Action No. 0801-01816

Deloitte.

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. c-36, AS AMENDED

AND IN THE MATTER OF PIPER RESOURCES LTD.

FIRST REPORT OF THE COURT-APPOINTED INTERIM RECEIVER, AND RECEIVER AND MANAGER

DELOITTE & TOUCHE INC.

August 15, 2008

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INTRODUCTION AND PURPOSE

Introduction

1. On February 15, 2008, Piper Resources Ltd. ("Piper" or the "Company"), formerly known as 2937077 Canada Inc., filed for protection under the *Companies' Creditors Arrangement Act* ("CCAA") and obtained an initial order from the Court of Queen's Bench of Alberta (the "CCAA Order"). Deloitte & Touche Inc. ("Deloitte") was appointed as CCAA Monitor of the Company. Under the terms of the CCAA Order, all proceedings against Piper were stayed for an initial period ended March 17, 2008. The Court then granted the following CCAA Stay Extension Orders:

   a. on March 17, 2008, an initial CCAA Stay Extension Order was granted continuing the stay of proceedings until April 28, 2008;

   b. On April 28, 2008, a second CCAA Stay Extension Order was granted continuing the stay of proceedings until June 12, 2008;

   c. On June 12, 2008, a third CCAA Stay Extension Order was granted continuing the stay of proceedings until July 15, 2008;

   d. On July 15, 2008, a fourth CCAA Stay Extension Order was granted continuing the stay of proceedings until July 22, 2008;

   e. On July 22, 2008, a fifth CCAA Stay Extension Order was granted continuing the stay of proceedings until August 5, 2008; and

   f. On August 5, 2008, a sixth CCAA Stay Extension Order was granted continuing the stay of proceedings until August 18, 2008.

2. On July 22, 2008, pursuant to an application by Matco Capital Ltd. ("Matco"), Piper's principal secured creditor, the Court appointed Deloitte as Interim Receiver and Receiver and Manager of all of Piper's current and future assets, undertakings and properties (the "Receiver"). The CCAA and Receivership proceedings are presently being operated on a concurrent basis.

3. On August 18, 2008, Matco will be making an application for a Bankruptcy Order in respect of Piper. Deloitte has consented to act as Trustee in Bankruptcy.

4. The First Report of Deloitte as Court-Appointed Monitor (the "Monitor") was filed on March 13, 2008 (the "Monitor's First Report"). The Second Report of the Monitor was filed on April 24, 2008 (the "Monitor's Second Report"). The Third Report of the Monitor was filed on June 11, 2008 (the "Monitor's Third Report"). The Fourth Report of the Monitor was filed on July 22, 2008 (the "Monitor's Fourth Report"). The Confidential Supplementary Report of the Monitor was provided to and sealed

by the Court on April 28, 2008 (the "First Confidential Report"). The Second Confidential Supplementary Report of the Monitor was also provided to and sealed by the Court on April 28, 2008 (the "Second Confidential Report").

5. This report will be posted on the internet at www.deloitte.ca under the Insolvency and Restructuring link.

6. This report constitutes the First Report of the Receiver (the "First Report").

Purpose of the Report

7. The First Report summarizes the Receiver's activities since July 22, 2008, the date of the Receivership Order. It is being provided to the Court in conjunction with the Receiver's August 18, 2008 application for approval of the sale of Piper's petroleum and natural gas rights, tangibles and miscellaneous interests (the "PNG Assets") to Matco's nominee purchaser, Glenogle Energy Inc. ("Glenogle").

RECEIVER'S APPOINTMENT

Powers of the Receiver

8. The Receiver's powers are detailed in Paragraph 3 of the Receivership Order. They include the power to take and maintain possession and control of Piper's property, the power to manage, operate and carry on the business of the Company, and the power to sell some or all of Piper's property to Matco, or its nominee. Paragraph 3(k) of the Receivership Order contains a specific direction, that the Receiver is to sell some or all of the PNG Assets of Piper to Matco, or its nominee, "in accordance with the April 23, 2008 Letter Agreement entered into between Matco" and Piper. A copy of the April 23, 2008 Letter Agreement is attached as Exhibit "F" to the Affidavit of Lorne Gartner (sworn June 10, 2008) and reproduced as Schedule 1 to this report.

Possession and Control

9. Immediately following its appointment, the Receiver attended Piper's premises and secured all of the assets located therein. The Receiver also took possession of the Company's books and records, including obtaining a computer back-up on July 23, 2008.

10. As required pursuant to Sections 245 and 246 of the *Bankruptcy and Insolvency Act*, a Notice of Receiver and Receiver's Statement (the "Notice") was issued to all creditors on July 31, 2008. A copy of the Notice is attached as Schedule 2 to this report.

11. Piper's ten employees were terminated concurrent with the Receivership Order being granted. The Receiver has retained Glenogle, the purchaser of the PNG Assets, to manage the Company's day to day operations. In addition, four of the Company's former employees were retained on a contract basis to provide interim assistance.

12. As at the date of Receivership, rent had been paid in full for the period ended July 31, 2008. The Receiver has now paid rent for the period from August 1 to 8, 2008. Additional rent will be due for the period from August 9 to 11, 2008. Since August 11, 2008, the operations have continued from Glenogle's premises.

13. Piper's insurance provider has been notified of the Receivership. Coverage was continued under the Company's existing energy commercial insurance package (the "Piper Policy") until July 31, 2008, after which time, ongoing coverage of the PNG Assets was arranged through Glenogle's insurance provider (the "Glenogle Policy"). The Receiver was added as a loss payee on both the Piper Policy and the Glenogle Policy. Insurance premiums under the Piper Policy had been paid in full until July 31, 2008. The Glenogle Policy excludes tenancy insurance for Piper's office premises. This was arranged through Marsh Canada Ltd. for the period from July 31 to August 11, 2008.

THE FARM-OUT AGREEMENT

14. As noted in Paragraph 6 of the Second Report, Piper entered into a farm-out agreement with 1329749 Alberta ULC, a.k.a Vitus Oil and Gas ULC, and 1329750 Alberta ULC, a.k.a. Bering Exploration Company ULC ("Bering") (collectively "1329750"). The original agreement, dated August 10, 2007, was subsequently renegotiated such that Piper agreed to commit funds totaling $15.25 million for drilling, completion and equipment and/or abandonment costs by October 31, 2008. The farm-out agreement was again renegotiated on March 20, 2008 with Piper's commitment being reduced from $15.25 million to $9 million (the "Farm-Out Agreement"). The Farm-Out Agreement was conditional on the following:

    a. Piper providing an irrevocable letter of credit or a deposit to be held in trust in the amount of $3,000,000 as security for payment of any liquidated damages in the event of a default under the Farm-Out Agreement; and

    b. One of the following two events occurring

        i. The Court approving a plan of arrangement under the CCAA that includes recognition of the Farm-Out Agreement; or

        ii. Piper raising sufficient funds to repay and discharge Matco's security.

15. Should the conditions under 14.a. and 14.b. above not be fulfilled, the Farm-Out Agreement will not take effect in which case it will no longer comprise an asset of the Company.

THE DISPUTED LANDS

16. In the Affidavit of Lorne Gartner, sworn July 15, 2008, and at the July 22, 2008 Court application, Matco raised concerns with respect to numerous properties believed to have been conveyed by Piper to Bering during 2008. Matco expressed concern that properties, over which they had security, had been conveyed without either their knowledge or prior approval.

17. Upon the granting of the Receivership Order, Glenogle attended Piper's premises and conducted a review of the Company's records, including the circumstances surrounding each of these conveyances. Following the initial Glenogle review it was the Receiver's understanding that concerns raised by Matco had been resolved, with the exception of the issues related to four parcels of land, described as 12-34-71-11-W6M, 1-6-73-12-W6M, 16-9-78-13-W6M and 9-10-71-11-W6M (the "Disputed Lands").

18. The background to the dispute is that Piper did not convey the Disputed Lands; however, it did sign letter agreements with Bering outlining its intention that the Disputed Lands be conveyed to them (the "Conveyance Letters"). The Conveyance Letters were attached as Exhibits C and D to the Affidavit of Deric Orton ("Orton"), Piper's former VP, Land, sworn on July 21, 2008 and are reproduced as Schedule 3 to this report. Both in his Affidavit and in subsequent meetings with the Receiver, Orton indicated that the decisions to convey the Disputed Lands were ordinary business decisions made pursuant to Section 6.7.c. of the Farm-Out Agreement, which states that:

> "*If drilling results of one or more Earning Wells is* [sic] *acknowledged by Farmor and Farmee to condemn the pursuit of similar operations under one of more Acknowledged AFEs, or an event of force majeure precludes Farmee from being able to commence or complete operations under an acknowledged AFE by the Commitment Expiry Date despite Farmee's exercise of reasonable due diligence and good oilfield operating practices, either Farmor or Farmee may propose replacement lands upon which substitute operations may be performed to satisfy the commitment.*"

19. The Conveyance Letter in respect of three of the four parcels of land was proposed by Piper on February 15, 2008 and accepted by Bering on February 18, 2008, immediately following the commencement of the CCAA proceedings. No information was provided to the Monitor with respect to the intended conveyances.

20. Both Orton and Paul Mitchell, Piper's former VP, Exploration, indicated that the Disputed Lands were being used to replace four parcels of land on which operations had been determined to be uneconomic (the "Original Lands"). The following is a summary of the circumstances, which Piper claims prompted the steps taken to replace the Original Lands with the Disputed Lands:

Piper Resources Ltd. - in Receivership
Summary of Disputed Transactions

Disputed Lands	Original Lands	Reason for Replacement of Original Lands (As Provided by Piper)
12-34-71-11-W6M	10-04-078-12-W6M	Negative economics (Offsetting negative information on a nearby well condemned the location).
1-6-73-12-W6M	8-13-72-8-W6M	8-13-72-8W6M was drilled by Encana to the Montney zone. Piper's plan was to re-enter the well bore and complete in the Gething zone. While trying to make a deal with Encana to obtain the well bore Piper discovered that there was a surface vent leak. It was determined that the economics of either repairing the leak or of drilling a new well were not attractive.
16-9-78-13-W6M	20-77-6-W6M	Technically weak (Subsequent geological review showed that Section 20 was condemned).
9-10-71-11-W6M	36-79-10-W6M	Negative economic earning conditions (A well was drilled to the north, which condemned the majority of section 36. Given the increased risk, Piper went to the Farmor Company to renegotiate; the renegotiations were unsuccessful).

21. As noted above, Piper never commenced drilling on any of the properties included in the Farm-Out Agreement; therefore, the conditions whereby replacement lands may be proposed pursuant to Section 6.7.c of the Farm-Out Agreement appear not to have been triggered.

22. In addition, the Receiver notes as follows with respect to the Disputed Lands:

    a. The Disputed Lands were never conveyed to Bering and continue to be assets of Piper; and

    b. Matco holds security over all of Piper's present and after acquired property, including the Disputed Lands.

23. It is the Receiver's understanding, based on discussions with Orton and counsel to the Company, that Piper has acknowledged that Matco holds security over the Disputed Lands and that they should be included in the sale of the PNG Assets. Further, the Receiver is not aware of any objection being put forth by Bering with respect to the inclusion of the Disputed Lands in the Glenogle Transaction. In summary, all concerns with respect to entitlement to the Disputed Lands have now been resolved.

THE SALE OF ASSETS

24. In February 2008, Piper retained Tristone Capital Inc. ("Tristone"), who initiated a sale process in respect of the PNG Assets. The deadline for the receipt of proposals was April 3, 2008. The result of the Tristone sale process is discussed in detail in the Supplementary Confidential Report of the Court-Appointed Receiver (the "Supplementary Report"), which is being provided to the Court in conjunction with this First Report.

25. Pursuant to the Tristone sale process, Matco submitted the highest proposal (the "Matco Proposal"). The Matco Proposal was for the purchase of the PNG Assets and originally included the Farm-Out Agreement. The Matco Proposal was later amended to exclude the Farm-Out Agreement.

26. On April 28, 2008, Piper applied for a second extension of the stay of proceedings. Matco supported a second CCAA Stay Extension Order on the condition that, prior to its expiry on June 12, 2008, the necessary materials be agreed upon, prepared and executed by Piper in order to effect the sale of the PNG Assets to Matco's nominee purchaser Glenogle (the "Glenogle Transaction"). Piper had an obligation to be in a position to close the Glenogle Transaction prior to June 12, 2008, subject only to Matco agreeing, at their discretion, to an alternative arrangement or transaction.

27. During the period leading up to Piper's June 12, 2008 application for a third extension of the stay of proceedings, the Company was involved in ongoing negotiations with Startide Investments ("Startide"), which culminated in Startide providing Piper with a letter of intent, the terms of which are described in paragraphs 12 of the Monitor's Third Report (the "LOI").

28. On June 12, 2008, the Court granted a third CCAA Stay Extension Order, extending the stay of proceedings to July 15, 2008. The purpose of the extension was to allow Startide to complete its due diligence and proceed pursuant to terms of the LOI. Matco opposed the third CCAA Stay Extension Order.

29. On July 15, 2008, Mr. Greg Cave ("Cave"), President of Piper, was called out of town due to a family emergency. As a result, the Court granted a fourth CCAA Stay Extension Order that expired on July 22, 2008.

30. It was originally anticipated that any offer received from Startide would include the acquisition of Matco's security. On July 21, 2008, Piper's legal counsel advised the Monitor that the Company was continuing to negotiate with Startide but that any transaction would be limited to Startide agreeing to fund Piper's commitment under the Farm-Out Agreement.

31. In advance of the July 22, 2008 application, Cave swore an Affidavit which attached a second unsigned Letter of Intent (the "Second LOI") from Startide. The Second LOI stated that Startide would fund the sum of $3 million under the Farm-Out Agreement by July 23, 2008.

32. On July 22, 2008, the Court granted a fifth CCAA Stay Extension Order, extending the stay of proceedings until August 5, 2008. At that time, pursuant to an application by Matco, Deloitte was also appointed as Receiver.

33. The primary purpose of the Receivership is to complete the Glenogle Transaction. It is the Receiver's expectation that upon completion of the Glenogle Transaction, it will seek its discharge.

34. It was originally anticipated that, upon the completion of the Receivership, Piper would continue to operate those properties included in the Farm-Out Agreement and formulate a plan of arrangement to its unsecured creditors, with the required funding being provided by Startide.

35. On July 30, 2008, Piper's legal counsel advised the Receiver that the LOI had never been executed, funding had never been received, negotiations with Startide had ceased and that the Company was no longer pursuing a transaction with Startide.

36. On August 5, 2008, the Court granted a sixth Stay Extension Order, extending the stay of proceedings until August 18, 2008, during which time the Company continued their efforts to seek out alternate parties willing to fund the Farm-Out Agreement. As of the time of the preparation of this report, it is the Receiver's understanding, based on the representations of the Company's counsel, that Piper has been unable to obtain a firm commitment to obtain such funding. The Company will, therefore, likely be unable to formulate a plan of arrangement to their creditors and will likely not be making a further application to extend the CCAA stay of proceedings.

37. The Receiver is proceeding to complete the Glenogle Transaction. A copy of the executed Purchase and Sale Agreement dated August 14, 2008 executed for the Glenogle Transaction is attached as Schedule 4.

38. Pursuant to the Glenogle Transaction, the PNG Assets will be sold to Glenogle for 68,486,200 Class B common non-voting shares of Glenogle.

39. The Glenogle Transaction is conditional on the following:

    a. The Receiver and Glenogle making a joint successor election under the Income Tax Act with respect to any oil and gas properties;

    b. Approval of the Court of Queen's Bench of Alberta; and

    c. The discharge of any existing claims, charges or liens against Piper's assets.

40. The Glenogle Transaction is substantially in the same form as the letter agreement between Matco and the Company dated April 23, 2008.

41. As noted in paragraph 3, On August 18, 2008, Matco will be making an application for a Bankruptcy Order in respect of Piper. Deloitte has consented to act as Trustee in Bankruptcy. Upon completion of the Glenogle Transaction by the Receiver and on the assumption that a Bankruptcy Order is granted, all of Piper's remaining assets, including the proceeds generated by the Glenogle Transaction, will vest in the Trustee subject to the rights of any secured creditors. It is anticipated that the Trustee will be making a subsequent application for Court Approval of a Discharge and Release of Debt Agreement, whereby all of the bankrupt estate's assets will be transferred to Matco in full satisfaction of their outstanding secured claim.

42. Given the extensive sales process that was undertaken by Tristone, the Receiver believes that the proposals received by Tristone reflect the market conditions existing at that time. All of the proposals received by Tristone were significantly lower than Matco's outstanding secured claim.

43. The Receiver further notes that Piper has been attempting to seek out parties willing to inject potential equity and/or debt investment into the Company since the commencement of the CCAA proceedings. To date, none of their efforts have come to fruition. As such, the Receiver believes that the Glenogle Transaction is commercially reasonable and would recommend that that the Glenogle Transaction be approved.

RECEIPTS AND DISBURSEMENTS

Receipts

44. The Receiver's Interim Statement of Receipts and Disbursements for the period from July 22 to August 14, 2008 (the "R&D") is attached as Schedule 5 to this report.

45. All bank accounts held by both Piper and Argali Oil Inc., Piper's wholly owned subsidiary, have now been closed, with the exception of the Company's main chequing account, which is remaining open in order to allow those cheques written to suppliers in the pre-receivership period to be processed. To date, funds totaling $3,247,818 million have been transferred to the Receiver, with additional funds totaling $187,141 currently held in the Company's main chequing account. Just over $1.5 million of the cash on hand relates to production revenue collected for the month of June 2008.

46. The Receiver has collected additional funds of approximately $358,625 consisting of amounts due from joint venture partners, accounts receivable and miscellaneous refunds.

Disbursements

47. Piper's operations are continuing during the Receivership. As of August 14, 2008, the Receiver has paid the following disbursements:

    a. $22,639 for administrative expenses, including rent for the period ended August 8, 2008 and contract services (additional amounts totaling $44,406 due for contract services were paid by direct withdrawal from Piper's main chequing account and are not reflected in the R&D);

    b. $662,411 to suppliers required in the ongoing operations of the Company;

    c. Net GST of $81,048, which includes payments made to CRA for Piper's June 2008 GST remittance;

    d. $627,264 due in respect of April and May 2008 crown royalties,

    e. $163,468 due in respect of May and June gross-overriding royalties, and

    f. CCAA administration fees for the Monitor and for Macleod Dixon LLP, who act as legal counsel for both the Monitor and the Receiver in the amounts of $20,610 and $37,332 respectively.

CREDITORS

Secured Creditors

48. Matco is owed a total of approximately $51.7 million plus costs and interest. The Monitor has obtained a legal opinion that Matco's security is valid, enforceable and ranks in first position, subject to the Court's determination with respect to any potential priority claims.

49. Pursuant to the terms of the Farm-Out Agreement, 1329750 holds a subsequent secured claim of up to $12 million. The Monitor has not yet obtained a legal opinion with respect to the validity and enforceability of 1329750's security. As noted in paragraph 15, should the conditions detailed under 14.a. and 14.b. not be fulfilled, the Farm-Out Agreement will not take effect.

Builder's Liens

50. As noted in paragraph 33 of the Monitor's Fourth Report, various encumbrances, estimated at $96,349, have been registered with the Alberta Department of Energy against certain crown agreements in which Piper has an interest. The Company has advised that one of the liens, in the amount of $27,020, registered by Trican Partnership, is currently in the process of being discharged. The Receiver will continue to hold funds in trust, pending a determination as to the validity and enforceability of the remaining builder's liens.

Joint Venture Partners

51. As noted in paragraph 34 of the Monitor's Fourth Report, pre-CCAA amounts due to joint venture partners are estimated at over $416,000, which claims may have priority under the concurrent CCAA and Receivership proceedings. Two of the largest such claims are held by Lexington Oil & Gas Co. ("Lexington"), who claims approximately $226,285 and Wycan Inc. ("Wycan"), who claims approximately $42,326. A summary of the pre-CCAA amounts due to Joint Venture Partners is attached as Schedule 6.

52. On June 16, 2008, Lexington and Wycan made an application to Court for an Order declaring that the amounts owed to them, consisting of excess funds advanced to Piper for payment of well expenses as well as oil and gas revenue, be declared to be trust funds, eligible for immediate repayment. This application has been adjourned to August 18, 2008.

53. The Receiver will take steps to ensure that a satisfactory pool of funds is held in trust, pending a determination by the Court as to the priority of pre-CCAA amounts due to joint venture partners.

Unsecured Creditors

54. Piper has unsecured trade creditors with estimated claims of $5.1 million.

55. It is the Receiver's information that Piper will likely be unable to file a CCAA plan of arrangement to its unsecured creditors and, as such, will not likely be seeking a further extension of the CCAA Stay of Proceedings. It is not anticipated that funds will be available for distribution to either the secured creditor ranking subsequent to Matco or to the unsecured creditors.

Federal and Provincial Government Liabilities

56. All of Piper's federal and provincial government filings and remittances relating to source deductions are current.

57. All of the Company's GST filings are current. A pre-CCAA GST remittance of $79,820, due for the month of January 2008 continues to be outstanding. The Receiver has paid Piper's GST remittance for the month of June 2008, totaling $46,403. An additional GST remittances due for July 2008 estimated at $50,000 will be paid by Glenogle.

58. Canada Revenue Agency will be completing an audit of Piper's payroll and GST accounts.

59. The Company has significant unused tax losses, estimated at approximately $97,000,000.

60. The Receiver is currently awaiting additional information from Quebec Revenue regarding the timing and collectibility of a refundable input tax credit, estimated at $847,000.

61. Crown royalties, estimated at $300,000, continue to be outstanding for the month of June. These constitute a priority payment and will be issued in the ordinary course.

OTHER

62. On July 24, 2008, Hanna Oil & Gas Company – Canada ULC ("Hanna") provided Piper with notices for replacement of operator relating to numerous Farm-Out Agreements and Joint Operating Agreements between the two parties. The Receiver's legal counsel responded to Hanna advising them that pursuant to both the Receivership and the CCAA Order, Hanna's right to replace Piper as operator was stayed, pending Hanna obtaining Court Approval to proceed.

63. A portion of Piper's natural gas supply was marketed through a Lease Purchase Contract (the "Contract") between the Company and SemCanada Crude ("SemCanada"). On July 22, 2008, SemCanada filed for protection under the CCAA. As a result of SemCanada's CCAA proceedings, June 2008 revenues (estimated at $79,000) due to Piper from SemCanada were not collected. Pursuant to SemCanada's CCAA proceedings, their suppliers were restricted from cancelling existing lease purchase contracts. SemCanada has now consented to the Company cancelling the Contract and Piper has made alternate marketing arrangements.

CONCLUSION

64. As noted in paragraph 36, it is the Receiver's understanding that, to date, Piper has been unable to arrange alternate investment or equity financing through either Startide or an alternate third party investor in order to fund the Farm-Out Agreement. As such, the Company will likely be unable to formulate a plan of arrangement to their creditors and will likely not be making a further application to extend the CCAA proceedings.

65. On August 18, 2008, the Receiver will be making an application to the Court of Queen's Bench of Alberta for the following:.

    a. Approval of the Receiver's conduct to date;

    b. Approval of the Glenogle Transaction, including:

        i. Vesting title of the PNG Assets to Glenogle, free from all rights and equity of redemption; and

        ii. Authorizing and directing the Receiver to execute all such documents and to carry out such actions as may be required to complete the Glenogle Transaction.

66. Upon completion of the Glenogle Transaction by the Receiver and upon establishing a fund to deal with any potential priority claims for pre-CCAA amounts due to joint venture partners or for builder's liens, the Receiver will be seeking its discharge.

DELOITTE & TOUCHE INC.,
in its sole capacity as Interim Receiver and
Receiver and Manager of Piper Resources Ltd.
and not in its personal capacity

Victor P. Kroeger, CA•CIRP, CFE
Senior Vice-President

SCHEDULES

SCHEDULE 1

Bennett Jones LLP

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Calgary, Alberta, Canada T2P 4K7
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Direct Line: 403.298.4485
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Our File No.: 31376.77

THIS IS EXHIBIT "A"
referred to in the Affidavit of
Lorne Gartner
Sworn before me this 5th
day of June 20 08

CHRIS SIMARD
Barrister and Solicitor

April 23, 2008

Via Facsimile

Mr. James Hanley
Thackray Burgess
#1900, 736 - 6 Avenue SW
Calgary, AB T2P 3T7

Dear Mr. Hanley:

Re: In the Matter of Piper Resources Ltd. and the *Companies' Creditors Arrangement Act* (the "CCAA") Action No. 0801-01618

We are writing further to our recent exchange of correspondence.

We have been discussing the terms under which Matco would be willing to agree to an extension of Piper's CCAA stay of proceedings, currently set to expire on April 28, 2008. Piper has indicated that it would like an extension of the CCAA stay to continue exploring opportunites that may preserve value for Piper's stakeholders. Matco's credit bid was the top bid for Piper's assets generated in the Tristone sales process.

Based on the foregoing, Matco is prepared to move forward on the basis set out below.

1. Matco will consent to one further extension of the CCAA stay of up to 45 days, to no later than Thursday, June 12, 2008 (the "Extended Stay");

2. by the conclusion of the Extended Stay, Matco and Piper shall complete the purchase and sale of all Piper's assets (the "Transaction") in accordance with the following:

   (a) Matco would incorporate a new Alberta corporation ("Newco"). Newco would have authorized share capital consisting of an unlimited number of Class A voting common shares ("Class A Shares") and an unlimited number of Class B Non-Voting Common Shares ("Class B Shares");

   (b) One hundred (100) Class A Shares would be issued to Matco or its nominees at a subscription price of $1 per share;

(c) Piper would transfer the petroleum and natural gas assets (the "PNG Assets") (but not the cash or receivables) to Newco in exchange for that number of Class B Shares as is equal to the dollar fair market value of the PNG Assets as determined pursuant to the most recent engineering report ("FMV") (approximately $68,000,000). The purchase price would be agreed to be such FMV and, if requested by Newco, Piper would execute a T2057 election form specifying the aggregate "agreed amount" to be such fair market value. The purchase price would be allocated 80% to Canadian resource property and 20% to tangible depreciable property;

(d) Piper would transfer the Class B Shares, receivables and cash to Matco in exchange for the cancellation of all of the existing debt owing to Matco;

3. Matco's counsel shall prepare the agreements and documents necessary to close the Transaction forthwith, at Matco's expense (the "Closing Documents");

4. Piper and Matco shall execute the Closing Documents on or before May 27, 2008, and the Closing Documents shall be held in escrow by Matco's counsel;

5. Piper shall take and/or facilitate all steps reasonably necessary to close the Transaction by the conclusion of the Extended Stay (including but not limited to making and/or supporting a Court application to approve the closing of the Transaction by the conclusion of the Extended Stay); and

6. Piper's obligation to close the Transaction by the conclusion of the Extended Stay shall be subject only to Matco agreeing to some alternative arrangement or transaction, in Matco's sole and unfettered discretion.

If Piper is in agreement with the foregoing, kindly have Piper acknowledge its agreement below and return a signed copy of this letter to me at your earliest convenience.

Yours truly,

BENNETT JONES LLP

Chris Simard

CS/dmk

cc: Client (via email)

AGREED AND ACKNOWLEDGED THIS 25 DAY OF APRIL, 2008.

PIPER RESOURCES LTD.

Per: _____

SCHEDULE 2

Deloitte.

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NOTICE OF RECEIVER AND RECEIVER'S STATEMENT
(Subsection 245(1) and 246(1) of the
***Bankruptcy and Insolvency Act*)**

IN THE MATTER OF THE RECEIVERSHIP OF
PIPER RESOURCES LTD.

BACKGROUND

On February 15, 2008, Piper Resources Ltd. ("Piper" or the "Company"), formerly known as 2937077 Canada Inc. filed for protection under the Companies' Creditors Arrangement Act ("CCAA") and obtained an initial order from the Court of Queen's Bench of Alberta (the "CCAA Order"). Under the terms of the CCAA Order, all proceedings against Piper were stayed for an initial period ended March17, 2008. The Court has now granted five Stay Extension Orders, with the current stay of proceedings scheduled to expire on August 5, 2008.

On July 22, 2008, concurrent with Piper's most recent application for a CCAA Stay Extension Order, Deloitte & Touche Inc. was appointed by the Court of Queen's Bench of Alberta, as Receiver and Manager (the "Receiver") of all of the current and future assets, undertakings and properties of Piper Resources Ltd. ("Piper" or the "Company"). A copy of the Receivership Order can be obtained via our website at www.deloitte.ca, under the insolvency and restructuring link, or by contacting April Bryant at (403) 267-0564.

The Receivership was the result of an application by Matco Capital Ltd., Piper's principal secured creditor who holds a general security agreement over all of Piper's current and future assets, undertakings and properties.

Piper is a non-listed reporting issuer, incorporated under the laws of Canada in July 1993. The Company is engaged in the exploration, development and production mainly of natural gas in Western Canada.

The Company's address is 1900, 500 - 4th Avenue SW, Calgary, Alberta.

ASSETS

On July 22, 2008, the Receiver took possession and control of Piper's assets, consisting mainly of petroleum and natural gas rights, tangibles and miscellaneous interests, which had the following estimated values:

Assets:		**Estimated Value:**	**Notes:**
Cash Held in Financial Institutions	$	3,550,000	1
PNG Assets		47,303,000	2
Tax Refunds		847,000	3
Total Estimated Value:	$	51,700,000	

Notes:

1. Cash held in financial institutions is being used, in part, to fund the Company's ongoing operations during the receivership and for payment of certain priority claims related to outstanding amounts due for crown and gross overriding royalties, which will be paid by the Receiver in the ordinary course.

2. The sale of the PNG Assets to Matco has not yet been completed. The estimated figure reflects the fact that no funds will be available for distribution to any creditors ranking subsequent to Matco (and is thus calculated based on the estimated total indebtedness owing to Matco)

3. The Receiver is currently awaiting additional information from Quebec Revenue regarding the timing and collectibility of a refundable input tax credit.

LIABILITIES

As at July 22, 2008, the Company's outstanding indebtedness was estimated at $66,312,000, which can be broken down as follows:

Liabilities:		Estimated Value
Secured Creditors	$	60,700,000
Builder's Liens		96,000
Joint Venture Partners		416,000
Unsecured Creditors		5,100,000
	$	66,312,000

Matco, Piper's principal secured creditor, is owed a total of approximately $51.7 million. The Receiver has obtained a legal opinion that Matco's security is valid and enforceable and ranks in first position subject to the Court's determination with respect to any potential priority claims.

Pursuant to the terms of a farm-out agreement between Piper and 1329749 Alberta ULC a.k.a. Vitus Oil and Gas ULC and 1329750 Alberta ULC a.k.a Bering Exploration Company ULC (collectively "1329750"), 1329750 may hold a subsequent secured claim of up to $12 million.

A detailed list of these creditors together with the amounts owed as indicated by the Company's books and records is available on Deloitte's website.

OPERATIONS

Pursuant to Paragraph 3(c) of the Receivership Order, the Receiver is authorized to manage, operate and carry on the Company's business.

Piper's operations are currently being continued by the Receiver until such time as the anticipated sale of the PNG Assets has been completed. The Receiver has retained Glenogle Energy Inc., the purchaser of the PNG Assets, to assist them in managing the company's day to day operations.

LIQUIDATION

Pursuant to the CCAA proceedings, in February 2008, Piper entered into an agreement with Tristone Capital Inc. ("Tristone") to either negotiate a merger, joint venture or other business combination, to seek out potential equity investments, or to complete the sale of the Company's assets.

As a result of this sale process, on August 5, 2008, the Receiver will be making an application for Court approval of the sale of the PNG Assets to Glenogle Energy Inc.

Additional detail with respect to the Tristone sale process and the anticipated sale of the PNG Assets to Glenogle will be available in the First Report of the Court-Appointed Receiver, which will be filed early next week and posted on Deloitte's website.

Once the sale of Piper's assets has been completed and all administrative matters have been finalized, we will be seeking our discharge as Receiver.

CONTACT INFORMATION

The contact information for the Receiver is:

Deloitte & Touche Inc.
3000, 700 – 2 Street SW
Calgary, AB T2P 0S7
Attention: Ms. Vanessa A. Grant

Tel: (403) 298-5955
Fax: (403) 718-3696

Dated at Calgary, Alberta this 1 day of August, 2008.

DELOITTE & TOUCHE INC.
In its capacity as Receiver and Manager of
Piper Resources Ltd.
and not in its personal capacity

Greg Stevens, CA · CIRP
Senior Vice President

SCHEDULE 3

PIPER
Resources Ltd.

October 30, 2007

This is Exhibit "C" referred to in the Affidavit of DERIC ORTON
Sworn before me this 21 day of July A.D. 2008
A Commissioner for Oaths in and for the Province of Alberta.

Bering Exploration
1400, 715 – 5th Ave. SW
Calgary, AB
T2P 2X6
Attention: Mr. Fred Mueller

RECEIVED
NOV 0 6 2007

JAMES G. HANLEY
Barrister & Solicitor

Dear Sir:

Re: Farmout Agreement
dated July 31, 2007
Various Areas, Alberta

This letter will serve to amend portions of Schedule "A" attached to the captioned agreement as between our companies.

Block H is hereby withdrawn and the contemplated 10-04-078-12 W6M well location has been terminated as evidenced by our October 4, 2007 letter to Richmount Petroleum Ltd. (copy attached).

Pursuant to article 6.7 (c) of the captioned agreement, Piper wishes to propose that the referenced Block H be replaced with a prospect in our inventory located at 12-34-071-11 W6M. This Paddy Cadotte shot is held Piper 55% from the base of the Dunvegan zone to the base of the Bluesky Bullhead formation and will, with your approval, be brought forward as a prospect under the subject Farmout Agreement.

Kindly indicate your approval of the foregoing in the spaces below and return the duplicate copy to my attention.

PIPER RESOURCES LTD.

Deric S. Orton
Vice President, Land

IN SECTION 4-78-12-W6 THESE WERE NG IN CADOTTE + PNG BELOW BASE HALFWAY PIPER STILL HAS SHALLOW RIGHTS

Agreed to and Accepted
this 2nd day of ~~October~~ November, 2007

per _____
Bering Exploration Company, ULC

PIPER Resources Ltd.

This is Exhibit "D" referred to in the Affidavit of
JERIC ORTON
Sworn before me this 21 day
of July A.D. 20 08
A Commissioner for Oaths in and for the Province of Alberta.
JAMES H. MANLEY
Barrister & Solicitor

RECEIVED
FEB 19 2008

February 15, 2008

Bering Exploration Company, ULC
1400, 715 5 Ave SW
Calgary, Alberta
T2P 2X6

Attention: Fred Mueller

Dear Sir:

RE: Farmout Agreement
Dated July 31, 2007

This letter will serve to amend portions of Schedule "A" attached to the captioned agreement as between our companies.

Schedule "A" will be updated with a new location in 1-6-73-12W6M which will be drilled deeper to the Paddy formation. This new location will replace the Encana 8-13-72-8W6M wellbore which suffered a vent leak problem. Piper contributes its 56% interest below the base of the Dunvegan to base Falher.

Piper contributes a location in 16-9-78-13W6M which replaces section 20-77-6W6M which was felt to be weak technically. Piper contributes its 50% interest below base Doe Creek to base Bluesky- Bullhead.

Piper contributes a location in 9-10-71-11W6M which replaces section 36-79-10W6M due to uneconomic earning conditions. Piper contributes 50% interest below base Spirit River to base Bluesky-Bullhead.

These replacement prospects are being contributed by Piper pursuant to article 6.7(c) of the referenced agreement.

Kindly indicate your approval to the foregoing in the spaces provided below and return the duplicate copy to my attention.

Yours truly,
PIPER RESOURCES LTD.

Deric S. Orton
Vice President-Land

Agreed to and Accepted this 18 day of February, 2008

per: _____
Bering Exploration Company, ULC.

SCHEDULE 4

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of the 14th day of August, 2008.

BETWEEN:

DELOITTE & TOUCHE INC., in its capacity as interim receiver and receiver and manager of **PIPER RESOURCES LTD.**, and not in its personal or corporate capacity, (hereinafter referred to as "**Receiver**")

- and -

GLENOGLE ENERGY INC. a corporation incorporated under the *Business Corporations Act* (Alberta) and having an office at Calgary, Alberta (hereinafter referred to as "**Purchaser**")

WHEREAS pursuant to an order of the Honourable Justice A.D. Macleod of the Alberta Court of Queen's Bench dated July 22nd, 2008 (the "**Appointment Order**"), Receiver was appointed as interim receiver and receiver and manager of Piper Resources Ltd. pursuant to section 47.1(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, the provisions of the *Judicature Act*, R.S.A 2000. c J-2 and Rule 387 of the *Alberta Rules of Court*;

WHEREAS Receiver wishes to sell and Purchaser wishes to purchase the interest of Receiver in and to the Assets, subject to and in accordance with the terms and conditions hereof;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the Parties have agreed as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

(a) "Adjustment Date" means the hour of 12:00 a.m., Calgary time, on the 1st day of July, 2008 or such other day as the Parties may agree to in writing;

(b) "AFEs" means the authorities for expenditure, operations notices and mail ballots, if any, set out in Schedule "B" under the heading "AFEs";

(c) "Appointment Order" has the meaning set forth in the recitals hereto;

(d) "Assets" means all of Piper's interest in and to the Petroleum and Natural Gas Rights, the Tangibles, the Seismic Data, and the Miscellaneous Interests, but excluding the Excluded Assets;

(e) "Bering Farmout Agreement" means the Farmout Agreement dated August 10, 2007 among Bering Exploration Company, ULC and Vitus Oil and Gas, ULC as Farmors, Piper as Farmee and Argali Oil Inc. as Operator, as amended by a letter agreement dated December 13, 2007 and a letter agreement dated March 20, 2008, and all benefit and advantage to be derived from it;

(f) "Business Day" means a day other than a Saturday, a Sunday or a statutory holiday in Calgary, Alberta;

(g) "Claims" means all claims against Piper or its affiliates or against the Assets of every nature of kind whatsoever and howsoever arising including, without limiting the generality of the foregoing, all encumbrances, liens, charges, pledges, mortgages and security interests, including without limitation the Farmor Security;

(h) "Closing" means the closing of the purchase and sale herein provided for and of the transactions contemplated in the DRDA;

(i) "Closing Place" means the offices of Receiver, or such other place as may be agreed upon in writing by Receiver and Purchaser;

(j) "Closing Time" means the hour of 2:00 p.m. on the 18th day of August, 2008 or such other time and date as may be agreed upon in writing by Receiver and Purchaser;

(k) "Counsel" means any Alberta barrister and solicitor or firm thereof retained by Receiver or Purchaser, as the case may be;

(l) "Court " means the Alberta Court of Queen's Bench;

(m) "Court Approval" has the meaning given to that term in section 3.1(d) hereof;

(n) "DRDA" means the Discharge and Release of Debt Agreement to be entered into by Deloitte & Touche Inc., in its capacity as trustee in bankruptcy of Piper and not in its personal or corporate capacity, and Matco Capital Ltd.;

(o) "Excluded Assets" means the Bering Farmout Agreement, accounts receivable, cash and other assets of Piper classified as current assets in accordance with generally accepted accounting principles, all as at the Closing Time;

(p) "Facilities" means the facility or facilities, if any, set out in Schedule "B" under the heading "Facilities";

(q) "Farmor Security" means the Debenture dated August 10, 2007 and the Debenture Pledge Agreement made among Piper, Argali Oil Inc., 1329749 Alberta ULC and 1329750 Alberta ULC, all pursuant to Article 10 of the Bering Farmout Agreement;

(r) "GST" means the goods and services tax payable pursuant to the *Excise Tax Act*, 1980 R.S.C., c. E-15, as amended, and the regulations thereunder;

(s) "Lands" means the lands set out in Schedule "A" under the heading "Lands";

(t) "Leased Substances" means all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands);

(u) "Miscellaneous Interests" means, subject to any and all limitations and exclusions provided for in this definition, all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following:

(i) all other contracts and agreements relating to the Petroleum and Natural Gas Rights or the Tangibles, or any of them, including without limitation gas purchase contracts, processing agreements, transportation agreements and agreements for the construction, ownership and operation of facilities;

(ii) equipment leases;

(iii) all office furniture, computer hardware and other assets located in the Piper's office space in Calgary, Alberta;

(iv) all software programs and applications used in connection with the business relating to the Assets, including Receiver's interest in and to any Third Party licenses to use any such software;

(v) fee simple rights to, and rights to enter upon, use or occupy, the surface of any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or any of them;

(vi) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights or the Tangibles, or either of them, including any of the foregoing that pertain to seismic, geological or geophysical matters; and

(vii) the Wells, including the wellbores and any and all casing;

but specifically excluding the Excluded Assets;

(v) "Party" means a party to this Agreement;

(w) "Permitted Encumbrances" means:

(i) liens for taxes, assessments and governmental charges which are not due or the validity of which is being diligently contested in good faith by or on behalf of Piper;

(ii) liens incurred or created in the ordinary course of business as security in favour of the person who is conducting the development or operation of the property to

which such liens relate for Piper's proportionate share of the costs and expenses of such development or operation;

(iii) mechanics', builders' and materialmen's liens in respect of services rendered or goods supplied for which payment is not due;

(iv) easements, rights of way, servitudes and other similar rights in land (including without limitation rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph and cable television conduits, poles, wires and cables) which do not materially impair the use of the Assets affected thereby;

(v) the right reserved to or vested in any municipality or government or other public authority by the terms of any lease, licence, franchise, grant or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(vi) rights of general application reserved to or vested in any governmental authority to levy taxes on the Leased Substances or any of them or the income therefrom, and governmental requirements and limitations of general application as to production rates on the operations of any property;

(vii) statutory exceptions to title, and the reservations, limitations, provisos and conditions in any original grants from the Crown of any of the mines and minerals within, upon or under the Lands;

(viii) any security held by any Third Party encumbering Piper's interest in and to the Assets or any part or portion thereof, in respect of which Receiver delivers a discharge to Purchaser at or prior to Closing;

(ix) the Production Contracts and agreement or agreements (if any) for the sale of Leased Substances that are terminable on not greater than 31 days' notice (without an early termination penalty or other cost); and

(x) all royalty burdens, liens, adverse claims, penalties, reductions in interests and other encumbrances set out in Schedule "A";

(x) "Petroleum and Natural Gas Rights" means all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands), including without limitation the interests set out in Schedule "A" under the heading " Petroleum and Natural Gas Rights";

(y) "Petroleum Substances" means any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids, and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation sulphur;

(z) "Piper" means Piper Resources Ltd., a corporation incorporated pursuant to the laws of the Province of Alberta;

(aa) "Privacy Law" means the *Personal Information Protection and Electronic Documents Act* (Canada), *Personal Information Protection Act* (Alberta), *Freedom of Information and Protection of Privacy Act* (Alberta), the *Health Information Act* (Alberta), equivalent legislation in other provinces and territories of Canada, all regulations thereunder, and all Commissioner orders issued pursuant thereto;

(bb) "Production Contracts" means the agreement or agreements, if any, set out in Schedule "B" under the heading "Production Contracts";

(cc) "Purchase Price" means the sum of money first set out in section 2.5;

(dd) "Seismic Data" means, all of Piper's proprietary two dimensional ("2D") and three dimensional ("3D") seismic and geophysical data, including reproducible copies of all field tapes; all final processed stacked tapes, including migrations; segP1 format survey floppy disk and all basic field data, including shot point maps, observer reports, driller reports, computer printed survey audits, and monitor records; and, in the case of 3D seismic, the 3D surveys, bin disks, and bin maps;

(ee) "Shares" has the meaning set forth in section 2.5;

(ff) "Specific Conveyances" means all conveyances, assignments, transfers, novations and other documents or instruments that are reasonably required or desirable to convey, assign and transfer the interest of Receiver in and to the Assets to Purchaser and to novate Purchaser in the place and stead of Receiver with respect to the Assets;

(gg) "Tangibles" means the Facilities and any and all tangible depreciable property and assets other than the Facilities which are located within, upon or in the vicinity of the Lands and which are used or are intended to be used to produce, process, gather, treat, measure, make marketable or inject the Leased Substances or any of them or in connection with water injection or removal operations that pertain to the Petroleum and Natural Gas Rights, including without limitation any and all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, scrubbers, separators, pumps, tanks, boilers and communication equipment;

(hh) "Third Party" means any individual or entity other than Receiver and Purchaser, including without limitation any partnership, corporation, trust, unincorporated organization, union, government and any department and agency thereof and any heir, executor, administrator or other legal representative of an individual;

(ii) "this Agreement", "herein", "hereto", "hereof" and similar expressions mean and refer to this Agreement of Purchase and Sale;

(jj) "Title Documents" means, collectively, any and all certificates of title, leases, reservations, permits, licences, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements and any other documents and agreements granting, reserving or otherwise conferring rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are

produced, and (iv) rights to acquire any of the rights described in items (i) to (iii) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands; including without limitation those, if any, set out in Schedule "A" under the heading "Title Document(s)";

(kk) "Vesting Order" means an order to be granted by the Court which authorizes, approves or confirms this Agreement and the sale of the Assets by Receiver to Purchaser and, among other things, vests title to the Assets in Purchaser, free and clear of all Claims, in a form satisfactory to Purchaser and Receiver; and

(ll) "Wells" means all wells which have been, are or may be used in connection with the Petroleum and Natural Gas Rights, including without limitation producing, shut-in, abandoned, water source, water disposal and water injection wells.

1.2 Headings

The expressions "Article", "section", "subsection", "clause", "subclause", "paragraph" and "Schedule" followed by a number or letter or combination thereof mean and refer to the specified article, section, subsection, clause, subclause, paragraph and schedule of or to this Agreement unless expressly otherwise provided.

1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles, sections, subsections, clauses, subclauses and paragraphs and the provision of headings for all or any thereof are for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Included Words

When the context reasonably permits, words suggesting the singular shall be construed as suggesting the plural and vice versa, and words suggesting gender or gender neutrality shall be construed as suggesting the masculine, feminine and neutral genders.

1.5 Schedules

There are appended to this Agreement the following schedules pertaining to the following matters:

Schedule "A"
- Lands
- Petroleum and Natural Gas Rights
- Title Documents

Schedule "B"
- AFEs
- Facilities
- Production Contracts

Schedule "C" Form of PNG Conveyance

Such schedules are incorporated herein by reference as though contained in the body hereof. Wherever any term or condition of such schedules conflicts or is at variance with any

term or condition in the body of this Agreement, such term or condition in the body of this Agreement shall prevail.

1.6 Damages

All losses, costs, claims, damages, expenses and liabilities in respect of which a Party has a claim pursuant to this Agreement include without limitation reasonable legal fees and disbursements on a solicitor and client basis.

ARTICLE 2
PURCHASE AND SALE AND CLOSING

2.1 Purchase and Sale

Receiver, exercising the powers of sale granted pursuant to the Appointment Order, hereby agrees to sell, assign, transfer, convey and set over to Purchaser, and Purchaser hereby agrees to purchase from Receiver, all of the right, title, estate and interest (whether absolute or contingent, legal or beneficial) in and to the Assets, subject to and in accordance with the terms of this Agreement.

2.2 Closing

Closing shall take place at the Closing Place at the Closing Time if there has been satisfaction or waiver of the conditions of Closing herein contained. Subject to all other provisions of this Agreement, possession, risk and beneficial ownership of and interest in and to the Assets shall pass to Purchaser at the Closing Time.

2.3 Specific Conveyances

Purchaser shall prepare the Specific Conveyances at its cost and as required in accordance with the integrated licence transfer application process set forth and described in EUB Directive 006: Licensee Liability Rating Program and Licence Transfer Process, none of which shall confer or impose upon a Party any greater right or obligation than contemplated in this Agreement. All Specific Conveyances that are prepared and circulated to Receiver a reasonable time prior to the Closing Time shall be executed and delivered by the Parties at Closing. Forthwith after Closing, Purchaser shall at its cost circulate and register, as the case may be, all Specific Conveyances that by their nature may be circulated or registered.

2.4 Title Documents, Seismic Data and Miscellaneous Interests

Receiver shall deliver to Purchaser at Closing the original copies of the Title Documents and any other agreements and documents to which the Assets are subject, and the original copies of contracts, agreements, records, books, documents, licences, reports and data comprising Miscellaneous Interests which are now in the possession of Receiver or of which it gains possession prior to Closing. Notwithstanding the foregoing, if and to the extent such Title Documents, contracts, agreements, records, books, documents, licences, reports and data also pertain to interests other than the Assets, photocopies or other copies may be provided to Purchaser in lieu of original copies. Purchaser shall, upon request and after reasonable notice, provide reasonable access, at the offices of Purchaser and during its normal business hours, to such of the Title Documents and other contracts, agreements, records, books, documents, licenses, reports and data comprising Miscellaneous Interests delivered by Receiver pursuant

hereto, as Receiver may require for purposes concerning the interests which Piper or Receiver held in the Assets prior to the Closing Time and the calculation of adjustments prior to the finalization of same, subject always to the requirement that all such information shall remain confidential.

2.5 Purchase Price

The aggregate consideration to be paid by Purchaser to Receiver for Receiver's interest in and to the Assets shall be $68,486,200 (the "**Purchase Price**"). In satisfaction of its obligation to pay the Purchase Price, Purchaser shall issue 68,486,200 Class "B" common non-voting shares in the capital of Purchaser (the "**Shares**") to and in favour of Piper, having an aggregate fair market value equal to the Purchase Price.

2.6 GST

At Closing, Purchaser shall be solely responsible for all sales taxes, transfer taxes, fees, charges, levies or similar assessments which may be imposed by any governmental authority and pertaining to its acquisition of the Assets or to the circulation and registration of the Specific Conveyances. The Purchase Price does not include GST. Receiver and Purchaser agree to prepare and execute GST Form 44 in respect of the Assets to the effect that no GST shall be payable thereon. Purchaser shall file GST Form 44 within the limits prescribed in the *Excise Tax Act*. If GST is payable in respect of the purchase of the Assets pursuant hereto, Purchaser shall be responsible for the payment of, and indemnify and save harmless Receiver and Piper in respect of, the GST and all interest and penalties payable pursuant to the *Excise Tax Act* in respect thereof. The GST registration number of Piper is 14082 6116 RT0001. The GST registration number of Purchaser is 817233950RT0001.

2.7 Allocation of Purchase Price

The consideration paid for the Assets shall be allocated as follows:

Petroleum and Natural Gas Rights	$54,788,952
Tangibles	$13,697,238
Miscellaneous	$ 10.00

2.8 Tax Election

Receiver agrees that, upon the request of Purchaser, it shall execute an election pursuant to subsection 85(1) of the *Income Tax Act* (Canada) (the "Act"), prepared by the Purchaser whereby the Assets shall be transferred for purposes of the Act for an amount within the limitations set out in the said subsection 85(1) of the Act, determined by Purchaser. The parties agree that the election amount shall not exceed the Purchase Price and all costs related to the preparation and filing of the said election shall be borne solely by the Purchaser.

ARTICLE 3
CONDITIONS OF CLOSING

3.1 Purchaser's Conditions

The obligation of Purchaser to purchase the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Purchaser and may be waived by Purchaser:

(a) the representations and warranties of Receiver herein contained shall be true in all material respects when made and as of the Closing Time;

(b) all obligations of Receiver contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;

(c) from the date of this Agreement to the Closing Time, the Assets shall have suffered no material, adverse damage or change; and

(d) the execution, delivery and performance of this Agreement by Receiver shall have been approved by the Court of Queen's Bench for the Province of Alberta and the Vesting Order shall have been granted in a form acceptable to Purchaser (such approval being herein called the "**Court Approval**"), and there shall be no outstanding appeals to such approval.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Purchaser, at or before the Closing Time, Purchaser may rescind this Agreement by written notice to Receiver. If Purchaser rescinds this Agreement in accordance with this section 3.1, each of Purchaser and Receiver shall be released and discharged from all obligations hereunder except as provided in sections 3.3 and 10.15.

3.2 Receiver's Conditions

The obligation of Receiver to sell its interest in and to the Assets is subject to the following conditions precedent, which are inserted herein and made part hereof for the exclusive benefit of Receiver and may be waived by Receiver:

(a) the representations and warranties of Purchaser herein contained shall be true in all material respects when made and as of the Closing Time;

(b) all obligations of Purchaser contained in this Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;

(c) a share certificate registered in the name of Piper for the Shares shall have been delivered by Purchaser to Receiver at Closing and Piper shall have been validly registered as the owner of the Shares on the Shareholders' Register maintained by Purchaser;

(d) the execution, delivery and performance of this Agreement by Receiver shall have received Court Approval, and there shall be no outstanding appeals to such approval; and

(e) an indemnity and support agreement, in a form acceptable to the Receiver, shall have been executed and delivered by Matco Capital Ltd. and the Receiver at Closing.

If any one or more of the foregoing conditions precedent has or have not been satisfied, complied with, or waived by Receiver, at or before the Closing Time, Receiver may in addition to any other remedies which it may have available to it, rescind this Agreement by written notice to Purchaser. If Receiver rescinds this Agreement in accordance with this section 3.2, Receiver shall be released and discharged from all obligations hereunder except as provided in section 10.15.

3.3 Efforts to Fulfil Conditions Precedent

Purchaser and Receiver shall proceed diligently and in good faith and use efforts to satisfy and comply with and assist in the satisfaction and compliance with the conditions precedent. If there is a condition precedent that is to be satisfied or complied with prior to the Closing Time, and if, by the time the condition precedent is to be satisfied or complied with, the Party for whose benefit the condition precedent exists fails to notify the other Party whether or not the condition precedent has been satisfied or complied with, the condition precedent shall be conclusively deemed to have been satisfied or complied with.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Receiver

Purchaser acknowledges that it is purchasing Receiver's interest in and to the Assets on an "as is, where is" basis, without representation and warranty and without reliance on any information provided to or on behalf of Purchaser by Receiver or any Third Party, except that and subject in all instances to Permitted Encumbrances, Receiver makes the following representations and warranties to Purchaser, no claim in respect of which shall be made or be enforceable by Purchaser unless written notice of such claim, with reasonable particulars, is given by Purchaser to Receiver within a period of twelve (12) months from the Closing Time:

(a) Receiver has been appointed by the Alberta Court of Queen's Bench as interim receiver and receiver and manager of Piper and such appointment is valid and subsists;

(b) Receiver has good right, full power and absolute authority to sell, assign, transfer, convey and set over the interest of Piper in and to the Assets according to the true intent and meaning of this Agreement, subject to the terms and conditions of the Vesting Order; and

(c) Receiver is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

4.2 Representations and Warranties of Purchaser

Purchaser makes the following representations and warranties to Receiver, no claim in respect of which shall be made or be enforceable by Receiver unless written notice of such claim, with reasonable particulars, is given by Receiver to Purchaser within a period of twelve (12) months from the Closing Time:

(a) Purchaser is a corporation duly organized and validly existing under the laws of the jurisdiction of incorporation of Purchaser, is authorized to carry on business in the Province in which the Lands are located, and now has good right, full power and absolute authority to purchase the interest of Receiver in and to the Assets according to the true intent and meaning of this Agreement;

(b) the execution, delivery and performance of this Agreement has been duly and validly authorized by any and all requisite corporate, shareholders' and directors' actions and will not result in any violation of, be in conflict with or constitute a default under any articles, charter, bylaw or other governing document to which Purchaser is bound;

(c) the execution, delivery and performance of this Agreement will not result in any violation of, be in conflict with or constitute a default under any term or provision of any agreement or document to which Purchaser is party or by which Purchaser is bound, nor under any judgment, decree, order, statute, regulation, rule or license applicable to Purchaser;

(d) this Agreement and any other agreements delivered in connection herewith constitute valid and binding obligations of Purchaser enforceable against Purchaser in accordance with their terms;

(e) Purchaser has not incurred any obligation or liability, contingent or otherwise, for brokers' or finders' fees in respect of this Agreement or the transaction to be effected by it for which Receiver shall have any obligation or liability;

(f) Purchaser is not a non-Canadian person for the purposes of the *Investment Canada Act*; and

(g) the Shares are validly issued as fully paid and non-assessable Class "B" common non-voting shares in the capital of Purchaser.

4.3 Limitation of Representations and Warranties by Receiver

(a) Receiver expressly negates any representations or warranties, whether written or verbal, made by Receiver, its agents, servants or employees except as expressly enumerated in section 4.1 and in particular, without limiting the generality of the foregoing, Receiver disclaims all liability and responsibility for any such representation, warranty, statement or information made or communicated whether verbal or in writing and whether contained herein (which includes any schedule attached hereto) to Purchaser or any of its employees, agents, consultants or representatives. Receiver's interest in and to the Assets shall be purchased on a strictly "as is, where is" basis and there are no collateral agreements, conditions, representations or warranties of any nature whatsoever made by Receiver, express or implied, arising at law, by statute or in equity or otherwise with respect to the Assets and in particular, without limiting the generality of the foregoing, there are no collateral agreements, conditions, representations or warranties made by Receiver, express or implied, arising at law, by statute or in equity or otherwise with respect to:

(i) any engineering, geological or other interpretation or economic evaluations respecting the Assets;

(ii) the quality, quantity or recoverability of Petroleum Substances within or under the Lands or any lands pooled or unitized therewith;

(iii) any estimates of the value of the Assets or the revenues or cash flows from future production from the Lands;

(iv) the rates of production of Petroleum Substances from the Lands;

(v) the quality, condition, fitness or merchantability of any tangible depreciable equipment or property interests which comprise the Assets;

(vi) the suitability of the Assets for any purpose;

(vii) compliance with applicable laws; or

(viii) the title and interest of Receiver in and to the Assets.

(b) Without restricting the generality of the foregoing, Purchaser acknowledges that it has made its own independent investigation, analysis, evaluation and inspection of Receiver's interests in the Assets and the state and condition thereof and that it has relied solely on such investigation, analysis, evaluation and inspection as to its assessment of the condition, quantum and value of the Assets. Except with respect to the representations and warranties in section 4.1, Purchaser forever releases and discharges Receiver from any claims and all liability (whether by contract, in tort, by statute or otherwise howsoever) to Purchaser or Purchaser's assigns and successors, as a result of the use or reliance upon advice, information or materials pertaining to the Assets which was delivered or made available to Purchaser by Receiver or Piper or any of their respective directors, officers, servants, agents or employees prior to or pursuant to this Agreement, including any evaluations, projections, reports and interpretive or non-factual materials prepared by or for Receiver or Piper or otherwise in the possession of Receiver or Piper.

ARTICLE 5
INDEMNITIES FOR REPRESENTATIONS AND WARRANTIES

5.1 Receiver's Indemnities for Representations and Warranties

Receiver shall be liable to Purchaser for and shall, in addition, indemnify Purchaser from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Purchaser which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.1 been accurate and truthful, provided however that nothing in this section 5.1 shall be construed so as to cause Receiver to be liable to or indemnify Purchaser in connection with any representation or warranty contained in section 4.1 if and to the extent that Purchaser did not rely upon such representation or warranty.

5.2 Purchaser's Indemnities for Representations and Warranties

Purchaser shall be liable to Receiver (whether in its capacity as interim receiver, receiver or trustee in bankruptcy) for and shall, in addition, indemnify Receiver from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by

Receiver which would not have been suffered, sustained, paid or incurred had all of the representations and warranties contained in section 4.2 been accurate and truthful, provided however that nothing in this section 5.2 shall be construed so as to cause Purchaser to be liable to or indemnify Receiver in connection with any representation or warranty contained in section 4.2 if and to the extent that Receiver did not rely upon such representation or warranty.

5.3 Time Limitation

No claim under this Article 5 shall be made or be enforceable by a Party unless written notice of such claim, with reasonable particulars, is given by such Party to the Party against whom the claim is made within a period of twelve (12) months after the Closing Time.

ARTICLE 6
PURCHASER'S INDEMNITIES

6.1 General Indemnity

Purchaser shall be liable to Receiver for and shall, in addition, indemnify Receiver from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Receiver which arise out of any matter or thing occurring or arising from and after the Adjustment Date and which relates to the Assets or any of them, provided however that Purchaser shall not be liable to nor be required to indemnify Receiver in respect of any losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Receiver which arise out of the gross negligence or wilful misconduct of Receiver.

6.2 Abandonment and Reclamation

Purchaser shall see to the timely performance of all abandonment and reclamation obligations pertaining to the Assets which in the absence of this Agreement would be the responsibility of Receiver or Piper. Purchaser shall be liable to Receiver for and shall, in addition, indemnify Receiver from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Receiver should Purchaser fail to timely perform such obligations.

6.3 Environmental Matters

Purchaser shall be liable to Receiver for and shall, in addition, indemnify Receiver from and against, all losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Receiver which pertain to environmental damage or contamination or other environmental problems pertaining to or caused by the Assets or operations thereon or related thereto, however and by whomsoever caused, and whether such environmental damage or contamination or other environmental problems occur or arise in whole or in part prior to, at or subsequent to the Closing Time. Purchaser shall not be entitled to exercise and hereby waives any rights or remedies Purchaser may now or in the future have against Receiver or Piper in respect of such environmental damage or contamination or other environmental problems, whether such rights and remedies are pursuant to the common law or statute or otherwise, including without limitation, the right to name Receiver or Piper as a third party to any action commenced by any Third Party against Purchaser. Without limiting the generality of the foregoing, such environmental damage or contamination or other environmental problems shall include (i) surface, underground, air, ground water or surface water contamination, (ii) the abandonment or plugging of or failure to abandon or plug any of the Wells, (iii) the restoration or

reclamation of or failure to restore or reclaim any part of the Assets, (iv) the breach of applicable government rules and regulations in effect at any time, and (v) the removal of or failure to remove foundations, structures or equipment.

6.4 Limitation

Notwithstanding any other provision in this Agreement, Purchaser shall not be liable to nor be required to indemnify Receiver in respect of any losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Receiver in respect of which Receiver is liable to and has indemnified Purchaser pursuant to section 5.1, and Receiver shall not be liable to nor be required to indemnify Purchaser in respect of any losses, costs, claims, damages, expenses and liabilities suffered, sustained, paid or incurred by Purchaser in respect of which Purchaser is liable to and has indemnified Receiver pursuant to section 5.2, in both cases disregarding the time limit set out in section 5.3.

ARTICLE 7
OPERATING ADJUSTMENTS

7.1 Operating Adjustments

Subject to all other provisions of this Agreement, all benefits and obligations of any kind and nature relating to the operation of the Assets conveyed pursuant to this Agreement, excluding income taxes but otherwise including without limitation maintenance, development, operating and capital costs, government incentives and administration fees, royalties and other burdens, and proceeds from the sale of production whether accruing, payable or paid and received or receivable, shall be adjusted between the Parties as of the Adjustment Date in accordance with generally accepted accounting principles. Prior to the Closing Time, Receiver shall provide to Purchaser a written statement of all such adjustments to be made at Closing, and shall cooperate with Purchaser to enable Purchaser to verify the accuracy of such statement. Notwithstanding the foregoing, there shall be no accounting or adjustments between the Parties in respect of any benefits or obligations of any kind or nature paid or payable or received or receivable respecting the Assets after Closing.

ARTICLE 8
MAINTENANCE OF ASSETS

8.1 Maintenance of Assets

Until the Closing Time, Receiver shall, to the extent that the nature of its interest permits, and subject to the Title Documents and any other agreements and documents to which the Assets are subject:

(a) maintain the Assets in a proper and prudent manner in accordance with good oil and gas industry practices and in material compliance with all applicable laws, rules, regulations, orders and directions of governmental and other competent authorities;

(b) pay or cause to be paid all costs and expenses relating to the Assets which become due from the date hereof to the Closing Time; and

(c) perform and comply with all covenants and conditions contained in the Title Documents and any other agreements and documents to which the Assets are subject.

8.2 Consent of Purchaser

Notwithstanding section 8.1, Receiver shall not between the date hereof and the Closing Time, without the written consent of Purchaser, which consent shall not be unreasonably withheld or delayed by Purchaser and which, if provided, shall be provided in a timely manner:

(a) make any commitment or propose, initiate or authorize any capital expenditure with respect to the Assets of which Receiver's share is in excess of $10,000.00, except in case of an emergency or in respect of amounts which Receiver may be committed to expend or be deemed to authorize for expenditure without its consent;

(b) surrender or abandon any of the Assets;

(c) amend or terminate any Title Document or any other agreement or document to which the Assets are subject, or enter into any new agreement or commitment relating to the Assets; or

(d) sell, encumber or otherwise dispose of any of the Assets or any part or portion thereof excepting sales of the Leased Substances or any of them in the normal course of business.

ARTICLE 9
PRE-CLOSING INFORMATION

9.1 Production of Documents

At all reasonable times from the date hereof until the Closing Time, Receiver shall make available to Purchaser and Purchaser's Counsel in Receiver's offices in Calgary the following information pertaining to the Assets to which Receiver has possession or to which it has access:

(a) all title opinions and reports;

(b) all of the Title Documents and any other agreements and documents to which the Assets are subject including without limitation (i) production sales contracts pertaining to the Leased Substances or any of them, (ii) gas balancing or similar agreements pertaining to the Leased Substances or any of them, (iii) agreements for the transportation, processing or disposal of the Leased Substances or any of them or substances produced in connection with the Leased Substances or any of them, (iv) agreements for the contract operation by a Third Party of the Assets or any of them, and (v) agreements to provide transportation, processing or disposal capacity or service to any Third Party;

(c) mortgages, deeds of trust, security agreements, chattel mortgages and other encumbrances affecting the Assets;

(d) evidence with respect to the payment of all bonuses, rentals, royalties and other payments due under the Title Documents and any other agreements and documents to which the Assets are subject;

(e) evidence with respect to the payment of all taxes, charges and assessments pertaining to the Assets;

(f) lease records, data sheets, production records, ownership maps and surveys;

(g) permits, easements, licenses and orders;

(h) all documents and information relevant to environmental damage or contamination or other environmental problems pertaining to the Assets; and

(i) accounting records, policies of insurance, consulting agreements, field contracts and other agreements relating to the operation of the Assets.

ARTICLE 10
GENERAL

10.1 Further Assurances

Each Party will, from time to time and at all times after Closing, without further consideration, do such further acts and deliver all such further assurances, deeds and documents as shall be reasonably required in order to fully perform and carry out the terms of this Agreement.

10.2 Form of Payment

All dollar amounts in this Agreement are expressed in Canadian dollars. All payments to be made pursuant to this Agreement shall be in Canadian funds and shall be made by certified cheque or bank draft.

10.3 No Merger

The covenants, representations, warranties and indemnities contained in this Agreement shall be deemed to be restated in any and all assignments, conveyances, transfers and other documents conveying the interests of Receiver in and to the Assets to Purchaser, subject to any and all time and other limitations contained in this Agreement. There shall not be any merger of any covenant, representation, warranty or indemnity in such assignments, conveyances, transfers and other documents notwithstanding any rule of law, equity or statute to the contrary and such rules are hereby waived.

10.4 Entire Agreement

The provisions contained in any and all documents and agreements collateral hereto shall at all times be read subject to the provisions of this Agreement and, in the event of conflict, the provisions of this Agreement shall prevail. No amendments shall be made to this Agreement unless in writing, executed by the Parties. This Agreement supersedes all other agreements, documents, writings and verbal understandings among the Parties relating to the subject matter hereof and expresses the entire agreement of the Parties with respect to the subject matter hereof.

10.5 Subrogation

The assignment and conveyance to be effected by this Agreement is made with full right of substitution and subrogation of Purchaser in and to all covenants, representations, warranties

and indemnities previously given or made by others in respect of the Assets or any part or portion thereof.

10.6 Governing Law

This Agreement shall, in all respects, be subject to, interpreted, construed and enforced in accordance with and under the laws of the Province of Alberta and applicable laws of Canada and shall, in all respects, be treated as a contract made in the Province of Alberta. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Alberta and courts of appeal therefrom in respect of all matters arising out of or in connection with this Agreement.

10.7 Enurement

This Agreement may not be assigned by a Party without the prior written consent of the other Party, which consent may be unreasonably and arbitrarily withheld. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective administrators, trustees, receivers, successors and permitted assigns.

10.8 Time of Essence

Time shall be of the essence in this Agreement.

10.9 Notices

The addresses for service and the fax numbers of the Parties shall be as follows:

Receiver: Deloitte & Touche Inc., in its capacity as interim receiver and receiver and manager of Piper Resources Ltd. and not in its personal capacity
3000, 700 2nd Street SW
Calgary, AB T2P 0S7

Attention: Mr. Victor Kroeger
Email: vkroeger@deloitte.ca
Fax No.: (403) 260-4060

Purchaser: Glenogle Energy Inc.
c/o Bennett Jones LLP
4500, 855 2nd ST. SW
Calgary, Alberta
T2P 4K7

Attention: Mr. Will Osler
Email: oslerw@bennettjones.ca
Fax No.: 403-265-7219

All notices, communications and statements required, permitted or contemplated hereunder shall be in writing, and shall be delivered as follows:

(a) by personal service on a Party at the address of such Party set out above, in which case the item so served shall be deemed to have been received by that Party when personally served;

(b) by facsimile transmission to a Party to the fax number of such Party set out above, in which case the item so transmitted shall be deemed to have been received by that Party when transmitted; or

(c) except in the event of an actual or threatened postal strike or other labour disruption that may affect mail service, by mailing first class registered post, postage prepaid, to a Party at the address of such Party set out above, in which case the item so mailed shall be deemed to have been received by that Party on the third Business Day following the date of mailing (the date of mailing being the Business Day immediately prior to the postmarked date of the envelope containing the notice, communication or statement or if the subject envelope has been lost or destroyed, the date of such notice, communication or statement or if undated the date of the transmittal letter accompanying the same).

A Party may from time to time change its address for service or its fax number or both by giving written notice of such change to the other Party.

10.10 Operatorship

Purchaser acknowledges that Receiver is unable to assign to Purchaser operatorship of the Assets, if any, operated by Receiver and in respect of which Piper does not have a 100% interest.

10.11 Limit of Liability

In no event shall the liability of Receiver to Purchaser in respect of claims of Purchaser arising out of or in connection with this Agreement exceed, in the aggregate, the Purchase Price, taking into account any and all increases or decreases to the Purchase Price that occur by virtue of the terms of this Agreement.

10.12 Invalidity of Provisions

In case any of the provisions of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.13 Waiver

No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any right or remedy in law or in equity or by statute or otherwise conferred. No waiver of any provision of this Agreement, including without limitation, this section 10.13, shall be effective otherwise than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representative of the Party making such waiver.

10.14 Agreement not Severable

This Agreement extends to the whole of the Assets and is not severable without Purchaser's express written consent or as otherwise herein provided.

10.15 Privacy Laws

All disclosures of "personal information" pursuant to this Agreement shall only be carried out in compliance with applicable Privacy Laws. The Parties agree that the transaction proposed by this Agreement constitutes a "business transaction" within the meaning of Privacy Laws. Each Party agrees only to request from the other Party, and each Party agrees only to provide to the other Party, "personal information" which is necessary: (a) for the Parties to determine whether to proceed with the transaction contemplated by this Agreement; and (b) if the Closing is to occur, for the Parties to carry out and complete the Closing. The Parties agree that the collection, use and disclosure of "personal information" is restricted to the purposes that relate to the transaction contemplated by this Agreement.

If Closing occurs, Purchaser hereby undertakes to use and disclose the "personal information" about Third Parties that is obtained from Receiver only for those purposes for which the information was initially collected from or in respect of such Third Parties. The Parties acknowledge and agree that the "personal information" which is provided by Receiver to Purchaser shall be: (a) information that relates solely to the Assets; or (b) information that relates solely to carrying out the objects for which the Closing occurs.

If Closing does not occur, Purchaser shall destroy or turn over (at the option of Receiver) to Receiver all of the "personal information" obtained in contemplation of Closing.

10.16 Counterpart Execution

This Agreement may be executed in counterpart, no one copy of which need be executed by Receiver and Purchaser. A valid and binding contract shall arise if and when counterpart execution pages are executed and delivered by Receiver and Purchaser.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

DELOITTE & TOUCHE INC., in its capacity as interim receiver and receiver and manager of PIPER RESOURCES LTD. and not in its personal or corporate capacity

Per: _____

Per: _____

GLENOGLE ENERGY INC.

Per: _____

Per: _____

SCHEDULE 5

Piper Resources Ltd. - in Receivership
Receiver's Statement of Receipts & Disbursements
For the Interim Period from July 22, 2008 to August 14, 2008

Receipts			**Notes**
Cash on Hand (Net)	$	3,434,959	
Accounts Receivable		27,575	
Joint Venture Parmenr Payments (GST Exempt)		310,650	
Miscellaneous Receipts (GST Not Applicable)		20,399	1
Total Receipts		**3,793,583**	

Disbursements		**Notes**
Administrative Expenses	22,639	
Operating Expenses	662,411	
Crown Royalties	627,264	2
Gross Over-riding Royalties	163,468	3
Monitor's Fees	20,610	
Monitor's Legal Fees	37,332	
Net GST Paid	81,048	4
Total Disbursements	**1,614,770**	

Excess of Cash Receipts over Cash Disbursements (Represented by Cash in Bank)	**$**	**2,178,813**

Notes:

1. Miscellaneous Receipts includes the return of an unused retainer from Thackray Burgess, legal counsel to Piper, in the amount of $14,273.

2. Crown Royalties have been paid in full up to May 30, 2008.

3. Gross-Over-Ridding Royalties have been paid in full up to June 30, 2008.

4. Net GST Paid includes the Company's June 2008 GST remittance of $46,403.

SCHEDULE 6

Piper Resources Ltd. - in Receivership
Pre-CCAA Joint Venture Payables
(as of February 15, 2008)

JV Partners	Total Pre CCAA Joint Venture Payable
Lexington Oil & Gas, Co.	$226,285
Wycan Inc.	42,326
Westfork Investment Co	50,351
Canoil Inc.	25,543
Chair Resources Inc.	9,863
Delphi Energy Corp	29,401
Encana Oil & Gas Partnership	32,913
Cyries Energy Inc.	78,108
Iteration Energy Partnership	26,940
Total Pre-CCAA Joint Venture Payables	**$416,683**

Action No. 0801-01618 2008

IN THE COURT OF QUEEN'S BENCH
OF ALBERTA
JUDICIAL DISTRICT OF CALGARY

IN THE MATTER OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, C. C36, AS AMENDED

AND IN THE MATTER OF
PIPER RESOURCES LTD.

FIRST REPORT OF THE COURT-APPOINTED INTERIM RECEIVER AND RECEIVER AND MANAGER DELOITTE & TOUCHE INC.

August 15, 2008

Howard A. Gorman
Macleod Dixon LLP
#3700, 400 - 3 Avenue SW
Calgary, AB T2P 4H2
(403) 267-8144