



KNOWLEDGE
energy inc.

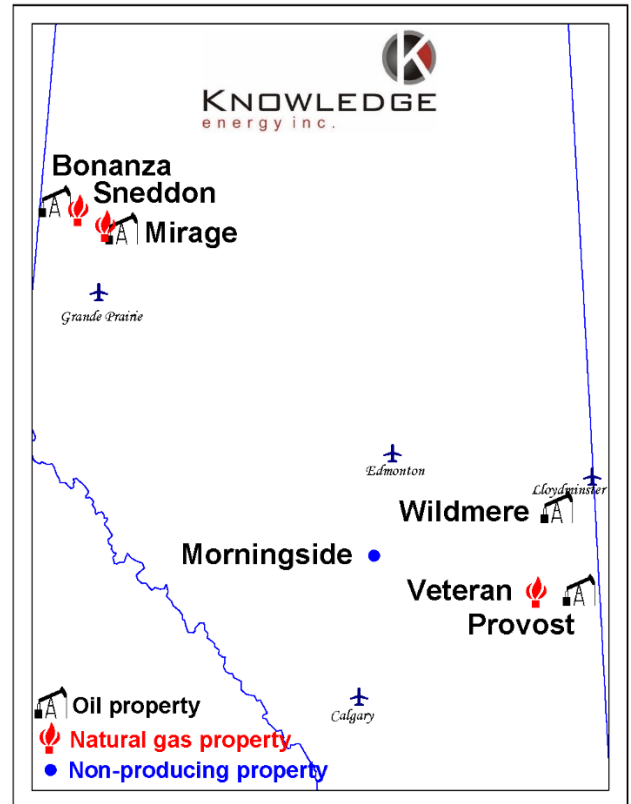
OVERVIEW INFORMATION

**Non-Core Property Divestiture:
Central & Northwestern Alberta
241 boe/d (1.0 MMcf/d, 67 bbl/d)**



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Knowledge Energy Inc. (“Knowledge” or the “Company”) has engaged **Sayer Energy Advisors** to assist the Company with the sale of certain non-core oil and natural gas interests located in Alberta, specifically in the *Provost, Wildmere, Veteran* and *Morningside* areas west of the Fourth Meridian and in the *Mirage, Sneddon* and *Bonanza* areas west of the Sixth Meridian (the “Properties”). The Properties consist of both oil and natural gas producing wells along with high-quality prospective drilling locations for oil. Knowledge is selling the Properties in order to focus its operations on its core assets. The Company’s preference is to sell all of the Properties in one transaction.



Average daily production net to Knowledge from the Properties in October 2020 was 241 boe/d consisting of approximately 1.0 MMcf/d of natural gas and 67 barrels of oil and natural gas liquids per day.

Net operating income from the Properties for October 2020 on an annualized basis was approximately \$425,000, or \$35,400 per month. Net operating income from the Properties for calendar 2019 totaled approximately \$670,000.

As of January 2, 2021, Knowledge’s net deemed asset value for the Properties was \$5.5 million (deemed assets of \$7.1 million and deemed liabilities of \$1.6 million), with an LMR ratio of 4.46.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting cash offers to acquire the Properties until **12:00 pm on Thursday, February 18, 2021**. The Company’s intent is to divest all of its interests in the Properties.

Timeline	
Week of January 18, 2021	Preliminary Information Distributed
Week of January 18, 2021	Data Room Opens
February 18, 2021	12:00 noon
March 1, 2021	Bid Deadline
March 2021	Effective Date
	Closing Date

Sayer Energy Advisors does not conduct a “second-round” bidding process; the intention is to attempt to conclude a transaction with the party submitting the most acceptable proposal at the conclusion of the process.

Sayer Energy Advisors is accepting cash offers from interested parties until noon on Thursday, February 18, 2021.



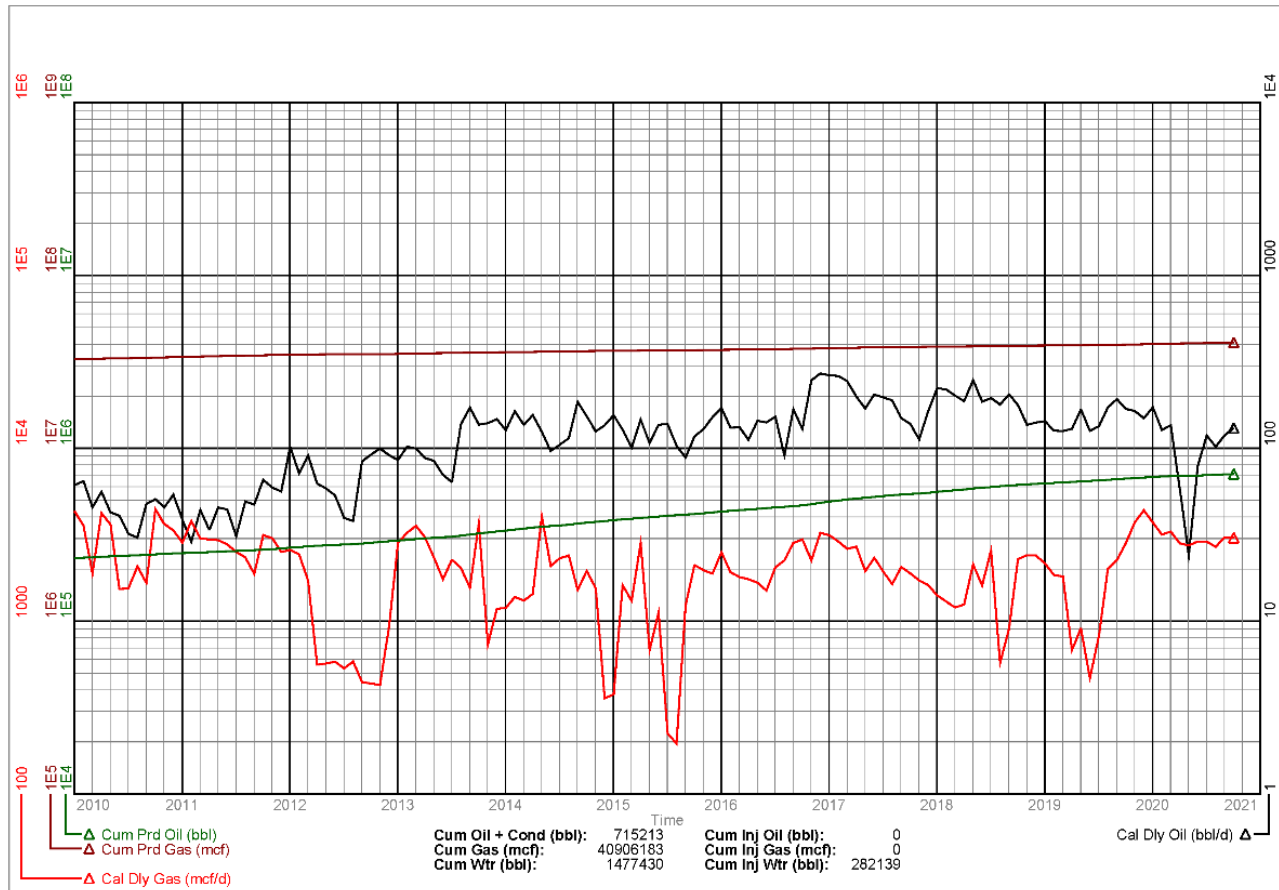


Production Overview

Average daily production net to Knowledge from the Properties in October 2020 consists of approximately 1.0 MMcf/d of natural gas and 67 barrels of oil and natural gas liquids per day (241 boe/d) as outlined below.

PROPERTY	RECENT NET PRODUCTION			
	Average October 2020			
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d
W4 Properties				
Provost	35	-	-	35
Wildmere	12	-	-	12
Veteran	-	2	123	22
W6 Properties				
Mirage	8	3	208	46
Sneddon	-	-	714	119
Bonanza	7	-	-	7
TOTAL	62	5	1,045	241

Gross Production Group Plot of Knowledge's Oil and Natural Gas Wells





Reserves Overview

McDaniel & Associates Consultants Ltd. (“McDaniel”) prepared an independent reserves evaluation of the *Provost (Sounding Lake, Klein and Monitor)* and *Wildmere* properties (the “McDaniel Report”). The McDaniel Report is effective June 1, 2017 using McDaniel’s April 1, 2017 forecast pricing. As part of its 2020 annual reporting requirements, the Company mechanically updated the McDaniel Report (the “Internal Report”) for the *Provost* and *Wildmere* Properties effective June 30, 2020 using Sproule’s June 30, 2020 forecast pricing.

Sproule Associates Limited (“Sproule”) prepared an independent reserves evaluation of Knowledge’s *Mirage* property (the “Sproule Report”). The Sproule Report is effective December 31, 2019 using Sproule’s December 31, 2019 forecast pricing. The Internal Report also includes a mechanically updated Sproule Report for the *Mirage* property effective June 30, 2020 using Sproule’s June 30, 2020 forecast pricing.

The reserves and net present values for the *Bonanza* and *Sneddon* properties have also been internally estimated in the Internal Report as of June 30, 2020 using Sproule’s June 30, 2020 forecast pricing.

The Company estimates that, as of June 30, 2020, the Properties contained remaining proved plus probable reserves of 1.5 million barrels of oil and natural gas liquids and 7.0 Bcf of natural gas (2.7 million boe), with an estimated net present value of \$19.3 million using forecast pricing at a 10% discount.

Knowledge Energy Inc. as at June 30, 2020							
COMPANY GROSS RESERVES				PV BEFORE TAX			
	Oil	Natural Gas	Ngl	Total	5%	10%	15%
	Mbbl	MMcf	Mbbl	MBOE	(000s)		
Proved Developed Producing	126	2,486	28	568	\$4,175	\$3,284	\$2,672
Proved Undeveloped	568	2,623	147	1,152	\$9,990	\$7,057	\$4,418
Total Proved	694	5,109	175	1,720	\$14,165	\$10,341	\$7,090
Probable	574	1,870	105	990	\$12,563	\$8,947	\$6,527
Total Proved Plus Probable	1,268	6,978	280	2,710	\$26,728	\$19,288	\$13,617

The reserve estimates and forecasts of production and revenues for the Company’s properties were prepared within the context of the Company’s year-end evaluation, which was an evaluation of all of the Company’s properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the “Total” row may not correspond to the total of the values presented due to rounding.

LMR as of January 2, 2021

As of January 2, 2021, Knowledge’s net deemed asset value for the Properties was \$5.5 million (deemed assets of \$7.1 million and deemed liabilities of \$1.6 million), with an LMR ratio of 4.46.

The LMR for each of the Properties as of January 2, 2021 is summarized below. Additional information relating to asset retirement obligations will be made available to parties that execute a confidentiality agreement.

Summary of LMR by Property

PROPERTY	Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
Provost	\$578,953	\$124,986	\$453,967	4.63
Veteran	\$229,795	\$167,748	\$62,047	1.37
Morningside	\$23,533	\$84,411	(\$60,878)	0.28
Mirage	\$2,036,296	\$185,549	\$1,850,747	10.97
Bonanza	\$467,338	\$94,658	\$372,680	4.94
Sneddon	\$3,736,867	\$928,231	\$2,808,636	4.03
TOTAL OFFERING	\$7,072,782	\$1,585,583	\$5,487,199	4.46





W4 Properties

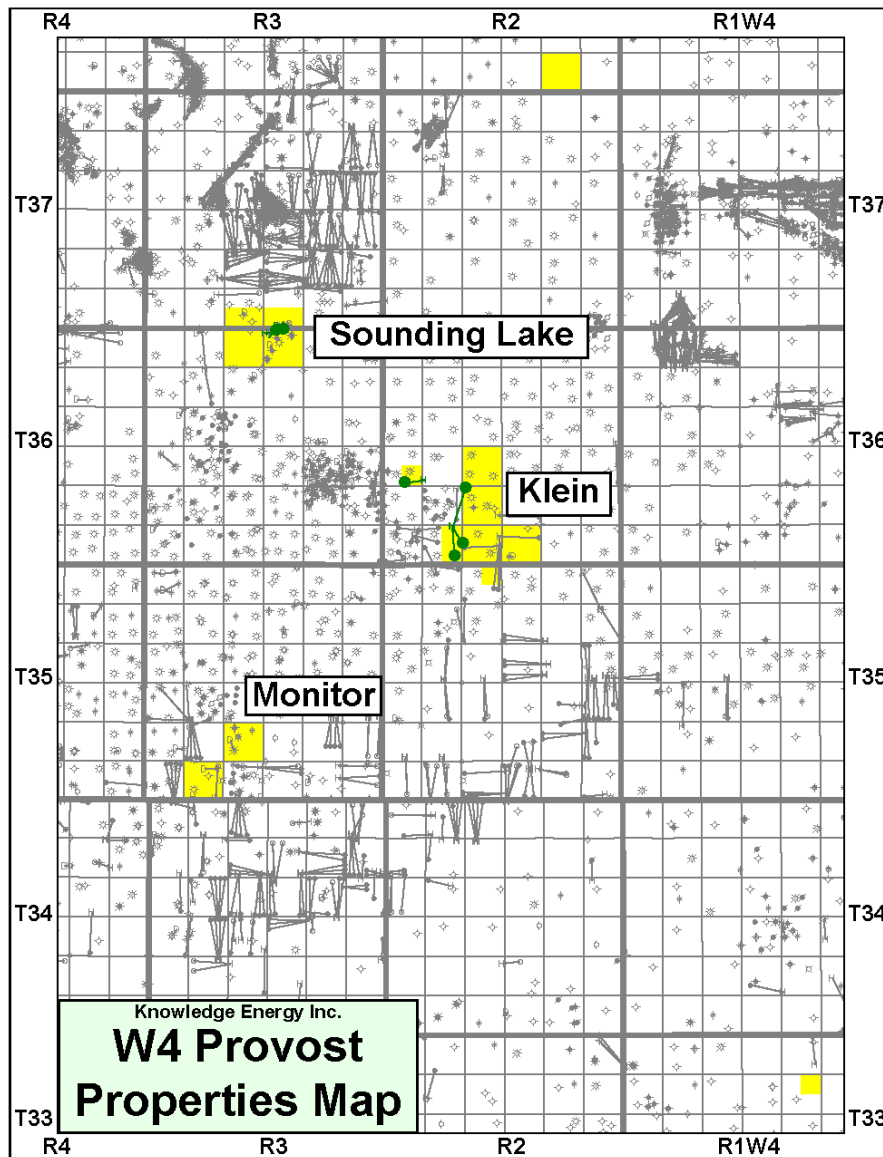
The Company's W4 interests include properties in the *Provost*, *Veteran*, *Morningside* and *Wildmere* areas.

Knowledge's daily production from the W4 properties in October 2020 was approximately 69 boe/d consisting of 49 barrels of oil and natural gas liquids per day and 123 Mcf/d of natural gas.

Provost Area Properties

Township 33-38, Range 1-3 W4

Within the *Provost* area, the Company has properties at *Sounding Lake*, *Klein* and *Monitor*. The *Provost* area is a strategically focused group of assets with steady oil and natural gas production and significant drilling upside for oil within the Mannville Group.



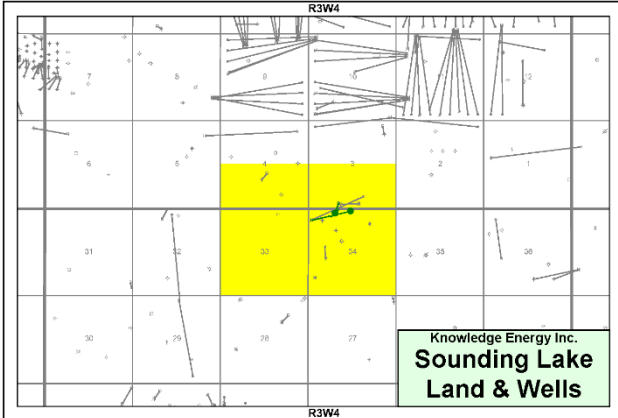
Average production net to Knowledge in October 2020 from the *Sounding Lake* and *Klein* properties was approximately 35 barrels of oil per day. Both the Sparky and Dina formations are prospective in the area based on Knowledge's prior drilling activity and from offset competitor activity. Knowledge has identified a total of 26.8 net prospective locations in the Sparky and Dina formations in the *Provost* area.





Sounding Lake Property

Township 36-37, Range 3 W4



At *Sounding Lake*, Knowledge holds a 100% working interest in three sections of land with low-decline Dina oil production from one well.

Average daily production net to Knowledge from *Sounding Lake* in October 2020 was approximately 22 barrels per day of oil.

Please note that the 00/14-34-036-03W4 well at *Sounding Lake* has received SRP Phase 1 Funding of \$44,350.

Dina Formation

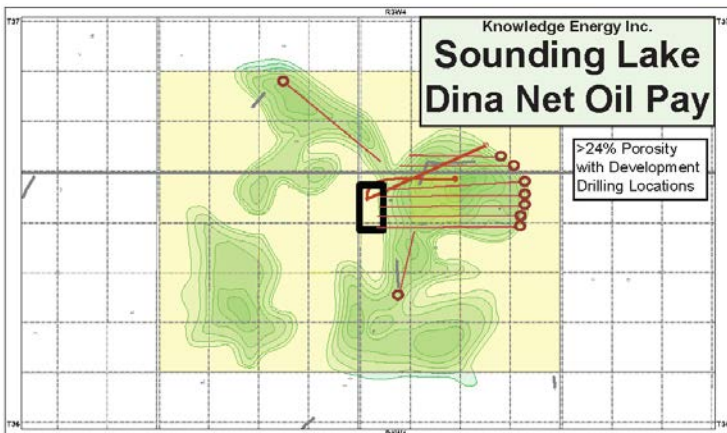
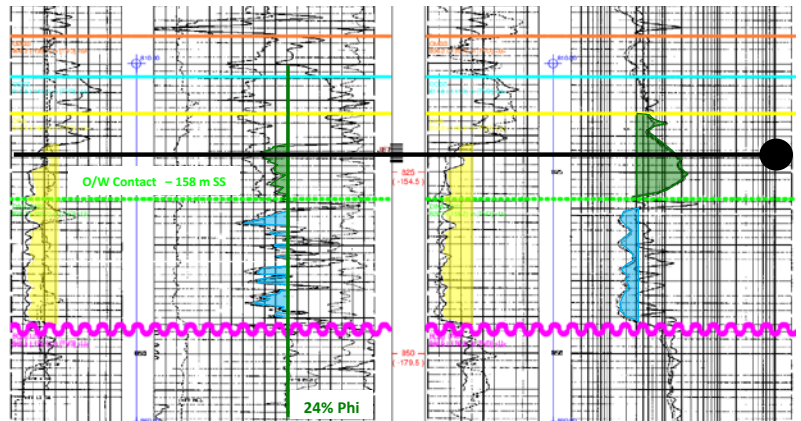
Knowledge is producing oil from the horizontal well *NorthernSpirit 102 Provost 02/14-34-036-03W4/0* at a rate of approximately 22 barrels of 19° API oil per day. The 102/14-34 well has cumulative production of approximately 29,200 barrels of oil to date. The initial rate IP30 of the well was 114 barrels of oil per day.

The pool outlines are defined by the top of the sand structure and the offsetting oil/water interface below.

The offsetting petrophysical log from the well *Knowledge Provost 00/14-34-036-03W4/0* shows a net pay value of 7.1 metres using a 24% density porosity cutoff.

Estimated oil originally in place is approximately 4.0 million barrels in Sections 33 and 34-036-03 and S/2 of Sections 3 and 4-37-03W4 as shown in the figure below. Current recovery from this pool is less than 5%. Similar area oil pools developed with horizontal wells show recoveries in excess of 30%.

Knowledge Provost 00/14-34-036-03W4/0



The *NorthernSpirit 102 Provost 02/14-34-036-03W4/0* well is producing to a single well oil battery. A surface pad site would be adequate for up to 12 additional wells with associated battery facilities having been engineered and surveyed. Preliminary water disposal well locations have also been located and engineered and future development sites have been surveyed.





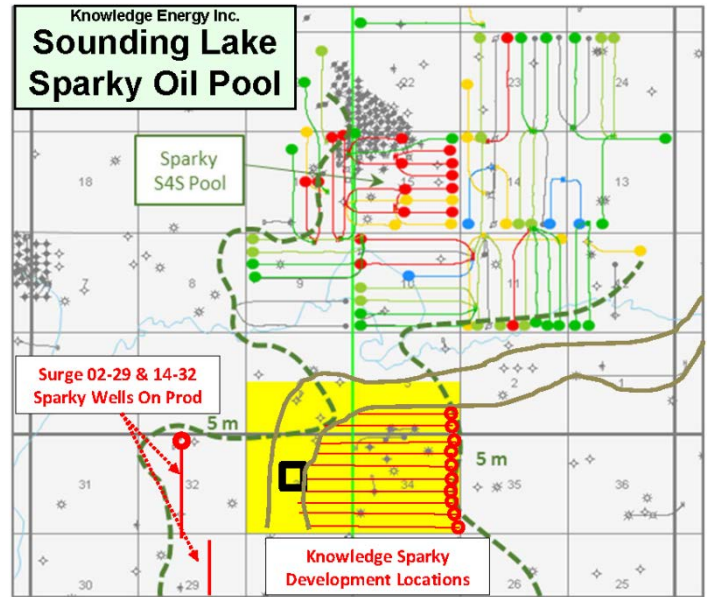
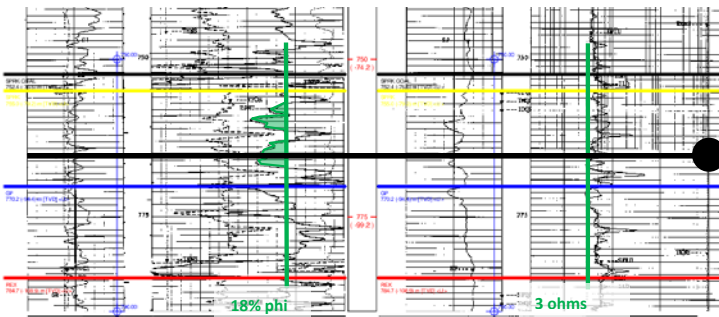
Sparky Formation

Knowledge has used detailed geological and seismic evaluation to identify 8-10 potential Sparky locations on its lands at Sounding Lake. There is significant proven Sparky oil production by numerous operators offsetting Knowledge's lands.

The *Sparky S4S Pool* to the north TWP 37-3W4 contains 28° API oil and has been developed to date with over 80 horizontal oil wells. This pool also is being further developed through a waterflood to recover additional oil.

The log for the well *Gear Provost 00/05-15-037-03W6/0* is shown below. The 05-15 well offsets an existing horizontal producer at 07-15 that has cumulative oil production to date of 52,000 barrels at a 33% water cut.

Gear Provost 00/05-15-037-03W4/0 – Sparky Formation Type Log



Surge recently placed the 00/02-29-036-03W4/0 and 02/14-32-036-03W4/0 horizontal Sparky wells on production at rates of 30 and 57 barrels of oil per day respectively.

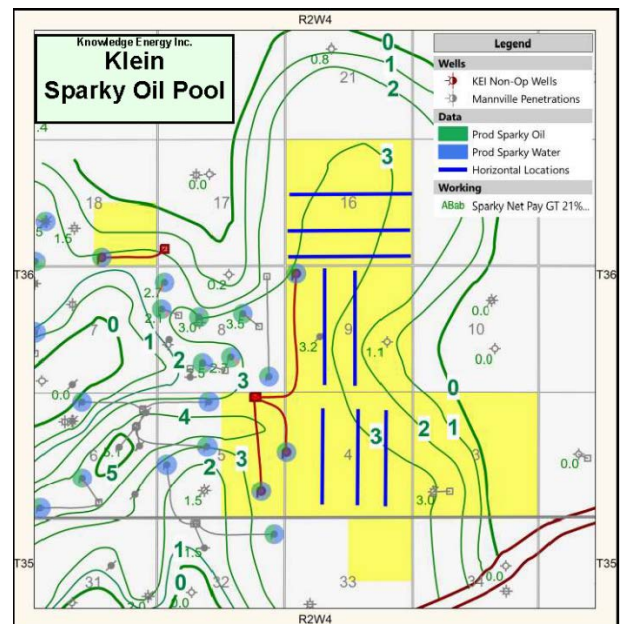
Klein Property

Knowledge has a 35% working interest in four producing Sparky oil wells at *Klein*. Knowledge also holds a 100% working interest in offsetting undeveloped lands. Knowledge applied for one-year continuation for the undeveloped lands in October and November 2020.

Average daily production net to Knowledge from *Klein* in October 2020 was approximately 12 barrels of oil per day.

The offsetting map shows the Sparky pool outline and Knowledge's potential locations.

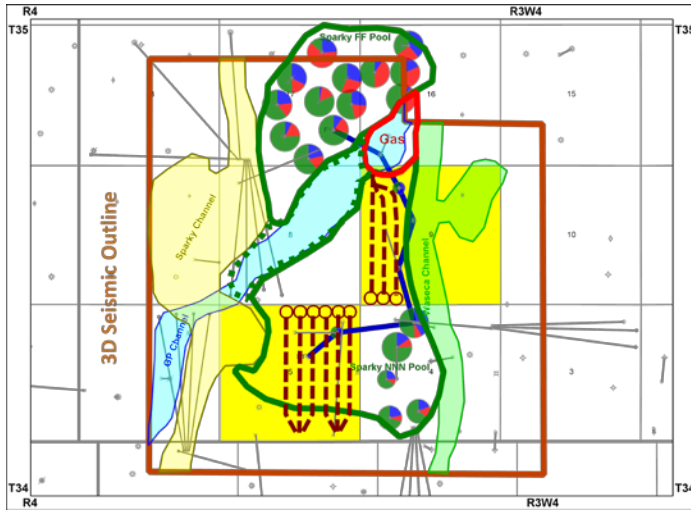
Township 35-36, Range 2 W4





Monitor Property

Township 35, Range 3 W4



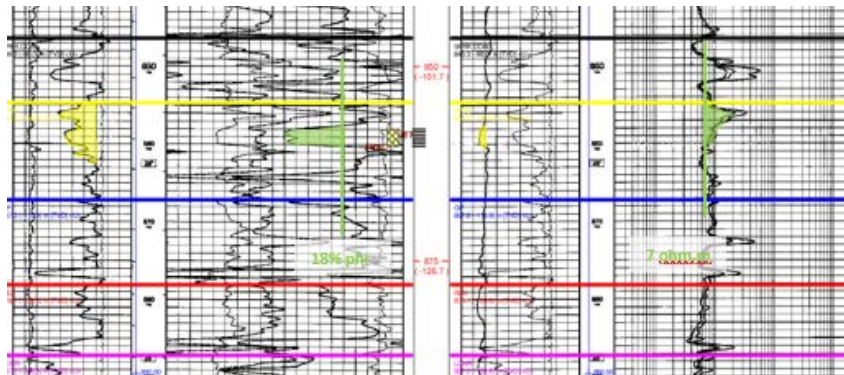
At *Monitor*, the Company holds 90% working interest in two sections of land which are prospective for oil from the Sparky Formation. The lands have continuations until October 2021 and February 2022. The Company does not have any production from the *Monitor* property.

The offsetting map shows the proposed paths for three multi-lateral open hole horizontal wells (from 01-05 to 16-05-035-03W4, from 04-05 to 14-05-035-03W4 and from 01-17 to 04-09-035-03W4) to access the mapped reserves shown on the logs in the Sparky BBB & NNN pools on Knowledge lands which have been included in the McDaniel Report.

In the past, vertical wells producing from the Sparky reservoir have only been marginally productive. Through the use of multi-lateral horizontal technology, Knowledge believes the *Monitor* property has proven Sparky production potential.

The well log for the offsetting well *RHE Provost 00/11-04-035-03W4/0* is shown below. This vertical well has cumulative oil production of approximately 45,000 barrels and is currently producing approximately two barrels of oil per day from the Sparky Formation.

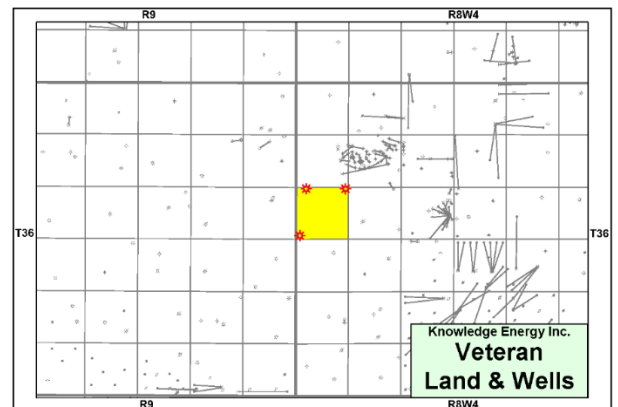
RHE Provost 00/11-04-035-03W4/0 – Sparky Formation Type Log



Veteran Property Township 36, Range 8 W4

At *Veteran*, the Company holds a 100% working interest in one section of land on which there are three vertical wells producing natural gas from the Viking Formation.

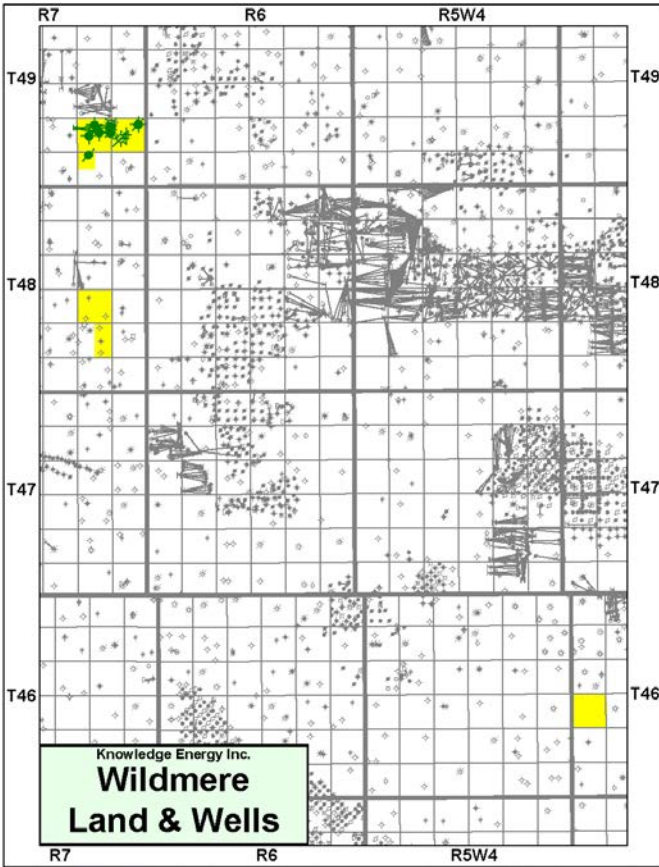
Average daily production net to Knowledge from *Veteran* in October 2020 was approximately 123 Mcf/d of natural gas and two barrels of natural gas liquids per day (22 boe/d).





Wildmere Property

Township 46-49, Range 4-7 W4

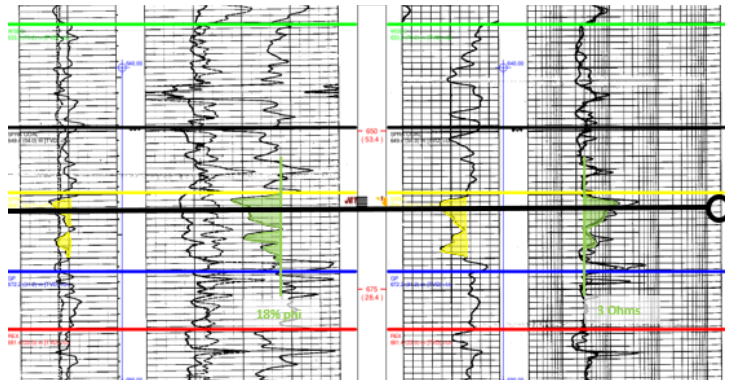


At *Wildmere*, the Company holds 22.5%-25% working interests in approximately 4.75 sections of land operated by **Surge Energy Inc.** and **Canadian Natural Resource Limited**. Production at *Wildmere* is from the Sparky Formation.

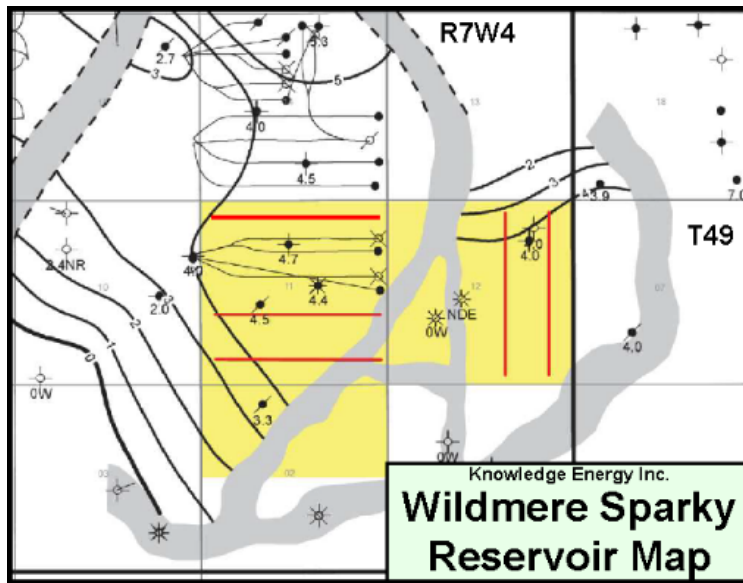
Average daily production net to Knowledge from *Wildmere* in October 2020 was approximately 12 barrels of oil per day.

The log for the well *Surge Energy Wildmere 00/06-11-049-07W4/0* is shown below.

Surge Energy Wildmere 00/06-11-049-07W4/0 – Sparky Formation Type Log



Knowledge has identified a total of five prospective locations (1.13 net) in the Sparky Formation as shown in the map below.





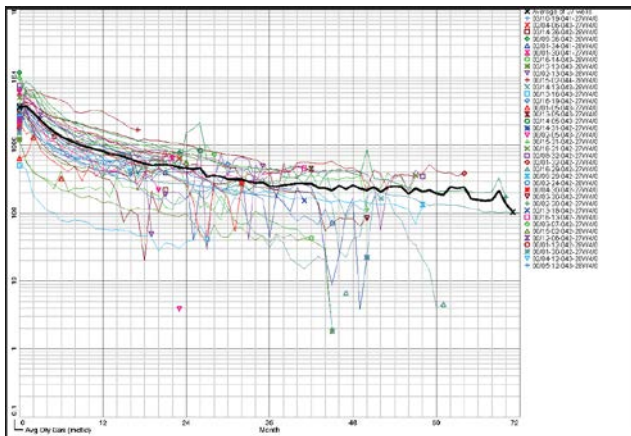
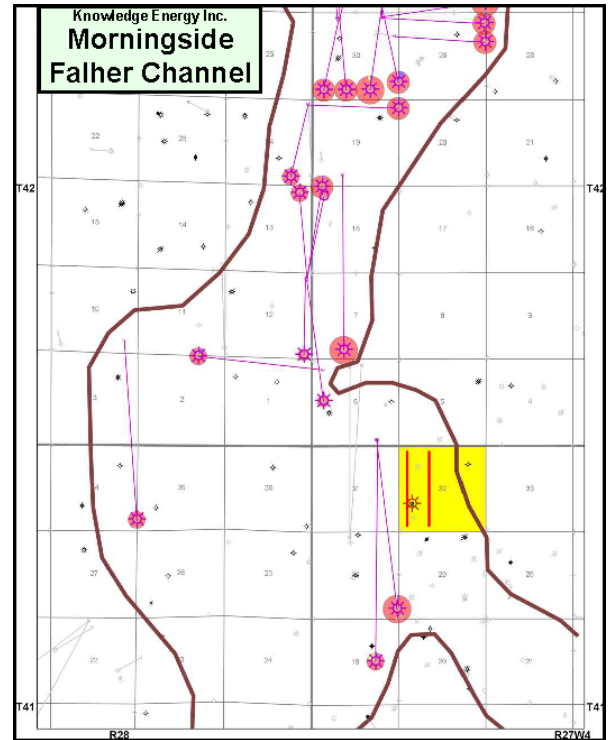
Morningside Property

At *Morningside*, the Company holds a 95% working interest in one section of land on which there is one suspended vertical well *Knowledge Morningside 00/05-32-041-27W4/0*. The well was suspended in March 2020. The Company does not have any production from the *Morningside* property.

Lands in the *Morningside* area fall within an active Upper Mannville (Falher) liquids-rich channel trend.

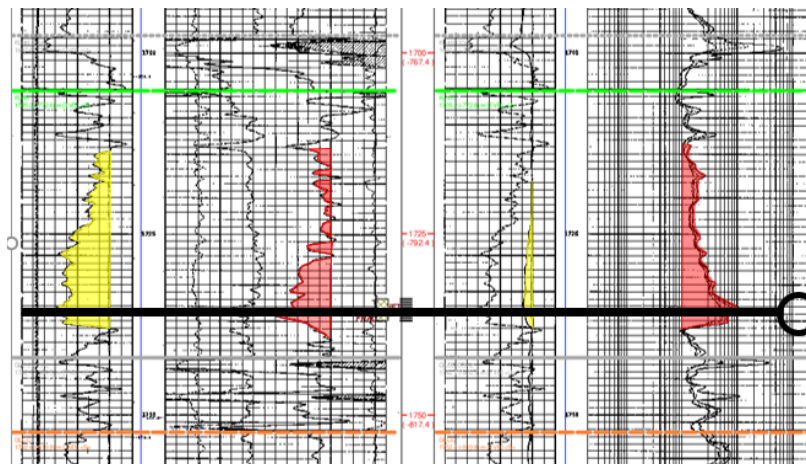
Bonavista Energy Corporation drilled the 03/10-19-041-27W4/0 and 00/01-30-041-27W4/0 wells in May 2018 and August 2017 respectively, immediately adjacent to Knowledge's property. Reports suggest liquids yields above 80 barrels per MMcf and initial production rates over 300 boe per day for Falher horizontal wells on this trend. The plot below shows a multi-well analysis plot for 27 offset producing wells on the *Morningside* Falher trend showing an average IP30 of 3.77 MMcf/d of natural gas.

Township 41, Range 27 W4



The well log from the producing well *Knowledge Morningside 00/05-32-041-27W4/0* is shown below with Falher channel thickness of approximately 25 metres on Section 32-41-27W4. Knowledge has identified two potential horizontal drilling locations based on well control in Section 32.

Knowledge Morningside 00/05-032-041-27W4/0 – Falher Formation Type Log





W6 Properties

Knowledge's W6 properties are located in the *Mirage*, *Sneddon*, and *Bonanza* areas of Alberta.

Knowledge's daily production from the W6 properties in October 2020 was approximately 172 boe/d consisting of 922 Mcf/d of natural gas and 18 barrels of oil and natural gas liquids per day.

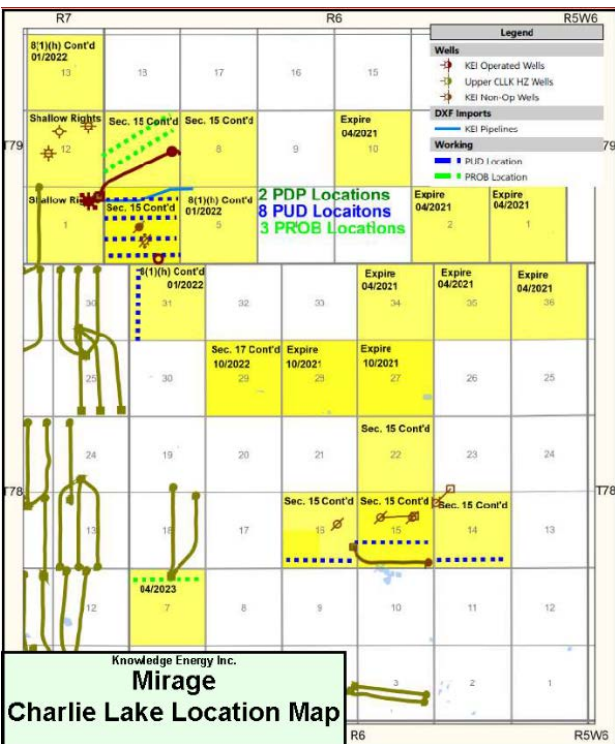
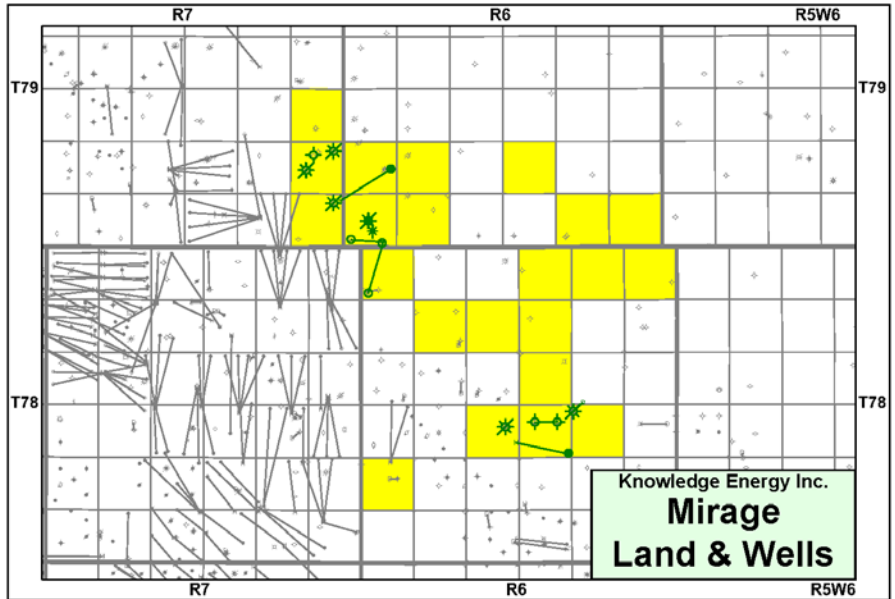
Mirage Property

At *Mirage*, the Company holds an average 55% working interest in 22 sections of land. Knowledge has a 53% working interest and operates one producing Charlie Lake oil well at 02/08-07-079-06W6 and a 2.34% working interest in one producing horizontal Charlie Lake natural gas well at 01-15-078-06W6 operated by **Rising Star Resources Ltd.**

Average daily production net to Knowledge from *Mirage* in October 2020 was approximately 207 Mcf/d of natural gas and 11 barrels of oil and natural gas liquids per day (46 boe/d).

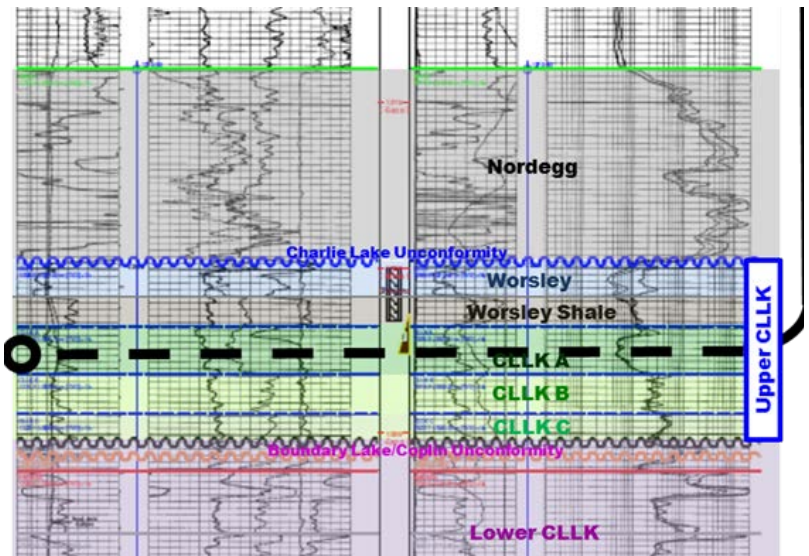
The following map shows the Company's drilling locations on its lands at *Mirage*.

Township 78-79, Range 5-7 W6



Production in *Mirage* is from the Upper Charlie Lake as shown in the type log below.

Thom-Jen Et Al SpiritR 00/16-29-078-06W6/0 – Charlie Lake Formation Type Log



The Company also has geological mapping which shows that the Upper Charlie Lake on the Company's lands is analogous to the offset **Tourmaline Oil Corp.** wells in Section 36-078-07W6.





Sneddon Property

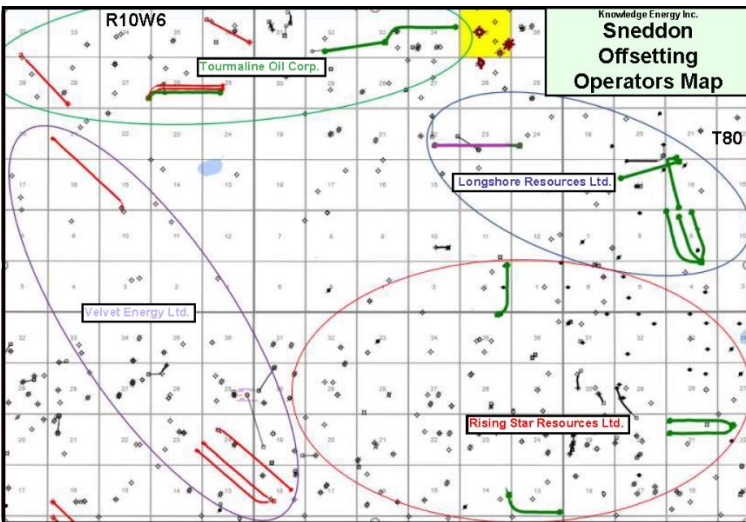
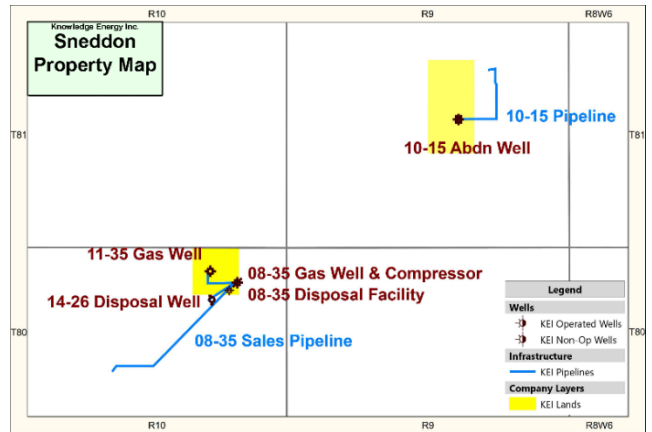
At *Sneddon*, the Company holds an average 93% working interest in three sections of land. The Company holds a 100% working interest in two producing Wabamun natural gas wells with an associated compressor station and disposal facility at 08-35-080-10W6. The Company receives revenue from water disposal at *Sneddon*.

Average daily production net to Knowledge from *Sneddon* in October 2020 was approximately 714 Mcf/d of natural gas with minor associated natural gas liquids volumes (119 boe/d).

Recent daily production net to Knowledge at *Sneddon* has increased to approximately 975 Mcf/d of natural gas (163 boe/d) due to optimization efforts and well repairs.

The 08-35-080-10W6 well was down in October due to a seized control valve which has since been repaired. Knowledge added soap injection to the 11-35-080-10W6 well in September 2020 which had a positive effect on production.

Township 80-81, Range 9-10 W6



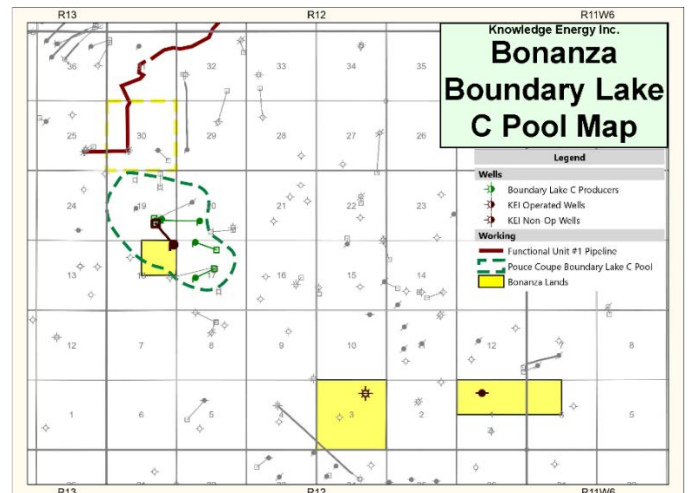
Knowledge also has a 50% working interest in the Charlie Lake rights in Section 35-080-10W6 which is offset by **Tourmaline Oil Corp.** and **Longshore Resources Ltd.** Charlie Lake horizontal oil wells. Tourmaline is in the process of tying in the 09-34-08-10W6 Charlie Lake well into Longshore's 01-20-80-09W6 battery via the Longshore 05-24-80-10W6 wellsite.

The red wells on the adjacent map indicate offsetting Montney wells and the green wells indicate offsetting Charlie Lake wells showing the active drilling for both of these plays within the area.

Bonanza Property Township 81, Range 11-12 W6

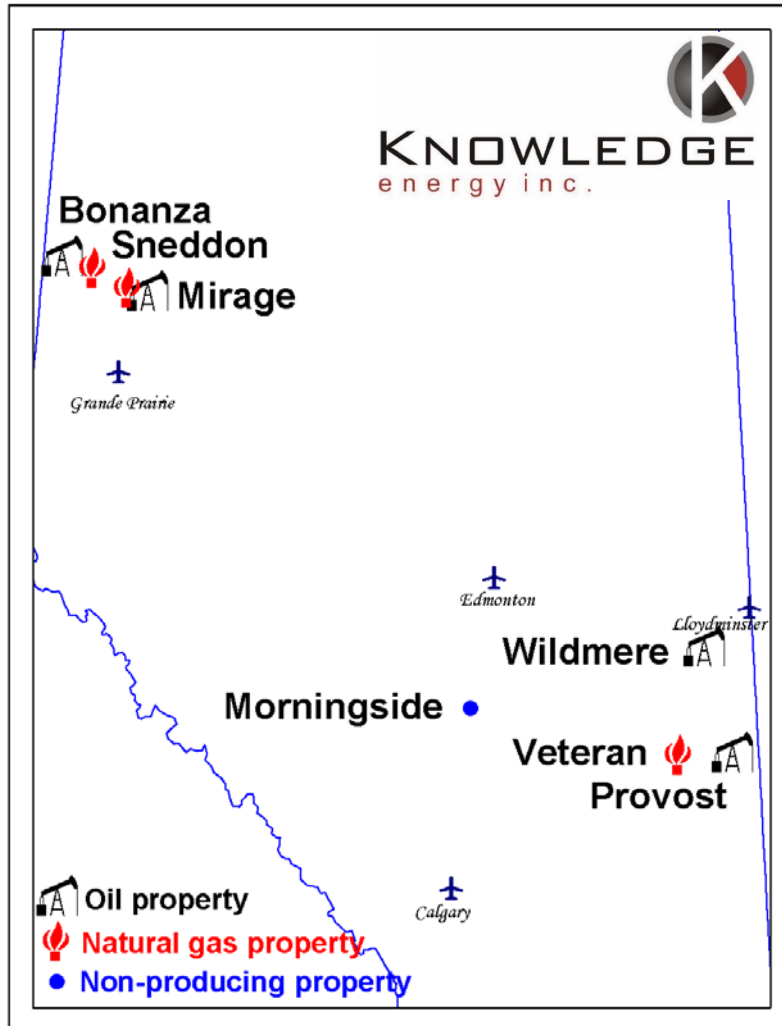
At *Bonanza*, the Company holds an average 38% working interest in approximately two sections of land. Knowledge operates and holds a 50% working interest in one vertical well producing oil from the Boundary Lake Formation at 16-18-081-12W6.

Average daily production net to Knowledge from *Bonanza* in October 2020 was approximately seven barrels of oil per day.





Knowledge Energy Inc. Non-Core Property Divestiture Central & Northwestern Alberta Winter 2021



Parties wishing to receive a Confidential Information Binder with detailed technical information relating to this opportunity should execute the Confidentiality Agreement which is available on Sayer Energy Advisors' website (www.sayeradvisors.com) and return one copy to Sayer Energy Advisors by courier, email (brye@sayeradvisors.com) or fax (403.266.4467).

Included in the Confidential Information Binder is the following: summary land information, the Internal Report, LMR information, most recent net operations summary, detailed facilities information and other relevant technical information.

To receive further information on the Properties please contact Ben Rye, Tom Pavic or Grazina Palmer at 403.266.6133.

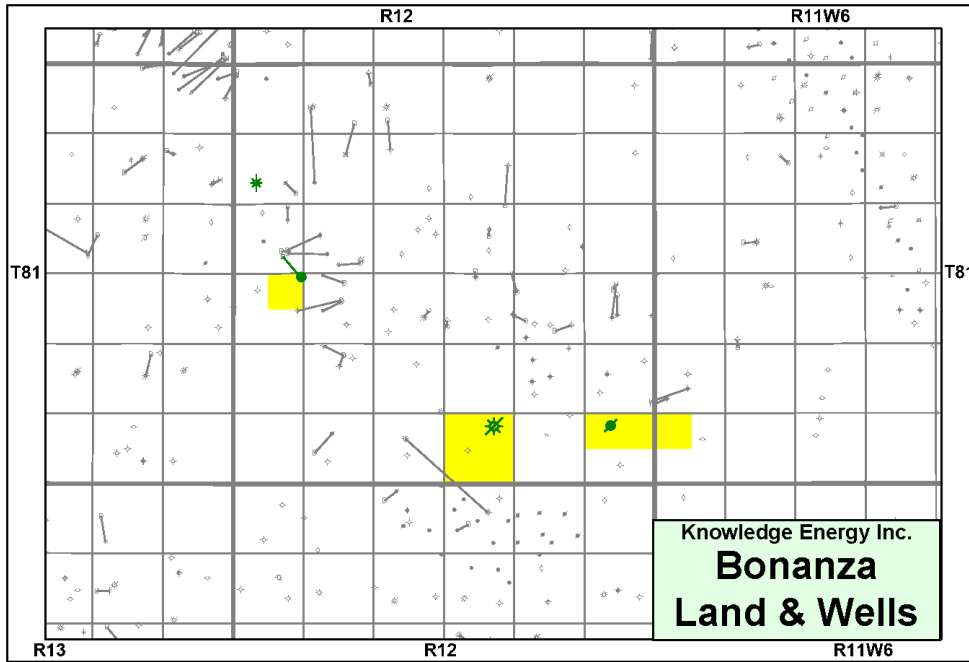


Bonanza Property

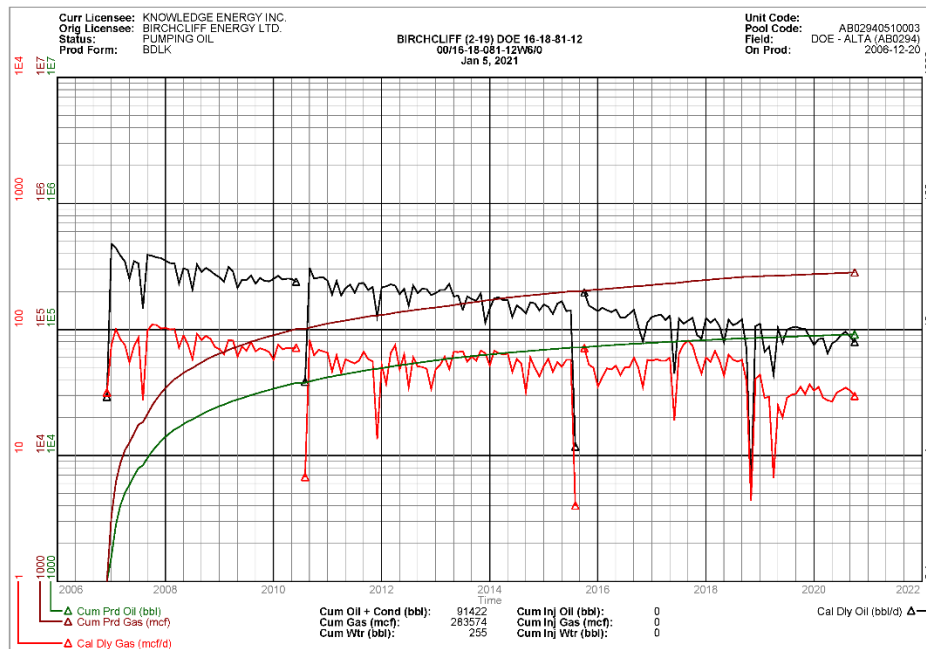
Township 81, Range 11-12 W6

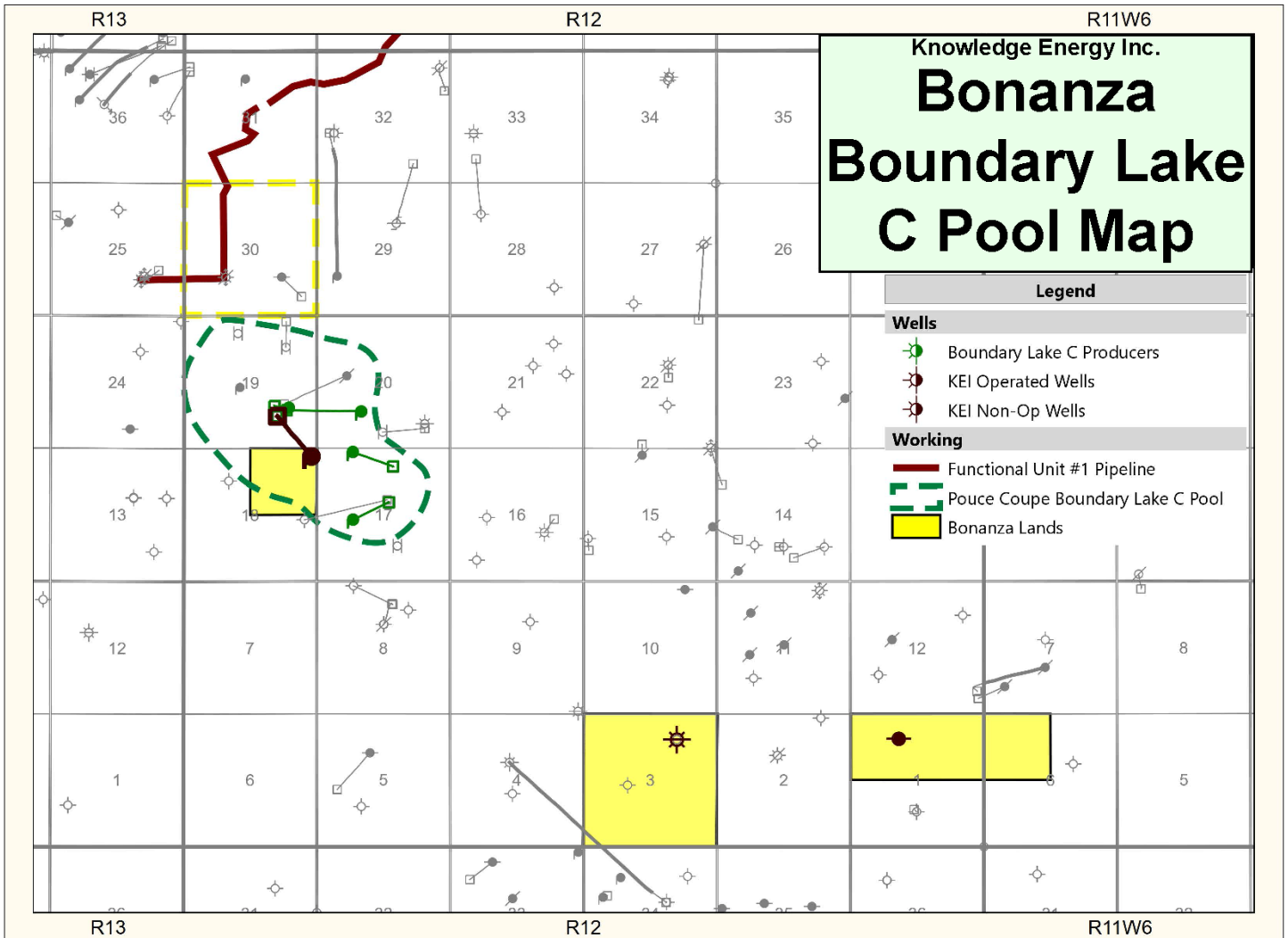
At *Bonanza*, the Company holds an average 38% working interest in approximately two sections of land. Knowledge operates and holds a 50% working interest in one vertical well producing oil from the Boundary Lake Formation at 16-18-081-12W6.

Average daily production net to Knowledge from *Bonanza* in October 2020 was approximately seven barrels of oil per day.



Birchcliff (2-19) Doe 00/16-18-081-12W6/0 –Boundary Lake Oil Well Gross Production Plot





Bonanza Seismic

The Company does not have ownership in any seismic data over its lands at *Bonanza*.

Bonanza Marketing

Knowledge sells its oil through **Trafigura Canada General Partnership** on a 30-day contract at the 08-10-079-10W6 Pembina Gordondale terminal.

Bonanza Facilities

The Company owns a 50% working interest in one active single-well oil battery for the 16-18-081-12W6 well, as well as an 11.572% working interest in the Pouce Coupe Common Facility and Pipeline operated by **Canadian Natural Resources Limited**.

Bonanza Reserves

The *Bonanza* property has been included in the Internal Report as of June 30, 2020 using Sproule's June 30, 2020 forecast pricing.

The Company estimates that, as of June 30, 2020, the *Bonanza* property contained remaining proved plus probable reserves of 12,000 barrels of oil, with an estimated net present value of \$194,000 using forecast pricing at a 10% discount.

Knowledge Energy Inc. as of June 30, 2020							
COMPANY GROSS RESERVES					PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	9	0	0	9	\$152	\$129	\$110
Proved Undeveloped	0	0	0	0	\$0	\$0	\$0
Total Proved	9	0	0	9	\$152	\$129	\$110
Probable	3	0	0	3	\$89	\$65	\$49
Total Proved Plus Probable	12	0	0	12	\$241	\$194	\$159

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of the Company's year-end evaluation, which was an evaluation of all of the Company's properties in aggregate. Extraction and use of any individual property evaluation outside of this context may not be appropriate without supplementary due diligence. Values in the "Total" row may not correspond to the total of the values presented due to rounding.

Bonanza LMR as of January 2, 2021

As of January 2, 2021, Knowledge's net deemed asset value for *Bonanza* was \$372,680 (deemed assets of \$467,338 and deemed liabilities of \$94,658), with an LMR ratio of 4.94.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$467,338	\$94,658	\$372,680	4.94

Bonanza Well List

See well list in Excel.

RECIPIENT COMPANY LETTERHEAD

_____, 20____

Knowledge Energy Inc.
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 Knowledge Energy Inc. (“Knowledge”) in the Bonanza, Mirage, Morningside, Provost, Sneddon, Veteran and Wildmere areas of Alberta (the “Properties”). Knowledge 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 Knowledge providing the Confidential Information, Recipient agrees as follows:

1. Recipient acknowledges that all Confidential Information provided to Recipient is proprietary to Knowledge and its joint venture partners except for Confidential Information which is set out and described in Clause 6.
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 Knowledge. 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 Knowledge 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. If the Recipient makes a request to view seismic data as part of its review of a possible transaction involving the Properties, and Knowledge provides such access at Recipient’s agents offices, all costs shall be borne by Recipient including agents costs, to be estimated, prior to the review of the seismic data, the Recipient warrants that under no circumstances will it allow its Representatives to copy, remove, take away or otherwise reproduce any of the seismic data or derivatives thereof that such Representatives have been given access to hereunder. This would include, but not be limited to, an absolute restriction against the use of electronic equipment to produce photographs or other digital copy or reproductions of any of the affected seismic data and or photocopies, sketches or tracings of such affected seismic data. No electronic devices, cameras, USB devices, laptops or cellphones with photographic capability may be brought into the dataroom or an area where data is disclosed.

5. 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 Knowledge of such a request. Recipient shall consult with Knowledge on the advisability of taking steps to resist or narrow such request or directive. If disclosure is deemed advisable, Recipient shall cooperate with Knowledge in any attempt that Knowledge 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.
6. 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 Knowledge; or
 - (c) subject to disclosure required by law, rule or regulation provided that Knowledge is given notice pursuant to Clause 5 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 Knowledge under a confidentiality agreement.
7. Recipient acknowledges the competitive value of the Confidential Information. Accordingly, without limitation and in addition to any rights of Knowledge and its joint venture partners against the Recipient arising by any breach hereof, the Recipient shall:
 - (a) be liable to Knowledge for all losses, costs, damages and expenses whatsoever which they may suffer, sustain, pay or incur; and in addition,
 - (b) indemnify Knowledge against any and all actions, proceedings, claims, demands, losses, costs, damages and expenses whatsoever which may be brought against or suffered by Knowledge or which Knowledge 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.
8. At any time, at the request of Knowledge, Recipient shall immediately return or cause to be returned to Knowledge 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 Knowledge, provide certification from an officer of the Recipient to Knowledge 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 Knowledge for any internal management and/or board of directors recommendations or approvals.
9. 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 Knowledge unless and until a definitive offer to purchase or sale agreement has been accepted in writing by Knowledge. For greater clarity the Recipient acknowledges that this Agreement does not constitute a definitive

offer to purchase or sale agreement. 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 or sale agreement from Recipient has been accepted in writing by Knowledge.

10. 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.
11. Recipient understands that in providing access to the Confidential Information, Knowledge makes no representation or warranty as to the accuracy or completeness of the Confidential Information. Recipient agrees that neither Knowledge nor anyone representing Knowledge 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.
12. This Agreement shall be construed and determined according to the laws of the Province of Alberta.
13. Recipient acknowledges and agrees that Knowledge may be irreparably injured by a breach of this Confidentiality Agreement that could not be adequately compensated for by damages. Knowledge 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.
14. Recipient understands and agrees that:
 - (a) Knowledge 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 Knowledge 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 Knowledge and then only against Knowledge and in accordance with the terms of said offer to purchase.
15. 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.
16. Recipient shall not initiate or arrange, directly or indirectly, or maintain contact regarding Knowledge'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 Knowledge, or with any customer, supplier, sales representative, or competitor of Knowledge except with the express written permission of Knowledge. Any such permission granted by Knowledge may be revoked at any time.

17. 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.
18. 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 Knowledge Energy Inc. this ____ **day of** _____, **20**____

Jonathan C. White, P.Geol.
Chief Operating Officer