

RECIPIENT COMPANY LETTERHEAD

_____, 20____

Insignia Energy Ltd.
c/o Sayer Energy Advisors
1620, 540 - 5th Avenue SW
Calgary, Alberta T2P 0M2

Attention: Ben Rye

Re: **Confidentiality Agreement**
Non-Core Property Divestiture

_____ (“Recipient”) has expressed an interest in the purchase of certain oil and natural gas properties owned by Insignia Energy Ltd. (“Insignia”) in the areas as indicated on Schedule “A” (the “Properties”). Insignia is prepared to provide the Recipient access to certain information relating to the Properties, including but not limited to land schedules, financial results, marketing materials, geological and geophysical information and other documentation (“Confidential Information”). In consideration of Insignia providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Insignia and its joint venture partners except for Confidential Information which is set out and described in Clause 5.
2. The Confidential Information shall be kept in the strictest of confidence and shall not be used for any purpose whatsoever other than evaluating a possible transaction between Recipient and Insignia. The Confidential Information shall not be disclosed to any person other than Recipient and to such of its directors, employees, agents, consultants, representatives and advisors (the “Representatives”) who have a need to know such information for the purpose of appraising the Properties. Recipient shall take all steps that are necessary to ensure that its Representatives are aware of the terms and conditions of this Agreement and that such terms and conditions are binding upon any and all of its Representatives. Upon request, Recipient shall provide Insignia with a list of the Representatives who have received the Confidential Information.
3. Recipient agrees that it and its Representatives shall not disclose to any person or publish or disperse in any form, any terms, conditions or other facts with respect to any possible transaction relating to the Properties for which the Confidential Information was disclosed.
4. Notwithstanding the foregoing terms, Recipient shall be permitted to disclose such Confidential Information that is required to be disclosed pursuant to any law, rule or regulation. In the event that Recipient receives a request or legal directive to disclose Confidential Information, Recipient shall promptly provide written and verbal notification to Insignia of such a request. Recipient shall consult with Insignia on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with Insignia in any attempt that Insignia may make to obtain an order or other reliable assurance that confidential treatment will be accorded by the requesting or directing party to the information required to be disclosed.

5. The restrictions set forth in Clauses 2 and 3 above shall not apply to any part of the Confidential Information which is:
 - (a) now in the public domain or becomes part of the public domain other than through an act of the Recipient or its Representatives; or
 - (b) in the lawful possession of the Recipient prior to its disclosure by Insignia; or
 - (c) subject to disclosure required by law, rule or regulation provided that Insignia is given notice pursuant to Clause 4 prior to such disclosure; or
 - (d) made available to the Recipient or its Representatives from a source who may reasonably be believed to legally hold such information and who is not bound to Insignia under a confidentiality agreement.

6. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of Insignia and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
 - (a) be liable to Insignia for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
 - (b) indemnify Insignia against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Insignia or which Insignia may suffer, sustain, pay or incur;resulting from disclosure by the Recipient, or its Representatives, of all or any part or parts of the Confidential Information.

7. At any time, at the request of Insignia, Recipient shall immediately return or cause to be returned to Insignia all of the Confidential Information which may have been released to the Recipient. Recipient shall not retain any copies or other reproductions or extracts of the Confidential Information. Furthermore, Recipient shall, if so requested by Insignia, provide certification from an officer of the Recipient to Insignia that the terms and conditions of this Clause have been complied with. The Recipient will return all requested Confidential Information except to the extent that computer systems are back-up or archived. The Recipient will be able to retain a copy of any analysis of Confidential Information in respect to a possible transaction with Insignia for any internal management and/or board of directors recommendations or approvals.

8. Recipient understands and agrees that no contract or agreement providing for the sale of the Properties shall be deemed to exist between the Recipient and Insignia unless and until a definitive offer to purchase has been accepted in writing by Insignia. For greater clarity the Recipient acknowledges that this Agreement does not constitute a definitive offer to purchase. Recipient hereby waives, in advance, any claims (including, without limitation, breach of contract) in connection with the sale of the Properties unless and until a definitive offer to purchase from Recipient has been accepted in writing by Insignia.

9. This Confidentiality Agreement shall remain in force for a period of one year from the date hereof, or until such time as all of the Confidential Information becomes part of the public domain through conventional processes and through no violation of this Agreement, whichever comes first.

10. Recipient understands that in providing access to the Confidential Information, Insignia makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Insignia nor anyone representing Insignia shall have any liability to the Recipient or any of its Representatives as a result of the use of the information by it or its Representatives.
11. This Agreement shall be construed and determined according to the laws of the Province of Alberta.
12. Recipient acknowledges and agrees that Insignia may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. Insignia and its joint venture partners shall be entitled to equitable relief, including injunctive relief and specific performance, in the event of a breach of any of the provisions of this Confidentiality Agreement. Such remedies shall be in addition to all other remedies available at law or in equity.
13. Recipient understands and agrees that:
 - (a) Insignia shall be free to conduct the process for the sale of the Properties in its sole discretion and shall determine, without limitation, the course and nature of negotiations with any prospective buyer and the acceptance of a definitive offer to purchase without prior notice to the Recipient, its Representatives or any other person or corporate entity; and
 - (b) Recipient shall not have any claims whatsoever against Insignia or any of its directors, officers, stockholders, owners, affiliates, representatives, advisors or agents arising out of or relating to the sale of the Properties other than as a party to a definitive offer to purchase accepted in writing by Insignia and then only against Insignia and in accordance with the terms of said offer to purchase.
14. Recipient hereby acknowledges that it is aware and that it will advise its Representatives privy to the Confidential Information that applicable security laws prohibit any person who has received from an issuer material, non-public information concerning the matters which are the subject of this Agreement from purchasing or selling securities of such issuer or from communicating such information to any other person, under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.
15. Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding Insignia's business operations, prospects or finances (except as contemplated herein and for those contacts made in the ordinary course of business unrelated to the possible transaction) with any officer, director, employee, consultant or other representative of Insignia, or with any customer, supplier, sales representative, or competitor of Insignia except with the express written permission of Insignia. Any such permission granted by Insignia may be revoked at any time.
16. If any provision of this agreement is wholly or partially unenforceable for any reason, such unenforceability shall not affect the enforceability of the balance 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 permitted assigns.

The Recipient accepts the Confidential Information to be provided relating to the Properties subject to the terms and conditions set forth in this Confidentiality Agreement.

Yours truly,

COMPANY NAME

OFFICER'S SIGNATURE

OFFICER'S PRINTED NAME & TITLE

I certify that no changes have been made to this Confidentiality Agreement that have not been clearly marked and initialed.

CONFIDENTIAL INFORMATION DELIVERY OPTIONS: *(please check one)*

_____ **Electronic** or _____ **Hard copy (binder)**

NAME OF CONTACT PERSON TO FORWARD INFORMATION

CONTACT ADDRESS

TELEPHONE NUMBER

EMAIL ADDRESS

Option to Attach Business Card Here:

Accepted by Insignia Energy Ltd. this ___ day of _____, 20___

Mike Miles
Vice President, Land

SCHEDULE "A"

Recipient wishes to obtain additional information relating to the following Properties:

- CAROLINE**
- FERRIER**
- HONEYSUCKLE**
- BIRCH-MANNVILLE-WILDMERE**
- CROSSFIRE**
- DORIS-CORBETT**
- WIDEWATER**
- ADDITIONAL MINOR PROPERTIES**