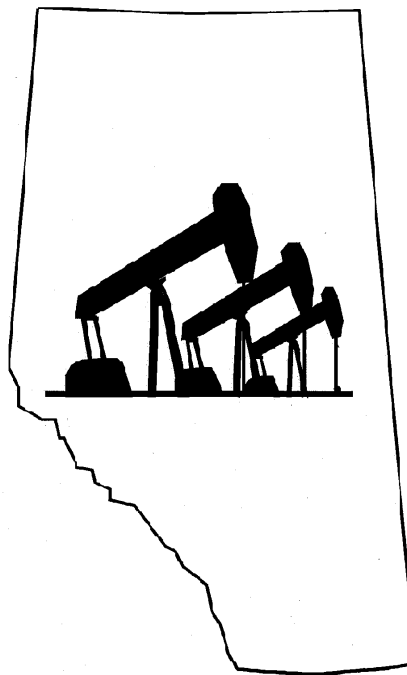


2004 JULY 21
12 noon, CALGARY
PUBLIC OFFERING OF CROWN
OIL SANDS
RIGHTS



PUBLIC OFFERING CONTROL COUNTS FOR 2004.07.21

From	To	Total	Area
LEASES: L0955	L0981	27	11,904.0000 ha.
PERMITS: P0000	P0000	0	0.0000 ha.

		27	11,904.0000 ha.

PUBLIC OFFERING OF CROWN OIL SANDS RIGHTS

(AVAILABLE ON INTERNET AT HTTP://WWW.ENERGY.GOV.AB.CA:)

DEADLINE

After 12:00 noon on 2004 July 21, offers to purchase oil sands leases and/or permits contained in this public offering will not be accepted.

AMOUNT OF PAYMENT (Canadian Funds Only)

1. The total dollar offer should be stated in your bid letter. A breakdown of the Bonus, Fee and Rent is not required.
2. The annual rental is \$3.50 per hectare or \$50.00 whichever is the greater. The issuance fee is \$500.00 per parcel.
3. The minimum acceptance offer is \$2.50 per hectare (leases) and \$1.25 per hectare (permits).
4. The department reserves the right to reject any bid.

FORM OF PAYMENT

1. ELECTRONIC FUNDS TRANSFER (EFT).
2. Payment by cheque will be accepted if it meets the criteria for exception mentioned in Information Letter 99-3.
3. Companies and individuals that do not have a GST registration number are liable for payment of the Goods and Services Tax on various charges. All registrants must ensure that their GST number is provided in writing to Financial Services Branch @ Fax No. (780) 422-4281.

HOW TO SUBMIT BIDS

1. The types of acceptable bids are BID TYPE I AND BID TYPE II. The type of bid and its format are identified in attachments to Information Letter 99-12. Bids may be rejected if they do not comply with these standards.
2. One envelope may contain more than one bid as long as they are for the same agreement type.
3. Bid(s) should be enclosed in a sealed envelope and clearly marked as follows:
"2004 July 21, --- OIL SANDS LEASE BIDS" for Leases.
4. Bids should be deposited in the box marked "OIL SANDS BIDS", or handed or mailed to any person acting for the manager at either the Calgary address: - 3rd Floor, Monenco Place, 801-6 Avenue SW, T2P 3W2 or the Edmonton address - 7th Floor, Petroleum Plaza North Tower, 9945-108 Street, T5K 2G6.

BIDS ARE ACCEPTED UNTIL 12:00 NOON ON THE PUBLIC OFFERING DATE. NO EXCEPTIONS.

POINTS TO REMEMBER

1. It can take up to midnight on the day following the sale to see your funds debited from your bank account for an accepted offer.
2. Requestors of parcel(s) posted in a public offering are expected to bid on the posting(s). If the parcel(s) is not sold, the requestor will be charged a fee of \$500.00 plus GST for each unsold parcel.
3. Effective January 01, 2000, all Oil Sands Agreements acquired include Solution Gas. Please refer to information letter 99-38 for the definition of Solution Gas and any other relevant information.

ATTACHMENTS TO THIS PUBLIC OFFERING WHEN APPLICABLE

APPENDIX 1 - Contains applicable Zone Designations (ZD's).
APPENDIX 2 - Contains applicable Deeper Rights Reversion Zone Designations (DRRZD's).
APPENDIX 3 - Contains applicable addenda and contracts also terms and conditions for acquisition of parcel(s) within Metis Settlements (See IL 92-19).

RESULTS OF THIS PUBLIC OFFERING

1. Accepted offers will be published on 2004 July 22 at 9:00 a.m. at the two addresses shown under the section above entitled "HOW TO SUBMIT BIDS", and on the Internet.
2. All agreements are issued in accordance with the Mines & Minerals Act and its regulations.

2004 May 26
EDMONTON, Alberta

Steve Tkalcic - Director Operations
Oil Sands Development

OIL SANDS LEASES

LEASE SCHEDULE

PAGE 1

2004, JULY 21

LEASE	HECTARES	LAND DESCRIPTION	
-----	-----	-----	
--- COLD LAKE OS AREA ---			
L0955	128	4-02-057: 29N OIL SANDS IN THE MANNVILLE GRP	(MTS000101-32-M002) (DRRZD 4)
L0956	256	4-02-057: 31 OIL SANDS IN THE MANNVILLE GRP	(MTS000101-32-M002) (DRRZD 4)
L0957	256	4-02-057: 32 OIL SANDS IN THE MANNVILLE GRP	(MTS000101-32-M002) (DRRZD 4)
--- PEACE RIVER OS AREA ---			
L0958	768	5-19-078: 21;28;33 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(PNA016801) (PNA016802) (DRRZD 40) (DRRZD 21)
L0959	512	5-19-078: 29;32 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(PNA016801) (DRRZD 40) (DRRZD 21)
L0960	512	5-19-078: 30;31 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(PNA016801) (DRRZD 40) (DRRZD 21)
L0961	512	5-20-078: 23;24 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(PNA016801) (DRRZD 40) (DRRZD 21)
L0962	512	5-20-078: 25;26 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(PNA016801) (DRRZD 40) (DRRZD 21)
L0963	768	5-20-078: 31 5-21-078: 35;36 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)

2004, JULY 21

LEASE	HECTARES	LAND DESCRIPTION	
L0964	512	5-20-078: 32;33 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0965	768	5-19-079: 3-5 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0966	512	5-19-079: 9;10 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0967	768	5-19-079: 29;32 5-19-080: 5 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0968	768	5-19-079: 30;31 5-19-080: 6 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0969	256	5-21-079: 26 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0970	512	5-21-079: 27;34 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0971	768	5-20-080: 9-11 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0972	256	5-21-080: 3 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE BLUESKY-BULLHEAD	(DRRZD 40) (DRRZD 21)
L0973	256	5-17-086: 3 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

OIL SANDS LEASES

LEASE SCHEDULE

PAGE 3

2004, JULY 21

LEASE	HECTARES	LAND DESCRIPTION	
-----	-----	-----	
L0974	256	5-17-086: 4 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0975	256	5-17-086: 5 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0976	256	5-17-086: 6 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0977	256	5-17-086: 7 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0978	256	5-17-086: 8 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0979	256	5-17-086: 9 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0980	256	5-17-086: 10 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

L0981	512	5-17-086: 16;17 OIL SANDS BELOW THE TOP OF THE PEACE RIVER FM TO THE BASE OF THE PEKISKO FM	(DRRZD 40) (DRRZD 174)

27	11,904.00	HA TOTALS	END

DEEPER RIGHTS REVERSION ZONE DESIGNATIONS

APPLICABLE TO THE 2004, JULY 21 PUBLIC OFFERING NOTICE

DRRZD: 4 ZONE: 2480 MANNVILLE GRP

INTERVAL: 2,557.00 - 2,985.00 FEET
KEY WELL: 00/06-16-041-08W4/0
LOG TYPE: INDUCTION ELECTRICAL

DRRZD: 21 ZONE: 3052 BLUESKY-BULLHEAD

INTERVAL: 2,754.00 - 3,043.00 FEET
KEY WELL: 00/10-32-081-01W6/0
LOG TYPE: DUAL INDUCTION SPHERICALLY FOCUSED

DRRZD: 40 ZONE: 2280 PEACE RIVER FM

INTERVAL: 3,760.00 - 4,008.00 FEET
KEY WELL: 00/07-09-076-08W6/0
LOG TYPE: BOREHOLE COMPENSATED SONIC

DRRZD: 174 ZONE: 6420 PEKISKO FM

INTERVAL: 6,468.00 - 6,654.00 FEET
KEY WELL: 00/10-27-067-22W5/0
LOG TYPE: ELECTRICAL

END

ADDENDA AND CONTACTS APPLICABLE TO THE 2004, JULY 21 PUBLIC OFFERING NOTICE

MTS000101-32-M002

LEASE L0955

LEASE L0956

LEASE L0957

IS/ARE WITHIN A METIS SETTLEMENT. THE SUCCESSFUL BIDDER MUST ENTER INTO A DEVELOPMENT AGREEMENT WITH THE METIS SETTLEMENTS GENERAL COUNCIL AND THE AFFECTED SETTLEMENT THAT INCLUDES NEGOTIATED COMMITMENTS TO:

1. ENSURE THE PROTECTION OF THE ENVIRONMENT IN THE SETTLEMENT AREA IN ACCORDANCE WITH PROVINCIAL STANDARDS AND SETTLEMENT BYLAWS;
2. CONDUCT OPERATION IN A WAY THAT MAINTAINS THE SOCIAL AND CULTURAL ORDER OF THE SETTLEMENT AREA AND CONFORMS WITH THE DEVELOPMENT PLANS AND LAND USE RESTRICTIONS ESTABLISHED BY THE SETTLEMENT COUNCIL;
3. EMPLOY, TRAIN, AND PROVIDE BUSINESS OPPORTUNITIES TO SETTLEMENT MEMBERS, TO AN EXTENT THAT IS PRACTICAL, DURING THE CONSTRUCTION, OPERATION, RECLAMATION AND ABANDONMENT PHASES OF ITS OPERATIONS IN THE SETTLEMENT AREA;
4. PAY APPLICABLE SETTLEMENT LICENCE FEES AND TAXES;
5. PROVIDE FAIR AND REASONABLE COMPENSATION FOR SURFACE ACCESS AND DAMAGES INCLUDING INFRASTRUCTURE DAMAGE, TIMBER LOSS, AND OTHER SPECIAL DAMAGES;
6. RECOGNIZE THE GENERAL COUNCIL'S RIGHT TO AN OVERRIDING ROYALTY AND 25% PARTICIPATION OPTION AS PROVIDED FOR IN THE CO-MANAGEMENT AGREEMENT (SCHEDULE 3 OF THE METIS SETTLEMENTS ACT);
7. ADHERE TO THE PROCEDURES CONTAINED IN THE CO-MANAGEMENT AGREEMENT AND INFORMATION LETTER 92-19;
8. THE SUCCESSFUL BIDDER WILL BE REQUIRED TO SIGN AN AGREEMENT IN THE FORM OF THE MASTER DEVELOPMENT AGREEMENT, THE TEMPLATE OF WHICH IS AVAILABLE FROM THE GENERAL COUNCIL UPON REQUEST.

PLEASE NOTE: UNDER THE MASTER DEVELOPMENT AGREEMENT, THE SUCCESSFUL BIDDER WILL BE A JOINT VENTURE PARTNER WITH THE METIS SETTLEMENTS GENERAL COUNCIL. FURTHER INFORMATION CAN BE OBTAINED BY CONTACTING SUSAN LADOUCEUR, POSTING COORDINATOR FOR THE METIS SETTLEMENTS GENERAL COUNCIL AT (780) 822-4096.

POTENTIAL BIDDERS SHOULD NOTE THAT FURTHER INFORMATION AND DETAILS REGARDING THE ABOVE TERMS AND CONDITIONS WILL BE AVAILABLE ON JUN 09, 2004.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

APPENDIX 3

PAGE 2

ADDENDA AND CONTACTS APPLICABLE TO THE 2004, JULY 21 PUBLIC OFFERING NOTICE

FOR FURTHER INFORMATION, PLEASE CONTACT:

SUSAN LADOUCEUR
METIS SETTLEMENTS GENERAL COUNCIL
10335 172 ST NW SUITE 200
EDMONTON AB T5S 1K9 (780) 822-4059

PNA016801	LAND DESCRIPTION
LEASE L0958	5-19-078: 21;28SW,L11,L12
LEASE L0959	5-19-078: 29S,NW,L9,L10,L15;32SW
LEASE L0960	5-19-078: 30P;31S
LEASE L0961	5-20-078: 24E
LEASE L0962	5-20-078: 25E

IS/ARE RESERVED FOR A PROPOSED NATURAL AREA, UNDER THE PUBLIC LANDS ACT.

SURFACE ACCESS IS NOT PERMITTED

FOR FURTHER INFORMATION, PLEASE CONTACT:

BILL RICHARDS
RESOURCE TECHNOLOGIST
COMMUNITY DEVELOPMENT
PARKS AND PROTECTED AREAS
SYSTEMS PLANNING BRANCH
9820 106 ST NW FLOOR 5
EDMONTON AB T5K 2J6 (780) 427-9445

PNA016802	LAND DESCRIPTION
LEASE L0958	5-19-078: 28SE

IS/ARE RESERVED FOR A PROPOSED NATURAL AREA, UNDER THE PUBLIC LANDS ACT.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

BILL RICHARDS
RESOURCE TECHNOLOGIST
COMMUNITY DEVELOPMENT
PARKS AND PROTECTED AREAS
SYSTEMS PLANNING BRANCH
9820 106 ST NW FLOOR 5
EDMONTON AB T5K 2J6 (780) 427-9445

END