

**Corporation:**

Address:

City:

Postal code:

Date: \_\_\_\_\_

**Success Resources Ltd.**

703 Alberta Street W

Brooks, AB

T1R 1A9

Attention: Tracey Stern

Dear Sirs:

**RE: Properties / Assets (Schedule B)  
CONFIDENTIALITY AGREEMENT**

In connection with (Corporation name) \_\_\_\_\_ ("the Undersigned") is interested in considering the proposed acquisition from **Success Resources Ltd.** ("the Company"), of certain oil and gas assets as set out in **Appendix A** (the "Assets") which are owned by the Company (the "Assets"); the Company has, at the Undersigned request, agreed to provide the Undersigned with certain "Confidential Information" which is herein defined to include, but is not limited to, geological, geophysical, engineering, environmental, land, accounting, fiscal and production data, expertise and knowledge concerning the Assets. We understand that the Confidential Information being provided to us concerning the Assets is proprietary and confidential to the Company and will be so treated by us. In this regard, we agree as follows:

1. The Confidential Information shall be kept in strict confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between the Undersigned and the Company. The Confidential Information shall not be disclosed to any person other than the Undersigned and to such of its directors, employees, consultants, advisors, agents and representatives (collectively, the "Representatives") who have a need to know.
2. Without limitation and in addition to any rights the Company may have against the Undersigned arising by reason of any breach hereof, the Undersigned shall:
  - (a) be liable to the Company for all loss, cost, damages and expenses whatsoever which it may suffer, sustain, pay or incur; and in addition,
  - (b) indemnify the Company against all actions, proceedings, claims, demands, loss, costs, damages and expenses whatsoever which may be brought against or suffered by the Company or which the Company may sustain, pay or incur;  
  
resulting from disclosure by the Undersigned, or its Representatives, of all or any part or parts of the Confidential Information in breach of this Agreement.
3. The restrictions set forth in Paragraph 1:
  - (a) shall not apply to any part of the Confidential Information which is, at the time of disclosure by the Company, a part of the public domain or, as confirmed by written records, was in the lawful possession of the Undersigned without obligations of confidentiality attached prior to its disclosure by the Company; and
  - (b) shall no longer apply to any part of the Confidential Information at such time as it becomes a part of the public domain through no violation of this Confidentiality Agreement or is hereafter lawfully acquired by the Undersigned through a third party under no obligation of confidence to the Company,
  - (c) provided however; that any combination of information which includes part of the Confidential Information shall not be included in the foregoing exceptions merely because individual parts of the combination of information were within the public domain or were within the prior possession of the Undersigned, unless the combination itself was in the public domain or in the prior possession of the Undersigned.

4. At any time, at the written request of the Company, the Undersigned shall immediately destroy or return or cause to be returned to the Company any of the Confidential Information which may have been released to the Undersigned and shall not retain any copies or other reproductions or extracts thereof except to the extent that computer systems are backed-up or archived. The Undersigned shall at any time, at the written request of the Company, destroy or have destroyed all memoranda, notes, reports and documents prepared by or in the possession of the Undersigned or its Representatives in connection with its review of the Confidential Information, except to the extent that computer systems are backed-up or archived and to the extent reports prepared by the Undersigned are retained for legal or corporate, secretarial or governance purposes. Furthermore, the Undersigned shall provide to the Company a certificate certifying that it and its Representatives have complied with the terms and conditions of this paragraph.
5. The Undersigned shall ensure that each of its Representatives are aware of its and their obligations under the provisions of this Confidentiality Agreement before disclosing any Confidential Information to such Representative and the Undersigned shall take all such other reasonable steps as are necessary to ensure that its Representatives comply with the terms and conditions of this Confidentiality Agreement.
6. The Undersigned shall be directly responsible to the Company for the compliance of its Representatives hereunder and shall be liable to the Company for damages caused to the Company as a result of the breach of any of the terms or conditions hereof by such Representatives and, upon written request of the Company, shall provide the Company with a list of Representatives who have received the Confidential Information.
7. The Undersigned hereby acknowledges that it is aware, and that it will ensure that its Representatives to whom any Confidential Information is disclosed are also aware, of the general nature of applicable security laws, including, without limitation, all applicable security laws which may prohibit any person, firm or corporation who has material, non-public information concerning the matters which are the subject of this Confidentiality Agreement, from trading in securities of a company which may be party to a transaction of the type contemplated herein or from communicating such information to other persons under circumstances in which it is reasonably foreseeable that such other person is likely to purchase or sell such securities.
8. The Undersigned acknowledges and agrees that the Company will be irreparably injured by a breach of this Confidentiality Agreement which could not be adequately compensated for by damages. The Company shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Confidentiality Agreement. Such remedies shall not be deemed to be exclusive remedies but shall be in addition to all other remedies available at law or at equity.
9. The Undersigned shall be entitled to disclose Confidential Information to the extent required by an order issued by a court, or regulatory body of competent jurisdiction, or required by a stock exchange on which its shares or those of an affiliate are traded, provided that the Undersigned shall:
  - (a) provide to the Company within a reasonable period of time written notice of any such requirement for disclosure so that the Company may seek a protective order or other appropriate remedy;
  - (b) consult with the Company on the advisability of taking legally available steps to resist or narrow such order; and
  - (c) take such steps as are reasonably necessary and available to maintain confidentiality with the court, stock or regulatory body.
10. This Confidentiality Agreement shall remain in force until the earlier of twelve months from the date hereof or such time as all of the Confidential Information becomes a part of the public domain through no violation of this Confidentiality Agreement.
11. It is understood by the Undersigned that in providing access to the Confidential Information, the Company makes no representation or warranty as to the accuracy or completeness of the Confidential Information. The Undersigned agrees that neither the Company, nor anyone representing the Company, shall have any liability to the Undersigned or any of its Representatives as a result of any errors or omissions in the Confidential Information or as a result of the use of the Confidential Information by it or its Representatives. It is specifically understood that only those particular representations and warranties which may be made by the Company to the acquirer of the Assets in a definitive formal agreement of purchase and sale, when and if it is executed (and subject to such limitations and restrictions as may be specified in such definitive formal agreement), shall have any legal effect. It is also specifically understood that the Undersigned shall rely solely on its own estimates as to the value and condition of the Assets and shall rely solely on its own corporate, geological, geophysical, engineering, environmental, accounting and financial analyses and interpretations related thereto.

12. The Undersigned and its Representatives shall not visit any of the business sites of the Company without the prior written consent of the Company. Any such visits as may be authorized shall be at the sole cost and risk of the Undersigned and the Undersigned shall indemnify the Company against any loss, cost, damages and expenses whatsoever which the Company may suffer, sustain, pay or incur as a result of such visits, except losses, costs, damages and expenses incurred as a result of the negligence or misconduct of the Company or its Representatives.
13. the Company reserves the right, at its sole discretion, to:
  - (a) modify the bidding or sale process;
  - (b) negotiate with any third party on any issue; and
  - (c) accept or reject any offer, in respect to the sale of the Assets of the Company.
14. No failure or delay by the Company in the exercise of any of their rights, powers or privileges under this Confidentiality Agreement shall operate as a waiver thereof.
15. If any provision of this Confidentiality Agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance of this Confidentiality Agreement.
16. This Confidentiality Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the Undersigned agrees that the courts of the Province of Alberta shall have exclusive jurisdiction in relation to the enforcement of the provisions of this Confidentiality Agreement.
17. This Confidentiality Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

The Company and the Undersigned accept the Confidential Information furnished and to be furnished concerning the Company subject to the conditions set forth in this Confidentiality Agreement.

Yours truly,

\_\_\_\_\_  
Signature of Corporation

**Accepted** this \_\_\_\_\_ day of \_\_\_\_\_

**Company**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Ph:

**Accepted** this \_\_\_\_\_ day of \_\_\_\_\_

**Success Resources Ltd.**

Per: \_\_\_\_\_  
Tracey Stern, *VP Administration*

Per: \_\_\_\_\_

Ph:

**APPENDIX "A" TO CONFIDENTIALITY AGREEMENT  
ASSETS**

**INDEMNITY**

Success Resources Ltd. (the "Indemnitor") agrees to indemnify and hold harmless NRG Divestitures Inc. ("NRG Divestitures"), the affiliates of NRG Divestitures Inc., and each and every director, officer, employee, partner, shareholder, agent and outside advisor of NRG Divestitures and its affiliates (collectively with NRG Divestitures Inc, the "Indemnified Persons" and, separately, each is an "Indemnified Person"), from and against any and all costs, expenses, losses, claims, actions, damages, fines, penalties and liabilities of any nature whatsoever, joint and several or separate (including the aggregate amount paid pursuant to, in connection with or in reasonable settlement of any action, suit, inquiry, hearing, claim, investigation, allegation, assertion, appeal or other proceeding (referred to as an "Action"), and the reasonable fees and expenses of each of their counsel that may be incurred for advice or representation with respect to or defending any such Action that may be made or threatened against any Indemnified Person but not including any amount for lost profits) to which any Indemnified Person may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such costs, expenses, losses, claims, Actions, damages, fines, penalties or liabilities relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance of professional services rendered to the Indemnitor by NRG Divestitures or any Indemnified Person pursuant to or otherwise in connection with engagement contemplated in the letter agreement (the "Services") to which this indemnity is attached and forms an integral part.

Notwithstanding the foregoing, the Indemnitor is not obligated to indemnify an Indemnified Person to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable determines that such costs, expenses, losses, claims, actions, damages, fines, penalties or liabilities to which the Indemnified Person may be subject and in respect of which indemnity is sought were caused by the Indemnified Person's (i) bad faith (ii) wilful misconduct, (iii) breach of or non-compliance with applicable legislation, regulations or published policies of any applicable regulatory authority in the provision of the Services, or (iv) a breach of the terms and conditions governing the provision of the Services as contemplated in the letter agreement to which this indemnity is attached and forms an integral part.

**SCHEDULE "B"**  
**ASSETS FOR SALE**

THE DETAILS OF LOCATION, RIGHTS AND INTERESTS ASSOCIATED WITH  
THESE PROPERTIES ARE CONTAINED IN AND ARE DEEMED TO BE A PART  
OF THIS SCHEDULE "B".

**LANDS, LEASES AND ENCUMBRANCES:**

<b>Lands</b>	<b>Crown Lease</b>	<b>Rights</b>	<b>WI</b>	<b>Encumbrances</b>
26-15 W4: 23 (M16570)	0408050561	PNG to base Mannville	100%	Crown Royalty 5% GOR on 100% production paid to Grand Prix
26-15 W4: 24 (M09284)	0406060762	PNG to base Mannville	100%	Crown Royalty
26-16W4: NE26 (M31224A&B) production	107969	Petroleum to Base Medicine Hat Natural Gas to base Medicine Hat	0%	Crown Royalty GOR 10% on 100%  paid to Success by CNRL
26-16 W4: 25 (M31702)	0493110551	PNG below Second White Specks to Base Mannville (Excluding interval from 1159-1162 as measured on E-logs for 05-25-26-16W4/02)	65% 35%	Crown Royalty CNRL
26-16-W4: 31 (M2357)	0415100121	PNG below base Medicine Hat to Basement 1312 – 1582 FT	100%	Crown Royalty
26-17-W4: 36 (M08562)	0402080303	PNG to base Mannville	100%	Crown Royalty
27-15-W4: 23 (M1342)	0414050005	All PNG	100%	Crown Royalty
27-15-W4: N&SW22 27-15-W4: SE22	0414050004	All PNG PNG below base of Mannville as designated in DRRZD 4 interval 2,557 – 2,985 ft. 00/06-16- 041-08W4/027-15-W4: `	100%	Crown Royalty
27-15-W4: 27 (M1341)		PNG below the base of the Belly River Grp As designated in DRRZD 39 interval 1,688 – 2453 ft. 00/07-18-032-22W4/0		

27-15-W4: 35 (M1343)	0414050006	All PNG	100%	Crown Royalty
27-16-W4: 2 (M31244)	0401070080	PNG to base Mannville	100%	Crown Royalty
27-16-W4: 12 (M31146)	0400100041	PNG to base Mannville	100%	Crown Royalty
27-17-W4: 23 (M30611)	0499090278	PNG in Basal Belly River Excluding 4-23-27-17 W4 Well (as defined by 00/03-23-27-17W4 534-533 MKB) (as defined by 00/12-23-27-17W4 525 – 533 MKB)	100% 50%	Crown Royalty CNRL
		PNG to base Mannville excluding PNG in Basal Belly River (as 50% CNRL defined by 00/03-23-27 17-W4 534 – 540 MKB) (as defined by 00/12-23-27-17W4 525 – 533 MKB)	50%	Crown Royalty
27-17-W4: 25 (M31202)	0401030617	PNG to base Mannville	100%	Crown Royalty
27-17-W4: 36 (M31203)	0401030618	PNG to base Mannville GOR 10% on 100% production Paid to Success paid by CNRL	0%	Crown Royalty
28-15-W4: 23 (31165)	0400110668	PNG to base Mannville	100%	Crown Royalty
28-15-W4: 35 (31266)	0494100746	PNG to base Mannville	100%	Crown Royalty
28-16-W4: E20 (M31711)	CNRL	PNG to top Milk River	50% 50% CNRL	LR 20% to CNRL
28-16-W4: W20	0404120400	PNG in Milk River	100%	Crown Royalty

**Gross Acres** 10,240

**Net Acres** 9,536

**Developed Acres** 6,400

**Undeveloped Acres** 3,840

**WELLS:**

<i>UWI</i>	<i>Licence #</i>	<i>Working Interest</i>
100/13-24-026-15W4/00	0386086	100%
100/09-25-026-16W4/00	0347394	65%
100/02-36-026-17W4/00	0358408	100%
100/11-36-026-17W4/00, 02	0364687	100%
100/10-01-027-16W4/00, 02, 03	0337909 No Mineral Rights	100%
100/04-02-027-16W4/00, 02	0318718	100%
100/06-12-027-16W4/00, 02	0338291	100%
100/03-23-027-17W4/00	0308060	100%
100/12-23-027-17W4/00	0259508	100%
100/04-23-027-17W4/00	0379152	50%
100/14-25-027-17W4/00, 02	0342366	100%
100/13-36-027-17W4/00, 02	0287231	0% (10% GOR)
100/02-36-027-17W4/00	0288957	0% (10% GOR)
100/09-23-028-15W4/00	0260931	100%
100/13-24-028-15W4/00	0297708 No Mineral Rights	100%
102/06-35-028-15W4/00	0175017	100%
100/05-20-028-16W4/00	0359595	50%

*Wells include all associated equipment and facilities*

**PIPELINES**

<i>Licence #</i>	<i>Location (Line #)</i>	<i>W.I.</i>
50996	Line 1 – 13-24-026-15W4 to 10-11-026-15W4	100%
47633	Line 1 – 09-25-026-16W4 to 05-25-026-16W4	65%
49054	Line 1 – 02-36-026-17W4 to 09-25-026-17W4	100%
49054	Line 2 – 11-36-026-17W4 to 02-36-026-17W4	100%
43976	Line 1 – 04-02-027-16W4 to 02-11-027-16W4	100%
43976	Line 2 – 06-12-027-16W4 to 03-11-027-16W4	100%
43743	Line 1 – 03-23-027-17W4 to 10-24-027-17W4	100%
56290	Line 1 – 04-36-027-17W4 to 02-36-027-17W4	100%
38554	Line 1 – 09-23-028-15W4 to 06-35-028-15W4	100%
28649	Line 1 – 06-35-028-15W4 to 10-33-028-15W4	100%
55091	Line 1 – 05-20-028-16W4 to 13-22-028-16W4	50%