar expressions mean and refer to this Agreement of Purchase and Sale, including any and all schedules hereto;
- (jj) "**Title Documents**" means, collectively, any and all certificates of title, leases, reservations, permits, licenses, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share the production of Petroleum Substances, (iii) share the proceeds from, or measured or

calculated by reference to the value or quantity of, Petroleum Substances that are produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition, but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands, including those, if any, set out in Schedule "A";

- (kk) "**Unit Agreements**" means any and all unit agreements and unit operating agreements, including any and all amendments thereto, pertaining to the unit or units, if any, set out in Schedule "D" under the heading "Units"; and
- (ll) "**Wells**" means those wells which have been are or may be used in connection with the Petroleum and Natural Gas Rights, including producing, shut-in, suspended, abandoned, water source, water disposal and water injection wells, and which are set out in Schedule "B" under the heading "Wells".

1.2 Headings

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs, and the provision of headings for all or any thereof are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as including the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as including the masculine, feminine and neutral genders. Wherever the word "including", "include" or "includes" is used in this Agreement, it means "including without limitation", "include without limitation" or "includes without limitation".

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters, which are incorporated herein as though contained in the body hereof and form an integral part of this Agreement:

Schedule "A"	-	Lands and Petroleum and Natural Gas Rights
Schedule "B"	-	Wells
Schedule "C"	-	Facilities and Tangibles
Schedule "D"	-	Units
Schedule "E"	-	Sales, Processing and Transportation Contracts
Schedule "F"	-	AFEs
Schedule "G"	-	General Conveyance
Schedule "H"	-	Excluded Tangibles
Schedule "I"	-	Contractor Employment Agreements
Schedule "J"	-	Secured Loan Agreement
Schedule "K"	-	Attributed Values

Unless otherwise specifically provided, wherever any term or condition of a Schedule conflicts or is at variance with any term or condition in the body of this Agreement, the term or condition in the body of this Agreement shall prevail.

1.6 Knowledge

Wherever in this Agreement a representation or warranty is limited to the knowledge of Vendor, such knowledge consists of the actual knowledge, after reasonable inquiry, of the current officers of Vendor whose normal responsibilities relate to the subject matter of the representation or warranty.

ARTICLE II PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Vendor hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Vendor, all of the right, title, estate and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms and conditions of this Agreement.

2.2 Closing

Closing shall take place at the Closing Time if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, beneficial ownership and risk of Vendor's interest in and to the Assets shall pass from Vendor to Purchaser at Closing. The applicable Parties shall execute and deliver the General Conveyance and the Secured Loan Agreement at Closing.

2.3 Specific Conveyances

- (a) Vendor shall prepare the Specific Conveyances, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. All Specific Conveyances that are prepared and circulated to Purchaser a reasonable time prior to the Closing Time shall be executed and delivered by the Parties at Closing.
- (b) Subject to section 8.3, forthwith after Closing, Vendor shall circulate and register, as the case may be, all Specific Conveyances that by nature may be circulated or registered. The costs of such circulation and registration shall be shared equally between the Parties, and shall include those incurred in association with the circulation and registration in addition to the actual registration costs.
- (c) In any instance where Vendor is retaining interests that are governed by a Title Document, and it is not desirable to prepare a Specific Conveyance to assign and recognize Purchaser's acquired interest in such Title Document (for example, retained and sold interest in a Crown lease), Vendor will retain the recognized interest in the Title Document and hold Purchaser's acquired interest in the Title Document in trust for Purchaser at and after Closing.

2.4 Title Documents and Miscellaneous Interests

Vendor shall deliver to Purchaser at Closing the original copies of the Title Documents and any other agreements and documents to which the Assets are subject and the original copies of contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests which are now in the possession of Vendor or of which it gains possession prior to the Closing Time. Notwithstanding the foregoing, if and to the extent such Title Documents, contracts, agreements, records, books, documents, licenses, reports and data also pertain to interests other than the Assets, photocopies or other copies may be provided to Purchaser in lieu of original copies. Purchaser shall, upon request and after reasonable notice, provide reasonable access, at the offices of Purchaser and during its normal business hours, to such of the Title Documents and other contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests delivered by Vendor pursuant hereto, as Vendor may require for purposes concerning the interests which Vendor held in the Assets prior to Closing and the calculation of adjustments prior to the finalization of same, subject always to the requirement that all such information shall remain confidential.

2.5 Form of Payment

All payments to be made pursuant to this Agreement shall be in Canadian funds. All payments to be made at Closing shall be made by certified cheque, bank draft or wire transfer to an account designated in writing before Closing by the party to whom the payment is to be made.

2.6 Purchase Price

The aggregate purchase price (the "**Purchase Price**") payable by Purchaser to Vendor for Vendor's interest in and to the Assets is \$16,000,000.00, subject to adjustment pursuant to Article 7 as at the Closing Time, which consideration shall be paid by Purchaser to Vendor as follows:

- (a) \$13,000,000.00 cash consideration due and payable immediately at Closing;
- (b) plus \$3,000,000.00 (the "**Secured Loan Amount**") due and payable on the Maturity Date pursuant to and in accordance with the terms and conditions of the Secured Loan Agreement and the other Loan Documents (as that term is defined in the Secured Loan Agreement), which amount, for greater certainty, Vendor acknowledges will be subordinated to amounts that will become outstanding under the ATB Credit Facility (as defined in section 3.1(d) below);
- (c) plus or minus (as applicable) the net amount of the adjustment pursuant to Article VII as at the Closing Time, which amount shall be added to and become part of the Secured Loan Amount.

Purchaser and Parent acknowledge and agree that the aggregate Secured Loan Amount, including any amounts added thereto in accordance with paragraph (c) above or section 2.7, shall be payable on the Maturity Date pursuant to and in accordance with the terms and conditions of the Secured Loan Agreement and the other Loan Documents (as that term is defined in the Secured Loan Agreement).

2.7 GST

In addition to the amount to be paid by Purchaser to Vendor at the Closing Time pursuant to section 2.6, Purchaser shall be responsible for applicable GST, in accordance with the Purchase Price allocation provided for in section 2.9, which Vendor shall remit to the applicable governmental authority according to law. Any portion of applicable GST that is not in fact paid by or on behalf of Purchaser to Vendor at Closing shall be added to and become part of the Secured Loan Amount and shall be set forth in the statement of adjustments contemplated by section 7.1(e). Vendor represents and warrants to Purchaser that the GST Registration number of Vendor is 861237303RT0001. Purchaser represents and warrants to Vendor that the GST Registration number of Purchaser is 860034776RT0001.

2.8 Other Taxes

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, and shall remit any such amounts to the applicable governmental authority according to law.

2.9 Allocation of Purchase Price

The Parties shall allocate the Purchase Price for all purposes, including for purposes of the *Income Tax Act* (Canada) and GST, as follows:

Petroleum and Natural Gas Rights	90%
Tangibles	10% less \$10.00
Miscellaneous Interest	\$10.00

2.10 Interest

There shall be no interest payable on the Purchase Price (including, for certainty, the Secured Loan Amount).

2.11 Excluded Assets

Notwithstanding anything to the contrary in this Agreement (including the Schedules), the rights of Vendor in and to the Excluded Assets do not form part of the Assets. Without limiting the generality of the foregoing, the Parties agree that the definitions in section 1.1 and the representation and warranties in section 4.1 are to be accordingly interpreted and construed.

2.12 Performance of Purchaser's Obligations

Parent hereby covenants and agrees to cause Purchaser to perform all of Purchaser's obligations hereunder, and to be jointly and severally liable with Purchaser for the due and punctual performance of all such obligations of Purchaser, including all obligations of Purchaser to indemnify Vendor as provided herein, whether or not such obligation is also specifically described herein as being a joint obligation of Purchaser.

ARTICLE III
CONDITIONS TO CLOSING

3.1 Purchaser's Conditions

The obligation of Purchaser hereunder to purchase Vendor's interest in and to 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) all representations and warranties of Vendor herein contained shall be true in all material respects when made and as at the Closing Time;
- (b) all obligations of Vendor contained in this Agreement to be performed prior to or at the Closing Time shall have been timely performed in all material respects;
- (c) releases and registrable discharges or "no interest letters" from all parties holding security interests (other than Permitted Encumbrances) in the Assets shall have been received; and
- (d) Parent shall have obtained from ATB the operating loan facility contemplated by the commitment letter of ATB dated February 16, 2011 (the "ATB Credit Facility"), a copy of which has been provided to Vendor.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser by the Closing Time, Purchaser may, no sooner than the same day the Closing Time occurs and in addition to any other remedies which it may have available to it, rescind this Agreement by written notice to Vendor. If Purchaser rescinds this Agreement, the Parties shall be released and discharged from all obligations hereunder except as provided in section 11.15.

3.2 Vendor's Conditions

The obligations of Vendor hereunder to sell its interest in and to 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) all representations and warranties of Purchaser herein contained shall be true in all material respects when made and as at the Closing Time;
- (b) all obligations of Purchaser contained in this Agreement to be performed prior to or at the Closing Time shall have been timely performed in all material respects; and
- (c) all amounts to be paid by Purchaser to Vendor at the Closing Time shall have been paid to Vendor in the form stipulated in this Agreement.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Vendor by the Closing Time, Vendor may, no sooner than the same day the Closing Time occurs and in addition to any other remedies which it may have available to it, rescind this Agreement by written notice to Purchaser. If Vendor rescinds this Agreement, the Parties shall be released and discharged from all obligations hereunder except as provided in this Article III.

3.3 Efforts to Fulfill Conditions Precedent

The Parties shall proceed diligently and in good faith and use best efforts to satisfy and comply with, and assist in the satisfaction and compliance with, the conditions precedent provided for in sections 3.1 and 3.2.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Vendor

Purchaser acknowledges that it is purchasing the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Purchaser by Vendor or any Third Party, except that, subject in all instances to the Permitted Encumbrances or as otherwise disclosed or provided for in this Agreement (including Article X), Vendor makes the following representations and warranties to Purchaser:

- (a) Standing: Vendor is a corporation, duly organized and validly existing and in good standing under the laws of Alberta and is authorized to carry on business in the jurisdiction in which the Lands are located.
- (b) Requisite Authority: Vendor has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement.
- (c) Execution: The execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' actions on the part of Vendor, and does not and will not result in any violation of, be in conflict with or constitute a default under any provision of Vendor's articles or by-laws or any other charter or governing document by which Vendor is bound.
- (d) No Conflicts: The execution, delivery and performance of this Agreement does not and will not result in any violation of, be in conflict with or constitute a default under any provision of any agreement or document to which Vendor is a party or by which Vendor is bound, nor under any Regulation applicable to Vendor.
- (e) Enforceability: This Agreement and any other agreements or documents delivered in connection herewith constitute valid and binding obligations of Vendor enforceable against Vendor in accordance with their respective terms, subject to the qualification that enforceability may be subject to:
 - (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors' rights generally; and
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law).
- (f) Regulatory Approval: Except as otherwise provided in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the execution, delivery and performance by Vendor of this Agreement, other than authorizations or

approvals (or exemptions from requirement therefor) previously obtained and currently in force.

- (g) Finders' Fees: Vendor has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction to be effected hereby for which Purchaser shall have any obligation or liability.
- (h) Canadian Resident: Vendor is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).
- (i) All or Substantially All: The interest of Vendor in and to the Assets does not constitute all or substantially all of the assets of Vendor.
- (j) Fees and Charges: Except as otherwise provided in this Agreement or as may be identified in the schedules hereto, the interest of Vendor in and to all property, assets, interests and rights comprising the Tangibles is sufficient such that Vendor is not subject to any penalty, fee, levy, charge or other compensation payable to any Third Party for the use of or access to the Tangibles.
- (k) Alienation: Except as otherwise provided in this Agreement or as may be identified in the schedules hereto, Vendor has not alienated or encumbered the Assets or any portion thereof, Vendor has not committed and is not aware of there having been committed any act or omission whereby the interest of Vendor in and to the Assets or any portion thereof may be cancelled or determined, and the Assets are now free and clear of all liens, royalties, conversion rights and other claims of Third Parties, created by, through or under Vendor or of which Vendor has knowledge.
- (l) Right of First Refusal: None of the interest of Vendor in and to the Assets is subject to any Rights of First Refusal.
- (m) Adverse Claims: Vendor has not received notice from any Third Party claiming an interest in and to the Assets adverse to the interest of Vendor, and to Vendor's knowledge no such claim is pending or threatened.
- (n) Compliance: To Vendor's knowledge, it has not failed to comply with perform, observe or satisfy any term, condition, obligation or liability which has heretofore arisen under any of the Title Documents or any other agreements and documents by which Vendor is bound, which would reasonably be expected to materially adversely affect the value of the Assets.
- (o) Default: Vendor has not received notice of default with respect to, and is not, to Vendor's knowledge, currently in default under, any agreement or other document by which Vendor is bound or any order of any court or governmental or regulatory authority, which would reasonably be expected to result in material impairment or loss of Vendor's interest in and to the Assets or materially adversely affect the value of the Assets.
- (p) No Lawsuits or Claims: No suit, action, lawsuit, administrative proceeding or other proceeding before any court or governmental or regulatory authority has been commenced against Vendor or is, to Vendor's knowledge, threatened against Vendor or any Third Party, which might reasonably be expected to result in material impairment or loss of Vendor's interest in and to the Assets or materially adversely affect the value of

the Assets or any rights to enter upon, use or occupy the surface of any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights or the Tangibles.

- (q) Payment of Taxes and Third Party Payables: To Vendor's knowledge, all amounts due and payable to Third Parties prior to the date hereof and pertaining to the Assets have been fully paid, including (i) any and all ad valorem and property taxes, (ii) any and all production, severance and similar taxes, charges and assessments based upon or measured by the ownership or production of the Leased Substances or any of them or the receipt of proceeds therefor, and (iii) all amounts due and payable in connection with the Permitted Encumbrances.
- (r) AFEs: Other than those disclosed on Schedule "F", Vendor has no knowledge of any AFEs issued or approved by Vendor with respect to the Assets under which amounts may become payable after the Adjustment Date of which Vendor's share will be greater than \$25,000.00 in respect of any one AFE or \$100,000.00 in aggregate.
- (s) Operator: In respect of Assets that are operated by Vendor, if any, Vendor holds all valid licenses, permits and similar rights and privileges that are required and necessary under applicable law to operate the Assets as currently operated.
- (t) LLR: The liability management rating ratio (as set forth in ERCB Directive 006: *Alberta Licensee Liability Rating (LLR) Program and Licence Transfer Process*) of Vendor equals or exceeds 1.0 and will not fall below 1.0 as a result of any licence transfer applications(s) submitted or to be submitted in respect of the Assets and the transaction effected hereby.
- (u) Environmental: Vendor is not aware of and has not received:
 - (i) any order or directive with respect to the Assets which relate to environmental matters and which require any work, repairs, construction or capital expenditures, where such order or directive has not been complied with in all material respects; or
 - (ii) any demand or notice issued with respect to the breach of any environmental, health or safety law applicable to the Assets, including respecting the use, storage, treatment, transportation or disposition of environmental contaminants, which demand or notice remains outstanding on the date hereof.
- (v) Sales, Processing and Transportation Contracts: Except for the Sales, Processing and Transportation Contracts and the agreements disclosed on Schedule "I", Vendor is not party to, and Vendor's interest in and to the Assets is not otherwise bound or affected by, any (i) production sales or marketing contracts pertaining to the Leased Substances or any of them that cannot be terminated on notice of 31 days or less (without an early termination penalty or other cost), (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (iii) agreements for transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances, (iv) agreements for the contract operation by a Third Party of the Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party.

- (w) Take or Pay Obligations: There are no Take or Pay Obligations.
- (x) Condition of Wells: Each Well drilled by Vendor and, to Vendor's knowledge, each Well not drilled by Vendor, that is located on the Lands, whether producing, shut-in, injection or otherwise, has been drilled and, if completed, completed and operated in accordance with generally accepted oil and gas field practices in Alberta and the requirements of the Regulations as they existed at the relevant time.
- (y) Abandonment of Wells: In respect of Wells abandoned by Vendor, each Well which has been abandoned has been plugged and abandoned in accordance with generally accepted oil and gas field practices in Alberta and the requirements of the Regulations as they existed at the relevant time.
- (z) Condition of Tangibles: The Tangibles operated by Vendor and, to Vendor's knowledge, the Tangibles not operated by Vendor, are in good and operable condition, reasonable wear and tear excepted.
- (aa) No Leased Tangibles: None of the Tangibles is leased or rented.
- (bb) Provision of Documents: Vendor has made available to Purchaser in Vendor's offices, prior to the date hereof, all of the Title Documents in Vendor's possession on which Vendor's title to the Petroleum and Natural Gas Rights is based.
- (cc) AMIs: There are no active "area of mutual interest" or "area of exclusion" provisions in any of the Title Documents or, to Vendor's knowledge, any other agreements or documents to which the Assets are subject and by which Purchaser would be bound as at the Closing Time.
- (dd) Quiet Enjoyment: Subject at all times to Vendor's other representations and warranties pursuant to this section, the Permitted Encumbrances and the satisfaction of the obligations required to maintain the Leases in good standing by the applicable lessees, Purchaser may, for the residue of the term of the Leases, hold and utilize the Assets for Purchaser's own use and benefit without interruption by Vendor or any other person claiming by, through or under Vendor.

4.2 Limitation on Vendor's Representation and Warranties

Except and only to the extent expressly stated in section 4.1, Vendor does not warrant title to the Assets or make any representations or warranties with respect to:

- (a) any data or information, including any engineering, geological or other interpretations or evaluations, supplied by Vendor in connection with or otherwise pertaining to the Assets;
- (b) the quantity, quality or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith; or
- (c) the value of the Assets or the future cash flow that may be derived therefrom;

and the Purchase Price allocation provided for under section 2.9 shall in no way be construed as a representation, warranty or agreement of or by Vendor with respect to the value of the Assets or any constituent part thereof.

4.3 Acknowledgments

- (a) Without detracting from Vendor's express representations and warranties in section 4.1, Purchaser acknowledges that:
- (i) Purchaser is purchasing the Assets on an "as is, where is" basis and has made its own independent investigation, analysis, evaluation and inspection of the Assets and Vendor's interest therein, including a review of Vendor's title thereto, and the state and condition thereof, and has relied on its own investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets and Vendor's title thereto; and
 - (ii) in determining the Purchase Price, Purchaser has taken into account Purchaser's assumption of the Abandonment and Reclamation Obligations and Environmental Liabilities and Vendor's release of responsibility therefor.
- (b) Without limiting the generality of section 4.3(a), Purchaser acknowledges that it has been provided with the right and opportunity to conduct its own due diligence and site inspections in respect of Abandonment and Reclamation Obligations and Environmental Liabilities, and acknowledges that it has relied on its own investigation, analysis, evaluation and inspection as to its assessment of the environmental condition of the Lands and Assets.

4.4 Representations and Warranties of Purchaser

Each of Parent and Purchaser, jointly and severally, makes the following representations and warranties to Vendor:

- (a) Standing of Purchaser: Purchaser is a corporation, duly organized and validly existing and in good standing under the laws of Alberta and is authorized to carry on business in the jurisdiction in which the Lands are located.
- (b) Standing of Parent: Parent is a corporation, duly organized and validly existing and in good standing under the laws of Alberta and is authorized to carry on business in the jurisdiction in which the Lands are located.
- (c) Requisite Authority: Purchaser has good right, full power and absolute authority to purchase the interest of Vendor in and to the Assets according to the true intent and meaning of this Agreement.
- (d) Execution: The execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' actions on the part of each of Parent and Purchaser, and does not and will not result in any violation of, be in conflict with or constitute a default under any provision of Parent's or Purchaser's articles or by-laws or any other charter or governing document by which Parent or Purchaser is bound.
- (e) No Conflicts: The execution, delivery and performance of this Agreement does not and will not result in any violation of, be in conflict with or constitute a default under any provision of any agreement or document to which either Parent or Purchaser is a party or

by which either Parent or Purchaser is bound, nor under any Regulation applicable to Parent or Purchaser.

- (f) Enforceability: This Agreement and any other agreements or documents delivered in connection herewith constitute, valid and binding obligations of Parent and Purchaser enforceable against Parent and Purchaser in accordance with their respective terms, subject to the qualification that enforceability may be subject to:
 - (i) bankruptcy, insolvency, fraudulent preference, reorganization or other laws affecting creditors rights generally; and
 - (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at equity or law).
- (g) Regulatory Approval: Except as otherwise provided in this Agreement, no authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body exercising jurisdiction over the Assets is required for the execution, delivery and performance by Parent or Purchaser of this Agreement, other than authorizations or approvals (or exemptions from requirement therefor) previously obtained and currently in force.
- (h) Finders' Fee: Neither Parent nor Purchaser has incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction to be effected hereby for which Vendor shall have any obligation or liability.
- (i) Investment Canada Act: Neither Parent nor Purchaser is a non-Canadian person for the purpose of the *Investment Canada Act*.
- (j) LLR: The liability management rating ratio (as set forth in ERCB Directive 006: *Alberta Licensee Liability Rating (LLR) Program and Licence Transfer Process*) of Purchaser equals or exceeds 1.0 and will not fall below 1.0 as a result of any licence transfer application(s) submitted or to be submitted in respect of the Assets and the transaction effected hereby.

ARTICLE V

INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Vendor Indemnities for Representations and Warranties

For a period of twelve (12) months after Closing, Vendor shall be liable to Purchaser for and shall, in addition, indemnify and hold harmless Purchaser from and against, all Losses suffered, sustained, paid or incurred by Purchaser which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.1 been accurate and truthful; provided, however, that nothing in this section 5.1 shall be construed so as to cause Vendor to be liable to or indemnify Purchaser in connection with any representations or warranty contained in section 4.1 if and to the extent that Purchaser did not rely upon such representation or warranty. Notwithstanding any other provision of this Agreement, no claim of Purchaser against Vendor, whether for indemnification or otherwise, for a breach or an alleged breach of any representation or warranty of Vendor herein, shall be made or be enforceable by Purchaser, whether by legal proceedings or otherwise, unless notice of such claim, with reasonable

particulars, is given by Purchaser to Vendor within a period of twelve (12) months from the date of Closing.

5.2 Purchaser Indemnities for Representations and Warranties

For a period of twelve (12) months after Closing, Purchaser shall be liable to Vendor for and shall, in addition, indemnify and hold harmless Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.4 been accurate and truthful; provided, however, that nothing in this section 5.2 shall be construed so as to cause Purchaser to be liable to or indemnify Vendor in connection with any representation or warranty contained in section 4.4 if and to the extent that Purchaser did not rely upon such representation or warranty. Notwithstanding any other provision of this Agreement, no claim of Vendor against Purchaser, whether for indemnification or otherwise, for a breach or an alleged breach of any representation or warranty of Purchaser herein, shall be made or be enforceable by Vendor, whether by legal proceedings or otherwise, unless notice of such claim, with reasonable particulars, is given by Vendor to Purchaser within a period of twelve (12) months from the date of Closing.

ARTICLE VI **INDEMNIFICATION**

6.1 General Indemnity

Parent and Purchaser, jointly and severally, shall be liable to Vendor for and shall, in addition, indemnify and hold harmless Vendor from and against, all Losses suffered, sustained, paid or incurred by Vendor which arise out of any matter or thing occurring or arising from and after Closing and which relates, directly or indirectly, to the Assets; provided, however, that neither Parent nor Purchaser shall be liable to or indemnify Vendor for Losses which arise out of acts or omissions of Vendor.

6.2 Abandonment and Reclamation Obligations

Parent and Purchaser, jointly and severally, shall see to the timely performance of all Abandonment and Reclamation Obligations pertaining to the Assets, including those which, in the absence of this Agreement, would be the responsibility of Vendor. Parent and Purchaser, jointly and severally, shall be liable to Vendor for and shall, in addition, indemnify and hold harmless Vendor from and against all Losses suffered, sustained, paid or incurred by Vendor should Parent or Purchaser fail to timely perform, any such Abandonment and Reclamation Obligations.

6.3 Environmental Liabilities

Parent and Purchaser, jointly and severally, shall be liable to Vendor for and shall, in addition, indemnify and hold harmless Vendor from and against all Losses suffered, sustained, paid or incurred by Vendor which pertain to Environmental Liabilities, however and by whosoever caused and whether based on events or circumstances occurring or existing before or after the Closing Time. Neither Parent nor Purchaser shall be entitled to exercise, and each of Parent and Purchaser hereby waives, any rights or remedies it may now or in the future have against Vendor in respect of Environmental Liabilities, whether such rights and remedies are pursuant to common

law, Regulation or otherwise, including the right to name Vendor as a third party to any action commenced by any Third Party against Parent or Purchaser.

6.4 Limitation

Notwithstanding any other provision of this Agreement, neither Parent nor Purchaser shall be liable to nor be required to indemnify Vendor in respect of any Losses suffered, sustained, paid or incurred by Vendor in respect of which Vendor is liable to and has indemnified Purchaser pursuant to section 5.1, and Vendor shall not be liable to nor be required to indemnify Purchaser in respect of any Losses suffered, sustained, paid or incurred by Purchaser in respect of which Purchaser is liable to and has indemnified Vendor pursuant to section 5.2.

ARTICLE VII. **OPERATING ADJUSTMENTS**

7.1 Operating Adjustments

- (a) Subject to all other provisions of this Agreement, all benefits and obligations of any kind and nature relating to the operation of the Assets conveyed pursuant to this Agreement, excluding income taxes but otherwise including maintenance, development, operating and capital costs, government incentives and administration fees, royalties and other burdens, and proceeds from sale of production whether accruing, payable or paid and received or receivable, shall be adjusted between the Parties as of the Adjustment Date in accordance with generally accepted accounting principles on an accrual basis.
- (b) For greater certainty, adjustments pursuant to this Article VII in respect of production, if any, shall be made in favour of (i) Purchaser in respect of production beyond the wellhead on or after the Adjustment Date, and (ii) Vendor in respect of production beyond the wellhead prior to Adjustment Date.
- (c) Notwithstanding the foregoing, Vendor shall not be required to provide a credit at the Closing Time for any benefits accruing to Purchaser after the Adjustment Date but not actually received and booked in Vendor's accounting system at least 5 Business Days prior to the Closing Time; provided, however, that Vendor will provide to Purchaser at Closing with "direction to pay" notices instructing the purchaser of any production to which Purchaser is entitled pursuant to this Agreement to pay any benefits directly to Purchaser.
- (d) Purchaser shall be responsible for all income taxes from the Adjustment Date.
- (e) Vendor shall provide to Purchaser, prior to the Closing Time, a written statement of all adjustments to be made at Closing Time pursuant to this Article VII, and shall cooperate with Purchaser to enable Purchaser to verify the accuracy of such statement.
- (f) Adjustments pursuant to this Article VII not settled or incorrectly settled prior to or at the Closing Time shall be settled by payment to or by Vendor and Purchaser, as the case may be, as soon as practicable after the Closing Time. The intention of the Parties is that final settlement shall occur within 180 days following the Closing Time, but it is recognized that adjustments may be made after that time.

- (g) No adjustments shall be made after one year from the Closing Time unless written notice of the requested adjustment, with reasonable particulars, is given within one year from the Closing Time; provided, however, that adjustments arising as a consequence of Crown royalty audits, joint venture audits or thirteenth month adjustments for gas plant throughput and gas cost allowance for the Assets are not subject to the one year limit and any such adjustment shall instead be governed by section 7.2.
- (h) Surplus items such as tubing and casing stored on the Lands which are not charged to the joint interest account with respect to the Lands, do not comprise part of the Assets and shall be removed by Vendor prior to Closing.

7.2 Audits

Notwithstanding the provisions of section 7.1, adjustments arising as a consequence of Crown royalty audits, joint venture audits or thirteenth month adjustments for gas plant throughput and gas cost allowance for the Assets, relating to the period prior to the Closing Time:

- (a) for which audit queries or thirteenth month adjustments are outstanding at the Closing Time; or
- (b) that occur after the Closing Time but not later than two years after Closing Time (in the case of joint venture audits and thirteenth month adjustments) or four years from the end of the calendar year in which Closing occurs (in the case of Crown royalty audits);

shall be made as they occur and payment for them shall be made within 30 days of any such adjustment and shall be made by Purchaser to Vendor, or vice versa, as the case may be. Either Party may audit the records of the other relating to accounting or adjustments made subject to this section 7.2 for two years from the date the adjustment is made. Accounting or adjustments resulting from the audit shall be settled between the Parties on an item-by-item basis as they occur. Nothing in this Agreement shall restrict or otherwise interfere with any audit rights Vendor may have under any agreements pertaining to the Assets for the period prior to Adjustment Date, it being the intention of the Parties that any adjustments arising from or attributable to the exercise of such audit rights shall be for the account of Vendor. For the purposes hereof, the expression "audit right" shall include the right to initiate an audit or participate in or receive the benefits of an audit.

7.3 Deposits, Cash Calls and Operating Funds

The Assets do not include deposits made by Vendor which relate to the Assets or cash call advances, operating fund payments or similar advances made by Vendor to an operator of the Assets. Any such amounts shall, at the option of Vendor, either be returned to Vendor and (if required) replaced by Purchaser or be transferred by Vendor to Purchaser, in which event Purchaser shall reimburse the amount thereof to Vendor.

ARTICLE VIII MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

Until Closing, Vendor shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements and documents to which the Assets are subject:

- (a) maintain the Assets in a proper and prudent manner in accordance with generally accepted oil and gas field practices in Alberta and in material compliance with applicable Regulations;
- (b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Time;
- (c) perform and comply with all covenants and conditions contained in the Title Documents and any other agreements and documents to which the Assets are subject; and
- (d) maintain adequate insurance on all insurable portions of the Assets up to the date of Closing and immediately thereafter Vendor shall terminate all insurance carried by it in respect of the Assets.

8.2 Consent of Purchaser

Notwithstanding section 8.1, Vendor shall not, without the written consent of Purchaser, which consent shall not be unreasonably withheld and, if provided, shall be provided in a timely manner:

- (a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Vendor's share is in excess of \$25,000.00, except in case of an emergency or in respect of amounts which Vendor may be committed to expend or be deemed to authorize for expenditure without consent;
- (b) surrender or abandon any of the Assets;
- (c) amend or terminate any Title Document or any other agreement or document to which the Assets are subject, or enter into any new agreement or commitment relating to the Assets except as provided in paragraph (a) above; or
- (d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances or any part of them in the normal course of business.

8.3 Post-Closing Administration

- (a) Following Closing, Vendor shall hold its title to the Assets for Purchaser until all necessary notifications, registrations and other steps required to transfer such title to Purchaser have been completed.
- (b) Following Closing, Vendor shall represent Purchaser in all matters arising under the Title Documents until Purchaser is substituted as a party thereto in the place of Vendor, whether by novation, notice of assignment or otherwise, and in furtherance thereof the following provisions shall apply:
 - (i) All payments relating to the Assets after Closing received by Vendor pursuant to the Title Documents shall be received and held by Vendor for Purchaser and Vendor shall remit such amounts to Purchaser within 30 Business Days of receipt; provided, however, that Vendor, upon written notice to Purchaser, shall

be entitled to retain any portion of such payments to satisfy any amounts owing or payable hereunder.

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- (ii) Purchaser shall forward to Vendor, within the time frame required under the applicable Title Document, any cash advances, operating fund payments or other advances required to be paid by Purchaser pursuant to the Title Documents, which Vendor shall forward to the operator under the relevant Title Documents on behalf of Purchaser. Purchaser shall be responsible for the recoupment of any portion of such costs which are the responsibility of Third Parties under any Title Document.
 - (iii) Vendor shall forward to Purchaser all statements, notices and other information received by it pursuant to the Title Documents that pertain to the Assets, following their receipt by Vendor; and
 - (iv) Vendor shall forward to Third Parties to the Title Documents such notices and elections pursuant to the Title Documents pertaining to the Assets as Purchaser may reasonably request.
- (c) Following Closing, in any case where Purchaser must be novated into, or recognized as a party to, an operating agreement or agreements governing any of the Assets, the following provisions shall apply to those Assets until the novation has occurred:
- (i) Vendor shall maintain the Assets on behalf of Purchaser at Purchaser's sole cost and expense, which shall include a monthly management or maintenance fee payable to Vendor of \$300 per producing Well operated by Vendor. Such fee shall continue until such time as Purchaser notifies Vendor in writing that Purchaser has been recognized and accepted by the operator of the Assets. Notwithstanding the foregoing, such fee shall not commence until 90 days after Closing Time and shall only commence if Purchaser is not recognized and accepted as operator of the Assets due to an act by, omission of, or reason due to Purchaser;
 - (ii) Except as may be required under the Regulations, Vendor shall not initiate any operation in respect of the Assets except upon written instruction of Purchaser.
 - (iii) Vendor shall forthwith provide to Purchaser all authorizations for expenditures, notices, specific information and other documents in respect of the Assets which it receives and shall respond to such authorizations for expenditures, notices, information and other documents pursuant to written instructions of Purchaser, if received on a timely basis; provided, however, that Vendor may (but shall not be obligated to) refuse to follow instructions which it reasonably believes to be unlawful or in conflict with an applicable contract.
- (d) Purchaser shall indemnify and save harmless Vendor from and against all Losses arising as a consequence of the provisions of sections 8.3(a), (b) and (c) hereof, except to the extent caused by the gross negligence or wilful misconduct of Vendor or its servants, agents or employees. Acts or omissions taken by Vendor or its servants or agents with the approval of Purchaser shall not constitute gross negligence or wilful misconduct for purposes of this subsection.

8.4 Lease Rental Payments and Related Specific Conveyances

- (a) Unless otherwise directed by Purchaser, Vendor shall pay on behalf of Purchaser all rentals and shut-in royalty payments for Crown and freehold mineral and surface leases which are due and payable on or before February 28, 2011.
- (b) Vendor will be responsible for production accounting for the production month of February 2011.
- (c) Purchaser will be responsible for any Alberta oil, gas, and natural gas liquid Crown royalties as of the Adjustment Date. The transfer of volumes forms will be prepared by Vendor and provided to Purchaser for review prior to Closing, to be executed for Closing.
- (d) Purchaser will be responsible for all Alberta freehold mineral taxes as of the Adjustment Date.

ARTICLE IX PRE-CLOSING INFORMATION

9.1 Production of Documents

At all reasonable times from the date hereof until the Closing Time, Vendor shall make available to Purchaser and Purchaser's counsel in Vendor's offices in Calgary (upon request only) any and all of the Title Documents and any other agreements and documents to which the Assets are subject, including (i) production sales or marketing contracts pertaining to Lease Substances or any of them, (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (iii) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances, (iv) agreements for the contract operation by a Third Party of the Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party.

ARTICLE X CERTAIN FREEHOLD LEASE MATTERS

10.1 Acknowledgments

Purchaser and Parent hereby acknowledge as follows:

- (a) the Lands include the southwest quarter and the north half of Section 27, Township 38, Range 3, West of the 4th Meridian, in the Province of Alberta ("Section 27");
- (b) Vendor held its interest in Section 27 pursuant to a certain Petroleum Lease made effective December 1, 1996 between PanCanadian Petroleum Limited, as lessor, and Cabre Exploration Ltd., as lessee (the "Lease");
- (c) the current lessor under the Lease is Cenovus Energy Inc. (the "Lessor"); and
- (d) Vendor requested in December 2010 that the Lessor review the tenure status of the Lease and the Lessor is unlikely to have completed its review as at the Closing Time.

10.2 Attributed Values

- (a) The Parties agree that, for all purposes of this Agreement and the transaction to be effected hereby, there is attributed to LSD (as defined below) a value (the "Attributed Value") in the dollar amount identified opposite such LSD in Schedule "K" under the column labeled "Attributed Value".
- (b) In this Agreement, "LSDs" means, collectively, the legal subdivisions of land comprising Section 27, as set forth in Schedule "K", limited in each case to the geological zones of interest identified opposite such legal subdivision in Schedule "K" under the column labeled "Zone of Interest", and "LSD" means any one of them.

10.3 Lessor Review of Tenure

In the event that the Lessor shall have, on or before the Maturity Date given written notice of termination of the Lease, Purchaser shall be entitled to a credit (herein referred to as the "Lease Termination Credit") in an amount equal to the aggregate Attributed Value for each LSD in respect of which there has not been issued to Purchaser, Parent or any of its affiliates, a new petroleum lease (which new petroleum lease may, for certainty, include all LSDs, certain LSDs only or a larger estate that includes one or more LSDs, and may be limited to the specified geological zones of interest contemplated in Schedule "K" and this Article X), it being acknowledged and agreed that the Lease Termination Credit, if available, shall be limited in amount to the Attributed Value of those LSDs for which Purchaser, Parent or any of its affiliates does not have a leasehold interest at the Maturity Date.

10.4 Best Efforts to Resolve Tenure

Each of the Parties hereby covenants and agrees to diligently pursue and use its best efforts to obtain, with respect to all LSDs, a confirmation from Lessor as to the subsistence of the lessee's interest under the Lease or a new petroleum lease to Purchaser, Parent or any of its affiliates, and to deal with the other and with the Lessor in good faith for this purpose.

10.5 Application of Lease Termination Credit

In the event that Purchaser is entitled to a Lease Termination Credit at the Maturity Date, then the total amount that is due and payable to Vendor on the Maturity Date pursuant to the Secured Loan Agreement shall be reduced, by way of set-off, by the amount of the Lease Termination Credit. For certainty, no portion of the Lease Termination Credit shall be payable by Vendor to Purchaser, Parent or any Third Party otherwise than by way of set-off against the amount that is due and payable to Vendor on the Maturity Date pursuant to the Secured Loan Agreement.

10.6 Sole Recourse

Purchaser and Parent hereby acknowledges and agrees that, with respect to the Assets pertaining to Section 27, its sole recourse in the event of a failure or impairment of Second Wave's interest under the Lease shall be to an application of the Lease Termination Credit as specifically provided for in this Agreement, and notwithstanding anything contained in this Agreement, the Secured Loan Agreement or any other agreement or document delivered in connection with the transactions to be effected hereby or thereby, no claim may be brought against Vendor for breach of representation or warranty or otherwise under this Agreement, the Secured Loan Agreement or any other agreement or document delivered in connection with the transactions to be effected

hereby or thereby, or on any other basis, whether in contract, tort or otherwise, with respect to the existence, subsistence, extent or impairment of Second Wave's interest in such Assets. For ~~certainty, each of Purchaser and Parent, for itself and any of its affiliates, hereby remises, releases~~ and forever discharges Vendor from any such claim. The amount of the Lease Termination Credit, if any, and Purchaser's entitlement thereto by way of set-off against the amount that is due and payable to Vendor on the Maturity Date pursuant to the Secured Loan Agreement, shall constitute liquidated damages.

ARTICLE XI

GENERAL

11.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement. Until Purchaser is novated, with respect to the interest of Vendor in and to the Assets, into the Title Documents and any other agreements and documents to which the Assets are subject, Vendor shall act as Purchaser's agent (including to serve operation notices and authorizations for expenditure) as Purchaser reasonably and lawfully directs. Purchaser shall be liable to Vendor and shall, in addition, indemnify Vendor from and against all Losses suffered, sustained, paid or incurred by Vendor arising in connection with all acts or omissions of Vendor in its capacity as agent of Purchaser to the extent that such acts and omissions were expressly or impliedly authorized by Purchaser.

11.2 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers or other documents conveying the interests of Vendor in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

11.3 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. No amendments shall be made to this Agreement unless in writing, executed by the Parties. This Agreement supersedes all other agreements, documents, writings and verbal understanding between the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof

11.4 Subrogation

The assignment and conveyance to be effected by this Agreement is made with full right of substitution and subrogation of Purchaser in and to all covenants, representations, warranties and indemnities previously given or made by others in respect of the Assets or any part or portion thereof.

11.5 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with the laws of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in Alberta. The Parties irrevocably attorn and submit to the jurisdiction of the courts of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

11.6 Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

11.7 Time of Essence

Time shall be of the essence in this Agreement.

11.8 Notices

The addresses for service and fax number of each Party for notices shall be as follows:

Vendor: Second Wave Petroleum Inc.
1700, 520 - 5th Avenue S.W.
Calgary, Alberta T2P 3R7

Attention: Land Department
Fax: (403) 451-0166

Purchaser or Parent: CanRock Energy Corp. / PetroSands Resources (Canada) Inc.
1400, 606 - 4th Street S.W.
Calgary, Alberta T2P 1T1

Attention: Land Department
Fax: (403) 452-8151

All notices, communication or statements required, permitted or contemplated hereunder shall be in writing and shall be delivered as follows:

- (a) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;
- (b) by facsimile transmission to a Party to the fax number of such Party set out above, in which case the item so transmitted shall be deemed to have received by that Party when transmitted; or
- (c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be

deemed to have been received by the Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement of if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A Party may from time to time change its address for service or its fax number for service by giving written notice of such change to the other Party.

11.9 Removal of Signs

At and after Closing, Vendor may remove any signs that indicate its ownership operation of the Assets. Purchaser shall, no later than 60 days after Closing, or such shorter period as required by Regulations, erect or install signage as required by governmental agencies to indicate that, where applicable, Purchaser is the operator of the Assets and to notify other working interest owners, gas purchasers, suppliers, contractors, governmental agencies and other third parties of Purchaser's interest in the Assets.

11.10 Limit of Liability

In no event shall the liability of Vendor to Purchaser in respect of claims of Purchaser arising out of or in connection with this Agreement exceed, in the aggregate, the Purchase Price.

11.11 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

11.12 Waiver

No failure on the part on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof of the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including this section, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

11.13 Amendment

This Agreement shall not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of each Party.

11.14 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

11.15 Confidentiality and Public Announcements

Until Closing has occurred, each Party shall keep confidential all information obtained from the other Party in connection with the Assets and the transaction contemplated herein and shall not release any information concerning this Agreement and the transactions herein provided for without the prior written consent of the other Party. Nothing contained herein shall prevent a Party at any time from furnishing information (i) to any governmental or regulatory authority or to the public if required by the Regulations, provided that each Party shall use its best efforts to provide the other Party at least two Business Days' advance written notice of any public statement it proposes to make, and Purchaser will use its best efforts to not make Vendor or the Assets identifiable in any such announcements; (ii) in connection with obtaining consents or complying with preferential, pre-emptive or first purchase rights contained in Title Documents and any other agreements and documents to which the Assets are subject, or (iii) to procure the consent of a Party's lender.

11.16 Privacy Laws

All disclosures of "personal information" pursuant to this Agreement shall only be carried out in compliance with applicable Privacy Laws. The Parties agree that the transaction proposed hereby constitutes a "business transaction" within the meaning of Privacy Laws. Each Party agrees only to request from the other Party and each Party agrees only to provide to the other Party "personal information" which is necessary: (a) for the Parties to determine whether to proceed with the transaction contemplated by this Agreement; and (b) if Closing is to occur, for the Parties to carry out and complete the Closing. The Parties agree that the collection, use and disclosure of "personal information" is restricted to the purposes that relate to the transaction to be effected hereby.


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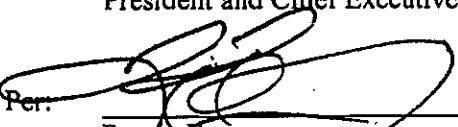
11.17 Counterpart Execution

This Agreement may be executed in counterpart, no one copy of which need to be executed by all Parties. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by the Parties.


IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.


SECOND WAVE PETROLEUM INC.

Per: 
Colin Witwer
President and Chief Executive Officer


Per: 
Randy Bergmann
Vice President, Land

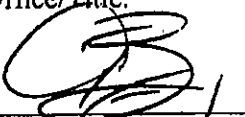
CANROCK ENERGY CORP.

Per: 
Name:
Office/Title:

Per: 
Name:
Office/Title: PRESIDENT

PETROSANDS RESOURCES (CANADA) INC.

Per: 
Name:
Office/Title:

Per: 
Name:
Office/Title: PRESIDENT

**SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

Lands and Petroleum and Natural Gas Rights:

See attached Mineral Lease Report of Second Wave Petroleum Inc. (twelve pages).

Country: Prov/State:	Canada Alberta	SECOND WAVE PETROLEUM INC. MINERAL LEASE REPORT As At: 2011-FEB-23					Date: 2011-FEB-23 02:11 PM Rept: L143.01.72 Page: 2			
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Payor	----- Working Interest -----	Legal Description Contracts Wells	ROFR WI	Roy
M0193A	AB86-29354 PET WI	1997-OCT-19 2000-APR-18	P	160 000 160 000	0.000 0.000	WI		PROVOST TWP 38 RGE 3 W4M SW 21 Petroleum to Top PALEOZOIC ERA		
	Lessor, Convertible No; Ownership 100% OIL Fixed 22.5% Based on 100% Production							* C0028 1998-JAN-01 FOA N C0062 "T" 2002-JAN-02 FOA Y C0236 2007-OCT-12 PURSAL Y		
								WESTLINKS 6C PROVOST 6-21-38-3 W4 102/06-21-038-03W4/00		PROD OIL
M0197A	AB86-29353 PET WI	1997-OCT-19 2000-APR-18	P	160 000 160 000	0.000 0.000	WI		PROVOST TWP 38 RGE 3 W4M NE 21 Petroleum to Top PALEOZOIC ERA		
	Lessor, Convertible No; Ownership 100% OIL Fixed 22.5% Based on 100% Production							C0028 1998-JAN-01 FOA N C0062 "T" 2002-JAN-02 FOA Y C0236 2007-OCT-12 PURSAL Y		
								WESTLINKS 9A PROVOST 9-21-38-3 W4 102/09-21-038-03W4/00		INJ WATER
								WESTLINKS 9B PROVOST 9-21-38-3 W4 103/09-21-038-03W4/00		ABD
								WESTLINKS 10D PROVOST 10-21-38-3 W4/00 100/10-21-038-03W4/00		SUSP OIL
								WESTLINKS 10D PROVOST 10-21-38-3 W4/02 100/10-21-038-03W4/02		PROD OIL
								WESTLINKS 15D PROVOST 15-21-38-3 W4 100/15-21-038-03W4/00		SUSP OIL
								WESTLINKS 15B PROVOST 15-21-38-3 W4 102/15-21-038-03W4/00		ABD
								SECOND WAVE 103 PROVOST 15-21-38-3 W4M 103/15-21-038-03W4/00		ABD
								SECOND WAVE 104 PROVOST 15-21-38-3 104/15-21-038-03W4/00		PROD OIL
								WESTLINKS 16C PROVOST 16-21-38-3 W4/00 100/16-21-038-03W4/00		SUSP OIL
								WESTLINKS 16C PROVOST 16-21-38-3 W4/02 100/16-21-038-03W4/02		PROD OIL

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Country: Prov/State:	Canada Alberta	SECOND WAVE PETROLEUM INC. MINERAL LEASE REPORT As At: 2011-FEB-23						Date: 2011-FEB-23 02:11 PM Rept: L143.01.72 Page: 3
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	Undev Acres Gross/Net	Payor	----- Working Interest ----- Legal Description Contracts Wells	ROFR WI Roy
M0197A	- Continued						WESTLINKS 16D PROVOST 16-21-38-3 W4/00 102/16-21-038-03W4/00 PROD OIL WESTLINKS 16D PROVOST 16-21-38-3 W4/02 102/16-21-038-03W4/02 PROD OIL WESTLINKS 16B PROVOST 16-21-38-3 W4 104/16-21-038-03W4/00 SUSP OIL WESTLINKS 16B PROVOST 16-21-38-3 W5M 104/16-21-038-03W4/02 PROD OIL	
M0192A	AB06-29358 PET WI Lessor: Convertible No; Ownership 100% Oil Fixed 22.5% Based on 100% Production	1997-OCT-19 2000-APR-18	P	80.000 80.000	0.000 0.000 • SEC WAV	WI 100.00000000 100.00000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M LSD 11, 14 SEC 21 Petroleum to Top PALEOZOIC ERA C0028 1998-JAN-01 FOA N C0062 *T* 2002-JAN-02 FOA Y C0236 2007-OCT-12 PURSAL	
M0077A	0408010353 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	2008-JAN-24 2013-JAN-23	N	160.000 160.000	0.000 0.000 • SEC WAV	WI 100.00000000 100.00000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M SE 22 All P&NG WAVEFORM 102 PROVOST 2-22-038-03W4/00 102/02-22-038-03W4/00 OIL WAVEFORM 102 PROVOST 2-22-38-3-W4M/02 102/02-22-038-03W4/02 PROD GAS	
M0218A	04E3110169 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	1983-NOV-17 1988-NOV-16 Ext: 15	P	140.000 140.000	0.000 0.000 • SEC WAV	WI 100.00000000 100.00000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M LSD 3, 4, 5, S 6 SEC 22 P&NG to Base MANNVILLE C0046 2005-JUL-28 PURSAL C0236 2007-OCT-12 PURSAL KAROIL PROVO 5-22-35-11 W4 100/05-22-035-11W4/00 PROD OIL	

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SECOND WAVE PETROLEUM INC.
MINERAL LEASE REPORT
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File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Working Interest	Legal Description Contracts Wells	ROFR WI Roy
M0218A	- Continued						KING PROVO 3-22-38-3 W4 100/03-22-038-03W4/00	Reclaim
							KING PROVO 103 3-22-38-3 W4/02 103/03-22-038-03W4/02	PROD OIL
							KING PROVO 104 3-22-38-3 W4 104/03-22-038-03W4/00	ABD
							KING PROVO 105 3-22-38-3 W4 105/03-22-038-03W4/00	PROD OIL
							KING PROVO 4-22-38-3 W4 100/04-22-038-03W4/00	PROD OIL
							ANDERSON ET AL D2 PROVO 4-22-38-3 W4 103/04-22-038-03W4/00	PROD OIL
							KING PROVO 1A0 4-22-38-3 W4 1A0/04-22-038-03W4/00	PROD OIL
							KING PROVOST 4-22-38-3 W4/02 1A0/04-22-038-03W4/02	STAND
							KING PROVO 1B0 4-22-38-3 W4 1B0/04-22-038-03W4/00	PROD OIL
							KING PROVO 1B2 4-22-38-3 W4 1B2/04-22-038-03W4/00	PROD OIL
							KING PROVO 1C0 4-22-38-3 W4 1C0/04-22-038-03W4/00	PROD OIL
							KING PROVO 1C2 4-22-38-3 W4 1C2/04-22-038-03W4/00	PROD OIL
							KING PROVO 1D0 4-22-38-3 W4 1D0/04-22-038-03W4/00	PROD OIL
							KING PROVO 5-22-38-3 W4 100/05-22-038-03W4/00	SUSP WATER
							KING PROVO 102 5-22-38-3 W4 102/05-22-038-03W4/00	ABD
							KING 5D PROVO 5-22-38-3 W4 104/05-22-038-03W4/00	PROD OIL
							SECOND WAVE PROVOST 105/5-22-38-3 W4M 105/05-22-038-03W4/00	PROD O&G

Country: Canada Prov/State: Alberta	SECOND WAVE PETROLEUM INC. MINERAL LEASE REPORT As At: 2011-FEB-23									
	Date: 2011-FEB-23 02:11 PM Rept: L143.01.72 Page: 5									
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Payor	Working Interest	Legal Description Contracts Wells	ROFR	WI Roy
M0548A	0408080295 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	2008-AUG-21 2013-AUG-20	N	80.000 80.000	0.000 0.000 - SEC WAV	WI 100.00000000 100.00000000 2008-AUG-21		PROVOST TWP 38 RGE 3 W4M LSD 11, 12 SEC 22 All P&NG ENTERRA 103 PROVO 12-22-38-3 W4 102/12-22-038-03W4/00 PROD OIL ENTERRA 104 PROVO 12-22-38-3 W4 103/12-22-038-03W4/00 STAND		
M0194A	0495100091 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	1995-OCT-12 2000-OCT-11 Ext: 15	P	80.000 80.000	0.000 0.000 - SEC WAV	WI 100.00000000 100.00000000 2008-JUN-25		PROVOST TWP 38 RGE 3 W4M LSD 13, 14 SEC 22 P&NG to Base MANNVILLE C0046 2005-JUL-28 PURSAL C0062 *T* 2002-JAN-02 FOA Y C0036 2007-OCT-12 PURSAL CNGL PROVO 13-22-38-3 W4/00 ABD 100/13-22-038-03W4/00 WESTLINKS 13D PROVOST 13-22-38-3 W4/00 ABD OIL 102/13-22-038-03W4/00 WESTLINKS 13D PROVOST 13-22-38-3 W4/02 102/13-22-038-03W4/02 PROD OIL WESTLINKS 13A PROVOST 13-22-38-3 W4 104/13-22-038-03W4/00 PROD OIL KING PROVO 14-22-38-3 W4 100/14-22-038-03W4/00 PROD OIL		
M0196A	AB55-20401 NG WI Lessor: Convertible No; Ownership 100% GAS Fixed 25% Based on 100% Production	1996-DEC-01 1997-NOV-30 Ext: HBP	N	640.000 640.000	0.000 0.000 - SEC WAV	WI 100.00000000 100.00000000 2008-JUN-25		PROVOST TWP 38 RGE 3 W4M 27 NG to Base MANNVILLE C0045 *T* 2006-JUN-08 F/O&OPT C0062 *T* 2002-JAN-02 FOA Y C0036 2007-OCT-12 PURSAL WESTLINKS PROVOST 5-27-38-3 W4 100/05-27-038-03W4/00 STAND WESTLINKS PROVOST 13-27-38-3 W4 100/13-27-038-03W4/00 STAND		

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File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date Ext:	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Working Interest ----- Payor	Legal Description Contracts Wells	ROFR WI Roy
M0196A	- Continued						WAVEFORM PROVOST 16-27-38-3 100/16-27-038-03W4/00	SUSP GAS
M0198A	AB85-20402 PET WI	1996-DEC-01 1997-NOV-30 Ext: HBP	P	480.000 480.000	0.000 0.000	WI 100.00000000 100.00000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M NE & S 27 Petroleum to Base MANNVILLE C0062 *T* 2002-JAN-02 FOA Y C0236 2007-OCT-12 PURSAL	
	Lessor: Convertible No; Ownership 100% OIL Fixed 25% Based on 100% Production						WESTLINKS PROVOST 5-27-38-3 W4 100/05-27-038-03W4/00	STAND
							KING ET AL PROVOST 2-27-38-3 W4 100/02-27-038-03W4/00	PROD OIL
							100/02-27-038-03W4/02	COMM OIL
							KING ET AL PROVOST 2-27-38-3 W4M 100/02-27-038-03W4/03	COMM OIL
							WESTLINKS PROVOST 4-27-38-3 W4/00 100/04-27-038-03W4/00	SUSP OIL
							WESTLINKS PROVOST 4-27-38-3 W4/02 100/04-27-038-03W4/02	SUSP OIL
							WESTLINKS PROVOST 4-27-38-3W4/03 100/04-27-038-03W4/03	INJ WATER
							WESTLINKS PROVOST 7-27-38-3 W4/00 100/07-27-038-03W4/00	ABD OIL
							WESTLINKS PROVOST 7-27-38-3 100/07-27-038-03W4/03	PROD O&G
							WESTLINKS PROVOST 10-27-38-3 W4/00 100/10-27-038-03W4/00	SUSP OIL
							WESTLINKS PROVOST 10-27-38-3 W4/02 100/10-27-038-03W4/02	PROD O&G
							WESTLINKS PROVOST 15-27-38-3 W4/00 100/15-27-038-03W4/00	ABD
							KING 15B PROVO 15-27-38-3 W4/00 102/15-27-038-03W4/00	ABD
							SECOND WAVE 103 PROVOST 15-27-38-3 103/15-27-038-03W4/00	PROD O&G

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Country: Prov/State:	Canada Alberta	SECOND WAVE PETROLEUM INC. MINERAL LEASE REPORT As At: 2011-FEB-23										Date: 2011-FEB-23 02:11 PM Rept: L143.01.72 Page: 7
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Working Interest	Legal Description Contracts Wells	ROFR WI	ROY			
M0198A	- Continued						WAVEFORM PROVOST 16-27-38-03-W4 100/16-27-038-03W4/03	COMM OIL				
M0232B	0445060047 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	1985-JUN-13 1990-JUN-12 Ext: 15	N	0.000 0.000	0.000	WI 100.0000000 100.0000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M LSD 2, 7, 8, 9, 10 SEC 28 Petroleum to Base BELLY RIVER GRP C0046 2005-JUL-28 PURSAL C0236 2007-OCT-12 PURSAL					
M0232C	0445060047 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	1985-JUN-13 1990-JUN-12 Ext: 15	N	20.000 18.500	120.000 111.000	WI 92.5000000 O, T 3.7500000 S 3.7500000 S 100.0000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M LSD 2, 7, 8, 9, 10 SEC 28 NG to Base BELLY RIVER GRP Excluding Coal Bed Methane to Base BELLY RIVER GRP C0046 2005-JUL-28 PURSAL C0047 *T* 2003-AUG-06 FOA *C0055 *T* 2003-AUG-07 POOL N C0216 2008-JUL-25 PNGCONV C0236 2007-OCT-12 PURSAL					
M0222A	0498090074 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	1999-SEP-09 2999-DEC-31 Ext: 15	N	0.000 0.000	0.000	WI 40.0000000 CRESCENTPT 60.0000000 100.0000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M SW 28 Petroleum to Base BELLY RIVER GRP C0046 2005-JUL-28 PURSAL C0236 2007-OCT-12 PURSAL					
M0222B	0498090074 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	1999-SEP-09 2004-SEP-08 Ext: 15	N	160.000 148.000	0.000	WI 92.5000000 O, T 3.7500000 S 3.7500000 S 100.0000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M SW 28 NG to Base BELLY RIVER GRP Excluding Coal Bed Methane to Base BELLY RIVER GRP C0046 2005-JUL-28 PURSAL C0047 *T* 2003-AUG-06 FOA *C0055 *T* 2003-AUG-07 POOL N C0216 2008-JUL-25 PNGCONV C0217 2005-OCT-01 PARTAGMTN C0236 2007-OCT-12 PURSAL					

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File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Working Interest ----- Payor	Legal Description Contracts Wells	ROFR WI Roy
M0222B	- Continued						CANEX PROVOST 11-28-38-3 W4 100/11-28-038-03W4/00	FLOW GAS
M0536A	0408070110 PNG WI	2008-JUL-10 2013-JUL-09	N	0.000 0.000	160.000 160.000	WI SEC WAV 100.00000000 O 100.00000000 2008-JUL-10	PROVOST TWP 38 RGE 3 W4M SW 28 P&NG Below Base BELLY RIVER GRP	
	Lessor; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production							
M0232A	0405060047 PNG WI	1985-JUN-13 1990-JUN-12 Ext: 15	P	40.000 40.000	20.000 20.000	WI SEC WAV 100.00000000 100.00000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M LSD 8, 9 SEC 28 P&NG From Base BELLY RIVER GRP To Base MANVILLE C0046 2005-JUL-28 PURSAL C0236 2007-OCT-12 PURSAL KING PROVO 8-28-38-3 W4/00 100/08-28-038-03W4/00 KING PROVO 9-28-38-3 W4/00 100/09-28-038-03W4/00 KING PROVO 9-28-38-3 W4/02 100/09-28-038-03W4/02 KING PROVO 102 9-28-38-3 W4/00 102/09-28-038-03W4/00 KING PROVO 103 9-28-38-3 W4/00 103/09-28-038-03W4/00 103/09-28-038-03W4/02 103/09-28-038-03W4/03	PROD OIL STAND PROD OIL PROD OIL STAND STAND STAND
	Lessor; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production							
M0231A	0409090075 PNG WI	1999-SEP-08 2999-DEC-31 Ext: 15	P	160.000 148.000	0.000 0.000	WI SEC WAV 1024717 KAITARA 100.00000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M NW 28 NG to Base BELLY RIVER GRP Excluding Coal Bed Methane to Base BELLY RIVER GRP * C0055 C0216 C0217 * C0220 C0236	* T* 2003-AUG-07 POOL N 2008-JUL-25 PNGCONV 2005-OCT-01 PARTAGMTN 2003-JUN-25 FOA 2007-OCT-12 PURSAL
	Lessor; Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production							

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Country: Canada	SECOND WAVE PETROLEUM INC.										Date: 2011-FEB-23 02:11 PM
Prov/State: Alberta	MINERAL LEASE REPORT										Rept: L143.01.72
	As At: 2011-FEB-23										Page: 9
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod Gross/Net	UnDev Acres Gross/Net	Payor Gross/Net	----- Working Interest -----				Legal Description Contracts Wells	ROFR WI Roy
M0231A	- Continued GOR - Paid to HANNA OIL AND GAS COMPANY-CANADA INC.(70) FIREFLY RESOURCES LTD.(30) Borne by 1024717(5) KAITARA(5) SEC WAV(90) Non-conv -GAS: 16% Based on 100% of Production calculated on 25% of the DSU -OIL: 10-15% (1/23.8365) Based on 100% of Production	2003-JUL-24 2008-JUL-23 Ext: 15	N 80.000 74.000	0.000 0.000	SEC WAV 1024717 KAITARA	WI 92.5000000 O, T 3.7500000 S 3.7500000 S	CANEX PROVOST 11-28-38-3 W4 100/11-28-038-03W4/00				FLOW GAS
M0223A	Lessor: Convertible No: Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to EQUAL ENERGY CORP. Borne by All WI Owners Non-conv -ALL: 15% Based on 100% of Production calculated on 12.5% of the DSU	2003-JUL-24 2008-JUL-23 Ext: 15	N 80.000 74.000	0.000 0.000	SEC WAV 1024717 KAITARA	WI 92.5000000 O, T 3.7500000 S 3.7500000 S	PROVOST TWP 38 RGE 3 W4M LSD 15, 16 SEC 28 NG to Base BELLY RIVER GRP Excluding Coal Bed Methane to Base BELLY RIVER GRP C0046 2005-JUL-28 PURSAL * C0055 *T* 2003-AUG-07 POOL N C0216 2008-JUL-25 PNGCONV C0217 2005-OCT-01 PARTAGMTN * C0219 2003-SEP-04 FOA				FLOW GAS
M0550A	Lessor: Convertible No: Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production	2008-AUG-21 2013-AUG-20	N 0.000 0.000	160.000 160.000	SEC WAV	WI 100.0000000 100.0000000 2008-AUG-21	PROVOST TWP 38 RGE 3 W4M SE SEC 29 P&NG Below Base BELLY RIVER GRP ANDERSON PROVO 7-29-38-3 W4 100/07-29-038-03W4/00				STAND
M0190A	Lessor: Convertible No: Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to RICHDALE RESOURCES LTD.(35) PENN WEST PETROLEUM LTD.(40) AVENEX ENERGY CORP.(25) Borne by All WI Owners Non-conv -GAS: 15% Based on 100% of Production -OIL: 5% Based on 100% of Production	2007-JAN-25 2012-JAN-24	N 120.000 120.000	0.000 0.000	SEC WAV	WI 100.0000000 100.0000000 2008-JUN-25	PROVOST TWP 38 RGE 3 W4M LSD 3, 4, 5 SEC 29 P&NG Below Base BELLY RIVER GRP * C0040 1989-FEB-03 ROY C0236 2007-OCT-12 PURSAL KING PROVO 1C0 3-29-38-3 W4/00 1C0/03-29-038-03W4/00 KING PROVOST 1A0 4-29-38-3 W4/00 1A0/04-29-038-03W4/00 KING PROVOST 1B0 4-29-38-3 W4/00 1B0/04-29-038-03W4/00				PROD OIL SUSP OIL SUSP OIL

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Country: Prov/State:	Canada Alberta	SECOND WAVE PETROLEUM INC. MINERAL LEASE REPORT As At: 2011-FEB-23										Date: 2011-FEB-23 02:11 PM Rept: L143.01.72 Page: 10
File	Lessor Name/No Lease/Int Type Royalty/Encumbrances	Lease Date Expiry Date	Prod	Devel Acres Gross/Net	UnDev Acres Gross/Net	Payor	-----Working Interest-----	Legal Description Contracts Wells	ROFR WI	ROY		
M0190A	- Continued							KING PROVOST 1B0 4-29-38-3 W4/02 1B0/04-29-038-03W4/02	SUSP OIL			
								KING PROVOST 1C0 4-29-38-3 W4/00 1C0/04-29-038-03W4/00	SUSP OIL			
								KING PROVOST 1D0 4-29-38-3 W4/00 1D0/04-29-038-03W4/00	ABD OIL			
								KING PROVOST 1D0 4-29-38-3 W4/02 1D0/04-29-038-03W4/02	DISP WATER			
								KING PROVOST 5A-29-38-3 W4M 1A0/05-29-038-03W4/00	SUSP OIL			
								KING PROVOST 5-29-38-3 1B0/05-29-038-03W4/00	DISP			
M0219A	0487120108 PNG WI Lessor: Convertible No; Ownership 100% ALL MINERAL Crown Sliding Scale Based on 100% Production GOR - Paid to RICHDALE RESOURCES LTD.(35) PENN WEST PETROLEUM LTD.(40) AVENEX ENERGY CORP.(25) Borne by All WI Owners Non-conv -GAS: 15% Based on 100% of Production -OIL: 5% Based on 100% of Production	1987-DEC-03 1992-DEC-02 Ext: 15	P	20.000 20.000	0.000 0.000 - SEC WAV	WI 100.00000000 O 100.00000000 2008-JUN-25		PROVOST TWP 38 RGE 3 W4M (W/2) LSD 6 SEC 29 P&NG From Base VIKING FM To Base MANNVILLE GRP * C0040 1989-FEB-03 ROY C0046 2005-JUL-28 PURSAL C0236 2007-OCT-12 PURSAL KING PROVO 1B0 6-29-38-3W4 1B0/06-29-038-03W4/00	PROD OIL			
								KING PROVO 1B0 6-29-38-3 1B0/06-29-038-03W4/02	SUSP OIL			
								KING PROVO 1B2 6-29-38-3 1B2/06-29-038-03W4/00	SUSP OIL			
								KING PROVO 1C0 6-29-38-3 W4/00 1C0/06-29-038-03W4/00	SUSP OIL			
								KING PROVO 1C0 6-29-38-3 W4/02 1C0/06-29-038-03W4/02	PROD OIL			
								KING PROVOST 1D0 6-29-38-3 1D0/06-29-038-03W4/00	DISP WATER			

SCHEDULE "B" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF FEBRUARY 24th, 2011 BETWEEN SECOND WAVE PETROLEUM INC., CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.

Wells:

UWI	Surface Location	Current Lessee	Facility Operator	Fluid	Mode
100/08-20-038-03W4/0	100082003803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
102/06-21-038-03W4/0	102062103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/10-21-038-03W4/2	100102103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/11-21-038-03W4/0	100112103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/14-21-038-03W4/0	100142103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/15-21-038-03W4/0	100162103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
104/15-21-038-03W4/0	100122203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/16-21-038-03W4/2	100162103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
102/16-21-038-03W4/2	102162103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
104/16-21-038-03W4/2	104162103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
103/03-22-038-03W4/2	103032203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
105/03-22-038-03W4/0	105032203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/04-22-038-03W4/0	100042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
103/04-22-038-03W4/0	100052203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1A0/04-22-038-03W4/0	1A0042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping

1B0/04-22-038-03W4/0	1B0042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1B2/04-22-038-03W4/0	1B2042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1C0/04-22-038-03W4/0	1C0042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1C2/04-22-038-03W4/0	1C2042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1D0/04-22-038-03W4/0	1D0042203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
104/05-22-038-03W4/0	100052203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
105/05-22-038-03W4/0	100132203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Flowing
102/12-22-038-03W4/0	102122203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
103/12-22-038-03W4/0	103122203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
102/13-22-038-03W4/2	100042703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Standing
104/13-22-038-03W4/0	104132203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/14-22-038-03W4/0	100142203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/02-27-038-03W4/3	100022703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/05-27-038-03W4/0	100052703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Comingled
100/07-27-038-03W4/3	100072703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Standing
100/10-27-038-03W4/2	100102703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/13-27-038-03W4/0	100132703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
103/15-27-038-03W4/0	100152703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Standing
100/16-27-038-03W4/3	100162703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/08-28-038-03W4/0	100082803803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Comingled
		SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping

100/09-28-038-03W4/2	100092803803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Injection
102/09-28-038-03W4/0	102092803803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
103/09-28-038-03W4/2	103092803803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Standing
100/11-28-038-03W4/0	100112803803W400	SECOND WAVE PETROLEUM INC.	APACHE CANADA LTD.	Gas	Flowing
1C0/03-29-038-03W4/0	1C0032903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1A0/04-29-038-03W4/0	1A0042903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
1B0/04-29-038-03W4/2	1B0042903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
1C0/04-29-038-03W4/0	1C0042903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
1A0/05-29-038-03W4/0	1A0052903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
1B0/06-29-038-03W4/0	1B0062903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
1B2/06-29-038-03W4/0	1B2062903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Suspended
1C0/06-29-038-03W4/2	1C0062903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Oil	Pumping
100/07-29-038-03W4/0	100072903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Standing
102/13-30-038-03W4/0	102133003803W400	HUSKY OIL OPERATIONS LTD.	HUSKY OIL OPERATIONS LTD.	N/A	Standing
100/01-21-038-03W4/0	100012103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
103/09-21-038-03W4/0	103092103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
100/12-21-038-03W4/0	100122103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
102/15-21-038-03W4/0	102152103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
103/15-21-038-03W4/0	100152103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
100/03-22-038-03W4/0	100032203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
104/03-22-038-03W4/0	104032203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned

102/05-22-038-03W4/0	102052203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
100/15-27-038-03W4/0	100152703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
102/15-27-038-03W4/0	100152703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	N/A	Abandoned
100/16-29-038-03W4/0	100162903803W400	SECOND WAVE PETROLEUM INC.	UNKNOWN	Oil	Abandoned
102/09-21-038-03W4/0	102092103803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Water	Injection
100/04-27-038-03W4/3	100042703803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Water	Injection
100/04-29-038-03W4/2	100042903803W402	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Water	Disposal
180/05-29-038-03W4/0	180052903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Water	Disposal
100/06-29-038-03W4/0	100062903803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Water	Disposal
100/05-22-038-03W4/0	100052203803W400	SECOND WAVE PETROLEUM INC.	SECOND WAVE PETROLEUM INC.	Water	Suspended

SCHEDULE "C" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC., CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.

Facilities:

Location	Category	Type	Licence
02-22-38-03 W4M	Battery	Gas Single Well Battery	W 0396438
04-29-38-03 W4M	Battery	Oil Multi-well Battery	F6310
05-29-38-03 W4M	Injection/Disposal	Disposal	F6311

Pipelines:

License Number	Line Number	From Location	To Location	Substance	Status
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24405	1	04-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	2	03-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	3	06-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	4	06-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	5	05-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	6	06-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	7	04-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	8	04-29-038-03W4 Well	04-29-038-03W4 Battery	OWE	Operating
	9	04-22-038-03W4 Satellite	04-29-038-03W4 Battery	OWE	Operating
	10	03-22-038-03W4 Well	04-22-038-03W4 Satellite	OWE	Operating
	11	04-22-038-03W4 Well	04-22-038-03W4 Satellite	OWE	Operating
	12	03-22-038-03W4 Well	04-22-038-03W4 Satellite	OWE	Operating
	13	04-22-038-03W4 Well	04-22-038-03W4 Satellite	OWE	Operating
	14	04-22-038-03W4 Well	04-22-038-03W4 Satellite	OWE	Operating
	15	05-22-038-03W4 Pipeline	04-22-038-03W4 Battery	OWE	Operating
	16	14-22-038-03W4 Well	05-22-038-03W4 Pipeline	OWE	Operating
	17	02-27-038-03W4 Well	14-22-038-03W4 Pipeline	OWE	Operating
	18	14-22-038-03W4 Well	13-22-038-03W4 Pipeline	OWE	Operating
	19	14-22-038-03W4 Well	13-22-038-03W4 Pipeline	OWE	Operating
	20	14-22-038-03W4 Well	13-22-038-03W4 Pipeline	OWE	Operating
	21	12-22-038-03W4 Well	13-22-038-03W4 Pipeline	OWE	Operating
	22	12-22-038-03W4 Well	13-22-038-03W4 Pipeline	OWE	Operating
	23	12-22-038-03W4 Well	13-22-038-03W4 Pipeline	OWE	Operating

24413	1	04-29-038-03W4 Blind end	05-29-038-03W4 Blind end	SW	Abandoned
	2	04-29-038-03W4 Battery	06-29-038-03W4 Pipeline	SW	Operating
	3	04-29-038-03W4 Battery	05-29-038-03W4 Well	SW	Operating

License Number	Line Number	From Location	To Location	Substance	Status
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31626	1	10-27-038-03W4 Well	04-27-038-03W4 Pipeline	OWE	Operating
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32319	1	04-29-038-03W4 Battery	04-29-038-03W4 Pipeline	NG	Operating
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38160	1	06-21-038-03W4 Well	16-21-038-03W4 Satellite	OWE	Operating
	2	14-21-038-03W4 Well	16-21-038-03W4 Satellite	OWE	Operating
	3	11-21-038-03W4 Well	16-21-038-03W4 Satellite	OWE	Operating
	4	10-21-038-03W4 Well	16-21-038-03W4 Satellite	OWE	Operating
	5	13-22-038-03W4 Well	04-27-038-03W4 Battery	OWE	Operating
	6	15-21-038-03W4 Well	16-21-038-03W4 Satellite	OWE	Operating
	7	16-21-038-03W4 Satellite	04-27-038-03W4 Battery	OWE	Operating
	8	16-21-038-03W4 Satellite	04-27-038-03W4 Battery	OWE	Operating
	9	04-27-038-03W4 Battery	04-29-038-03W4 Battery	OWE	Operating
	10	09-28-038-03W4 Pipeline	04-27-038-03W4 Satellite	OWE	Operating
	11	09-28-038-03W4 Well	09-28-038-03W4 Pipeline	OWE	Operating
	12	08-28-038-03W4 Well	09-28-038-03W4 Pipeline	OWE	Operating
	13	12-27-038-03W4 Well	09-28-038-03W4 Pipeline	OWE	Operating
	14	02-22-038-03W4 Well	03-22-038-03W4 Pipeline	OWE	Operating

38161	1	04-27-038-03W4 Battery	09-21-038-03W4 Well	SW	Operating
	2	04-29-038-03W4 Battery	04-27-038-03W4 Battery	SW	Operating
	3	04-27-038-03W4 Battery	09-28-038-03W4 Well	SW	To Be Constructed

41408	1	11-28-038-03W4 Well	10-28-038-03W4 Pipeline	NG	Operating
	2	09-28-038-03W4 Pipeline	11-28-038-03W4 Pipeline	NG	Operating
	3	04-27-038-03W4 Satellite	09-28-038-03W4 Pipeline	NG	Operating

44646	1	05-22-038-03W4 Well	03-22-038-03W4 Pipeline	OWE	Operating
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50527	1	16-27-038-03W4 Well	10-27-038-03W4 Pipeline	OWE	Operating
	2	15-27-038-03W4 Well	10-27-038-03W4 Pipeline	OWE	Operating

50917	1	02-27-038-03W4 Well	14-22-038-03W4 Satellite	NG	Operating
	2	14-22-038-03W4 Well	13-22-038-03W4 Pipeline	NG	Operating
	3	12-22-038-03W4 Well	13-22-038-13W4 Pipeline	NG	Operating
	4	13-22-038-03W4 Well	04-27-038-03W4 Battery	NG	Operating

50940	1	07-27-038-03W4 Well	10-27-038-03W4 Pipeline	OWE	Operating
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**SCHEDULE "D" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

Units:

Nil

**SCHEDULE "E" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

Contract Operating, Sales, Processing and Transportation Contracts:

P0014 Provost Gas Plant Gas Transportation and Processing Agreement
 Executed October 26, 2007

P0023 East Provost Plant Gas Handling Agreement
 Executed May 1, 2008

**SCHEDULE "F" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

AFEs:

AFE 09048	Provost 16-21-038-03 W4M Workover	\$33,900.00
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SCHEDULE "G" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC., CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.

GENERAL CONVEYANCE

THIS AGREEMENT made as of February 24, 2011,

BETWEEN:

SECOND WAVE PETROLEUM INC., a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "Vendor")

- and -

CANROCK ENERGY CORP., a body corporate incorporated pursuant to the laws of Alberta (hereinafter referred to as "Purchaser")

WHEREAS:

- A. Vendor and Purchaser entered into that Agreement of Purchase and Sale dated February 24, 2011 (the "Sale Agreement") with respect to the "Assets" (which term, when used in this Agreement, has the same meaning as on the Sale Agreement);
- B. All of the condition precedent to the obligations of the parties hereto to close the transaction contemplated by the Sale Agreement have either been fulfilled or waived in the manner provided for waiver in the Sale Agreement;

NOW THEREFORE in consideration of the premises hereto and the covenants hereto and the covenants and agreements hereinafter set forth and contained, the parties hereto covenant and agree as follows:

1. Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser, and Purchaser hereby purchases from Vendor, all of the right, title, estate, and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, to have and to hold the same together with all benefit and advantage to be derived therefrom, absolutely, subject to the terms of the Sale Agreement.
2. Vendor hereby sells, assigns, transfers, conveys and sets over to Purchaser, and Purchaser hereby purchases from Vendor, all of the right, title, estate, and interest of Vendor (whether absolute or contingent, legal or beneficial) in and to the Assets, to have and to hold the same together with all benefit and advantage to be derived therefrom, absolutely, subject to the terms of the Sale Agreement.
3. The covenants, representations, warranties and indemnities contained in the Sale agreement are incorporated herein as fully and effectively as if they were set out herein and there shall not be any merger of any covenant, representation, warranty or indemnity contained in the Sale

Agreement by virtue of the execution and delivery hereof, any rule of law, equity or statute to the contrary notwithstanding.

4. If any term or provision hereof should conflict with any term or provision of the Sale Agreement, the term and provision of the latter shall prevail and this Agreement shall at all times be read subject to all terms and conditions of the Sale Agreement.
5. The assignment and conveyance effected by this Agreement is made with full right of substitution of Purchaser in and to all covenants, representations, warranties and indemnities by others heretofore given or made in respect of the Assets or any part thereof.
6. This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as contract made in the Province of Alberta. The parties hereto irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.
7. This Agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective administrators, trustees, receivers, successors and assigns.
8. This Agreement may be executed in counterpart, no one copy of which need be executed by Vendor and Purchaser. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by Vendor and Purchaser.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the date first above written.

SECOND WAVE PETROLEUM INC.

Per:

[Name] Randy Bergmann
[Title] Vice President, Land

Per:

[Name] Edwin A. Power
[Title] President

CANROCK ENERGY CORP.

Per:

[Name] Chad Rust
[Title]

Per:

[Name] Chad Rust
[Title] President

**SCHEDULE "H" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

Excluded Tangibles:

Nil

**SCHEDULE "I" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

Contractor Employment Agreements:

P0061	Well Administration Agreement executed September 1, 2005
P0077	Contract Well Operating Agreement executed November 15, 2010
P0078	Contract Well Operating Agreement executed June 15, 2010

**SCHEDULE "J" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE
AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC.,
CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.**

SECURED LOAN AGREEMENT

- see attached -

SCHEDULE "K" ATTACHED TO AND FORMING PART OF AN AGREEMENT OF PURCHASE AND SALE MADE AS OF FEBRUARY 24, 2011 BETWEEN SECOND WAVE PETROLEUM INC., CANROCK ENERGY CORP. AND PETROSANDS RESOURCES (CANADA) INC.

ATTRIBUTED VALUES

LEGAL SUBDIVISION					ZONE OF INTEREST	ATTRIBUTED VALUE
LSD	Section	Township	Range	Meridian		
1	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
2	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
3	27	38	3	West of the 4th	Lloydminster and Rex	\$50,000
4	27	38	3	West of the 4th	Lloydminster and Rex	\$50,000
5	27	38	3	West of the 4th	Lloydminster and Rex	\$50,000
6	27	38	3	West of the 4th	Lloydminster and Rex	\$50,000
7	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
8	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
9	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
10	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
15	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000
16	27	38	3	West of the 4th	Lloydminster and Rex	\$225,000