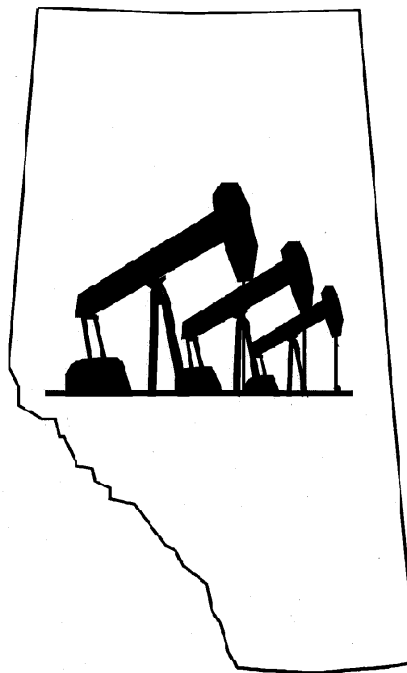


2004 OCTOBER 27
12 noon, CALGARY
PUBLIC OFFERING OF CROWN
OIL SANDS
RIGHTS



PUBLIC OFFERING CONTROL COUNTS FOR 2004.10.27

| From | To | Total | Area |
|----------------|-------|-------|----------------|
| LEASES: L0527 | L0543 | 17 | 9,216.0000 ha. |
| PERMITS: P0000 | P0000 | 0 | 0.0000 ha. |
| | | ----- | |
| | | 17 | 9,216.0000 ha. |

PUBLIC OFFERING OF CROWN OIL SANDS RIGHTS

(AVAILABLE ON INTERNET AT [HTTP://WWW.ENERGY.GOV.AB.CA:](http://www.energy.gov.ab.ca))

DEADLINE

After 12:00 noon on 2004 October 27, 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 \$625.00 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 October 27, --- 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 penalty of \$625.00 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 October 28 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 September 01
EDMONTON, Alberta

Steve Tkalcic - Director Operations
Oil Sands Development

OIL SANDS LEASES

LEASE SCHEDULE

PAGE 1

2004, OCTOBER 27

| LEASE | HECTARES | LAND DESCRIPTION | |
|---------------------------|----------|--|--------------------------|
| ----- | ----- | ----- | |
| --- ATHABASCA OS AREA --- | | | |
| L0527 | 512 | 4-09-077: 31 4-09-078: 6 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0528 | 512 | 4-10-077: 31;32 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0529 | 512 | 4-10-077: 33 4-10-078: 4 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0530 | 512 | 4-10-077: 34 4-10-078: 3 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0531 | 512 | 4-10-077: 35;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0532 | 512 | 4-09-078: 7 4-10-078: 12 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0533 | 512 | 4-09-078: 8;17 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0534 | 256 | 4-09-078: 18 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0535 | 1024 | 4-09-078: 19;20;29;30 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |

2004, OCTOBER 27

| LEASE | HECTARES | LAND DESCRIPTION | |
|-------|----------|--|---|
| ----- | ----- | ----- | |
| L0536 | 768 | 4-09-078: 21;28;33 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (CRG000119) (DRRZD 6) (DRRZD 258) |
| L0537 | 512 | 4-09-078: 31;32 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (CRG000119) (DRRZD 6) (DRRZD 258) |
| L0538 | 256 | 4-10-078: 1 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0539 | 512 | 4-10-078: 6;7 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (CRG000120) (DRRZD 6) (DRRZD 258) |
| L0540 | 256 | 4-10-078: 9 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (CRG000120) (DRRZD 6) (DRRZD 258) |
| L0541 | 256 | 4-10-078: 10 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (DRRZD 6) (DRRZD 258) |
| L0542 | 1024 | 4-09-090: 18;19;29;30 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (IRS000702) (IRS000704) (IRS000707) (DRRZD 6) (DRRZD 258) |
| L0543 | 768 | 4-10-090: 13;24;25 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP | (IRS000702) (IRS000707) (DRRZD 6) (DRRZD 258) |
| 17 | 9,216.00 | HA TOTALS | END |

DEEPER RIGHTS REVERSION ZONE DESIGNATIONS

APPLICABLE TO THE 2004, OCTOBER 27 PUBLIC OFFERING NOTICE

DRRZD: 6 ZONE: 2140 VIKING FM

INTERVAL: 2,600.00 - 2,680.00 FEET
KEY WELL: 00/10-10-042-14W4/0
LOG TYPE: INDUCTION ELECTRICAL

DRRZD: 258 ZONE: 7040 WOODBEND GRP

INTERVAL: 1,284.00 - 2,251.00 FEET
KEY WELL: 00/10-29-077-18W4/0
LOG TYPE: SONIC

END

ADDENDA AND CONTACTS APPLICABLE TO THE 2004, OCTOBER 27 PUBLIC OFFERING NOTICE

CRG000119 LAND DESCRIPTION
LEASE L0536 4-09-078: 33NP
LEASE L0537 4-09-078: 32NP

IS/ARE WITHIN AN IMPORTANT CARIBOU RANGE.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

DAVE LIND
LAND USE SPECIALIST
DEPT. OF SUSTAINABLE RESOURCE DEV
LAC LA BICHE REGIONAL OFFICE - LAND AND FOREST SERVICE
PO BOX 450
LAC LA BICHE AB T0A 2C0 (780) 623-5240

CRG000120 LAND DESCRIPTION
LEASE L0539 4-10-078: 7NP
LEASE L0540 4-10-078: 9NP

IS/ARE WITHIN AN IMPORTANT CARIBOU RANGE.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

DAVE LIND
LAND USE SPECIALIST
DEPT. OF SUSTAINABLE RESOURCE DEV
LAC LA BICHE REGIONAL OFFICE - LAND AND FOREST SERVICE
PO BOX 450
LAC LA BICHE AB T0A 2C0 (780) 623-5240

IRS000702 LAND DESCRIPTION
LEASE L0542 4-09-090: 18P;19P;30EP,W
LEASE L0543 4-10-090: 25EP

IS/ARE WITHIN THE FORT MCMURRAY-ATHABASCA OIL SANDS INTEGRATED RESOURCE PLAN.
ACCESS FOR SURFACE MINING OF OIL SANDS IS NOT PERMITTED.

SURFACE ACCESS IS NOT PERMITTED

FOR FURTHER INFORMATION, PLEASE CONTACT:

LEE BAKER
FORESTER
DEPT. OF SUSTAINABLE RESOURCE DEV
FORT MCMURRAY OFFICE - LAND AND FOREST SERVICE
PROVINCIAL BUILDING
9915 FRANKLIN AVE FLOOR 3
BOX 35
FORT MCMURRAY AB T9H 2K4 (780) 743-7101

APPENDIX 3

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ADDENDA AND CONTACTS APPLICABLE TO THE 2004, OCTOBER 27 PUBLIC OFFERING NOTICE

IRS000704 LAND DESCRIPTION
LEASE L0542 4-09-090: 29P

IS/ARE WITHIN THE FORT MCMURRAY-ATHABASCA OIL SANDS INTEGRATED RESOURCE PLAN.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

LEE BAKER
FORESTER
DEPT. OF SUSTAINABLE RESOURCE DEV
FORT MCMURRAY OFFICE - LAND AND FOREST SERVICE
PROVINCIAL BUILDING
9915 FRANKLIN AVE FLOOR 3
BOX 35
FORT MCMURRAY AB T9H 2K4 (780) 743-7101

IRS000707 LAND DESCRIPTION
LEASE L0542 4-09-090: 18P;19P;30EP,W
LEASE L0543 4-10-090: 25EP

IS/ARE WITHIN THE FORT MCMURRAY-ATHABASCA OIL SANDS INTEGRATED RESOURCE PLAN.
CONDITIONAL ACCESS FOR INTENSIVE DRILLING OF OIL SANDS.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

LEE BAKER
FORESTER
DEPT. OF SUSTAINABLE RESOURCE DEV
FORT MCMURRAY OFFICE - LAND AND FOREST SERVICE
PROVINCIAL BUILDING
9915 FRANKLIN AVE FLOOR 3
BOX 35
FORT MCMURRAY AB T9H 2K4 (780) 743-7101

END