



Muddy

OVERVIEW INFORMATION

**Strategic Alternatives Process:
Various Areas, Alberta
48 boe/d (209 Mcf/d, 13 bbl/d)**

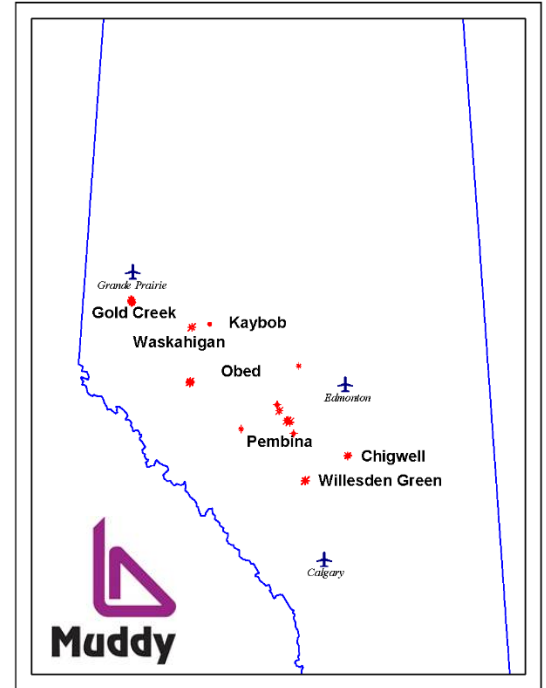


Muddy Petroleum Company Ltd. (“Muddy” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with a strategic alternatives process. The Company is open to reviewing all alternatives including, but not limited to, a corporate transaction resulting in the sale of all of the shares of the Company, or the sale of the majority of Muddy’s oil and natural gas assets, in whole or in part.

Muddy is a private junior oil and natural gas company with predominantly non-operated working interests located in the *Gilby, Gold Creek, Kaybob, Obed* and *Pembina* areas, as well as non-producing properties located throughout Alberta (the “Properties”).

Average daily sales production net to Muddy from the Properties for the first six months of 2024 was approximately 48 boe/d, consisting of approximately 209 Mcf/d of natural gas and 13 bbl/d of oil and natural gas liquids.

As at July 31, 2024, the Company had nominal working capital. As at December 31, 2023, Muddy had total unused Canadian income tax pools of approximately \$10.9 million, including \$3.4 million of non-capital losses.



As of September 7, 2024, the Properties had a deemed net asset value of (\$574,773) (deemed assets of \$61,983 and deemed liabilities of \$636,756), with an LMR ratio of 0.10. These numbers do not include Muddy’s current security deposit with the **Alberta Energy Regulator** which is approximately \$809,000. Muddy’s current production is from its non-operated properties, and one operated well at *Pembina*.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting offers relating to this process until **12:00 pm on Thursday December 5, 2024.**

Timeline		
Week of November 4, 2024		Preliminary Information Distributed
Week of November 4, 2024		Data Room Opens
December 5, 2024	12:00 noon	Bid Deadline
December 1, 2024		Effective Date
January 2025		Closing Date

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

Sayer Energy Advisors is accepting offers from interested parties until noon on Thursday December 5, 2024.



Corporate Overview

Muddy is a tightly-held private junior oil and natural gas company with a small number of shareholders, and no debt or severance obligations.

As at July 31, 2024, the Company had nominal working capital. As at December 31, 2023, Muddy had total unused Canadian income tax pools of approximately \$10.9 million, including \$3.4 million of non-capital losses.

Tax Pools

	As at December 31, 2023
Cumulative Canadian Development Expenses	\$5,659,098
Non-Capital Losses	\$3,449,376
Capital Cost Allowance	\$654,611
Cumulative Canadian Exploration Expenses	\$474,988
Cumulative Canadian Oil and Gas Property Expenses	\$392,506
Capital Losses	\$290,279
Total	\$10,920,858

Additional corporate information relating to Muddy will be provided to parties upon execution of a confidentiality agreement.

Reserves Overview

The Company does not have a third-party reserves evaluation.

LMR Summary

Muddy's current production is from its non-operated properties, and one operated well at *Pembina*.

As of September 7, 2024, the Properties had a deemed net asset value of (\$574,773) (deemed assets of \$61,983 and deemed liabilities of \$636,756), with an LMR ratio of 0.10. These numbers do not include Muddy's current security deposit with the **Alberta Energy Regulator** which is approximately \$809,000.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$61,983	\$636,756	(\$574,773)	0.10





Production Overview

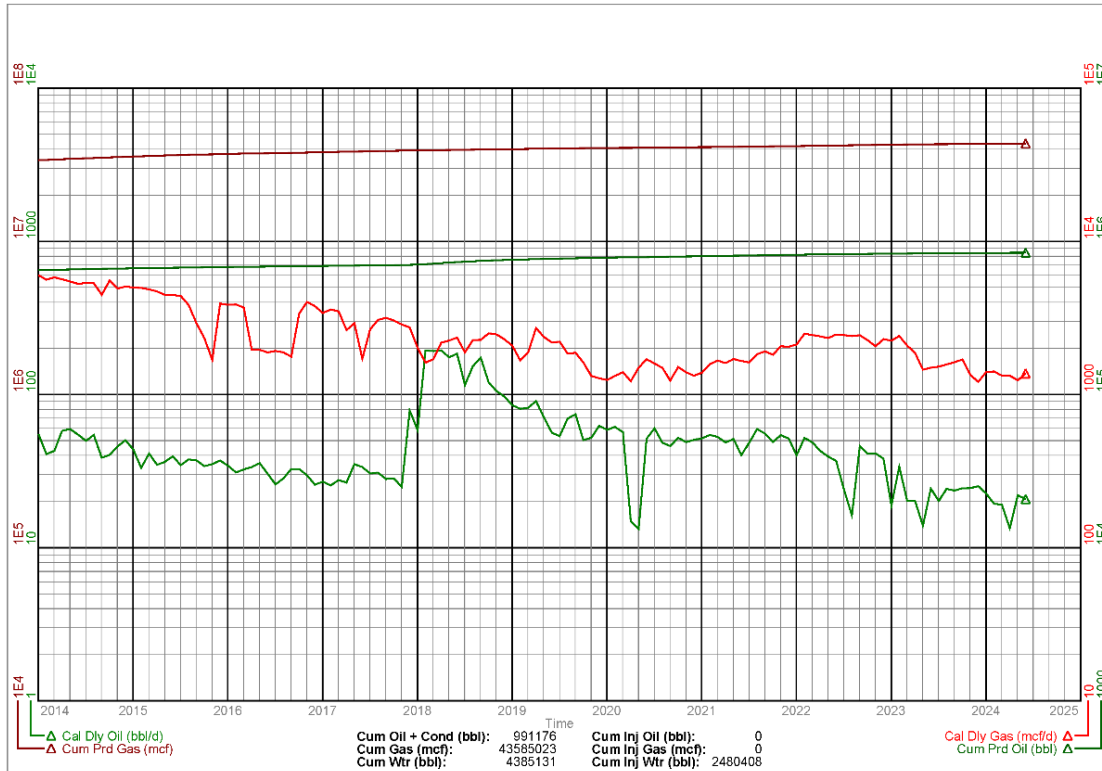
Average daily sales production net to Muddy from the Properties for the first six months of 2024 was approximately 48 boe/d, consisting of approximately 209 Mcf/d of natural gas and 13 bbl/d of oil and natural gas liquids as outlined below.

Operating income net to Muddy for the first six months of 2024 was approximately (\$94,200) or approximately (\$188,400) annualized as outlined below.

PROPERTY	Jan-Jun 2024 NET PRODUCTION (Average Daily)				NOI Jan-Jun 2024 Monthly
	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	
Gold Creek	-	7	76	20	(\$2,800)
Obed	-	Tr	92	16	(\$2,300)
Kaybob	3	-	41	10	(\$6,600)
Pembina	2	-	-	2	(\$1,100)
Gilby	1	-	-	1	\$1,300
Non-Producing	-	-	-	-	(\$4,200)
TOTAL	5	8	209	48	(\$15,700)*

*NOI includes property taxes for fiscal 2024 and all workover expenses.

Gross Production Group Plot of Muddy's Oil & Natural Gas Wells





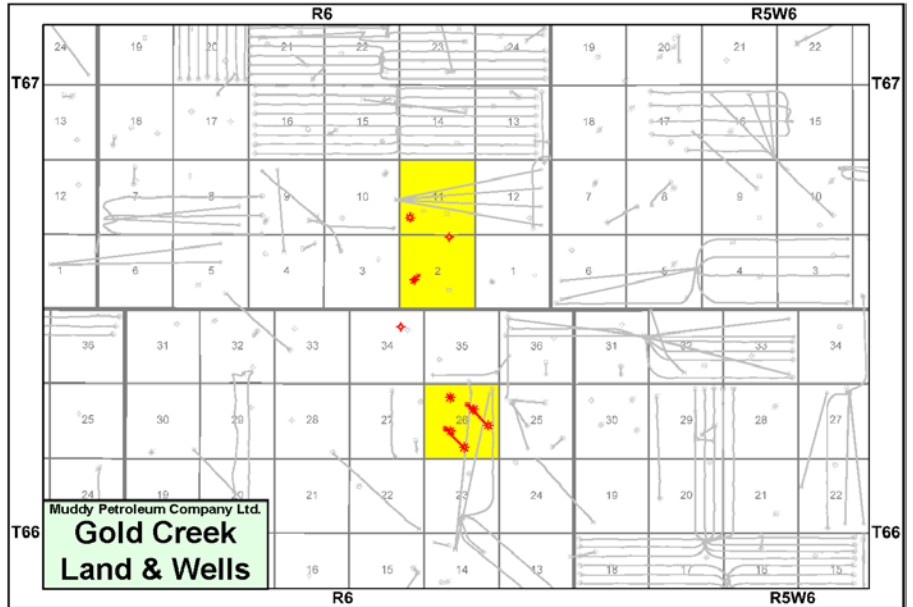
Gold Creek Property

At *Gold Creek*, Muddy holds non-operated working interests ranging from 9%-16% in three sections of land operated by **New Times Energy Canada GP3 Ltd.** The property produces natural gas from the Nikanassin Formation.

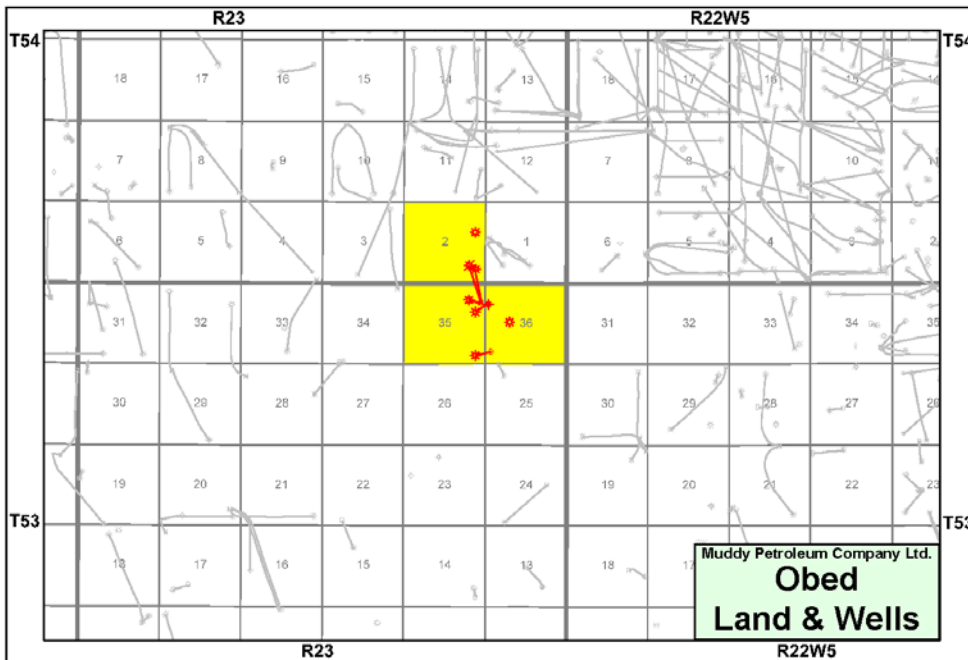
Average daily production net to Muddy from *Gold Creek* for the first half of 2024 was approximately 20 boe/d, consisting of 76 Mcf/d of natural gas and seven bbl/d of oil and natural gas liquids.

Operating income net to Muddy from *Gold Creek* for the first six months of 2024 was approximately (\$2,800) per month, or (\$33,600) on an annualized basis.

Township 66-67, Range 6 W6



Obed Property



Township 53-54, Range 23 W5

In the *Obed* area, Muddy holds working interests ranging from 10%-20% in three sections of land operated by **Tourmaline Oil Corp.** The property is producing natural gas primarily from the Cardium, Viking and Mannville formations.

Average daily production net to Muddy from *Obed* for the first six months of 2024 was 16 boe/d, consisting of 92 Mcf/d of natural gas and trace amounts of natural gas liquids.

Operating income net to Muddy from *Obed* for the first half of 2024 was approximately (\$2,300) per month, or (\$27,600) on an annualized basis.





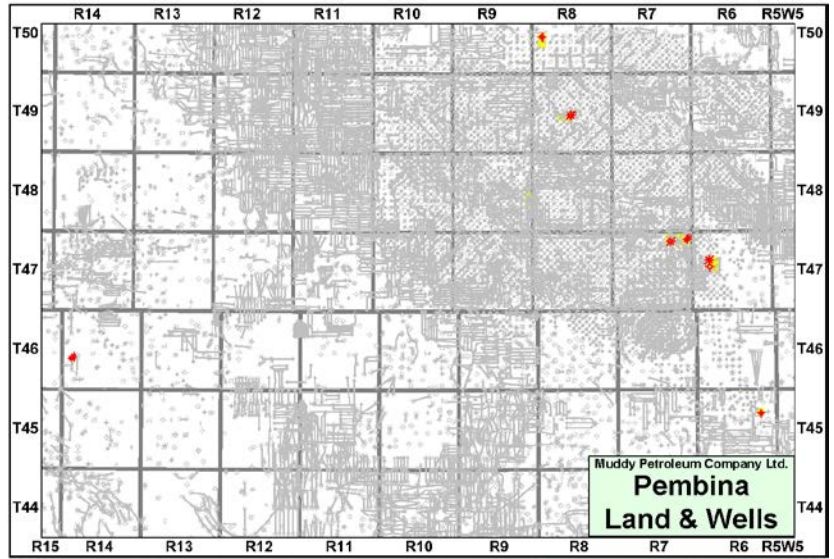
Pembina Property

Township 45-50, Range 6-14 W5

At *Pembina*, Muddy holds a 100% operated interest in the well *Muddy Pembina 100/16-18-050-08W5/03* and 1.5%-20% non-operated working interest in several sections of land. The Company's non-operated interests at *Pembina* are operated by **Cenovus Energy Inc.** and **Westbrick Energy Ltd.**

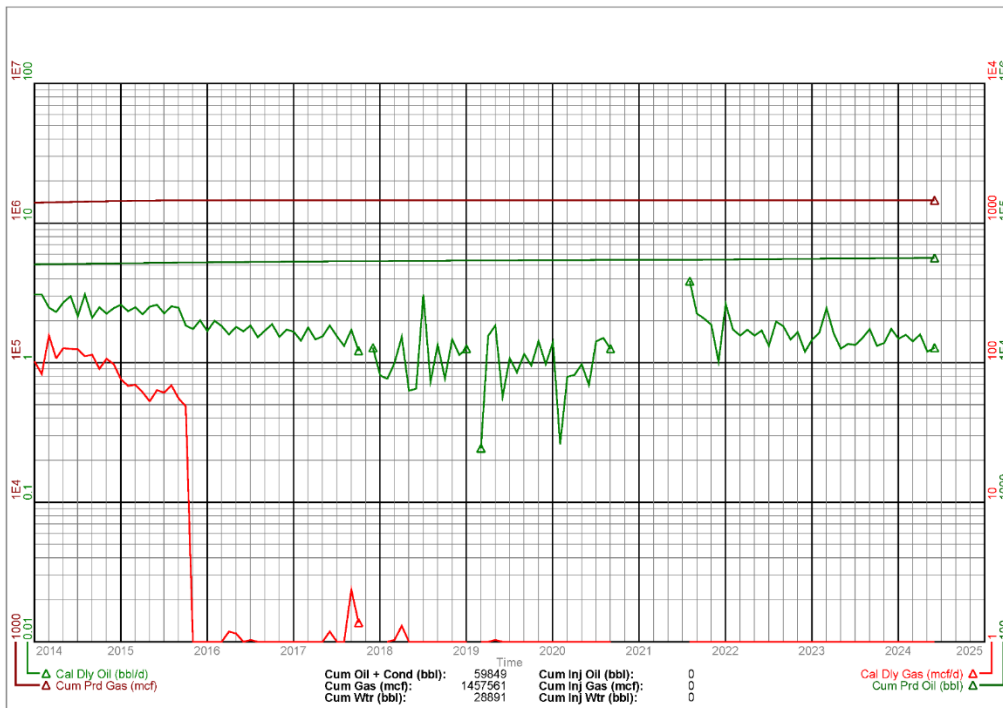
Current production from *Pembina* is from the 100/16-18-050-08W5/03 well. The well is producing oil from the Cardium Formation.

Average daily production net to Muddy from *Pembina* for the first half of 2024 was approximately two boe/d, consisting of two bbl/d of oil.



Operating income net to Muddy from *Pembina* for the first six months of 2024 was approximately (\$1,100) per month, or (\$13,200) on an annualized basis.

Pembina, Alberta – Gross Production Group Plot of Muddy's Oil Wells



Pembina LMR as of September 7, 2024

As of September 7, 2024, the *Pembina* property had a deemed net asset value of (\$231,587) (deemed assets of \$61,983 and deemed liabilities of \$293,570), with an LMR ratio of 0.21.





Kaybob Property

Township 63, Range 19 W5



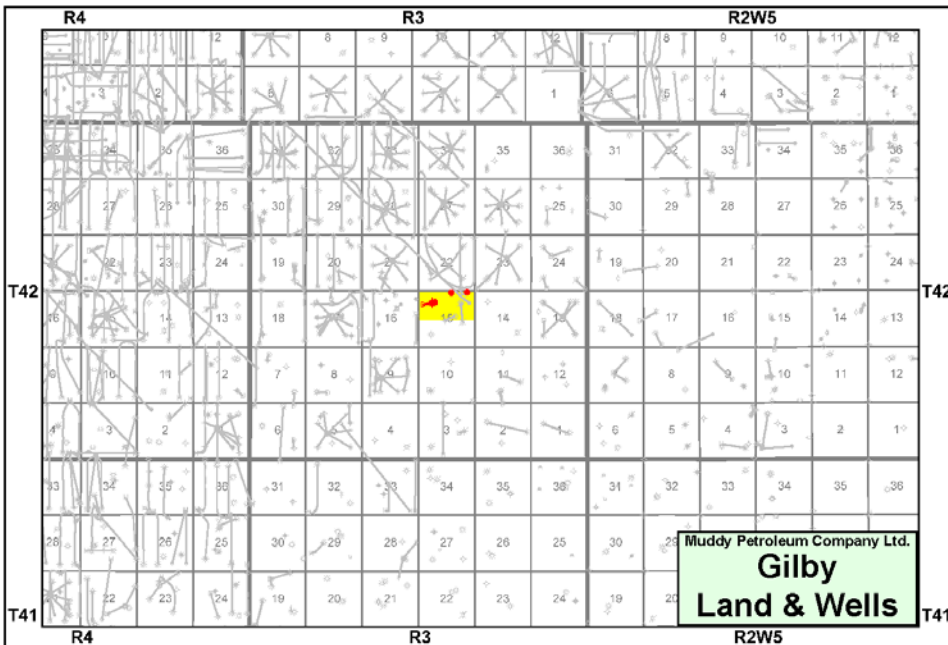
At *Kaybob*, Muddy holds a 30% non-operated working interest in three quarter sections of land. The well *MUDDY HZ KAYBOB 02/01-29-063-19W5/00* is operated by **NVP Exploration Inc.** Production from *Kaybob* is from the Gething Formation. Muddy is currently in a penalty position on the 102/01-29-063-19W5/0 well.

Average daily production net to Muddy from *Kaybob* for the first half of 2024 was approximately 10 boe/d, consisting of 41 Mcf/d of natural gas and three bbl/d of natural gas liquids.

Operating income net to Muddy from *Kaybob* for the six months of 2024 was approximately (\$6,600) per month, or (\$79,200) on an annualized basis.

Gilby Property

Township 42, Range 3 W5



At *Gilby*, Muddy holds a 12% non-operated working interest in two sections of land operated by **Journey Energy Inc.** The well *102/15-15-042-03W5/00* is producing oil from the Belly River Formation.

Average daily production net to Muddy from *Gilby* for the first half of 2024 was approximately one boe/d, consisting of one barrel of oil per day.

Operating income net to Muddy from *Gilby* for the first six months of 2024 was approximately \$1,300 per month, or \$15,600 on an annualized basis.



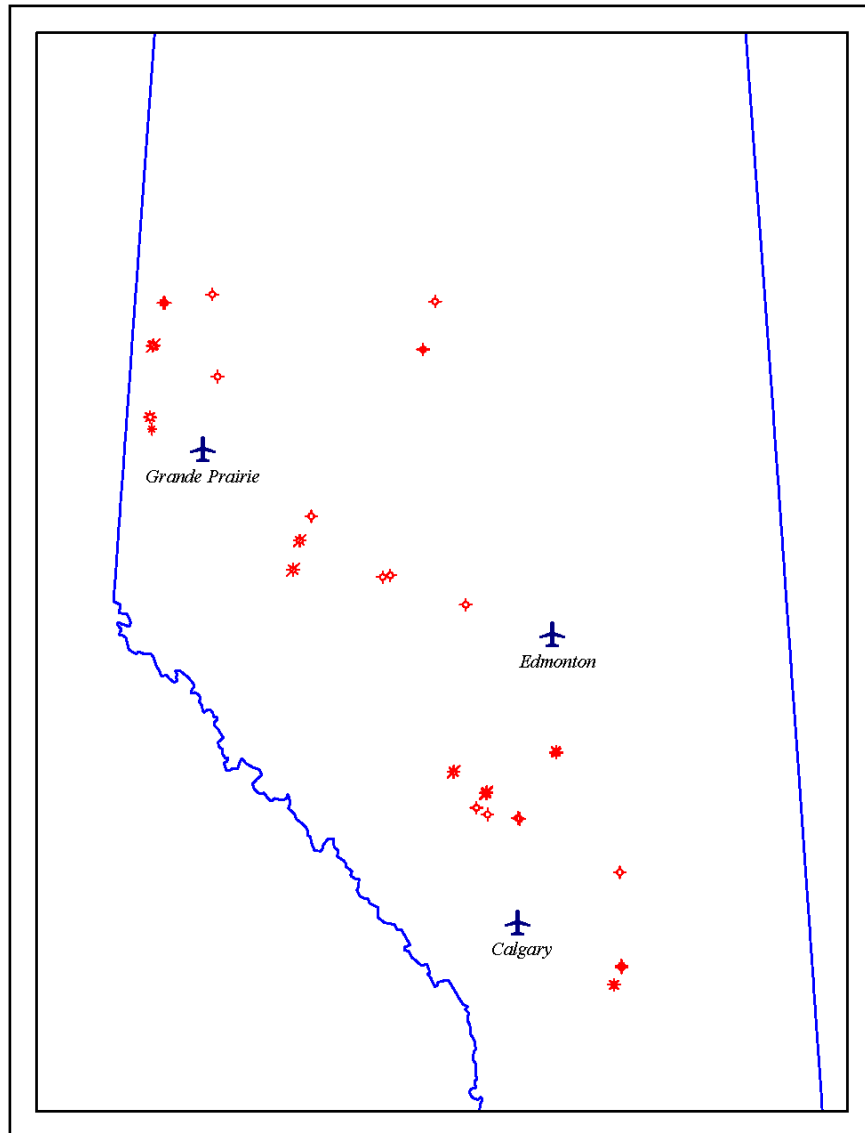


Non-Producing Properties

Muddy holds working interests in certain non-producing properties located in the *Bigstone, Bonanza, Cherhill, Chigwell, Drumheller, Ferrier, Garrington, Goodwin, Innisfail, Jumpbush, Knopcik, Pine Creek, Red Earth, Sylvan Lake, Utikuma, Waskahigan, Windfall* and *Worsley* areas of Alberta.

Operating income net to Muddy from its non-producing properties for the first six months of 2024 was approximately (\$4,200) per month or (\$50,400) on an annualized basis.

Overview Map Showing the Location of Muddy's Non-Producing Properties



Non-Producing LMR as of September 7, 2024

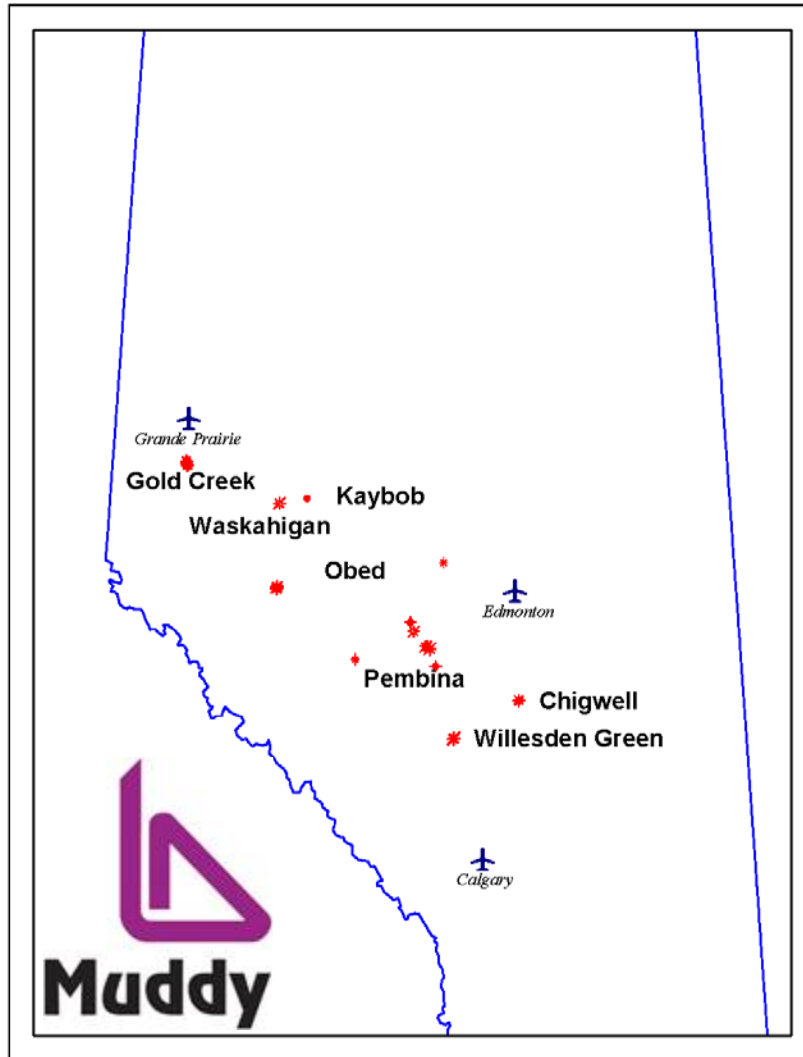
The Company's operated non-producing properties are located in the *Chigwell, Waskahigan* and *Worsley* areas of Alberta.

As of September 7, 2024, the non-producing properties had a deemed net asset value of (\$343,186) (deemed assets of \$0 and deemed liabilities of \$343,186), with an LMR ratio of 0.00.





Muddy Petroleum Company Ltd. Strategic Alternatives Process Fall 2024



CONTACT

Parties wishing to receive access to the confidential information 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 (tpavic@sayeradvisors.com) or fax (403.266.4467).

Included in the confidential information is the following: most recent net lease operating statements, summary land information, LMR information and other relevant corporate and technical information.

To receive further information on the Company please contact Tom Pavic, Ben Rye or Sydney Birkett at 403.266.6133.



Overview

Muddy Petroleum Company Ltd. (“Muddy” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with a strategic alternatives process. The Company is open to reviewing all alternatives including, but not limited to, a corporate transaction resulting in the sale of all of the shares of the Company or the sale of the majority of Muddy’s oil and natural gas assets, in whole or in part.

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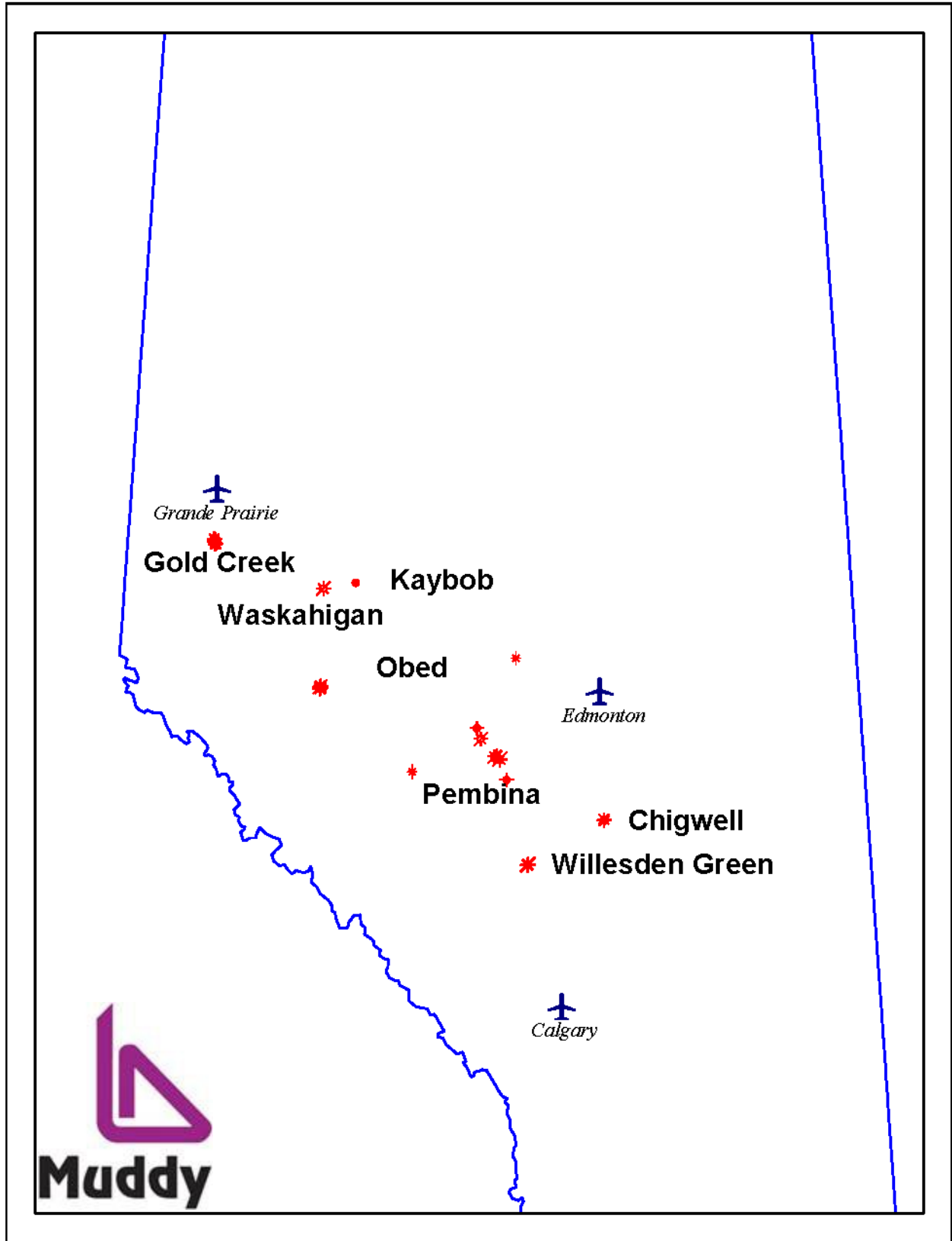
Average daily sales production net to Muddy from the Properties for the first six months of 2024 was approximately 48 boe/d, consisting of approximately 209 Mcf/d of natural gas and 13 bbl/d of oil and natural gas liquids.

As at July 31, 2024, the Company had nominal working capital. As at December 31, 2023, Muddy had total unused Canadian income tax pools of approximately \$10.9 million, including \$3.4 million of non-capital losses.

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Overview Map Showing the Location of Muddy's Producing Properties



Corporate Overview

Muddy is a tightly-held private junior oil and natural gas company with a small number of shareholders, and no debt or severance obligations.

As at July 31, 2024, the Company had nominal working capital. As at December 31, 2023, Muddy had total unused Canadian income tax pools of approximately \$10.9 million, including \$3.4 million of non-capital losses.

Additional corporate information relating to Muddy will be provided to parties upon execution of a confidentiality agreement.

Officers	President & Chief Executive Officer	Brian Krausert
	Controller	Peter Van Roijen

Board of Directors	Chairman, Director	Brian Krausert
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Capital Structure	Class A Common Shares	2,554,300
	Class B Common Shares	300
	Bank Debt	Nil
	Promissory Note (as at December 31, 2023)	\$10,915,000
	Due to Shareholders	

Tax Pools		As at December 31, 2023
	Cumulative Canadian Development Expenses	\$5,659,098
	Non-Capital Losses	\$3,449,376
	Capital Cost Allowance	\$654,611
	Cumulative Canadian Exploration Expenses	\$474,988
	Cumulative Canadian Oil and Gas Property Expenses	\$392,506
	Capital Losses	\$290,279
	Total	\$10,920,858

Office Lease	None
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Severance	None
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Production Overview

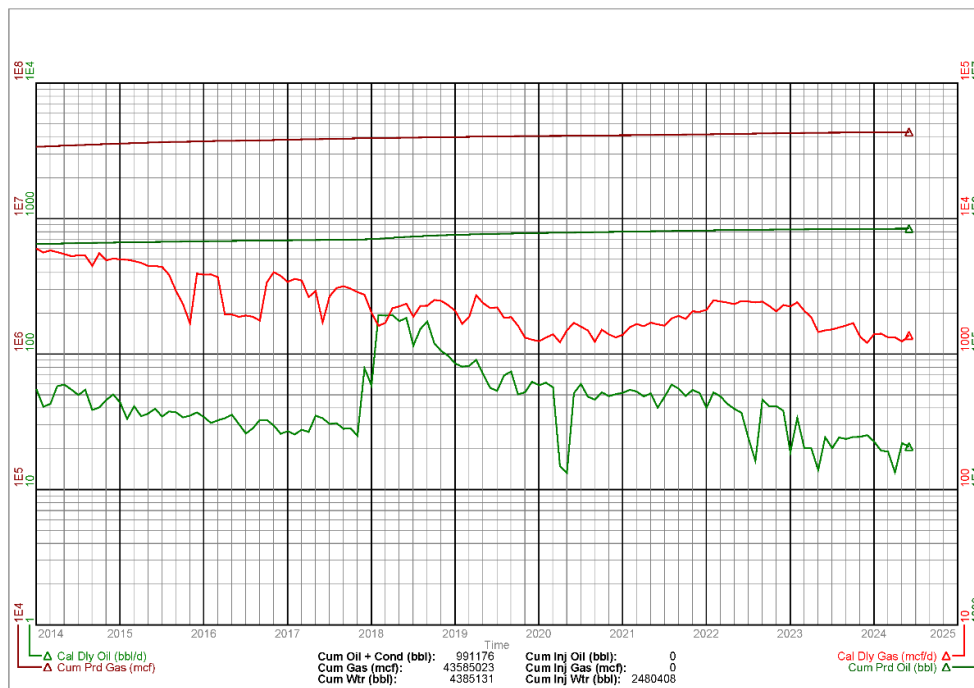
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	Oil	Ngl	Nat. Gas	Total	Jan-Jun
	bbl/d	bbl/d	Mcf/d	boe/d	2024 Monthly
Gold Creek	-	7	76	20	(\$2,800)
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Pembina	2	-	-	2	(\$1,100)
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Non-Producing	-	-	-	-	(\$4,200)
TOTAL*	5	8	209	48	(\$15,700)*

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Gross Production Group Plot of Muddy's Oil & Natural Gas Wells



LMR Summary

Muddy's current production is from its non-operated properties, and one operated well at *Pembina*.

As of September 7, 2024, the Properties had a deemed net asset value of (\$574,773) (deemed assets of \$61,983 and deemed liabilities of \$636,756), with an LMR ratio of 0.10. These numbers do not include Muddy's current security deposit with the **Alberta Energy Regulator** which is approximately \$809,000.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$61,983	\$636,756	(\$574,773)	0.10

Marketing Overview

Muddy has a purchase contract in place with **Global Petroleum Marketing Inc.** for oil. Oil is delivered to **Secure Energy Services** terminals at Drayton Valley, Fox Creek and Valleyview.

Seismic Overview

The Company does not have an interest in any seismic data relating to the Properties.

Reserves Overview

The Company does not have a third-party reserves evaluation.

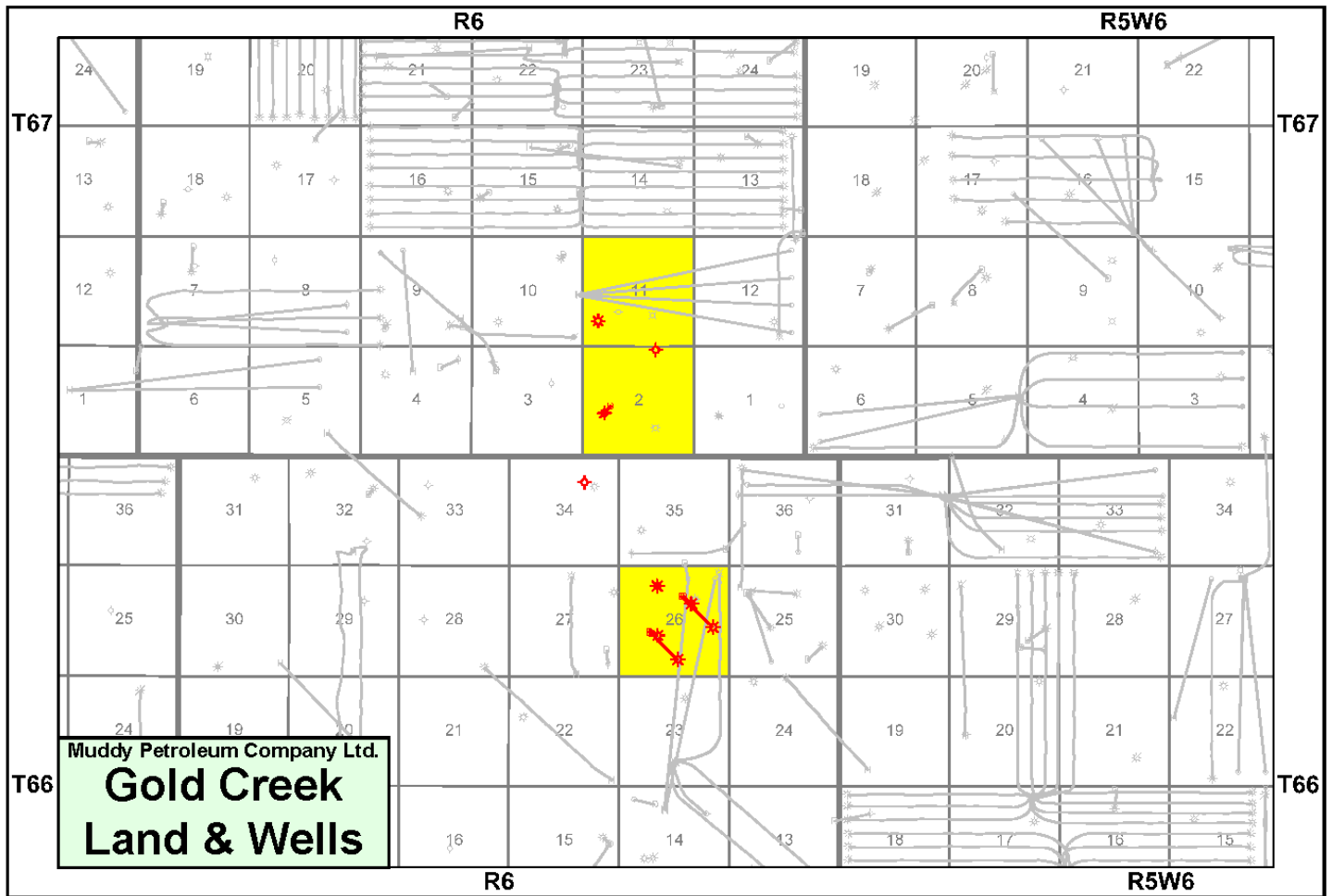
Gold Creek Property

Township 66-67, Range 6 W6

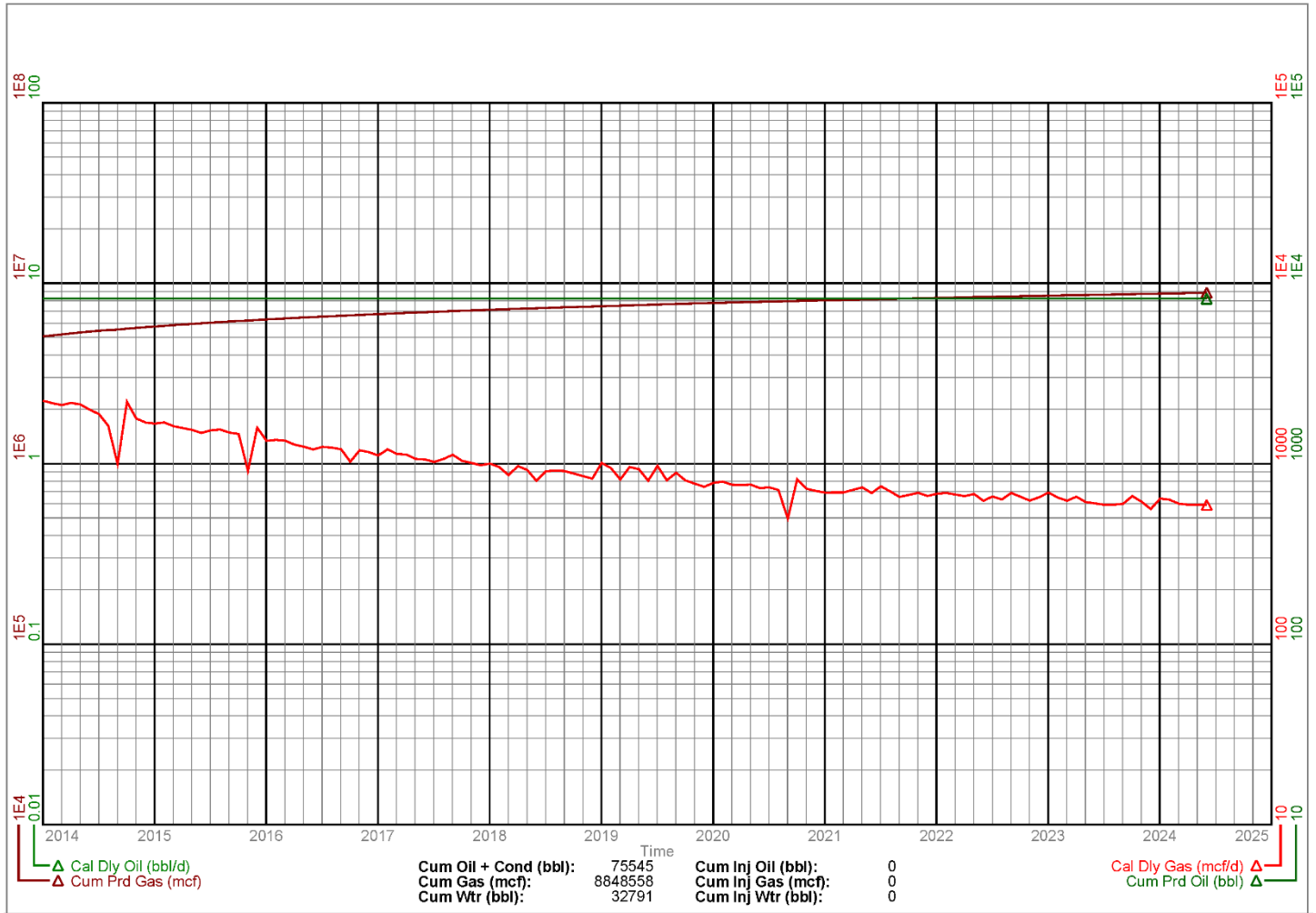
At *Gold Creek*, Muddy holds 9%-16% non-operated working interest in three sections of land operated by **New Times Energy Canada GP3 Ltd.** The property produces natural gas from the Nikanassin Formation.

Average daily production net to Muddy from *Gold Creek* for the first six months of 2024 was approximately 20 boe/d, consisting of 76 Mcf/d of natural gas and seven bbl/d of oil and natural gas liquids.

Operating income net to Muddy from *Gold Creek* for the first six months of 2024 was approximately (\$2,800) per month, or (\$33,600) on an annualized basis.



Gold Creek, Alberta – Gross Production Group Plot of Muddy’s Natural Gas Wells



Gold Creek Facilities

Muddy has a 10% working interest in a single well battery at 04-11-67-06W6 at *Gold Creek*.

Gold Creek Reserves

The Company does not have a third-party reserve evaluation.

Gold Creek LMR as of September 7, 2024

The Company does not operate any wells or facilities at *Gold Creek*.

Gold Creek Well List

See well list in Excel.

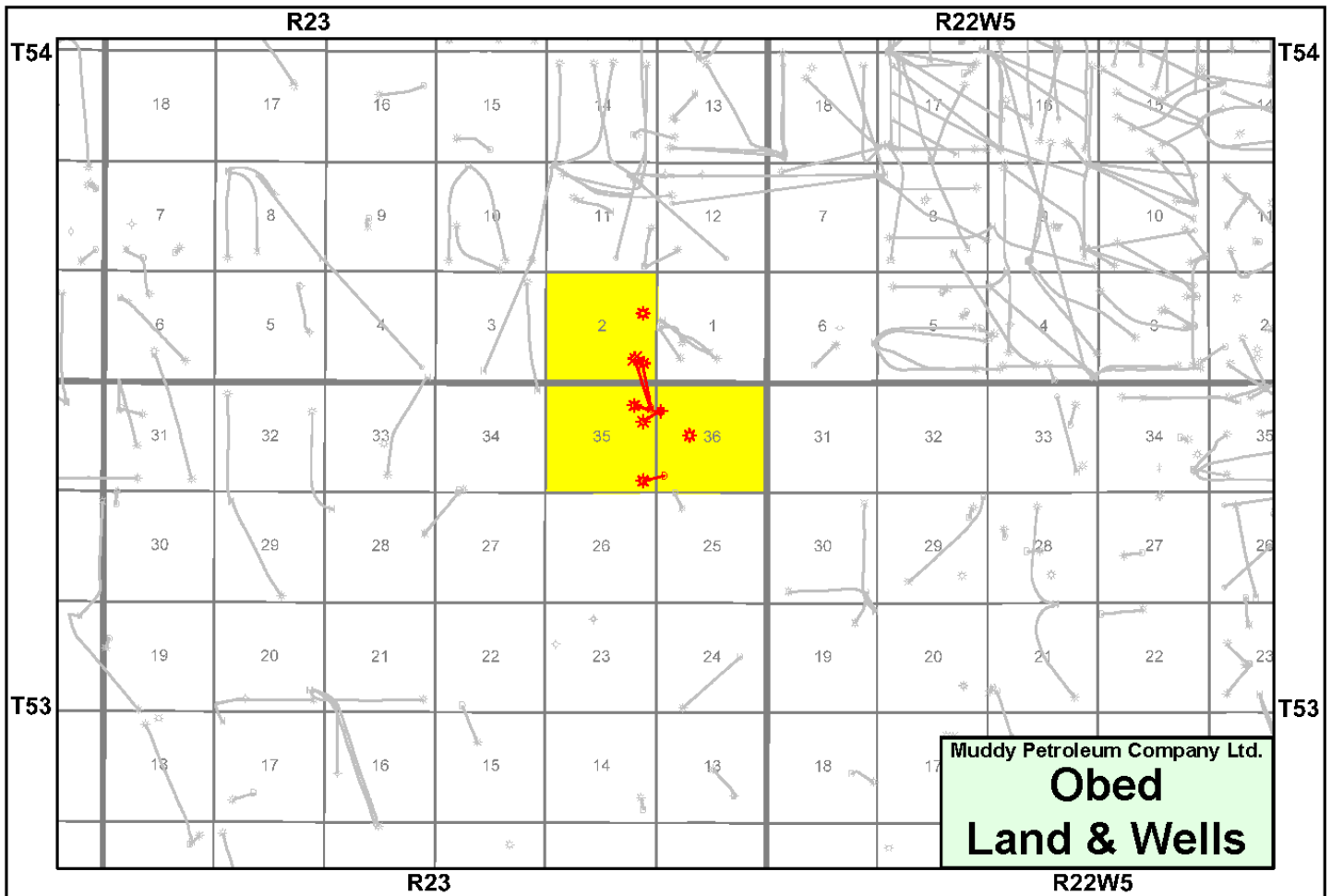
Obed Property

Township 53-54, Range 23 W5

In the *Obed* area, Muddy holds 10%-20% working interests in three sections of land operated by **Tourmaline Oil Corp.** The property is producing natural gas primarily from the Cardium, Viking and Mannville formations.

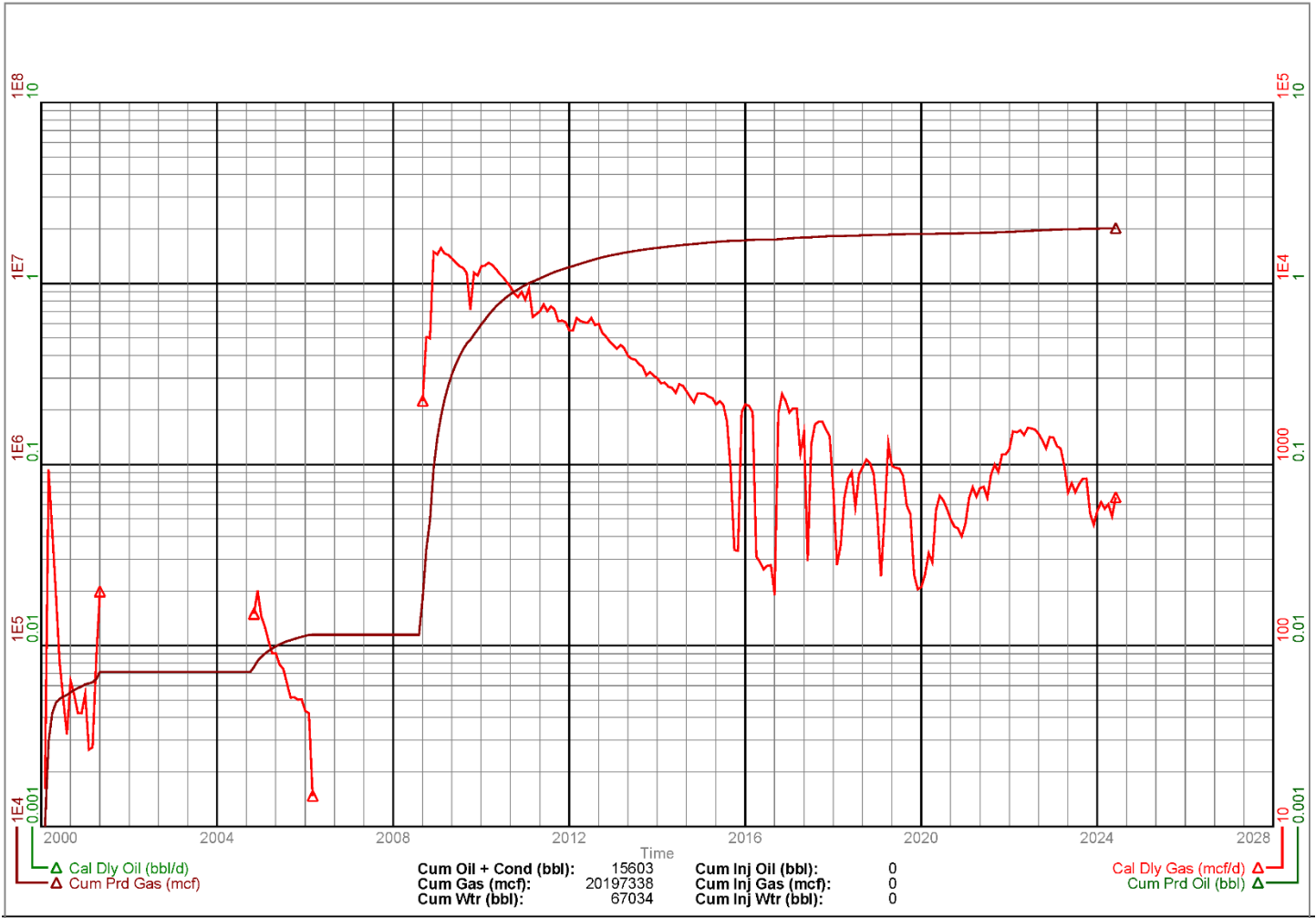
Average daily production net to Muddy from *Obed* for the first six months of 2024 was 16 boe/d, consisting of 92 Mcf/d of natural gas and trace amounts of natural gas liquids.

Operating income net to Muddy from *Obed* for the first six months of 2024 was approximately (\$2,300) per month, or (\$27,600) on an annualized basis.





Obed, Alberta – Gross Production Group Plot of Muddy’s Natural Gas Wells



Obed Facilities

Muddy has an 18.75% working interest in two single well batteries at 2/01-02-54-23W5 and 09-02-54-23W5 at *Obed*.

Obed Reserves

The Company does not have a third-party reserve evaluation.

Obed LMR as of September 7, 2024

The Company does not operate any wells or facilities at *Obed*.

Obed Well List

See well list in Excel.

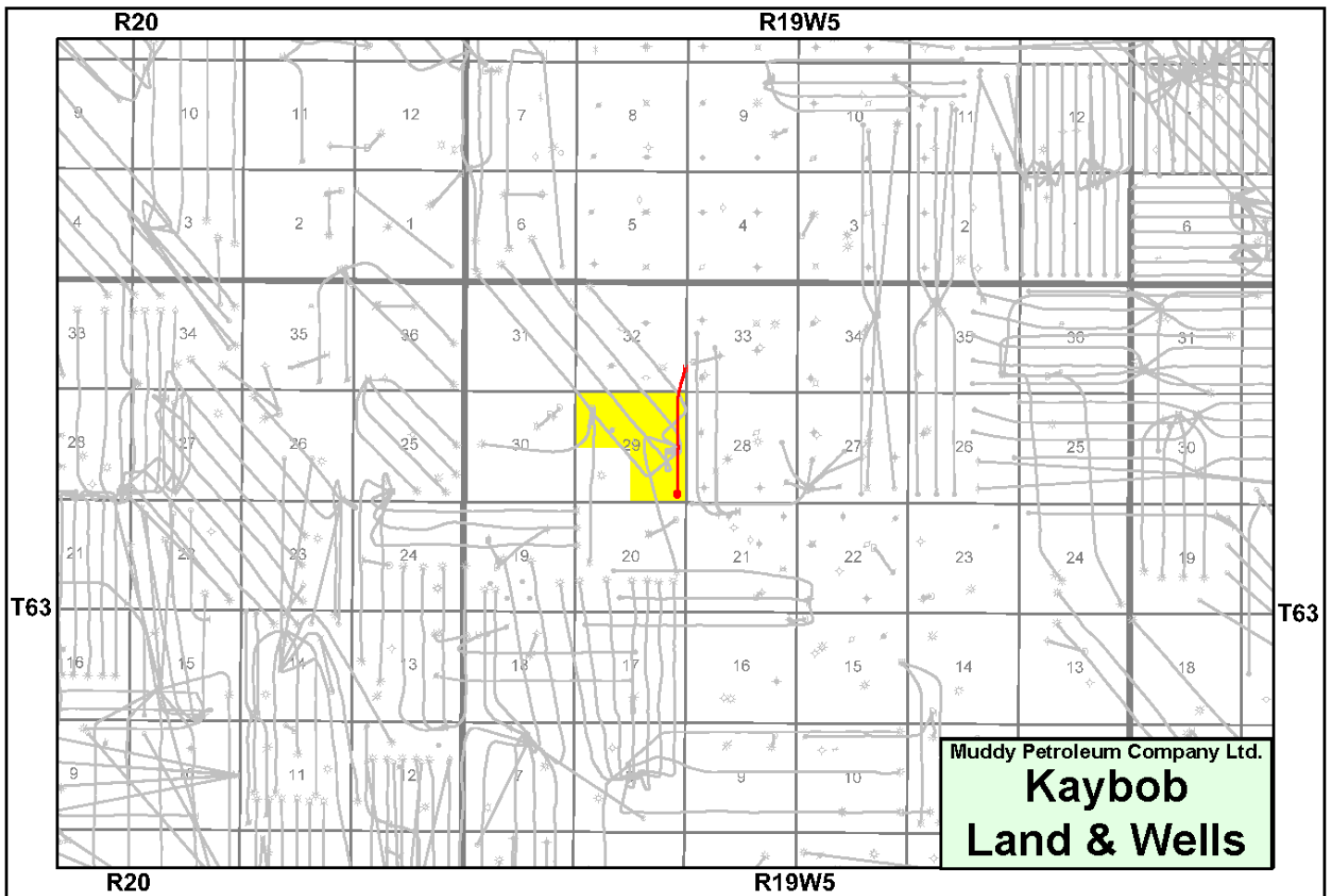
Kaybob Property

Township 63, Range 19 W5

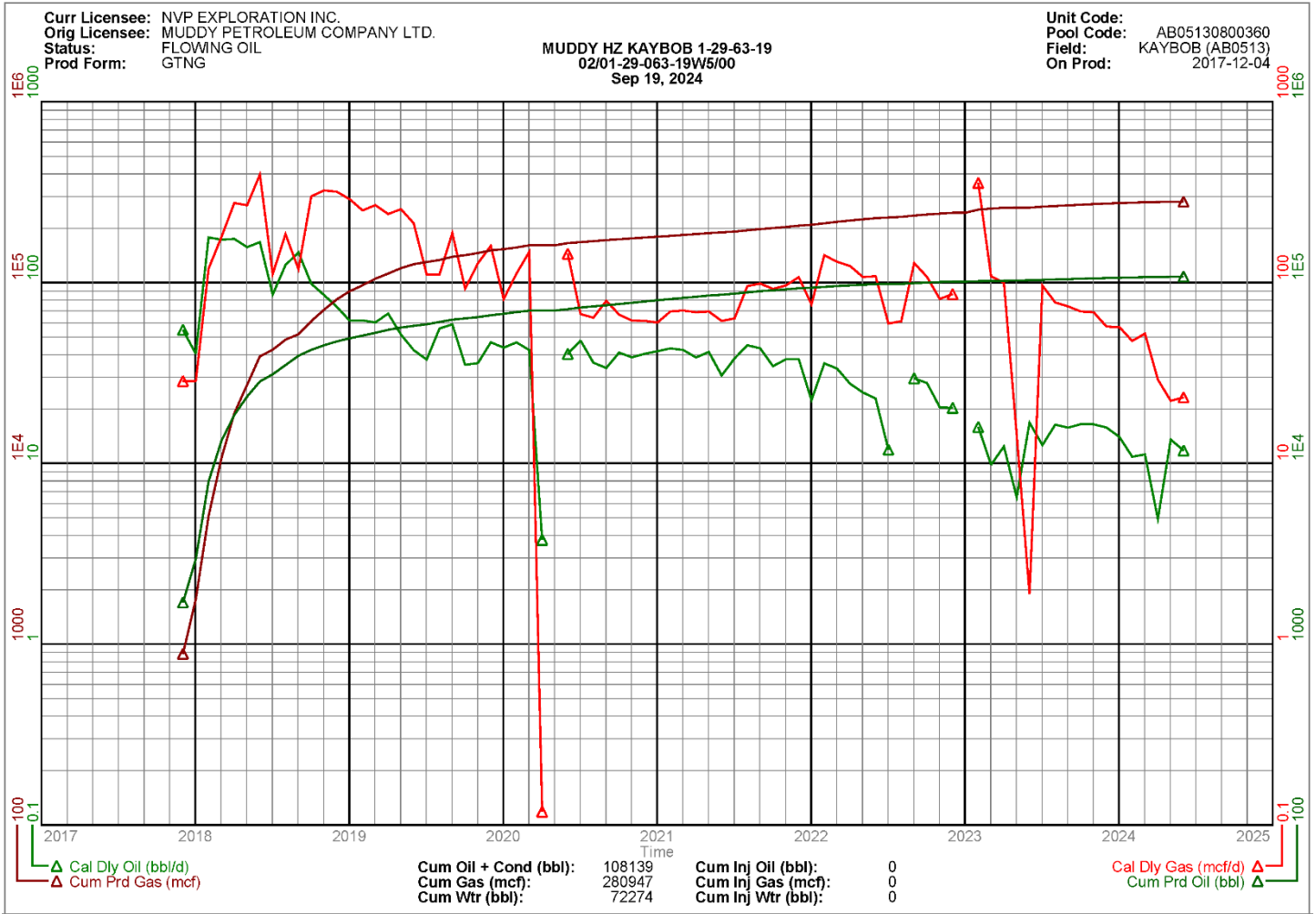
At *Kaybob*, Muddy holds a 30% non-operated working interest in three quarter sections of land. The well *MUDDY HZ KAYBOB 02/01-29-063-19W5/00* is operated by **NVP Exploration Inc.** Production from *Kaybob* is from the Gething Formation. Muddy is currently in a penalty position on the 102/01-29-063-19W5/0 well.

Average daily production net to Muddy from *Kaybob* for the first six months of 2024 was approximately 10 boe/d, consisting of 41 Mcf/d of natural gas and three bbl/d of oil and natural gas liquids.

Operating income net to Muddy from *Kaybob* for the first six months of 2024 was approximately (\$6,600) per month, or (\$79,200) on an annualized basis.



Kaybob, Alberta – Gross Production Group Plot of Muddy’s Oil & Natural Gas Wells



Kaybob Facilities

Muddy does not have an interest in any facilities at *Kaybob*.

Kaybob Reserves

The Company does not have a third-party reserve evaluation.

Kaybob LMR as of September 7, 2024

The Company does not operate any wells or facilities at *Kaybob*.

Kaybob Well List

See well list in Excel.

Pembina Property

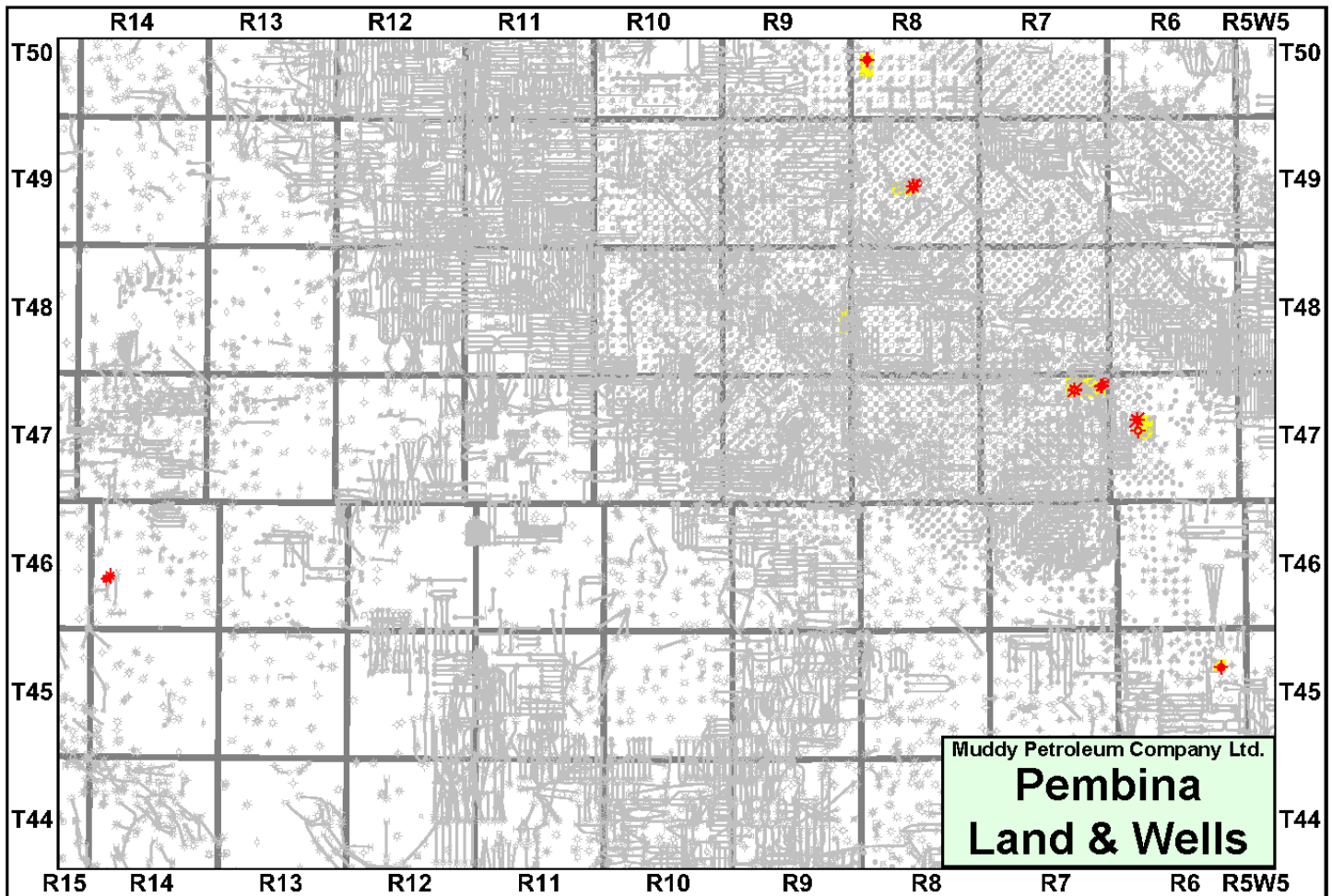
Township 45-50, Range 6-14 W5

At *Pembina*, Muddy holds a 100% operated interest in the well *Muddy Pembina 100/16-18-050-08W5/03* and 1.5%-20% non-operated working interest in several sections of land. The Company's non-operated interests at *Pembina* are operated by **Cenovus Energy Inc.** and **Westbrick Energy Ltd.**

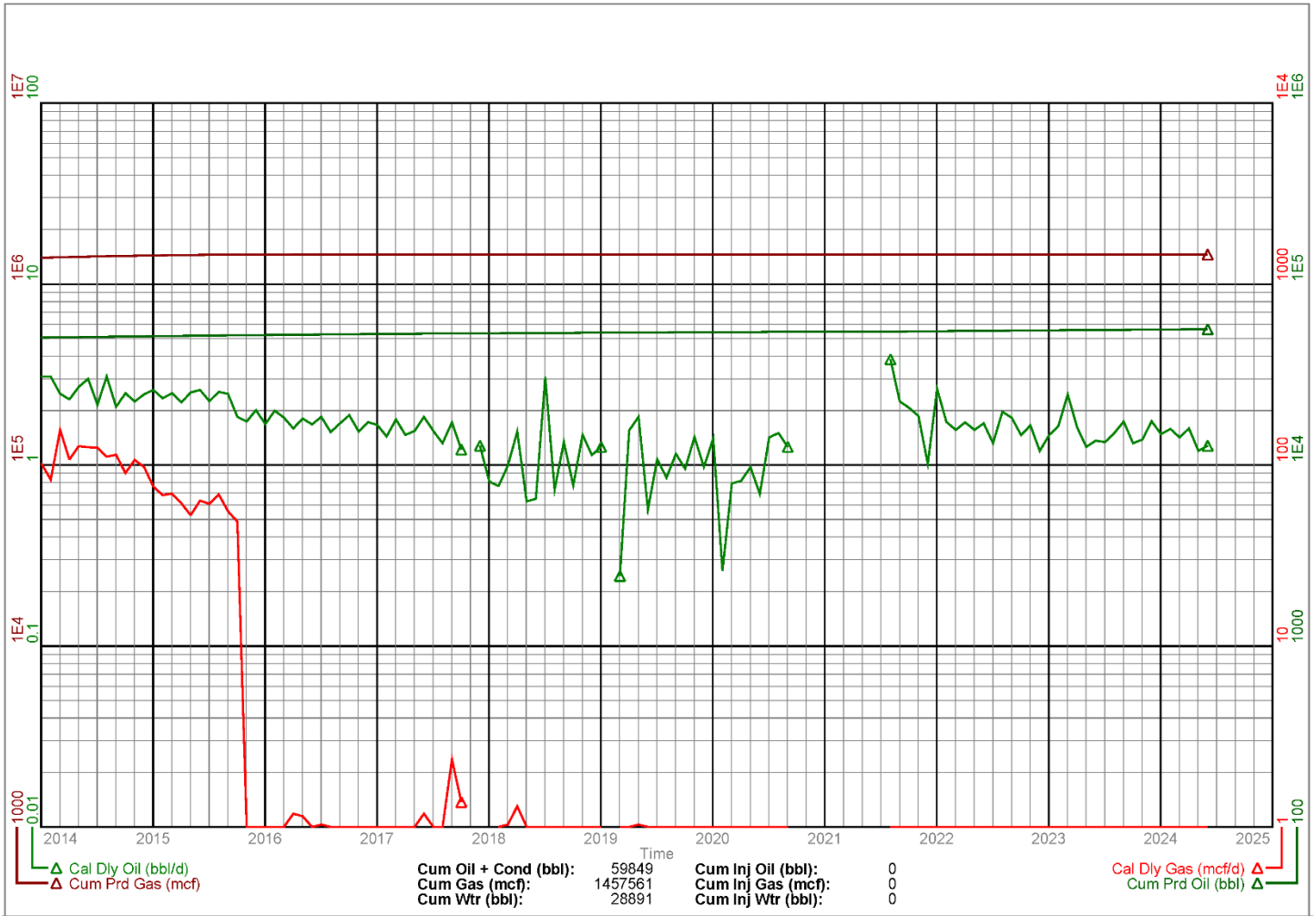
Current production from *Pembina* is from the 100/16-18-050-08W5/03 well. The well is producing oil from the Cardium Formation.

Average daily production net to Muddy from *Pembina* for the first six months of 2024 was approximately two boe/d, consisting of two bbl/d of oil.

Operating income net to Muddy from *Pembina* for the first six months of 2024 was approximately (\$1,100) per month, or (\$13,200) on an annualized basis.



Pembina, Alberta – Gross Production Group Plot of Muddy’s Oil Wells



Pembina Facilities

Muddy has an interest in the following facilities at *Pembina*.

Single well batteries at located at 01-26-045-06W5, 06-35-047-07W5, 09-36-047-07W5, 00/13-15-049-08W5 and 16-18-050-08W5, and a natural gas gathering system at 00/13-15-049-08W5.

Pembina Reserves

The Company does not have a third-party reserve evaluation.

Pembina LMR as of September 7, 2024

As of September 7, 2024, the *Pembina* property had a deemed net asset value of (\$231,587) (deemed assets of \$61,983 and deemed liabilities of \$293,570), with an LMR ratio of 0.21.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$61,983	\$293,570	(\$231,587)	0.21

Pembina Well List

See well list in Excel.

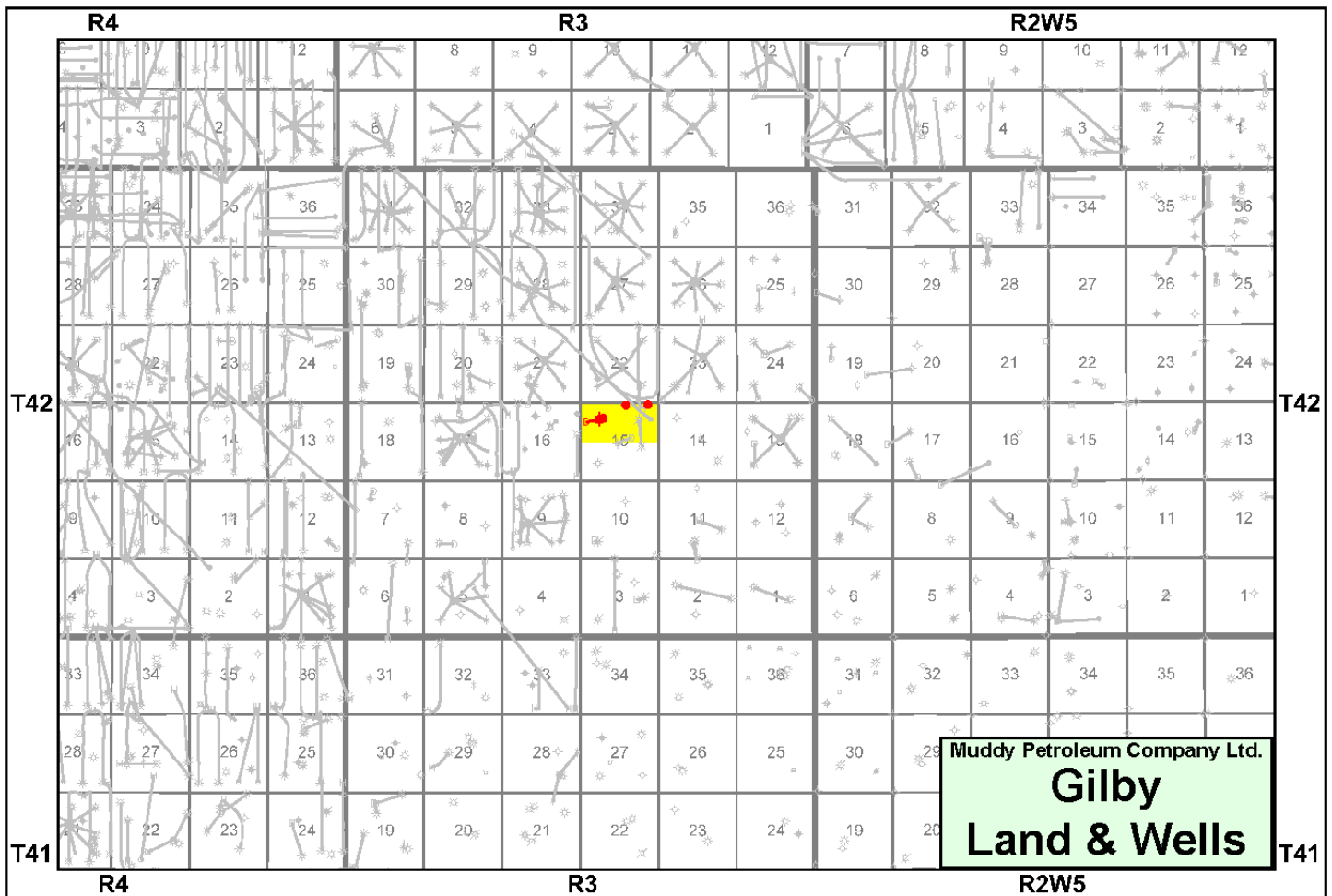
Gilby Property

Township 42, Range 3 W5

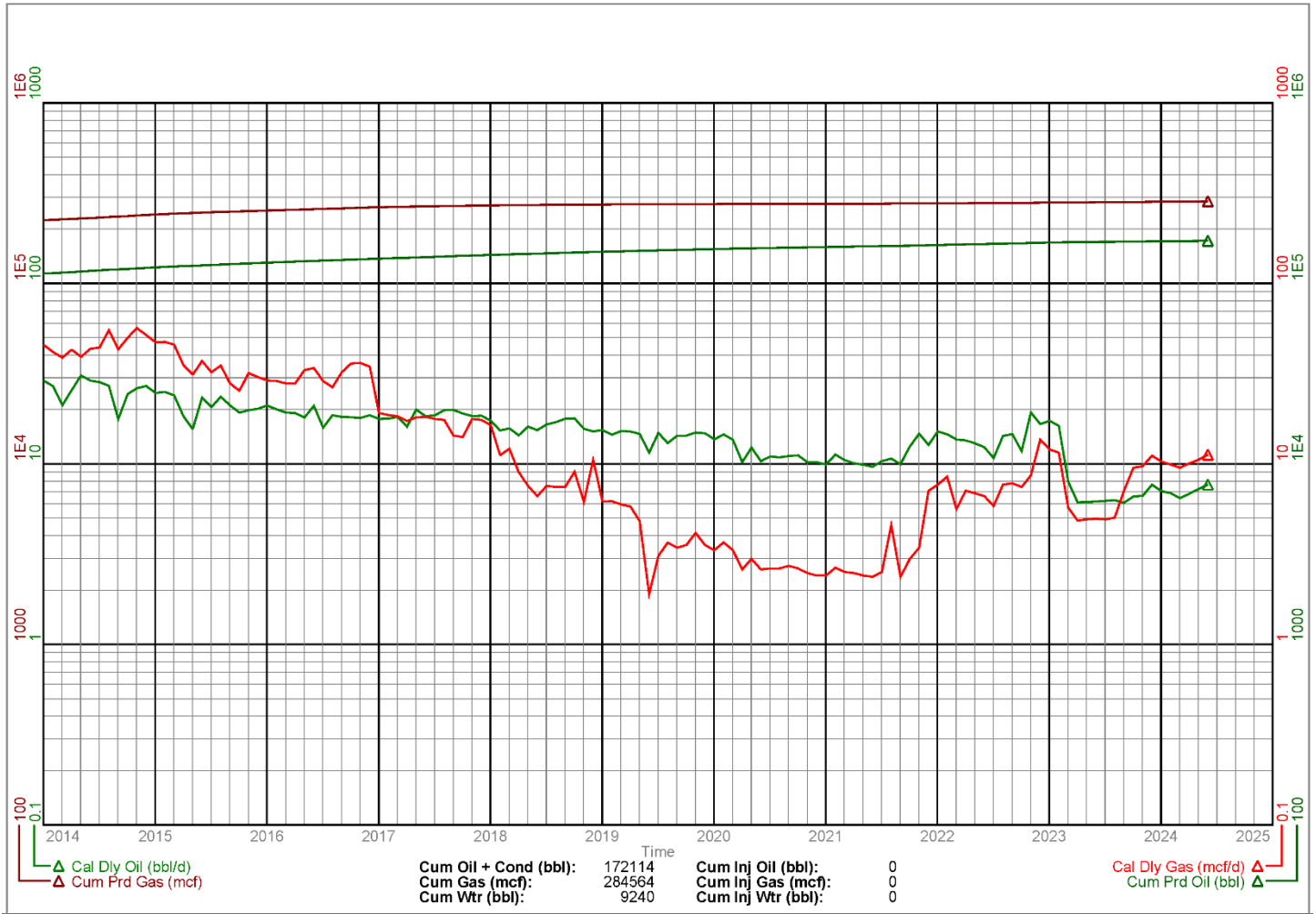
At *Gilby*, Muddy holds a 12% non-operated working interest in two sections of land operated by **Journey Energy Inc.** The well *102/15-15-042-03W5/00* is producing oil from the Belly River Formation.

Average daily production net to Muddy from *Gilby* for the first six months of 2024 was approximately one boe/d, consisting of one barrel of oil per day.

Operating income net to Muddy from *Gilby* for the first six months of 2024 was approximately \$1,300 per month, or \$15,600 on an annualized basis.



Gilby, Alberta – Gross Production Group Plot of Muddy’s Natural Gas Wells



Gilby Facilities

Muddy does not have an interest in any facilities at *Gilby*.

Gilby LMR as of September 7, 2024

The Company does not operate any wells or facilities at *Gilby*.

Gilby Reserves

The Company does not have a third-party reserve evaluation.

Gilby Well List

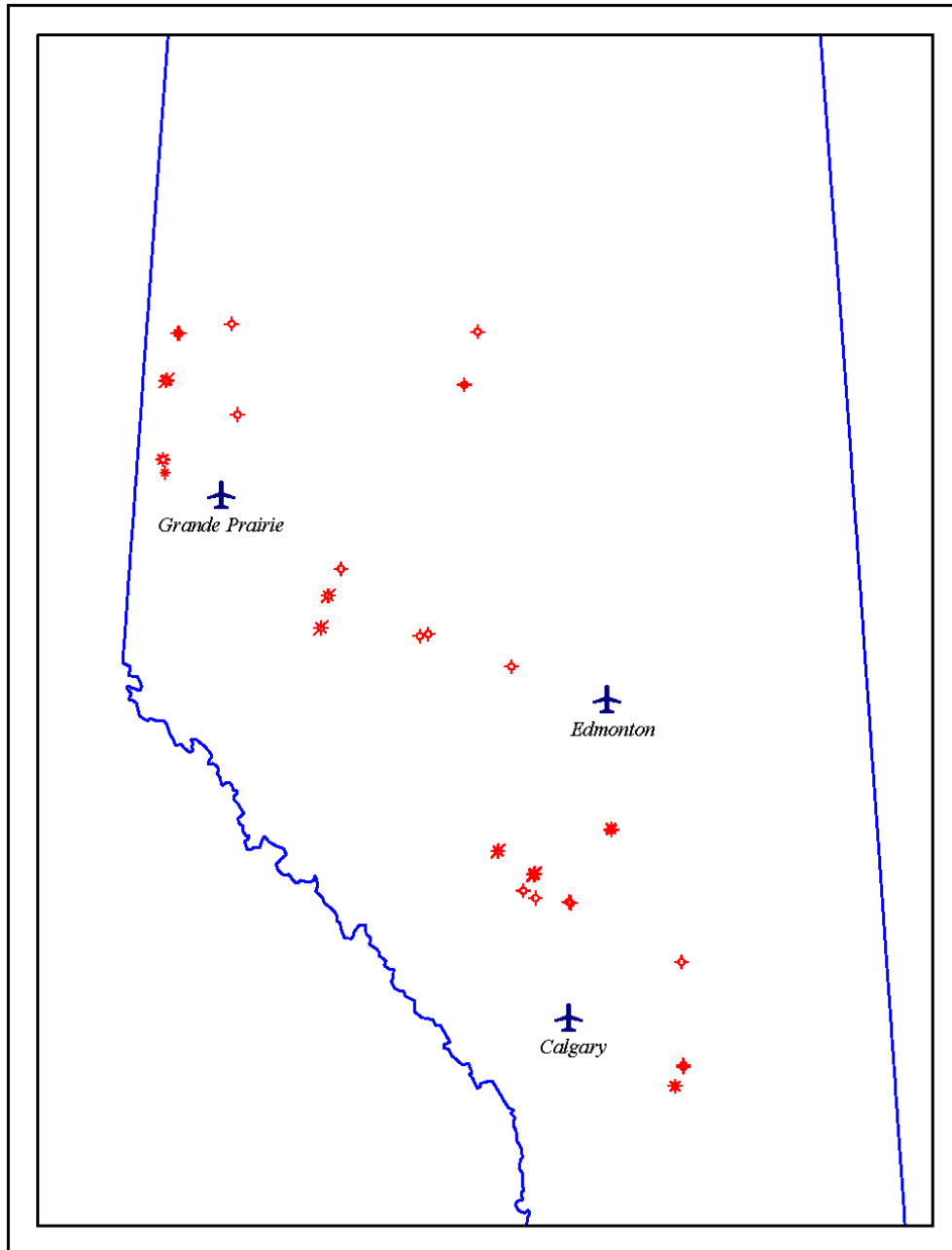
See well list in Excel.

Non-Producing Properties

Muddy holds working interests in certain non-producing properties located in the *Bigstone, Bonanza, Cherhill, Chigwell, Drumheller, Ferrier, Garrington, Goodwin, Innisfail, Jumpbush, Knopcik, Pine Creek, Red Earth, Sylvan Lake, Utikuma, Waskahigan, Windfall* and *Worsley* areas of Alberta.

Operating income net to Muddy from its non-producing properties for the first six months of 2024 was approximately (\$4,200) per month or (\$50,400) on an annualized basis.

Overview Map Showing the Location of Muddy's Non-Producing Properties



Non-Producing LMR as of September 7, 2024

The Company's operated non-producing properties are located in the *Chigwell*, *Waskahigan* and *Worsley* areas of Alberta.

As of September 7, 2024, the non-producing properties had a deemed net asset value of (\$343,186) (deemed assets of \$0 and deemed liabilities of \$343,186), with an LMR ratio of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$343,186	(\$343,186)	0.00

Non-Producing Properties Well List

See well list in Excel.

CONFIDENTIALITY AGREEMENT

(the "Agreement")

PRIVATE AND CONFIDENTIAL

_____, 20____

Company Name: _____

Street Address: _____

City, Province: _____

Postal Code: _____

Attention: _____

**Re: Muddy Petroleum Company Ltd.
Strategic Alternatives Process**

In connection with your possible interest in a transaction with Muddy Petroleum Company Ltd. (the "**Corporation**") which may include but is not limited to the acquisition of the shares of the Corporation, an amalgamation, an arrangement or other form of business combination with the Corporation, or the acquisition of the Corporation's assets and/or operations upon a mutually agreeable basis (the "**Proposed Transaction**"), you acknowledge that we are providing you with certain information about the Corporation which is non-public, strictly confidential and proprietary in nature pursuant to the terms and conditions of this Agreement. All information furnished to you and your directors, officers, employees, agents or representatives, including without limitation, affiliates, attorneys, accountants, consultants and financial advisors (collectively herein referred to as "**Representatives**"), whether communicated in written form, orally, visually, demonstratively, technically or by any other electronic form or other media, or committed to memory, together with any and all analyses, compilations, studies, records, data, reports, correspondence, memoranda, specifications, materials, applications, technical data, derivative works, reproductions, copies, extracts, summaries or other documents prepared by your Representatives (whether in paper form, electronic form or any other means of creating or storing information) containing or based upon, in whole or in part, any such furnished information or reflecting your view of or interest in the Corporation is hereafter referred to as the "Information". As a condition precedent to making available to you the Information, you hereby agree as follows:

1. The Information shall be kept strictly confidential by you and your Representatives and you and your Representatives will not:
 - (a) use the Information in any way materially detrimental to the Corporation;
 - (b) disclose, divulge, publish, transcribe or transfer the Information, in whole or in part, without the prior written consent of the Corporation, which consent may be arbitrarily withheld or delayed; or
 - (c) use the Information, directly or indirectly, for any purpose other than in connection with your evaluation of the Proposed Transaction.

Moreover, you agree to provide the Information only to those Representatives who need to know the Information for the purposes of evaluating the Proposed Transaction, are informed by you of the confidential nature of the Information and who agree to be bound by the terms of this Agreement. You agree to keep a list of all Representatives to whom any Information has been

delivered and to provide that list on request. You agree to be responsible and jointly and severally liable for any breach of this Agreement by you or your Representatives.

2. You will make all reasonable, necessary and appropriate efforts to safeguard the Information from disclosure to anyone other than as permitted hereby. The obligation to keep the Information confidential shall be limited to a period of one (1) year after the date of this Agreement or upon the consummation of a Proposed Transaction contemplated above, whichever is the first to occur.
3. Until our joint announcement of a Proposed Transaction as described above, you will direct your Representatives not to disclose to any other person that the Information has been made available, or that discussions and negotiations are taking place concerning a possible transaction, including the status thereof or the terms of this Agreement. The term "person" as used in this Agreement shall be broadly interpreted to include, without limitation, any individual, corporation, company, group, partnership or other entity of any kind. The restrictions contained in this Agreement shall not apply to approaches made by either of us or our Representatives, to government officials in Canada or the United States in connection with our preparation of a proposal for any Proposed Transaction as described above or disclosure required by law, provided that we mutually agree to limit such disclosure to the minimum Information required under applicable law and will use best efforts make such disclosure of Information subject to an obligation of confidentiality. Nothing in this Agreement will restrict either party from making a press release with respect to a Proposed Transaction if, in the reasonable opinion of such party's legal counsel, a material change in such party's affairs has occurred and such disclosure is required by applicable securities laws. In such event, the party intending to make a press release will use all commercially reasonable efforts to consult with the other party as to the intended contents of such press release prior to issuing such press release.
4. You agree to keep a record of each location of the Information. If either party hereto determines that it does not wish to enter into a Proposed Transaction as contemplated above, it will promptly advise the other party of that fact. In such case, or in the event that we do not effect a Proposed Transaction as contemplated above or if a party hereto requests for any reason whatsoever, you will promptly, upon receiving written request, deliver to the Corporation all Information in the possession of you or your Representatives, without retaining copies thereof. In such event, all other documents constituting the Information (whether in paper form, electronic form or any other means of creating or storing information) will be destroyed. Notwithstanding the foregoing or Section 2 above, if you or your Representatives' computer systems create copies of Information during back up procedures, you or your Representatives, as applicable, may retain such copies of Information in its archival or back up computer storage for the period that it normally backs up computer records, provided that such computer records shall be subject to the confidentiality provisions of this Agreement until the same are destroyed.
5. The term "Information" as used in this Agreement does not include information which:
 - (a) is or becomes generally available to the public other than as a result of the disclosure by you or anyone to whom you or any of your Representatives transmit any Information;
 - (b) is or becomes available to you or your Representatives from a source other than the Corporation or its Representatives on a non-confidential basis and not in contravention of applicable law or contractual restriction or obligation of confidentiality as evidenced by your or your Representatives' written records;
 - (c) you can demonstrate is already in your possession, or in the possession of any of your Representatives, provided that such Information is not subject to another confidentiality or non-disclosure agreement with, or other obligation of confidentiality to, a third party; or

- (d) becomes available to you or your Representatives under any joint operating or other agreement which you have with us.
6. During the period commencing on the date of this Agreement and terminating upon the date that is one (1) year after the date of this Agreement or the entering into of a definitive agreement for the Proposed Transaction, whichever is the first to occur, you will not, nor shall any person you are “affiliated with” as such term is interpreted in the Securities Act (Alberta), without the written consent of the board of directors or an officer of the Corporation:
- (a) acquire or agree to acquire, or make any proposal to acquire, in any manner, any securities or property of the Corporation;
 - (b) commence or tender an offer to acquire any securities of the Corporation;
 - (c) solicit proxies from the Corporation’s shareholders or form, join or in any way participate in a group that is a “control person” as such term is interpreted in the Securities Act (Alberta);
 - (d) engage in any discussions or negotiations, or enter into any agreement, in order to propose or effect any acquisition or business combination transaction with respect to the Corporation provided, however, that nothing in this Section 6 shall prohibit you from engaging in any discussions or negotiations with a third party concerning:
 - i. financing with respect to the Proposed Transaction as contemplated herein; or
 - ii. a joint proposal by us and such third party of any transaction involving the other which would be permitted to propose a loan in accordance with the terms of this Agreement;
 - (e) seek representation on the board of directors of the Corporation, or otherwise seek to control or influence the management, the board of directors or the policies of the Corporation;
 - (f) act jointly or in concert with any other person, or knowingly advise, assist or encourage any other person, in connection with any activity listed above in this Section 6;
 - (g) make any public disclosure of any consideration, intention or arrangement to do any activity listed above in this Section 6, or take any action that would reasonably be expected to require the Corporation to make any public disclosure with respect to any activity listed above in this Section 6;
 - (h) seek any amendment to or waiver of the prohibitions under this Section 6; or
 - (i) solicit, employ or engage, directly or indirectly, any person currently employed or engaged as an employee or consultant by the Corporation, provided, however, that there will be no breach of this Section 6(i) by virtue of making general solicitations of employment in the ordinary course of business.
7. You acknowledge that the Corporation does not, and the Corporation’s Representatives do not, make any representation or warranty, whether express or implied, arising at law, by statute or in equity, as to the accuracy or completeness of the Information, whether express or implied, arising at law, by statute or in equity, or with respect to the merchantability, condition or fitness of the assets or property of the Corporation to which the Information makes reference. You further acknowledge that the Corporation and its Representatives will not have any liability to you or any of your Representatives relating to or resulting from the use by you or any of your Representatives of the Information, or any errors in or omissions from the Information, except in accordance with any specific representation or warranty made in any definitive agreement entered into in respect of the Proposed Transaction.

8. In the event that either you or any of your Representatives to whom you transmit the Information pursuant to this Agreement is required by applicable law to disclose any of the Information, you and your applicable Representatives will:
 - (a) to the extent legally permitted (i) immediately notify the Corporation of the existence and terms of, and circumstances surrounding, the requirement, (ii) consult with the Corporation on the advisability of taking legally available steps to resist or narrow the requirement, and (iii) if requested by the Corporation, cooperate with the Corporation to seek a protective order or other appropriate remedy at the expense of the Corporation; and
 - (b) disclose only that portion of the Information that, after complying with Section 8 and in the opinion of its legal counsel, is required to be disclosed and make reasonable efforts to preserve the confidentiality of the Information disclosed.
9. You and your Representatives will notify the Corporation immediately upon discovery of any unauthorized use or disclosure of Information or any breach of this Agreement.
10. You acknowledge and agree that irreparable harm would occur for which monetary damages alone would not be an adequate remedy if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Corporation will be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to obtain specific performance of the terms of this Agreement, in each case without any requirement to post bond or security in connection with obtaining that equitable relief. The right to equitable relief under this Section 10 is in addition to and not in substitution for any other rights or remedies available at law or in equity.
11. You acknowledge that the Information is confidential and proprietary to the Corporation and its affiliates, and further acknowledge that, except for the permitted purpose of evaluating the Proposed Transaction, neither you nor any of your Representatives has any right to use, or title to, or interest in, the Information.
12. You acknowledge that the Corporation has no obligation to disclose or continue to make available any Information, and neither party has any obligation to commence or continue any discussions or negotiations related to the Proposed Transaction, by virtue of this Agreement. If either party at any time determines not to proceed with the Proposed Transaction, it will promptly notify the other party of that determination.
13. You acknowledge that you are aware, and will advise your relevant Representatives, that the Information may include material non-public information, and that applicable securities laws impose restrictions on trading securities when in possession of that information and on communicating that information to other persons.
14. You will implement appropriate security measures or otherwise take reasonable precautions to secure the Information and ensure that appropriate technical and organizational means are in place to protect the Information against unauthorized or unlawful access or processing and against accidental disclosure, loss, destruction or damage, including taking reasonable steps to ensure the reliability of any of your Representatives permitted by you to have access to the Information.
15. It is further understood and agreed that no failure or delay by the Corporation in exercising any of its rights, power or privilege under this Agreement shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise of any right, power or privilege hereunder.

16. This Agreement shall be governed and construed in accordance with the laws of the Province of Alberta, specifically to agreements made and to be performed within such Province, and the federal laws of Canada applicable in such Province and the parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta in respect of any matter relating in any way to this Agreement.

Yours very truly,

MUDDY PETROLEUM COMPANY LTD.

Mr. Brian Krausert
President and Chairman

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

RECIPIENT COMPANY NAME

OFFICER'S SIGNATURE

OFFICER'S PRINTED NAME & TITLE

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: