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.

FOURTH REPORT OF THE COURT-APPOINTED MONITOR

DELOITTE & TOUCHE INC.

July 21, 2008

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INTRODUCTION AND BACKGROUND

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"). Under the terms of the CCAA Order, all proceedings against Piper were stayed for an initial period ended March 17, 2008. The Court has now granted the following Stay Extension Orders:

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

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

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

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

2. The First Report of Deloitte & Touche Inc. as Court Appointed Monitor (the "Monitor") was filed on March 13, 2008 (the "First Report"), the Second Report of the Monitor was filed on April 24, 2008 (the "Second Report") and the Third Report of the Monitor was filed on June 11, 2008 (the "Third 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").

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

Notice to Reader

4. This report is not, and should not, be construed as an endorsement, comment or recommendation to any creditor, prospective investor or to any person to advance credit or provide goods and services, and/or to continue to provide goods and services or to lend monies to Piper.

Background

5. Paragraphs 4 through 9 of the First Report provide general background information on the Company and summarize the factors which resulted in Piper's application for protection under the CCAA.

6. As detailed in paragraph 6 of the First Report and 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 (collectively "1329750") (the "Farm-Out Agreement"). 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 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, subject to the following conditions:

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

   b. One of the two following 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 the security held by Matco Capital Ltd. ("Matco") against Piper's assets (the "Matco Security"), as detailed in paragraph 31.

7. Recently, Matco has raised concerns as to the circumstances surrounding a transfer of oil and gas interests from Piper to 1329750 Alberta ULC, a.k.a. Bering Exploration Company ULC ("Bering") at or around the date of Matco's advance to Piper in August 2007 (the "Transfer"). Piper has indicated that the Transfer occurred pursuant to the terms of the Farm-Out Agreement, which specified that, where the lands included in the Farm-Out Agreement were deemed to be unsuitable, either the Farmor of the Farmee had the capacity to propose replacement lands. The details of the Transfer, from Piper's perspective, are outlined in the Affidavit of Deric Orton, Piper's Vice President of Land, filed on July 21, 2008. To date, the Monitor has not investigated this matter.

SALE OF ASSETS/ PLAN OF ARRANGEMENT

8. As noted in paragraph 6 of the Third Report, Piper's major assets consist of petroleum and natural gas properties. A reserve report prepared by AJM Petroleum Consultants as of December 31, 2007 assigned Piper's reserves a present value of just over $57 million discounted at a rate of 10% (the "Reserve Report"). In addition to these reserves, the Company has undeveloped land for which they estimate a value in excess of $5 million (collectively the "PNG Assets").

9. 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.

10. Matco Capital Ltd. ("Matco"), Piper's principal secured creditor, 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. The terms and conditions of the Matco Proposal are discussed in paragraph 8 of the Third Report.

11. On April 28, 2008, Piper applied for a second extension of the stay of proceedings. Matco supported the second 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 (the "Matco Transaction"). The Matco Transaction was to be completed under the terms outlined in the April 23 correspondence from Bennett Jones LLP, Matco's legal counsel, to Thackray Burgess, the Company's legal counsel, a copy of which is attached as Schedule "1" to the Monitor's Third Report.

12. As outlined in paragraph 10 of the Third Report, in connection with the Matco Transaction, the following steps were to be completed prior to the expiration of the second Stay Extension Order on June 12, 2008:

    a. Matco's legal counsel was to prepare those agreements and documents necessary to close the Matco Transaction (the "Closing Documents") which included making or supporting an application for Court approval of the Matco Transaction;

    b. On or before May 27, 2008, Piper and Matco were to execute the Closing Documents for the Matco Transaction which would then be held in escrow by Matco's counsel;

    c. Piper was to take and/or facilitate all steps reasonably necessary to close the Matco Transaction which included making an application for Court approval of the Matco Transaction.

13. Piper's obligation to be in a position to close the Matco Transaction prior to June 12, 2008 was subject only to Matco agreeing, at their discretion, to an alternative arrangement or transaction. As contemplated, the Closing Documents were prepared by Matco's legal counsel in advance of the June 12, 2008 Court Application; however, these documents were never executed by Piper.

14. As discussed in paragraph 15 of the Third Report, on June 10, 2008, Matco made an application to compel Piper to grant both Matco and Glenogle Resources Ltd. ("Glenogle"), Matco's nominee purchaser, immediate and reasonable access to the Company's books and records, in contemplation of closing the Matco Transaction. This application was adjourned to June 12, 2008.

15. Prior to the June 12, 2008 application, the Company received a Letter of Intent from Startide Investments ("Startide") the terms of which are described in paragraphs 12 of the Monitor's Third Report (the "Letter of Intent").

16. On June 12, 2008, the Court granted a third 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 Letter of Intent. Matco opposed the Third Stay Extension Order.

17. On July 2, 2008, Matco made a further application to compel Piper to grant both Matco and Glenogle immediate and reasonable access to the Company's books and records in contemplation of closing the Matco Transaction. This application was adjourned and Matco has advised the Monitor that they have now received the requested information.

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

19. On July 21, 2008, Piper's legal counsel advised the Monitor that the Company may receive an offer from Startide whereby they will agree to fund Piper's commitment under the Farm-Out Agreement (the "Startide Offer").

20. It was originally anticipated that the Startide Offer would include the acquisition of the Matco Security. It only became clear that this would not be the case on the afternoon of July 21, 2008. Piper has not yet prepared updated Cash Flow Forecasts to reflect the removal of the PNG Assets, which are being sold pursuant to the Matco Transaction. Once the Matco Transaction is completed, all cash held by Piper in financial institutions and all outstanding and future revenues will revert to Matco.

21. It is the Monitor's information that, assuming receipt of the Startide Offer, on July 22, 2008, the Company will be making an application for a fifth Stay Extension Order, extending the stay of proceedings until possibly October 3, 2008. The purpose of the fifth Stay Extension Order will be to complete the transaction contemplated in the Startide Offer. The Company will also be making an application for a Claims Approval Order, whereby the Court would approve the procedure, pursuant to which Piper would present a Plan of Arrangement to its unsecured creditors. In the event that a Claims Approval Order is sanctioned by the Court, it is anticipated that notice of the claims procedure will be provided to Piper's unsecured creditors on or before July 30, 2008.

22. As of the date of this report, the Monitor has not yet been provided with an application from Piper to extend the stay of proceedings.

FINANCIAL POSITION

Revenue

23. As previously reported, Piper originally estimated that ongoing resource revenues of just over $7 million would be collected for the five month period from January 1 to May 31, 2008. Piper sells all of its natural gas on the spot market at the current AECO rate which has consistently been above the Company's projections. To date, revenues of approximately $8.3 million have been collected for the period from January 1 to May 31, 2008, over $1.3 million above Piper's initial estimates. Piper has now estimated total additional revenues of over $3.1 million for the months of June and July, 2008.

24. Of the $8.3 million collected for the period from January 1 to May 31, 2008, approximately $134,000 was received in error as a result of an over-allocation of those revenues received from Conoco Phillips Canada Energy Partnership ("Conoco"). Those funds received in error will be repaid through an adjustment to future revenue.

25. Although Piper has earned higher than expected revenues, this has largely been the result of favourable natural gas prices and not the result of increased production. Piper's estimated production was initially based on the forecasts included in the Reserve Report, which Piper has indicated were overly optimistic with respect to initial production The Company's actual production has consistently been below the Reserve Report forecasts. Attached as "Schedule 1" is a breakdown of the variance between Piper's estimated production, based on the Reserve Report, and actual production for the month of June 2008. As indicated in the summary provided below, Piper's actual overall production was 22% below the Reserve Report forecasts for the month of June 2008:

Variances in Actual Versus Budgeted Production (By Region) for the months of June 2008

Region	Variance-Actual V. Budget
Gordondale	(8%)
Pouce-Coupe	(22%)
Sinclair	(38%)
Non-Operating Wells	14%
Overall Variance	(22%)

26. Piper has also experienced higher than average production decline rates. Piper advises that a normal monthly decline rate is 2%. To date, actual production has decreased at a greater than normal rate (averaging 8% monthly for the period from February 14 to July 6, 2008). The Company cites the following major issues as contributing to the higher than anticipated decline rates:

    a. Downtime in May and June 2008, as a result of technical issues, accounting for approximately 1/4 of the variance;

    b. Several wells experiencing "flush production" (initial production that is typically higher than average production on new wells) in February, which inflated the decline rates in the following months;

27. Piper has indicated that had June production been uninterrupted by technical issues, production would have been approximately 800 BOE/d, which would have represented a 2% increase over actual results.

28. The Monitor has noted these variances; however, it has neither requisitioned nor been provided with any independent analysis of them. The Monitor is therefore unable to comment as to either the reasons for the variances or as to any effect these variances may have on both future production and/ or the overall value of the assets.

29. In addition to Piper's resource revenue, cost reimbursement from joint venture partnerships was originally estimated at $475,000 for the period from February 15 to July 13, 2008. To date, actual cost reimbursement from joint venture partners is $844,588 reflecting both higher than anticipated collections during the period and the payment of outstanding pre-CCAA amounts that were not included in initial projections.

30. The timing and ability to collect on a Quebec refundable input tax credit, estimated at $847,000, continues to be uncertain (the "Refund"). Piper previously provided correspondence from Quebec Revenue ("QR"), dated March 3, 2008, indicating that the Refund was being provided via direct deposit. The Company indicated that QR did not have the required direct deposit information but that a cheque had been issued for the Refund. Piper has advised that they have never received the Refund and that they continue to await a form from QR, which will prompt the re-issue of the cheque. The Monitor has made multiple requests for additional information with respect to the Refund; however, to date, no further update has been provided.

Secured Creditors

31. As detailed in paragraph 21 of the Third Report, Matco is owed a total of approximately $51.7 million. 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. The Company continues to make ongoing interest payments to Matco, with respect to outstanding interest due under their loan agreement.

32. As noted in paragraph 22 of the Third Report, 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.

Builder's Liens

33. As noted in paragraph 23 of the Third Report, Piper is continuing to review various encumbrances, estimated at $96,349, that 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, relates to invoices paid in the pre-CCAA period and has been discharged. Piper is currently reviewing the remaining liens to determine whether they are valid and enforceable.

Joint Venture Partners

34. As noted in paragraph 24 of the Third Report, Piper continues to review pre-CCAA amounts due to joint venture partners, estimated at over $416,000 that may constitute priority claims in the CCAA proceedings. The two largest such claims are held by Lexington Oil and Gas Co. ("Lexington"), who is owed approximately $238,204 and Wycan Inc. ("Wycan"), who is owed approximately $42,839.

35. 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 *sine die*.

Unsecured Creditors

36. Piper had previously estimated that, as at February 15, 2008, they had unsecured trade creditors with claims of $3.9 million. As noted in paragraph 25 of the Third Report, they have now revised this estimate to $5.1 million.

37. As noted in paragraph 21, it is the Monitor's information that, on July 22, 2008, Piper may be making an application for a Claims Approval Order, whereby the Court would approve the procedure, pursuant to which Piper would present a Plan of Arrangement to its unsecured creditors. In the event that a Claims Approval Order is sanctioned by the Court, it is anticipated that notice of the claims procedure will be provided to Piper's unsecured creditors on or before July 30, 2008.

Federal and Provincial Government Liabilities

38. The Company advises that all of its government filings and remittances relating to source deductions and income taxes are current.

39. As noted in paragraph 26 of the Second Report, Piper's GST returns for the months of January and February, 2008 resulted in outstanding GST liabilities of $79,820 and $23,647 respectively. Of the $23,647 due and paid for February 2008, an estimated $11,823 related to the post-CCAA period. The Company has now paid additional post CCAA GST liabilities, totaling $152,069, for the period from March 1 to May 31, 2008.

40. The Company continues to hold significant unused tax losses, estimated at approximately $97 million, which may or may not constitute an attribute in a restructuring plan.

OPERATIONS

41. The Company has continued operations on a business as usual basis. Results of the Company's operations since February 15, 2008 are discussed below.

Capital Expenditures

42. As outlined in paragraph 31 of the Third Report, and pursuant to paragraphs 36 through 38 of the CCAA Order, Piper borrowed funds from Matco, totaling $189,245 (the "DIP Loan") to enhance selected zones of the Company's Sinclair well. Due to the early onset of break-up, Piper was unable to complete these enhancements or to benefit from any corresponding increase in production. The Monitor notes the DIP Loan is not reflected in the Company's cash flow projections.

43. Piper has also made payments totaling $147,600 to initiate the following additional enhancements:

    a. The re-perforation of a well in the Gordondale area. (The project resulted in only a minimal production increase);

    b. The re-frac of a well in the Pouce Coupe region. (The project has been completed and normal flows have been measured; however, a pump is currently being installed to remove water from the well prior to resuming production); and

    c. The tie-in of a well in the Pouce Coupe region.

Weekly Cash Flow Statement - Forecast

44. As noted in paragraph 20, it was originally anticipated that the Startide Offer would include the acquisition of the Matco Security. Piper has not yet prepared updated Cash Flow Forecasts to reflect the removal of the PNG Assets covered by the Matco Security. Once the Matco Transaction is completed, all the cash held by Piper and all oustanding and future revenues, with the exception of future revenues generated by Piper's interest in the Farm-In Lands, will revert to Matco.

Weekly Cash Flow Statement - Actual

45. Attached as "Schedule 2" is a copy of the Company's internally prepared, unaudited actual weekly cash flow for the period from February 15 to July 6, 2008 (the "Actual Cash Flow"). A summary of the variance analysis between Piper's initial weekly cash flow forecast and the Company's actual results for the period from February 15 to July 6 2008 is included below:

Forecast vs. Actual Cash Flow	**Period from February 15 to July 13 2008**		
	Forecast	**Actual**	**Variance**
Opening Cash Position	$ 539,000	$ 520,885	$ (18,115)
Receipts	7,498,000	9,207,646	1,709,646
Disbursements	(8,018,983)	(7,525,130)	493,853
Net Cash Flow	(520,983)	1,682,516	2,203,499
Estimated Closing Cash Position	$ 18,017	$ 2,203,401	$ 2,185,384

46. Piper's total net cash receipts were just over $1.7 million higher than originally estimated for the period largely as a result of higher than anticipated natural gas prices.

47. A detailed summary of the variances in Cash Disbursements for the period from February 15 to June 6, 2008 is included below:

Forecast vs. Actual Cash Disbursements	**Period from February 15 to July 13, 2008**		
	Forecast	**Actual**	**Variance**
General and Administrative (Office)	$ 828,000	$ 776,868	$ (51,132)
Contract Operators	153,300	158,722	5,422
Operating Costs and Royalties	3,429,000	3,704,525	275,525
Payments to Joint Venture Partners	304,000	266,718	(37,282)
CCAA Administration Fees	1,050,000	841,456	(208,544)
Interest on Secured Debt	1,525,685	1,432,518	(93,167)
Contingency	728,998	344,324	(384,674)
Total Disbursements	$ 8,018,983	$ 7,525,131	$ (493,852)

The Monitor offers the following specific comments with respect to these variances:

a. Variances in the amounts paid for General and Administrative (Office) and Contract Operators are not material;

b. Operating Costs and Royalties were $275,525 higher than initially projected. Detailed information on both the amounts included in this variance and the reasons for this variance are attached as Schedule "3";

c. To date, payments to joint venture partners have been $37,282 lower than originally estimated. As noted in paragraph 39.c. of the Third Report, this is due in part to certain joint venture partners taking product in kind. In addition, the Company has indicated that certain pre-CCAA amounts were, in error, included in initial estimates.

d. As at July 13, 2008, CCAA Administration Fees totaling $841,456 had been paid, more than $208,544 lower than initially estimated. A summary of all CCAA Administration Fees paid for the period ended July 13, 2008 is attached as "Schedule "4";

e. Interest due on Secured Debt has, to date, been $93,167 lower than projected, due to lower than anticipated interest rates.

f. Also as at July 6, 2008, Piper had paid only $344,324 from contingency funds, $384,674 less than initially budgeted, which amount can be broken down as follows:

   i. Total GST remittances for the period from February 1 to May 31, 2008, totaling $175,716.

   ii. Capital expenditures totaling $147,600 were paid to initiate the enhancement of wells in the Gordondale and Pouce Coupe Regions. Additional funds totaling $21,008 were paid in respect of a cash call for the abandonment of a well in which Piper held an interest.

Payment of Pre-CCAA Liabilities

48. In accordance with paragraph 18 of the CCAA Order, the Company was authorized to pay, with the approval of the Monitor, costs and expenses incurred before the date of the Order which it considered to be essential to continued business operations. Paragraphs 48 through 51 of the First Report detail

the payment of pre-CCAA liabilities for the period ended March 9, 2008, paragraph 43 of the Second Report details the payment of pre-CCAA liabilities for the period ended April 20, 2008 and paragraph 42 of the Third Report details the payment of pre-CCAA liabilities for the period ended June 1, 2008.

49. No additional payments of pre-CCAA liabilities have been made since June 1, 2008.

Post-Petition Trade Creditors' Charge

50. As noted in paragraph 43 of the Third Report, and pursuant to paragraph 40 of the CCAA Order, trade creditors that continue to provide goods and services after the date of the CCAA Order ("Post-Petition Trade Creditors") are granted a secured interest in the Company's assets in the aggregate and maximum amount of $750,000 (the "Post-Petition Trade Creditors Charge"). Trade creditors are cautioned that the Post–Petition Trade Creditors Charge is subordinate to the security held by both Matco and 1397520.

51. As of July 18, 2008, Piper's current and upcoming commitments totaled just under $1.1 million; however, $625,000 of this total related to estimated amounts due for crown royalties for the period from May 1 to July 18, 2008, which constitute priority payments.

OTHER

52. Bidell Equipment, a Division of Total Energy Services Ltd. ("Bidell"), was originally scheduled to make a Court application on July 14, 2008, requesting an Order permitting Bidell to remove a skid mounted compressor and the associated equipment (the "Compressor"), the lease on which had been consigned to Piper. Piper had been reluctant to execute a new long-term lease for the Compressor given the CCAA proceedings; however, it is the Monitor's current information that Piper and Bidell have agreed to a short term lease for the period ended September 30, 2008. As a result, the Court application has been adjourned *sine die*.

EXTENSION OF STAY PERIOD

53. As noted in paragraph 21, it is the Monitor's information that, on July 22, 2008, Piper may be making an application for a Stay Extension Order, extending the stay of proceedings until October 3, 2008 in order to complete the transaction contemplated in the Startide Offer, should such an offer be received. Should such an extension be requested and approved, the Company will also be making an application for a Claims Approval Order, whereby the Court would approve the procedure, pursuant to which Piper would present a Plan of Arrangement to its unsecured creditors. In the event that a Claims Approval Order is sanctioned by the Court, it is anticipated that notice of the claims procedure will be provided to Piper's unsecured creditors on or before July 30, 2008.

54. Unless Startide, or another third party, funds ongoing overhead and CCAA administration costs associated with pursuing the Farm-Out Agreement, Piper will not have access to any cash with which to fund ongoing operations; therefore, we cannot recommend an extension of the stay of proceedings.

55. Should adequate funding become available to Piper, then a plan of arrangement would be in the best interests of the unsecured creditors and the shareholders and, in this instance, the Monitor would not oppose an extension of the stay of proceedings to at least October 3, 2008.

DELOITTE & TOUCHE INC.,
in its sole capacity as Court-Appointed Monitor
of Piper Resources Ltd.
and not in its personal capacity

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

SCHEDULES

SCHEDULE 1

Well Type Op/Non op	Area	Revenue Streams	Well	W/I %		June Actual/ Capability	Difference	Comments
Gordondale								
Op	Gordondale	oil, gas & NGL	01-28-78-10W6	65.57%	Actual	780	126	Above AJM - facility access greater than anticipated
					Budget	654		
Op	Gordondale	gas	02/06-18-79-08W6	75.00%	Actual	60	6	Production interruptions in April May due to facilities
					Budget	54		
Op	Gordondale	gas & NGL	08-19-79-10W6	50.00%	Actual	62	(11)	Decline trend OK - AJM IP too high (170 vs 140)
					Budget	73		
Op	Gordondale	gas	02-21-79-10W6	75.00%	Actual	235	36	Decline trend OK - AJM IP too low (300 vs 340)
					Budget	199		
Op	Gordondale	gas & NGL	**02/06-21-79-10W6**	75.00%	Actual	180	(71)	Well on cycle - varies from mo. to mo.- AJM IP to high (400 vs 300)
					Budget	251		
Op	Gordondale	gas & NGL	10-29-79-11W6	50.00%	Actual	72	(5)	Minor - AJM IP too high - Decline OK
					Budget	77		
Op	Gordondale	gas & NGL	02/10-29-79-11W6	50.00%	Actual	20	7	Slightly better than predicted
					Budget	13		
Op	Gordondale	gas & NGL	**02/02-34-79-11W6**	35.00%	Actual	60	(195)	Salt plugging of perfs - SIP > 1000 psi - production flat at 175 mcf/d
					Budget	255		Need to reperf with casing gun (40" penetration) - 500 mcf/d target
Op	Gordondale	oil, gas & NGL	01-35-80-10W6/3	67.50%	Actual			Not in AJM
					Budget			
Op	Gordondale	gas & NGL	**04-04-80-10W6**	70.80%	Actual	10	(17)	Loading with water - performace below expected
					Budget	27		
	Gordondale	gas						
			Total Gordondale	**Gordondale**	**Actual**	**1,479**		
				Gordondale	**Budget**	**1,603**		
					Variance	**-8%**	**(124)**	

Well Type		Revenue				June Actual/		
Op/Non op	Area	Streams	Well	W/I %		Capability	Difference	Comments
Pouce Coupe								
Op	Pouce	gas & NGL	**02/08-21-76-09W6/2**	45.31%	Actual	30	(45)	Liquid loading - on timer
					Budget	75		
Op	Pouce	gas & NGL	**11-21-76-09W6**	45.31%	Actual	15	(11)	AJM IP Too high
					Budget	26		
Op	Pouce	gas & NGL	15-28-77-11W6	30.00%	Actual	113	15	Lower Decline than AJM
					Budget	98		
Op	Pouce	gas & NGL	04-34-77-11W6	30.00%	Actual	113	16	Lower Decline than AJM
					Budget	97		
Op	Pouce	gas & NGL	**16-34-77-12W6/2**	28.88%	Actual	-	(189)	Fraced - testing/good pressure/water production (temporary?)/pump
					Budget	189		
Op	Pouce	gas & NGL	16-35-77-11W6	28.88%	Actual	103	(3)	Performing well on timer
					Budget	106		
Op	Pouce	gas & NGL	**05-03-78-12W6**	37.50%	Actual	287	(64)	AJM IP Too high - decline trend not established at report time
					Budget	351		Declines flattening out in recent months
Op	Pouce	gas & NGL	**11-03-78-12W6/0**	37.50%	Actual	178	(30)	Zones comingled in June
					Budget	208		AJM IP Gething Too high (730 vs 625 no history) - Decline less than AJM (rates will catch up)
Op	Pouce	gas & NGL	**11-03-78-12W6/2**	37.50%	Actual	-	(101)	AJM too optimistic - no established decline trend
					Budget	101		Actual rates 125 vs 250
Op	Pouce	gas & NGL	04-04-78-12W6	100.00%	Actual	50	(5)	
					Budget	55		
Op	Pouce	gas & NGL	08-04-78-12W6/2	75.00%	Actual	250	97	Cycling to unload proving successful
					Budget	153		
			Total Pouce Coupe	**Pouce Coupe**	**Actual**	**1,139**		
				Pouce Coupe	**Budget**	**1,459**		
					Variance	**-22%**	**(320)**	

Well Type		Revenue				June Actual/		
Op/Non op	Area	Streams	Well	W/I %		Capability	Difference	Comments
Sinclair								
Op	Sinclair	gas & NGL	02/11-24-71-11W6	39.29%	Actual	175	7	
					Budget	168		
Op	Sinclair	gas & NGL	**16-34-71-11W6/0**	55.00%	Actual	392	(8)	AJM IP too high after SI (850 vs 750) - decline OK or even less
					Budget	400		Production flattening following decline trend
								Comingled Bluesky + Fahler D
Op	Sinclair		**16-34-71-11W6/2**	55.00%	Actual	-	-	Part of 16-34/0 comingled (no economics for this activity)
					Budget	-		Budget decline in error
Op	Sinclair	gas & NGL	**13-35-71-11W6**	50.00%	Actual	83	3	Facility issues - resolved July 2008
					Budget	80		
Op	Sinclair	gas	11-17-72-10W6	50.00%	Actual	21	2	
					Budget	19		
Op	Sinclair	gas & NGL	**05-03-73-12W6**	62.50%	Actual	68	(5)	Some downtime in May
					Budget	73		
Op	Sinclair	gas & NGL	**07-08-73-12W6**	50.00%	Actual	330	100	Well performing much better than predicted
					Budget	230		Budget decline in error
Op	Sinclair	gas & NGL	**04-06-73-12W6**	56.00%	Actual	25	(259)	AJM overbooked zone - flow tests misleading
					Budget	284		
Op	Sinclair	gas & NGL	**12-31-72-12W6/0**	56.00%	Actual	160	(139)	Notikewin and dunvagan comingled in March
					Budget	299		AJM overbooked both zones - flow tests misleading
Op	Sinclair	gas & NGL	**12-31-72-12W6/2**	56.00%	Actual	-	(153)	
					Budget	153		
Op	Sinclair	gas & NGL	**16-32-71-12W6**	70.00%	Actual	-	(311)	Needs Stimulation
					Budget	311		
			Total Sinclair	**Sinclair**	**Actual**	**1,254**		
				Sinclair	**Budget**	**2,017**		
					Variance	**-38%**	**(763)**	

Well Type		Revenue				June Actual/		
Op/Non op	Area	Streams	Well	W/I %		Capability	Difference	Comments
Significant Non op								
Non Op	Pouce	gas & NGL	04-32-77-11W6	16.00%	Actual	60	-	Est
					Budget	60		
Non Op	Pouce	gas & NGL	02/10-36-77-12W6	18.00%	Actual	43	-	Est
					Budget	43		
Non Op	Sinclair	gas & NGL	02-14-71-12W6	20.00%	Actual	43	-	Est
					Budget	43		
Non Op	Sinclair	gas & NGL	06-21-72-10W6	12.50%	Actual	31	-	Est
					Budget	31		
Non Op	Sinclair	gas & NGL	02-17-73-10W6/0	60.00%	Actual	101	(21)	Est
					Budget	122		
Non Op	Simonette	gas & NGL	**01-35-63-26W5**	6.00%	Actual	71	64	Performing much better than AJM prediction
					Budget	7		
		Total Significant Non Op Wells		**Non Op**	**Actual**	**349**		
				Non Op	**Budget**	**306**		
					Variance	**14%**	**43**	
Op and Non Op								
			Total Proved					
				Total	**Actual**	**4221**		
				Total	**Proved Forecast**	**5385**		
					Variance	**-22%**	**(1,164)**	
			Total Proved less 16-34 and 16-32 and 2-34 (diff)					
					Actual	**4221**		
					Proved Forecast	**4690**	**(469)**	
					Variance	**-10%**		

SCHEDULE 2

Piper Resources Ltd.
Internally Prepared Unaudited Actual Weekly Cash Flow for the period from February 15, 2008 to July 6, 2008

Schedule 2

	18-Feb-08 Actual	25-Feb-08 Actual	3-Mar-08 Actual	10-Mar-08 Actual	17-Mar-08 Actual	24-Mar-08 Actual	31-Mar-08 Actual	7-Apr-08 Actual	14-Apr-08 Actual	21-Apr-08 Actual	28-Apr-08 Actual	5-May-08 Actual	12-May-08 Actual	19-May-08 Actual	26-May-08 Actual	2-Jun-08 Actual	9-Jun-08 Actual	16-Jun-08 Actual	23-Jun-08 Actual	30-Jun-08 Actual	7-Jul-08 Actual	Total
Cash balance as at February 15, 2008 and start of period	$520,885	$ 523,948	$1,534,706	$1,225,503	$ 903,828	$ 630,048	$1,904,569	$1,731,895	$1,358,997	$1,376,079	$2,937,104	$1,997,638	$1,851,033	$1,700,347	$1,569,384	$ 3,103,769	$ 2,458,100	$ 2,252,855	$ 2,172,026	$ 3,165,272	$ 2,731,444	$ 520,885
Cash Payments:																						
General and administrative (office)																						
Payroll	$ -	$ (33,013)	$ -	$ (33,013)	$ -	$ (33,013)	$ -	$ (33,013)	$ -	$ -	$ (33,013)	$ -	$ (33,013)	$ -	$ (32,368)	$ -	$ (30,882)	$ -	$ (30,823)	$ -	$ (30,824.53)	$ (322,973)
Benefits	$ -	$ -	$ -	$ (4,364)	$ -	$ -	$ -	$ -	$ (4,364)	$ -	$ -	$ (2,543)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (11,271)
Rent and parking (Note 1)	$ -	$ -	$ (32,062)	$ -	$ -	$ -	$ (31,616)	$ -	$ -	$ -	$ (31,616)	$ -	$ -	$ -	$ -	$ (32,062)	$ -	$ -	$ -	$ (32,062)	$ -	$ (159,418)
Consultants - Land Admin	$ -	$ -	$ -	$ (6,846)	$ -	$ -	$ -	$ -	$ -	$ (6,636)	$ -	$ -	$ -	$ -	$ -	$ -	$ (6,888)	$ (8,316)	$ -	$ -	$ -	$ -	$ (28,686)
Consultants - Production Accounting	$ -	$ -	$ -	$ (6,615)	$ -	$ -	$ -	$ (6,542)	$ -	$ -	$ -	$ (4,888)	$ -	$ -	$ -	$ (3,712)	$ (2,021)	$ -	$ -	$ -	$ -	$ (23,777)
Reserve Report	$ -	$ (29,048)	$ -	$ -	$ -	$ -	$ -	$ (16,564)	$ -	$ -	$ (7,165)	$ -	$ -	$ (539)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (53,316)
Audit		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accumap License	**$ -**	**$ -**	**$ -**	$ (40,187)	$ -	$ -	$ -	$ -	$ -	**$ -**	**$ -**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (40,187)
Tristone Engagement Fee	$ -	$ (52,500)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (52,500)
Other	$ (1,175)	$ (10,777)	$ (484)	$ (6,446)	$ (3,338)	$ (3,699)	$ (841)	$ (7,452)	$ (2,054)	$ (1,217)	$ (2,909)	$ (7,846)	$ (2,480)	$ (2,894)	$ (413)	$ (8,073)	$ (1,834)	$ (1,072)	$ (1,960)	$ (11,866)	$ (5,908.60)	$ (84,740)
Total G&A Expenses	$ (1,175)	$ (125,338)	$ (32,547)	$ (97,470)	$ (3,338)	$ (36,712)	$ (32,457)	$ (63,571)	$ (6,417)	$ (7,853)	$ (74,703)	$ (15,277)	$ (35,493)	$ (3,432)	$ (32,781)	$ (50,735)	$ (43,053)	$ (1,072)	$ (32,783)	$ (43,928)	$ (36,733)	$ (776,868)
Contract Operators:																						
Jackson Well Service	$ -	$ (11,947)	$ -	$ (15,819)	$ -	$ -	$ -	$ (15,066)	$ -	$ -	$ -	$ (17,152)	$ -	$ -	$ -	$ -	$ -	$ (15,819)	$ -	$ -	$ (16,292.96)	$ (92,096)
Cabreka Oilfield	$ -	$ (5,229)	$ -	$ (8,243)	$ -	$ -	$ -	$ (9,566)	$ -	$ -	$ -	$ -	$ -	$ (7,350)	$ -	$ -	$ -	$ (7,350)	$ -	$ -	$ (7,350.00)	$ (45,087)
Bear Creek Maintenance	$ -	$ (2,415)	$ -	$ (2,531)	$ -	$ -	$ -	$ (2,415)	$ -	$ -	$ -	$ -	$ -	$ (2,588)	$ -	$ -	$ -	$ (2,473)	$ -	$ -	$ (2,457.00)	$ (14,879)
Roddor Contracting	$ -	$ (4,410)	$ -	$ (2,250)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (6,660)
Total Contract Operator Costs	$ -	$ (24,001)	$ -	$ (28,842)	$ -	$ -	$ -	$ (27,046)	$ -	$ -	$ -	$ (17,152)	$ -	$ (9,938)	$ -	$ -	$ -	$ (25,642)	$ -	$ -	$ (26,100)	$ (158,722)
Operating Costs and Royalties:																						
Crown Royalties Payments	$ -	$ (141,471)	$ -	$ -	$ -	$ (167,464)	$ -	$ -	$ -	$ -	$ (225,197)	$ -	$ -	$ -	$ (345,087)	$ -	$ -	$ -	$ (410,720)	$ -	$ -	$ (1,289,939)
Overriding Royalty Payments	$ -	$ (25,761)	$ -	$ -	$ -	$ (34,211)	$ -	$ -	$ -	$ (84,123)	$ -	$ -	$ -	$ (99,749)	$ -	$ -	$ -	$ -	$ (80,149)	$ -	$ -	$ (323,993)
Crown Royalty Deposit Payment	$ -	$ -	$ -	$ -	$ -	$ (75,250)	$ -	$ -	$ -	$ -	$ (307,716)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 82,062	$ -	$ -	$ (300,904)
Spectra Midstream (Gas Transportatio	**$ -**	**$ -**	**$ -**	$ (100,000)	$ (121,164)	$ (96,470)	$ -	$ -	$ -	$ (93,623)	$ -	$ -	$ (93,435)	$ -	$ -	$ -	$ (89,070)	$ -	$ -	$ -	$ (90,391.29)	$ (684,154)
PrimeWest (Gas Transportation)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (15,541)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (14,179)	$ -	$ (17,517.30)	$ (47,237)
Other Suppliers	$ -	$ (7,508)	$ (15,963)	$ (15,780)	$ (56,596)	$ -	$ -	$ (62,616)	$ -	$ (21,221)	$ (137,378)	$ (30,222)	$ (29,947)	$ (35,571)	$ (10,238)	$ (184,996)	$ -	$ (54,114)	$ (176,914)	$ (36,205)	$ (183,027.01)	$ (1,058,298)
Total Operating Costs	$ -	$ (174,741)	$ (15,963)	$ (115,780)	$ (177,760)	$ (373,395)	$ -	$ (62,616)	$ -	$ (198,967)	$ (685,833)	$ (30,222)	$ (123,382)	$ (135,320)	$ (355,325)	$ (184,996)	$ (89,070)	$ (54,114)	$ (599,899)	$ (36,205)	$ (290,936)	$ (3,704,525)
Payments to Joint Venture Partners	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (24,709)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (242,009)	$ -	$ (266,718)
CCAA Administration Fees ($50,000 per week)	$ -	$ -	$ (34,650)	$ (121,940)	$ (33,002)	$ (11,875)	$ -	$ (126,375)	$ -	$ -	$ (13,488)	$ (38,504)	$ (12,413)	$ (95,576)	$ -	$ (118,022)	$ (75,000)	$ -	$ (47,194)	$ -	$ (113,417.35)	$ (841,456)
Interest on Secured Debt (at 8.25%)	$ -	$ -	$ (325,479)	$ -		$ -	$ (199,726)	$ (71,630)	$ -	$ -	$ (214,829)	$ (79,164)	$ -	$ -	$ -	$ (288,749)	$ -	$ -	$ -	$ (250,274)	$ (2,666.36)	$ (1,432,518)
Sub-total of Cash Payments	**$ (1,175)**	**$ (324,080)**	**$ (408,639)**	**$ (364,032)**	**$(214,100)**	**$ (421,982)**	**$ (232,183)**	**$ (375,946)**	**$ (6,417)**	**$ (206,820)**	**$ (988,853)**	**$ (180,318)**	**$ (171,288)**	**$ (244,266)**	**$ (388,106)**	**$ (642,503)**	**$ (207,123)**	**$ (80,828)**	**$ (679,876)**	**$ (572,416)**	**$ (469,852)**	**$ (7,180,806)**
Contingency (10% of Cash Payments)	$ -	$ -	$ -	$ -	$ (74,467)	$ -	$ -	$ -	$ (23,647)	$ -	$ -	$ (58,773)	$ -	$ -	$ -	$ (37,500)	$ (60,584)	$ -	$ -	$ -	-$89,352	$ (344,324)
Total Cash Payments	**$ (1,175)**	**$ (324,080)**	**$ (408,639)**	**$ (364,032)**	**$(288,567)**	**$ (421,982)**	**$ (232,183)**	**$ (375,946)**	**$ (30,065)**	**$ (206,820)**	**$ (988,853)**	**$ (239,092)**	**$ (171,288)**	**$ (244,266)**	**$ (388,106)**	**$ (680,003)**	**$ (267,707)**	**$ (80,828)**	**$ (679,876)**	**$ (572,416)**	**$ (559,205)**	**$ (7,525,130)**
Total Cash Receipts																						
Estimated Revenue	$ -	$1,332,895	$ -	$ -	$ -	$1,696,503	$ -	$ -	$ -	$1,749,780	$ 24,247	$ -	$ -	$ -	$1,911,794	$ -	$ -	$ -	$ 1,643,175	$ 4,665	$0	$ 8,363,058
Payment from Joint Venture Partners	$ 4,238	$ 1,943	$ 99,436	$ 42,358	$ 14,787	$ -	$ 59,509	$ 3,048	$ 47,146	$ 18,065	$ 25,141	$ 92,487	$ 20,602	$ 113,304	$ 10,696	$ 34,335	$ 62,461	$ -	$ 29,947	$ 133,923	$31,161	$ 844,588
Total Cash Receipts	$ 4,238	$1,334,838	$ 99,436	$ 42,358	$ 14,787	$1,696,503	$ 59,509	$ 3,048	$ 47,146	$1,767,845	$ 49,387	$ 92,487	$ 20,602	$ 113,304	$1,922,490	$ 34,335	$ 62,461	$ -	$ 1,673,122	$ 138,588	$ 31,161	$ 9,207,646
Excess of Cash Receipts over Cash Payments	$ 3,063	$1,010,758	$ (309,203)	$ (321,674)	$(273,780)	$1,274,521	$ (172,674)	$ (372,898)	$ 17,081	$1,561,025	$ (939,466)	$ (146,605)	$ (150,686)	$ (130,963)	$1,534,384	$ (645,668)	$ (205,246)	$ (80,828)	$ 993,246	$ (433,828)	$ (528,043)	$ 1,682,516
Cash Balance at End or Period	$523,948	$1,534,706	$1,225,503	$ 903,828	$ 630,048	$1,904,569	$1,731,895	$1,358,997	$1,376,079	$2,937,104	$1,997,638	$1,851,033	$1,700,347	$1,569,384	$3,103,769	$ 2,458,100	$ 2,252,855	$ 2,172,026	$ 3,165,272	$ 2,731,444	$ 2,203,401	$ 2,203,401

Note 1 - the rent and parking expense shown in the week of April 28, 2008 relates to May's expense.

SCHEDULE 3

Piper Resources Ltd.
Summary of Variances in Operating Costs and Royalties

1. Both crown royalties and gross overriding royalties have been substantially higher than originally estimated, with payments being a total of $265,932 above initial projections. This is largely due to higher than anticipated natural gas prices.

2. The deposit due in respect of crown royalties has now been finalized. Deposits paid to date total $300,904, $129,096 below Piper’s initial estimate. The crown previously held all deposits in the name of Argali Oil Inc. (“Argali”), Piper’s wholly-owned subsidiary. The crown has now transferred all wells into Piper’s name, and the current figure includes a refund of approximately $80,000 of the Argali deposits.

3. Piper had scheduled additional payments totaling approximately $77,763 to Prime West (Gas Transportation). Certain invoices, for good and services provided to date, have yet to be received.

4. To date, payments to Spectra Midstream (Gas Transportation) (“Spectra”) have been $123,154 above Piper’s initial estimate. Spectra provides ongoing gas processing services that are critical to the Company’s operations. The bulk of this variance, $100,000, relates to a security deposit, paid to Spectra, in order to guarantee payment of future invoices and ensure ongoing service.

5. Payments to Other Suppliers have, to date, been $93,298 higher than originally estimated. This figure includes the payment of 2008 property taxes of approximately $135,734, which were not included in initial projections.

SCHEDULE 4

Piper Resources Ltd. - Summary of CCAA Administration Fees Paid to July 13, 2008:

Payee	Description	Billing Period End Date	Amount Paid (GST Included)
Deloitte & Touche Inc.	Monitor	5-Jul-08	$ 248,573
MacLeod Dixon LLP	Monitor's Legal Counsel	20-Jun-08	35,466
Thackray Burgess	Legal Counsel for Piper Resources Ltd.	30-Jun-08	557,416
			$ 841,455

Notes:

1. The amounts listed are inclusive of GST.
2. The following retainers are currently being held in trust:

Deloitte & Touche Inc.	$ 125,000
Thackray Burgess	150,000
	$ 275,000

Action No. 0801-~~011018~~ 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.

FOURTH REPORT OF THE COURT-APPOINTED MONITOR
DELOITTE & TOUCHE INC.

July 21, 2008

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

CLERK OF THE COURT
JUL 22 2008
CALGARY, ALBERTA