



PRIMROSE DRILLING VENTURES LTD.

CORPORATE DIVESTITURE

PRIMROSE

OVERVIEW INFORMATION

Bid Deadline: 12:00 pm June 29, 2023

**Corporate Divestiture:
Various Areas, Alberta**

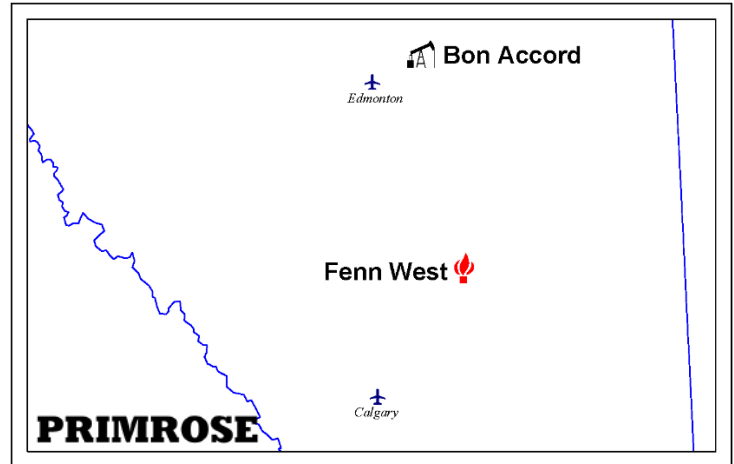
PRIMROSE

93 Mcf/d of Natural Gas, 10 bbl/d of Oil (26 boe/d)

Primrose Drilling Ventures Ltd. (“Primrose” or the “Company”) has engaged **Sayer Energy Advisors** to assist it with a sale of the shares of the Company.

Primrose is a private junior oil and natural gas company with operated working interests located in the *Fenn West* and *Bon Accord* areas of Alberta and additional working interests in certain non-producing wells located in the *Peco*, *Provost*, *Sunnynook*, *Red Willow* and *Wildwood* areas of Alberta (the “Properties”).

The Company currently has positive working capital of approximately \$1,700,000.



The Company also holds an operator’s license in Saskatchewan but currently does not own any oil and natural gas interests in Saskatchewan. Primrose is a tightly-held private company with only one shareholder and no debt or severance obligations. The shares of Primrose are held by 1280417 Alberta Ltd.

Average daily sales production net to Primrose from the Properties for the fourth quarter of 2022 was approximately 93 Mcf/d of natural gas and 10 barrels of oil per day (26 boe/d). Operating income net to Primrose from the Properties in the fourth quarter of 2022 averaged approximately \$6,400 per month, or \$76,800 on an annualized basis.

As of April 1, 2023, Primrose had total deemed assets of \$1.0 million, deemed liabilities of (\$939,416) (net deemed assets of \$85,695) with an LMR of 1.09. These numbers include Primrose’s security deposit with the Alberta Energy Regulator (“AER”) of approximately \$263,916.

PROCESS & TIMELINE

Sayer Energy Advisors is accepting proposals relating to this process until **12:00 pm on Thursday June 29, 2023.**

Timeline	
Week of May 22, 2023	Preliminary Information Distributed
Week of May 29, 2023	Data Room Opens
June 29, 2023	Bid Deadline
July/August 2023	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 proposals from interested parties until noon on Thursday June 29, 2023.



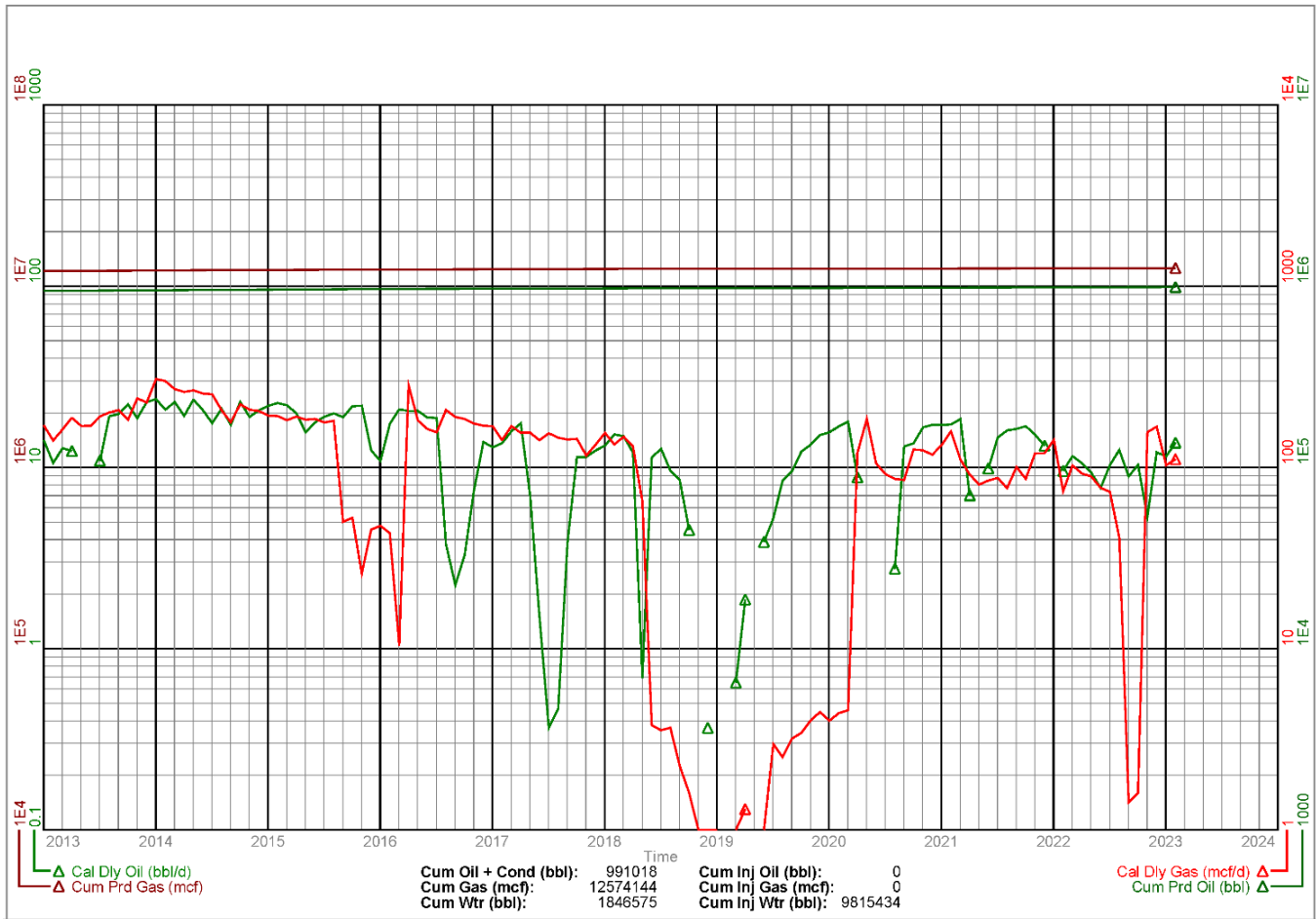
Production Overview

Average daily sales production net to Primrose from the Properties for fourth quarter of 2022 was approximately 93 Mcf/d of natural gas and 10 barrels of oil per day (26 boe/d) as outlined below.

PROPERTY	Q4 2022 NET PRODUCTION (Average Daily)				NOI Q4 2022 Monthly
	Oil	Ngl	Nat. Gas	Total	
	bbl/d	bbl/d	Mcf/d	boe/d	
Fenn West	-	-	93	16	\$11,000
Bon Accord	10	-	-	10	\$1,200
Additional Minors	-	-	-	-	(\$5,800)
TOTAL	10	-	93	26	\$6,400

Operating income net to Primrose from the Properties in the fourth quarter of 2022 averaged approximately \$6,400 per month, or \$76,800 on an annualized basis.

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





Corporate Overview

The Company currently has positive working capital of approximately \$1,700,000.

As at December 31, 2021, Primrose had total tax pools of approximately \$3.4 million, including \$2.8 million in capital and non-capital losses.

Primrose is a tightly-held private company with only one shareholder and no debt or severance obligations. The shares of Primrose are held by 1280417 Alberta Ltd.

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

Reserves Overview

The Company prepared an internal reserves evaluation of the Properties (the "Reserve Report") as part of the Company's year end reporting. The Reserve Report is effective January 1, 2023 using an average of GLJ Ltd., McDaniel & Associates Consultants Ltd. and Sproule Associates Limited's March 31, 2023 forecast pricing ("3C Average").

Primrose estimated that, as at January 1, 2023, the Properties contained remaining proved developed producing reserves of 69,000 barrels of oil and natural gas liquids and 493 MMcf of natural gas (151,000 boe), with an estimated net present value of \$1.4 million using forecast pricing at a 10% discount.

Primrose Drilling Ventures Ltd. as of January 1, 2023							
	COMPANY GROSS RESERVES				PV BEFORE TAX		
	Oil Mbbbl	Natural Gas MMcf	Ngl Mbbbl	Total MBOE	5%	10% (000s)	15%
Proved Developed Producing	69	493	0	151	\$1,771	\$1,385	\$1,121
Proved Non-Producing/Undeveloped	0	0	0	0	\$0	\$0	\$0
Total Proved	69	493	0	151	\$1,771	\$1,385	\$1,121
Probable	0	0	0	0	\$0	\$0	\$0
Total Proved Plus Probable	69	493	0	151	\$1,771	\$1,385	\$1,121

The reserve estimates and forecasts of production and revenues for the Company's properties were prepared within the context of a group of 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 Summary

As of April 1, 2023, Primrose had total deemed assets of \$1.0 million, deemed liabilities of (\$939,416) (net deemed assets of \$85,695) with an LMR of 1.09.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$1,025,111	\$939,416	\$85,695	1.09

The numbers listed in the preceding chart include Primrose's security deposit with the AER of approximately \$263,916.





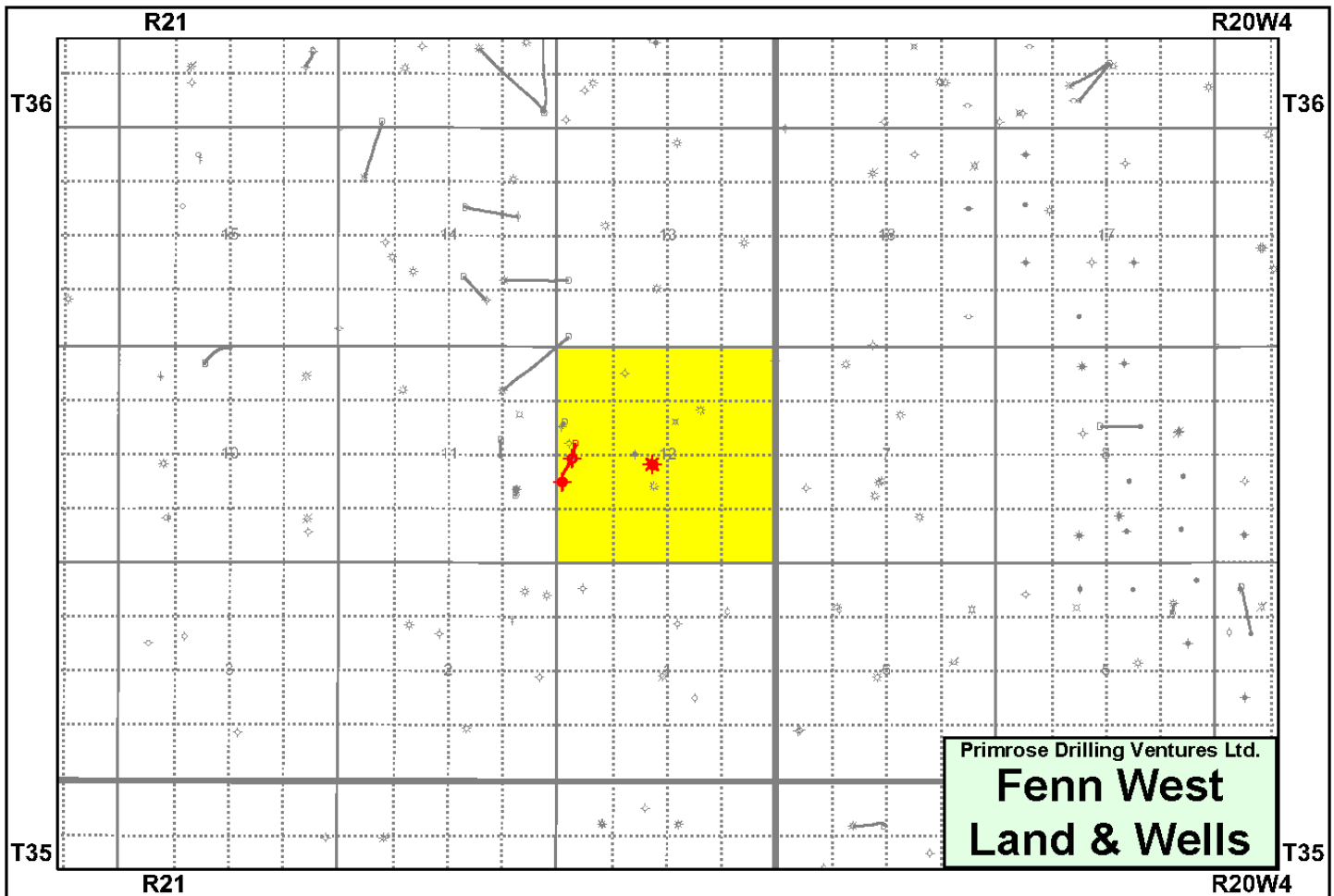
Fenn West Property

Township 36, Range 21 W4

At *Fenn West*, Primrose holds a 100% working interest in one section of Crown land on which there is one well producing natural gas from the Detrital Formation. Production from *Fenn West* is from the well *PDVL FennW 00/06-12-036-21W4/02*.

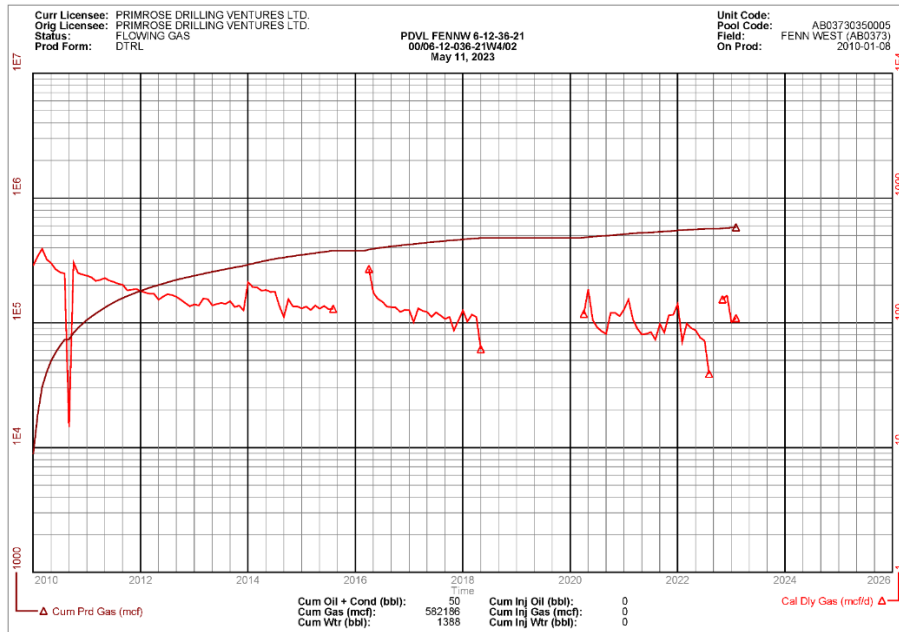
Average daily production sales net to Primrose from *Fenn West* for the fourth quarter of 2022 was approximately 93 Mcf/d of natural gas with minor volumes of associated natural gas liquids (16 boe/d).

Operating income net to Primrose from *Fenn West* for the fourth quarter of 2022 was approximately \$33,000 or \$132,000 on an annualized basis.





Fenn West, Alberta - PDVL FennW 00/06-12-036-21W4/02 – Primrose’s Detrital Natural Gas Well



Fenn West Reserves

The Company prepared an internal reserves evaluation of the Properties (the “Reserve Report”) as part of the Company’s year end reporting. The Reserve Report is effective January 1, 2023 using an average of GLJ Ltd., McDaniel & Associates Consultants Ltd. and Sproule Associates Limited’s March 31, 2023 forecast pricing (“3C Average”).

Primrose estimated that, as of January 1, 2023, the Fenn West property contained remaining proved developed producing reserves of 493 MMcf of natural gas (82,000 boe), with an estimated net present value of \$594,000 using forecast pricing at a 10% discount.

Primrose Drilling Ventures Ltd. as of January 1, 2023							
GROSS RESERVES					PV BEFORE TAX		
	Oil	Natural Gas	Ngl	Total	5%	10%	15%
	Mbbl	MMcf	Mbbl	MBOE	(000s)		
Proved Developed Producing	0	493	0	82	\$803	\$594	\$462
Proved Undeveloped	0	0	0	0	\$0	\$0	\$0
Total Proved	0	493	0	82	\$803	\$594	\$462
Probable	0	0	0	0	\$0	\$0	\$0
Total Proved Plus Probable	0	493	0	82	\$803	\$594	\$462

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Fenn West LMR as of April 1, 2023

As of April 1, 2023, the Fenn West property had total deemed assets of \$327,765, deemed liabilities of \$101,765 (net deemed assets of \$225,854) with an LMR of 3.22.

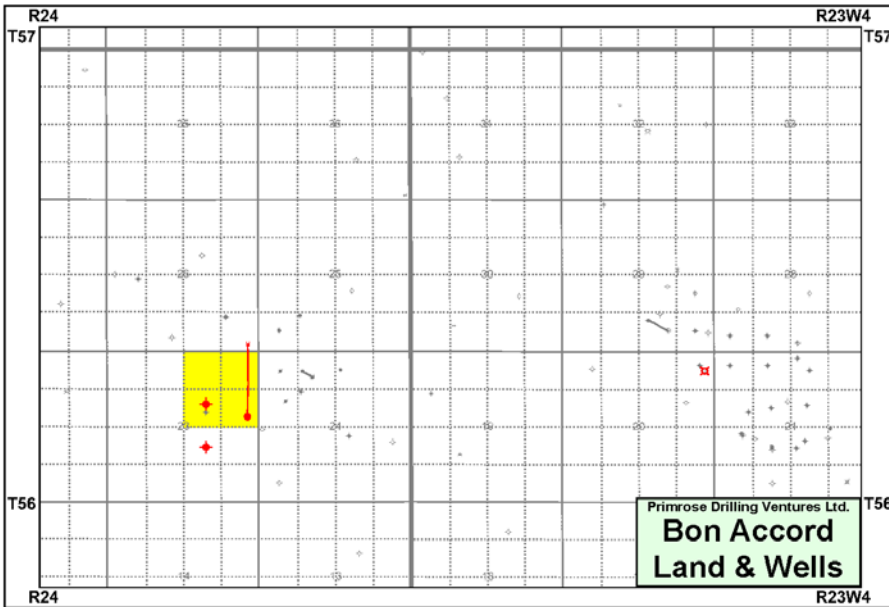
Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$327,765	\$101,911	\$225,854	3.22





Bon Accord Property

Township 56, Range 23-24 W4

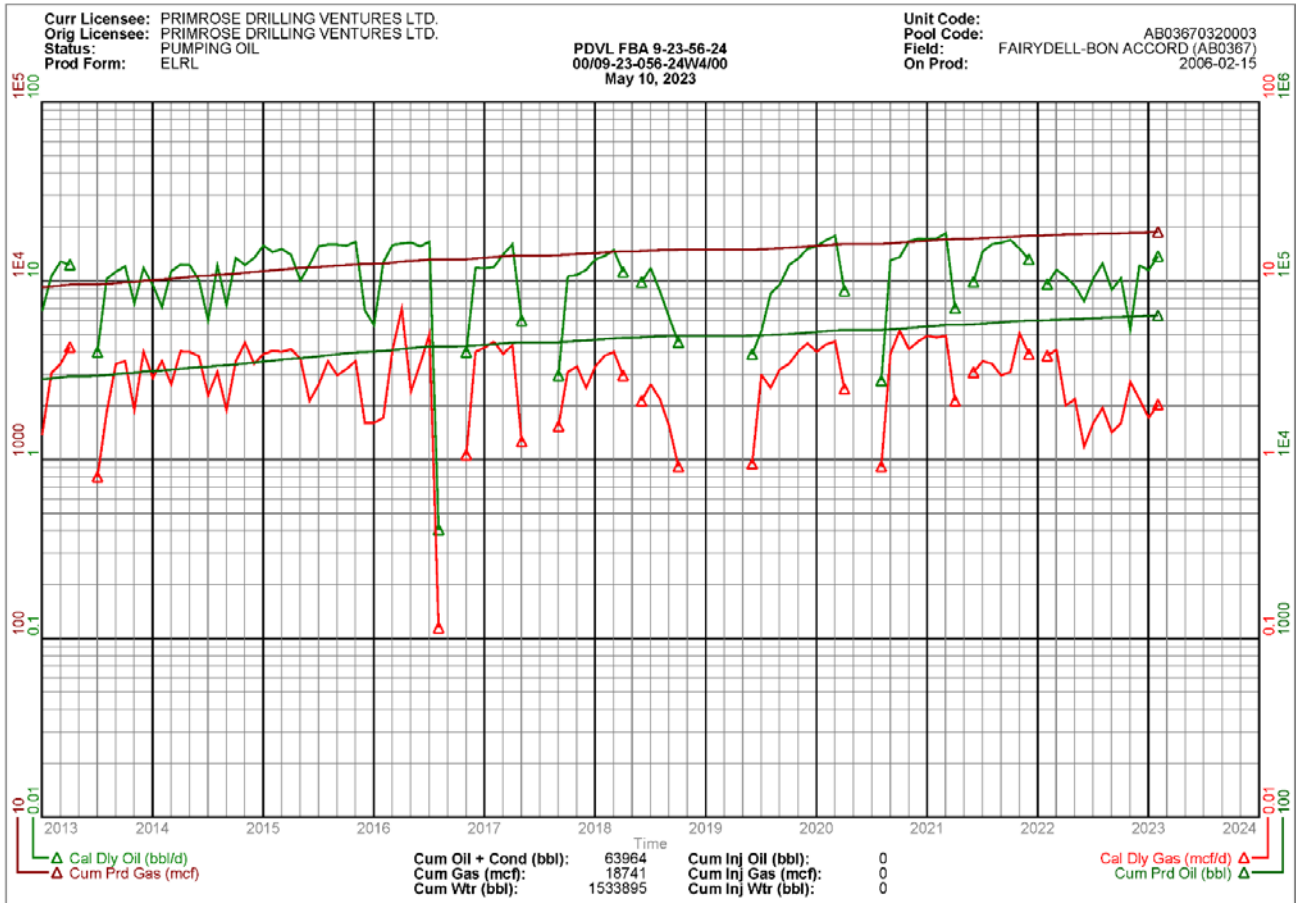


At *Bon Accord*, Primrose holds a 100% working interest in one quarter section of Freehold land on which there is one well producing oil and natural gas from the Ellerslie Formation. Production from *Bon Accord* is from the well *PDVL FBA 00/09-23-056-24W4/00*.

Average daily production sales net to Primrose from *Bon Accord* for the fourth quarter of 2022 was approximately 10 barrels of oil per day.

Operating income net to Primrose from *Bon Accord* for the fourth quarter of 2022 was approximately \$3,600 or \$14,000 on an annualized basis.

Bon Accord, Alberta *PDVL FBA 00/09-23-056-24W4/00 – Primrose’s Ellerslie Oil Well*





Bon Accord Reserves

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Proved Developed Producing	69	0.1	0	69	\$969	\$792	\$659
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Total Proved	69	0.1	0	69	\$969	\$792	\$659
Probable	0	0	0	0	\$0	\$0	\$0
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Bon Accord LMR as of April 1, 2023

As of April 1, 2023, the *Bon Accord* property had total deemed assets of \$433,430, deemed liabilities of \$187,316 (net deemed assets of \$246,114) with an LMR of 2.31.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$433,430	\$187,316	\$246,114	2.31

Additional Minor Properties

The Company holds working interest in certain non-producing wells located in the *Peco*, *Provost*, *Sunnynook*, *Red Willow* and *Wildwood* areas of Alberta (the “Additional Minor Properties”).

Additional Minor Properties LMR as of April 1, 2023

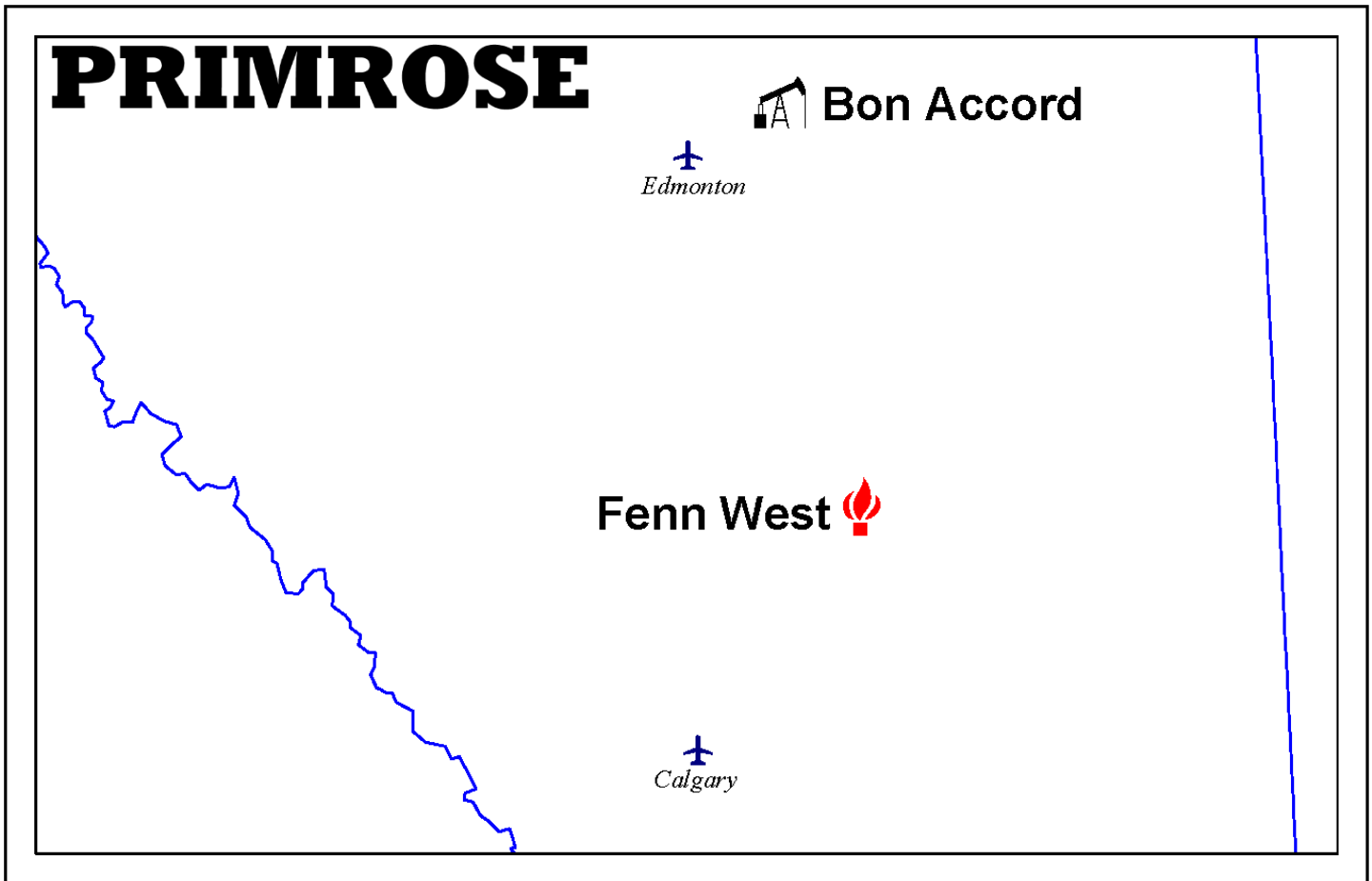
As of April 1, 2023, the Additional Minor Properties had total deemed assets of \$0, deemed liabilities of (\$650,189) (net deemed assets of (\$650,189)) with an LMR of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$650,189	(\$650,189)	0.00





Primrose Drilling Ventures Ltd. Corporate Divestiture Spring 2023



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, the Reserve Report, LMR information and other relevant corporate information.

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



Overview

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The Company currently has positive working capital of approximately \$1,700,000.

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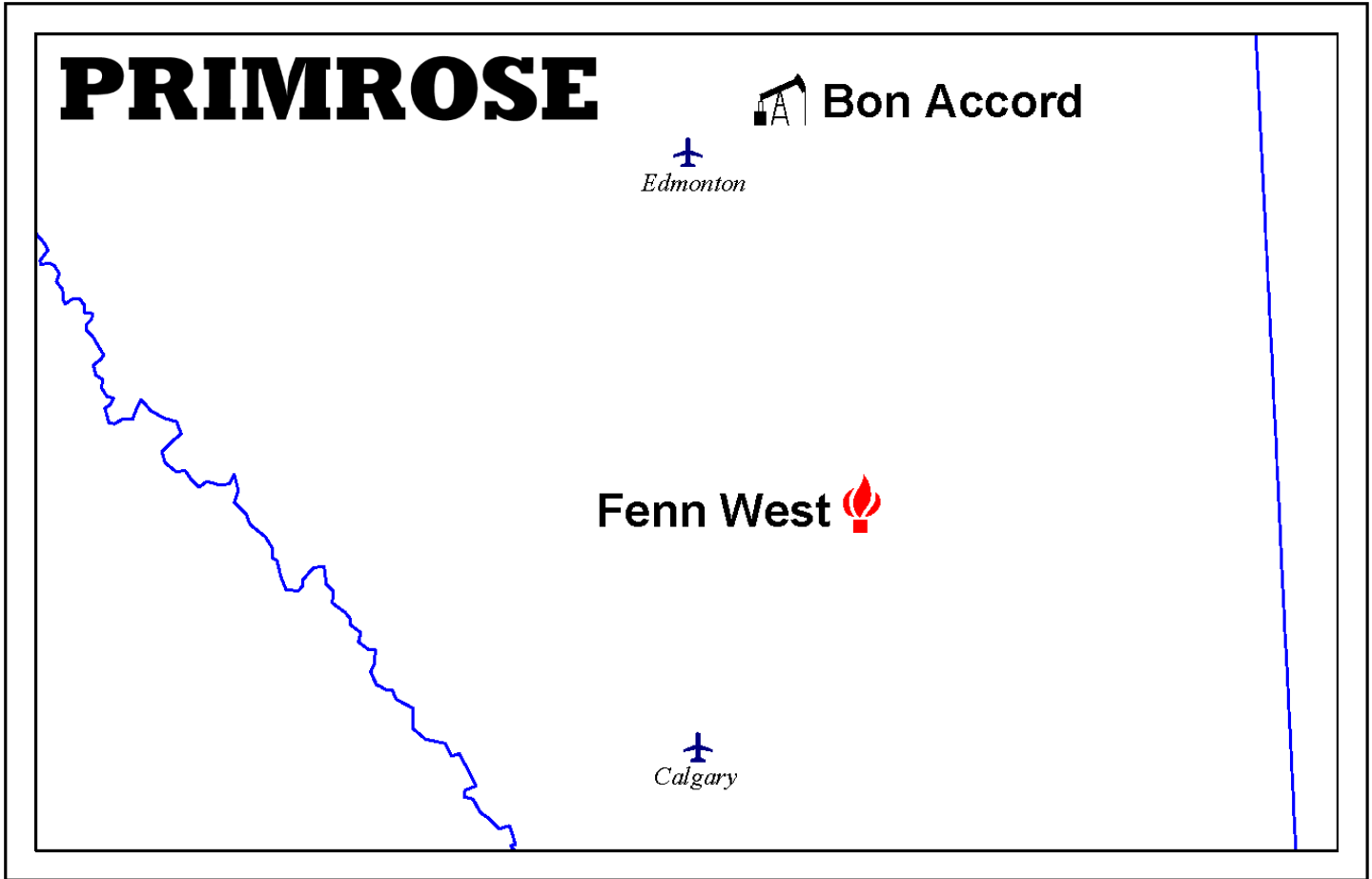
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Additional corporate information relating to Primrose will be provided to parties upon execution of a confidentiality agreement.



Overview Map Showing the Location of Primrose's Interests



Corporate Overview

Officers	Director, President	Alice Gardner
	Director	Bengt Walerud
	Director	Brian Carnahan
Capital Structure	Class A Common Shares:	153
	Bank Debt	Nil
Tax Pools		December 31, 2021
	Capital Losses	\$1,899,288
	Non-Capital Losses	\$854,614
	Capital Cost Allowance	\$617,711
	Cumulative Canadian Development Expenses	\$8,360
	Cumulative Canadian Exploration Expenses	Nil
	Cumulative Canadian Oil and Gas Property Expenses	Nil
Total	\$3,379,973	

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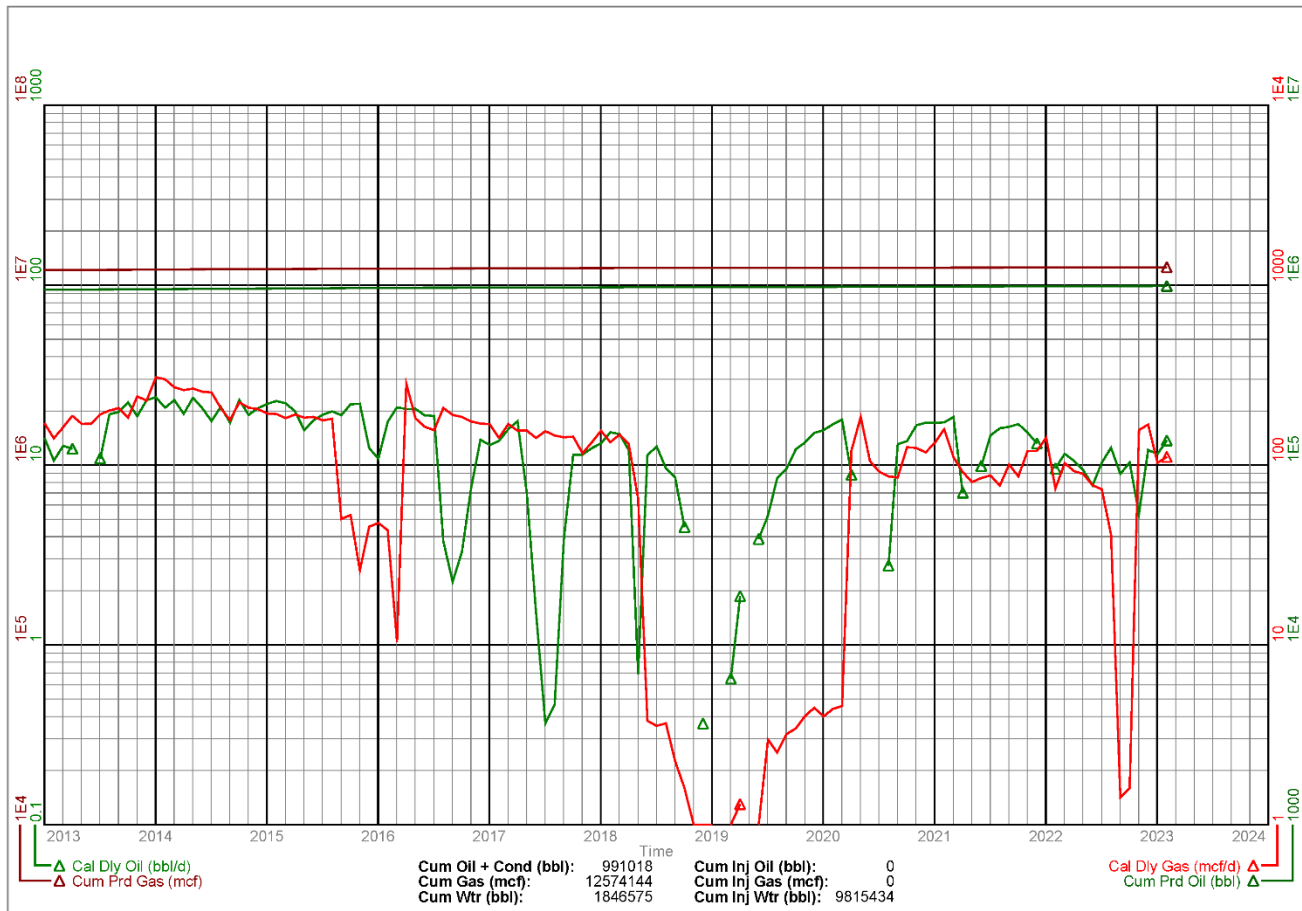
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	Oil bbl/d	Ngl bbl/d	Nat. Gas Mcf/d	Total boe/d	Q4 2022 Monthly
Fenn West	-	-	93	16	\$11,000
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Additional Minors	-	-	-	-	(\$5,800)
TOTAL	10	-	93	26	\$6,400

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



Seismic

The Company does not have ownership in any seismic data.

LMR Summary

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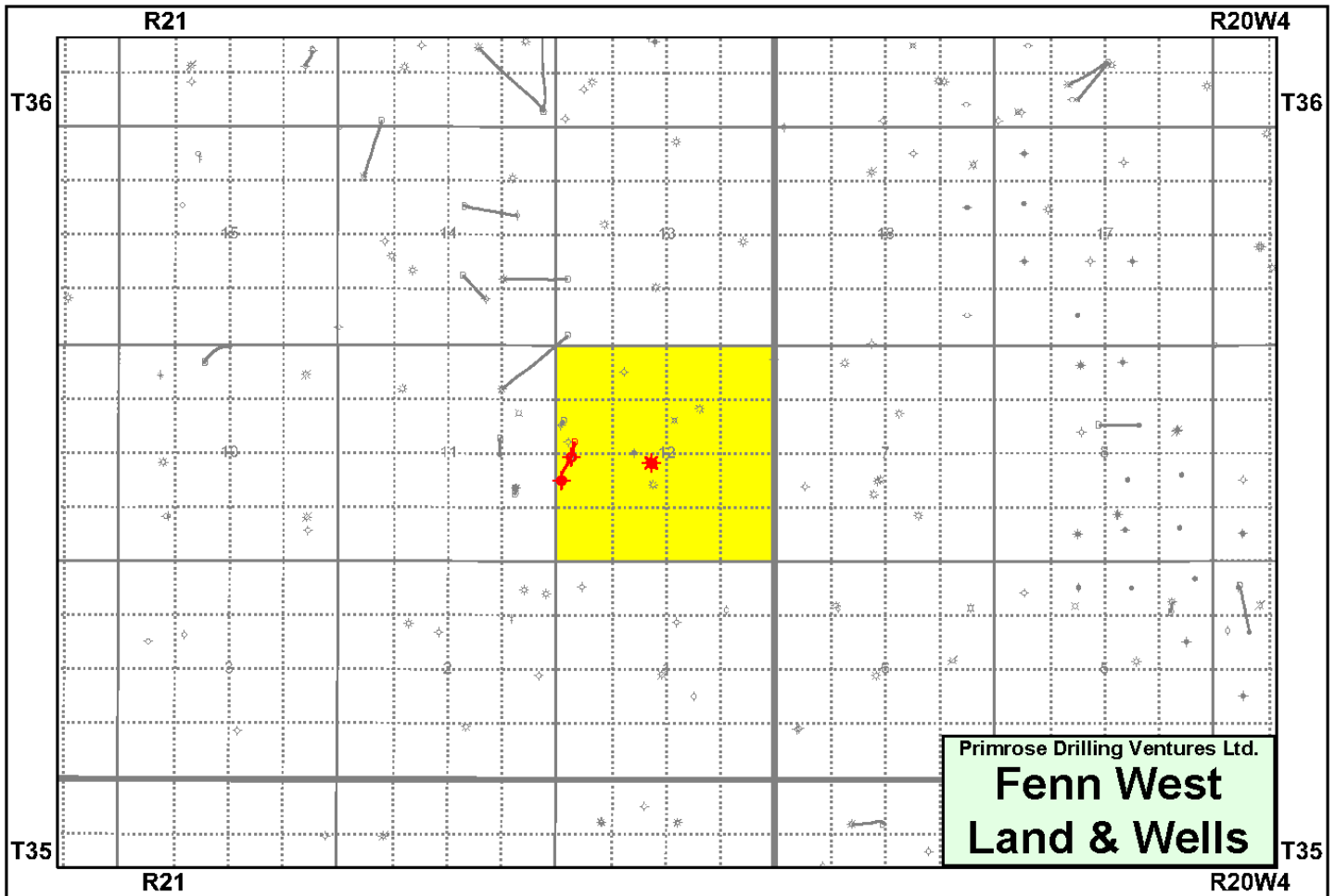
Fenn West Property

Township 36, Range 21 W4

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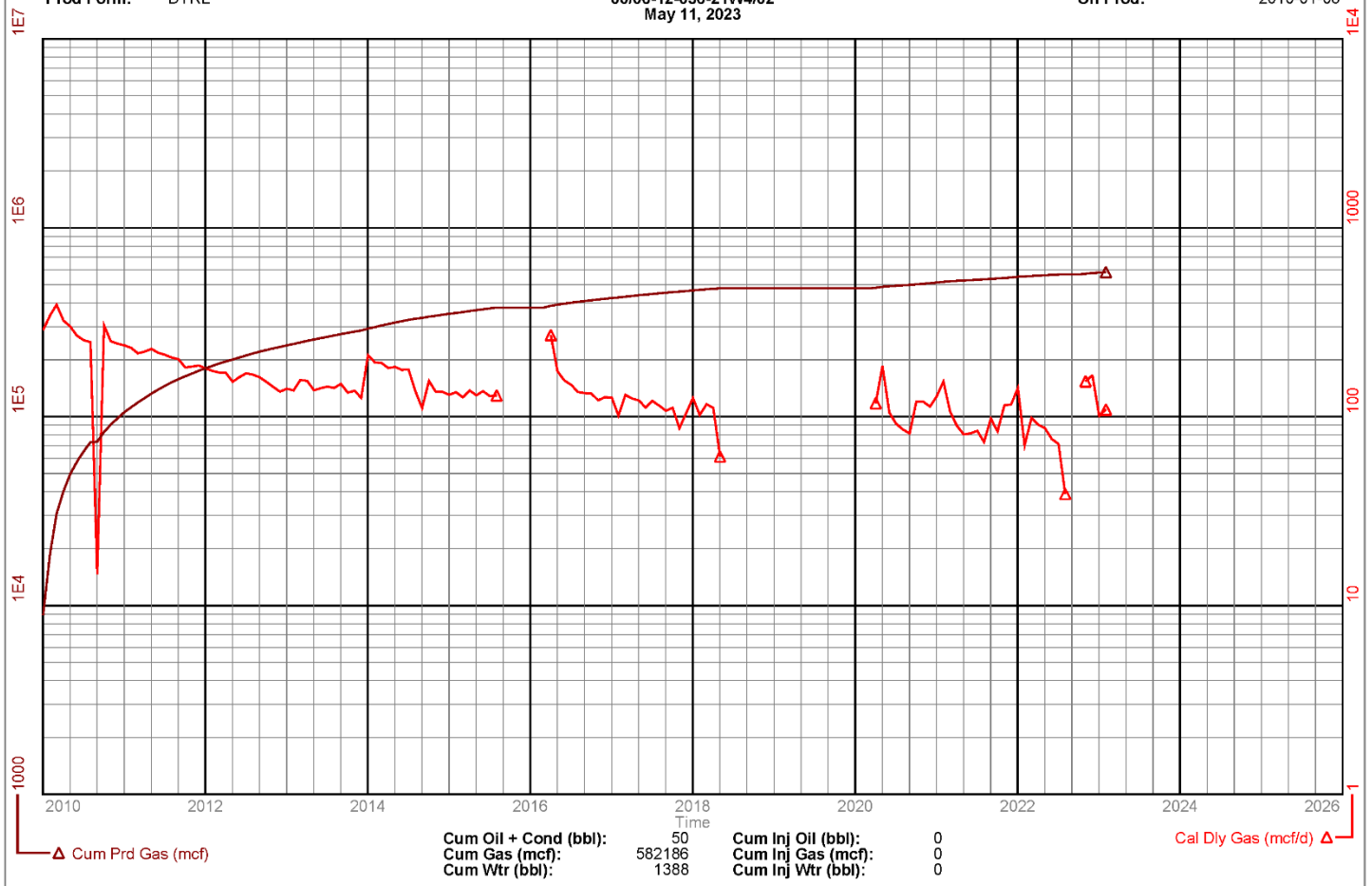


Fenn West, Alberta PDVL FennW 00/06-12-036-21W4/02 – Primrose’s Detrital Natural Gas Well

Curr Licensee: PRIMROSE DRILLING VENTURES LTD.
Orig Licensee: PRIMROSE DRILLING VENTURES LTD.
Status: FLOWING GAS
Prod Form: DTRL

PDVL FENNW 6-12-36-21
00/06-12-036-21W4/02
May 11, 2023

Unit Code:
Pool Code: AB03730350005
Field: FENN WEST (AB0373)
On Prod: 2010-01-08



Fenn West Marketing

Natural gas from *Fenn West* is processed at the Stettler 06-21-038-20W4 natural gas plant owned by **Bearspaw Petroleum Ltd.**

Fenn West Facilities

The Company does not have an interest in any facilities at *Fenn West*.

Fenn West Reserves

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	GROSS RESERVES				PV BEFORE TAX		
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Proved Undeveloped	0	0	0	0	\$0	\$0	\$0
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Fenn West LMR as of April 1, 2023

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Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$327,765	\$101,911	\$225,854	3.22

Fenn West Well List

See well list in Excel.



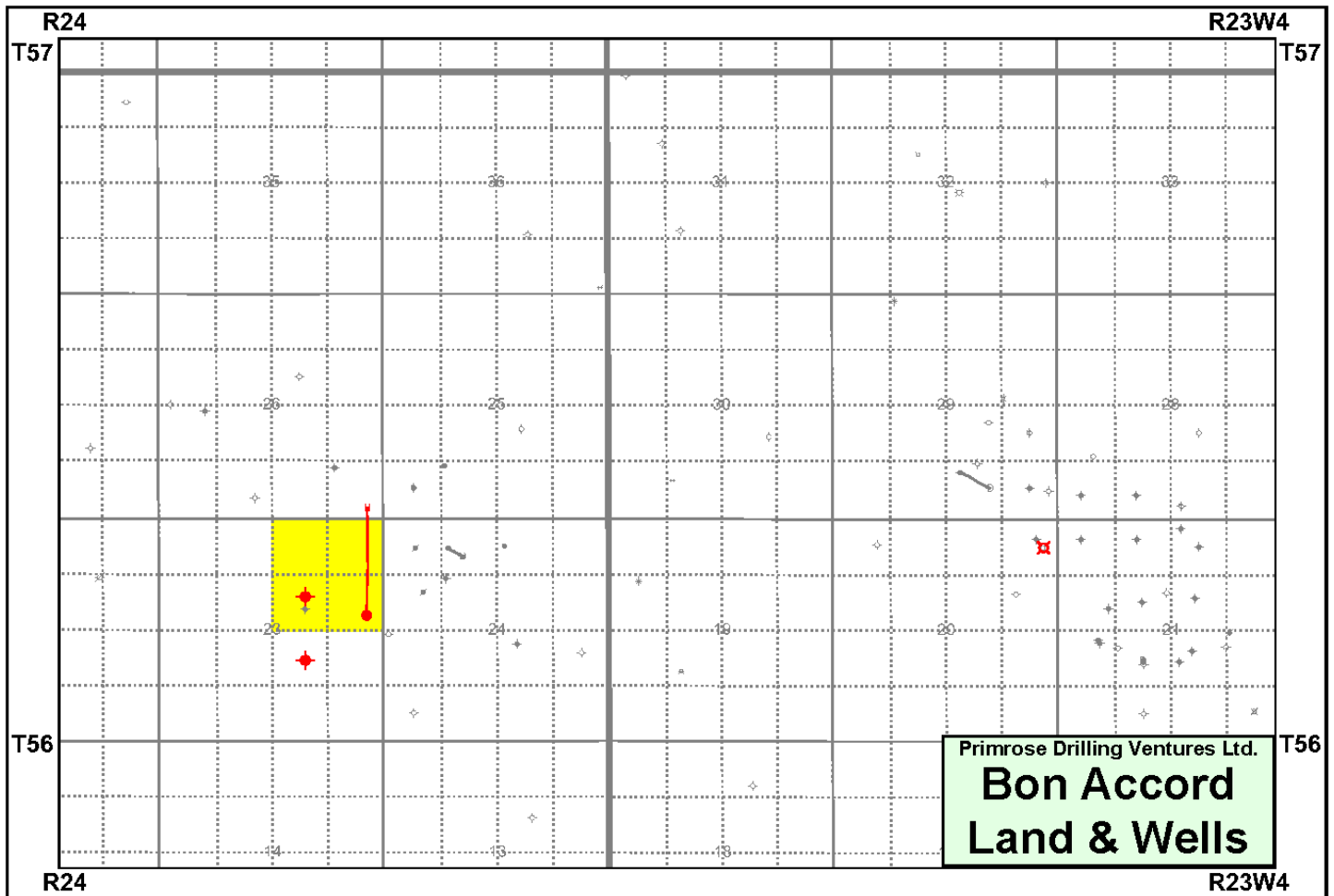
Bon Accord Property

Township 56, Range 23-24 W4

At *Bon Accord*, Primrose holds a 100% working interest in one quarter section of Freehold land on which there is one well producing oil and natural gas from the Ellerslie Formation. Production from *Bon Accord* is from the well *PDVL FBA 00/09-23-056-24W4/00*.

Average daily production sales net to Primrose from *Bon Accord* for the fourth quarter of 2022 was approximately 10 barrels of oil per day.

Operating income net to Primrose from *Bon Accord* for the fourth quarter of 2022 was approximately \$3,600 or \$14,000 on an annualized basis.

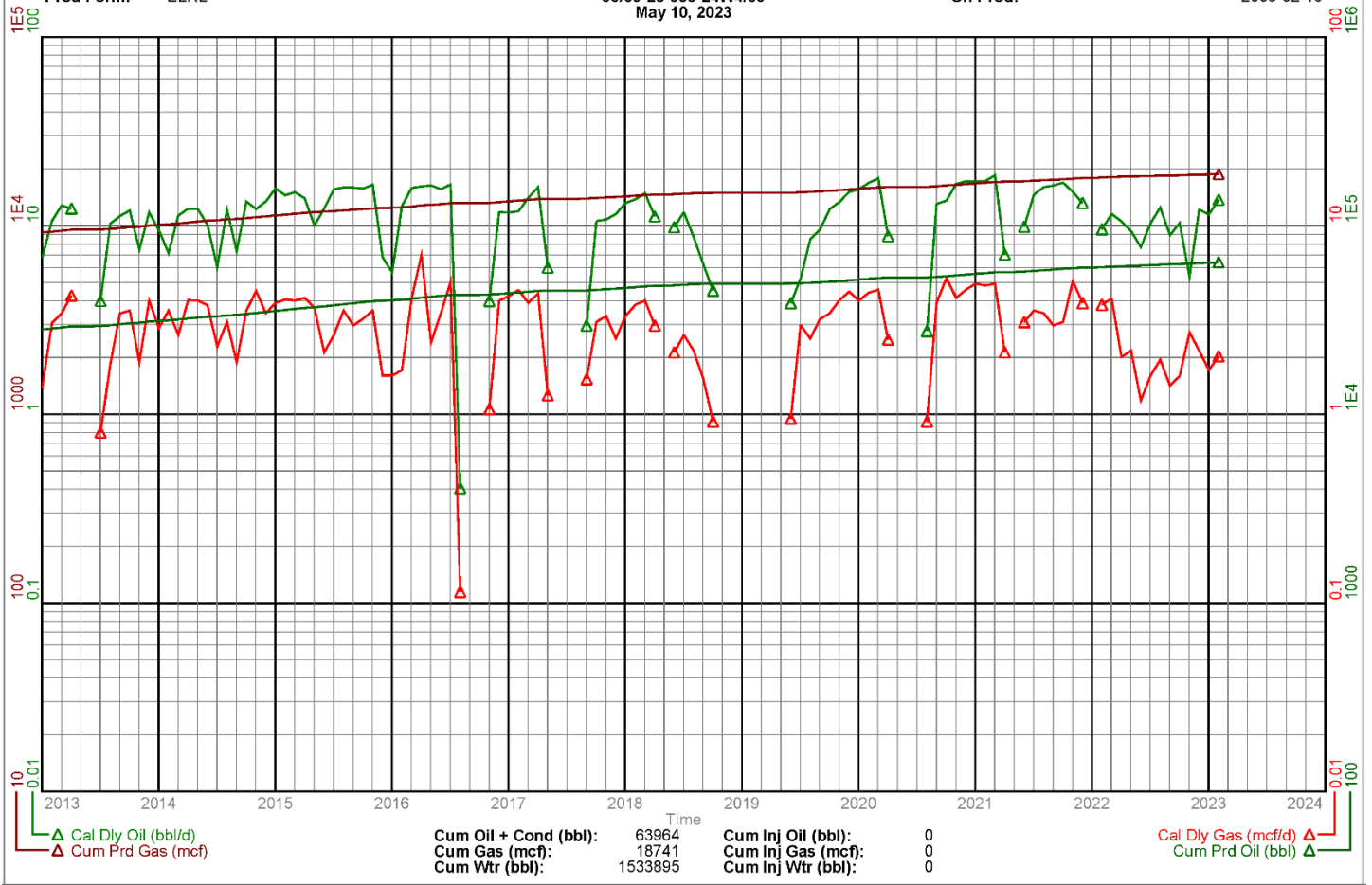


Bon Accord, Alberta
PDVL FBA 00/09-23-056-24W4/00 – Primrose’s Ellerslie Oil Well

Curr Licensee: PRIMROSE DRILLING VENTURES LTD.
 Orig Licensee: PRIMROSE DRILLING VENTURES LTD.
 Status: PUMPING OIL
 Prod Form: ERLR

PDVL FBA 9-23-56-24
 00/09-23-056-24W4/00
 May 10, 2023

Unit Code:
 Pool Code: AB03670320003
 Field: FAIRYDELL-BON ACCORD (AB0367)
 On Prod: 2006-02-15



Bon Accord Facilities

The Company has an interest in the following facility at *Bon Accord*.

Location	License	Area	Status	Facility Type	W.I. %
01-26-056-24W4	W 0341666	Fairydell	Operating	Single Well Battery	100%

Bon Accord Reserves

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Primrose estimated that, as of January 1, 2023, the *Bon Accord* property contained remaining proved developed producing reserves of 69,000 barrels of oil, with an estimated net present value of \$792,000 using forecast pricing at a 10% discount.

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Total Proved	69	0.1	0	69	\$969	\$792	\$659
Probable	0	0	0	0	\$0	\$0	\$0
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Bon Accord LMR as of April 1, 2023

As of April 1, 2023, the *Bon Accord* property had total deemed assets of \$433,430, deemed liabilities of \$187,316 (net deemed assets of \$246,114) with an LMR of 2.31.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$433,430	\$187,316	\$246,114	2.31

Bon Accord Well List

See well list in Excel.

Additional Minor Properties

The Company holds working interest in certain non-producing wells located in the *Peco*, *Provost*, *Sunnynook*, *Red Willow* and *Wildwood* areas of Alberta (the “Additional Minor Properties”).

Additional Minor Properties LMR as of April 1, 2023

As of April 1, 2023, the Additional Minor Properties had total deemed assets of \$0, deemed liabilities of (\$650,189) (net deemed assets of (\$650,189) with an LMR of 0.00.

Deemed Assets	Deemed Liabilities	Net Deemed Assets	LMR
\$0	\$650,189	(\$650,189)	0.00

Additional Minor Properties Facilities

Primrose has an interest in the following facilities associated with the Additional Minor Properties.

Location	License	Area	Status	Facility Type	W.I. %
06-26-053-09W5	F 21322	Wildwood	Removed	Single Well Battery	100%
10-10-054-09W5	F 38960	Wildwood	Suspended	Single Well Battery	100%

CONFIDENTIALITY AGREEMENT

PRIVATE AND CONFIDENTIAL

_____, 20____

Company Name: _____

Street Address: _____

City, Province: _____

Postal Code: _____

Attention: _____

**Re: Primrose Drilling Ventures Ltd.
 Corporate Divestiture**

In connection with your possible interest in the acquisition of, or completion of a business combination with, Primrose Drilling Ventures Ltd. (the "Corporation") or the acquisition of the Corporation's assets and/or operations upon some mutually agreeable basis, you acknowledge that we are providing you with certain information about the Corporation which is non-public, strictly confidential and proprietary in nature. 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") together with any and all analyses, compilations, studies 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, we hereby mutually agree as follows:

1. The Information shall be kept strictly confidential and will not be:
 - (a) used in any way materially detrimental to the Corporation;
 - (b) disclosed, divulged, published, transcribed or transferred, by you or by any of your Representatives, in whole or in part, without the prior written consent of the Corporation, which consent may be arbitrarily withheld or delayed; or
 - (c) used by you or your Representatives other than in connection with the transactions described above.

Moreover, you agree to provide the Information only to those Representatives who need to know the Information for the purposes of evaluating the transactions referred above, 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.

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 transaction contemplated above, whichever is the first to occur.

2. 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 other “person” as used in this letter shall be broadly interpreted to include, without limitation, any individual, corporation, company, group, partnership or other entity. 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 transaction as described above or disclosure required by law, provided that we mutually agree to limit such disclosure to the minimum Information required and will, where possible, make such disclosure subject to an obligation of confidentiality. Nothing in this Agreement will restrict either of us from making a press release with respect to a transaction if, in its reasonable opinion, a material change in our affairs has occurred and such disclosure is required by law. In such event, the party intending to make a press release will to the extent reasonably possible consult with the other party as to the intended contents of such press release, prior to issuing such press release.
3. 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 transaction contemplated above, it will promptly advise the other of that fact. In such case, or in the event that we do not effect a 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 furnished to you or your Representatives constituting the Information, 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.
4. The term “Information” 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 any one to whom you or any of your Representatives transmit any Information; or
 - (b) is or becomes available to you or your Representatives on a non-confidential basis and not in contravention of applicable law from a source which is represented to you or your Representatives that it is entitled to disclose it to you or your Representatives on such basis; or
 - (c) 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 secrecy 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.
5. During the period commencing on the date of this Agreement and terminating upon the date of one (1) year after the date of this Agreement or consummation of a transaction contemplated above, whichever is the first to occur, you will not, nor shall any of your affiliates (which shall mean any person or entity, directly or indirectly, through one or more intermediaries, controlling

or controlled by or under, control with you), unless in any such case specifically invited to do so by the board of directors or management of the Corporation as provided below:

- (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, or otherwise act in concert with any third party in order to propose or effect any acquisition or business combination transaction with respect to the Corporation except nothing herein shall prohibit you from engaging in any discussions or negotiations with a third party concerning:
 - (i) financing with respect to the transactions 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) solicit, employ or engage, directly or indirectly, any person currently employed or engaged as a consultant by the Corporation provided, however, that nothing contained herein shall prohibit either of us from making the proposal to the board of directors or management of the Corporation so long as such proposal is made pursuant to procedures established by the board of directors or management prior to such proposal;

and further provided that the restrictions contained in this paragraph shall terminate in any event one (1) year after the date of this Agreement.

6. You acknowledge that the Corporation does not, and the Corporation's representatives do not, make any representation or warranty as to the accuracy or completeness of the Information, whether express or implied, arising at law, by statute or in equity, with respect to the Information including but without limitation any warranty or representation of accuracy, completeness, merchantability, condition or fitness of the Information, or with respect to the assets or undertakings of the Corporation to which the Information makes reference.
7. In the event that either you or anyone to whom you transmit the Information pursuant to this Agreement is required by law to disclose any of the Information, you will provide the Corporation with prompt written notice so that we may seek a protection order or other appropriate remedy. In any event, you or your Representatives will furnish only that portion of the Information which is legally required and we will mutually use our best efforts to obtain reliable assurances that the Information will be kept confidential.
8. You acknowledge and agree that the Corporation will not have any adequate remedy at law and would be respectively irreparably harmed in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, you agree that the Corporation shall be entitled to injunctive relief to prevent a breach of this Agreement and to specifically enforce the terms and provisions hereof in addition to any other remedy to which the Corporation may be entitled at law or in equity.

9. It is further understood and agreed that no failure or delay by either of us in exercising any 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.
10. 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 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,

PRIMROSE DRILLING VENTURES LTD.

Brian Carnahan
Director

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: