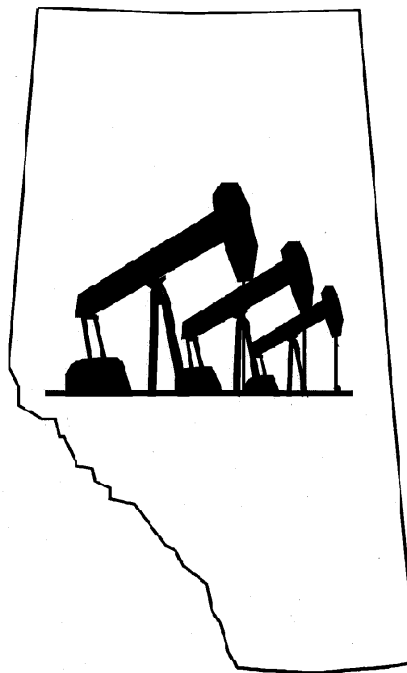


2004 DECEMBER 15
12 noon, CALGARY
PUBLIC OFFERING OF CROWN
OIL SANDS
RIGHTS



PUBLIC OFFERING CONTROL COUNTS FOR 2004.12.15

	From	To	Total	Area
LEASES:	L0861	L0880	20	101,696.0000 ha.
PERMITS:	P0881	P0881	1	2,624.0000 ha.

			21	104,320.0000 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 December 15, 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 December 15, --- OIL SANDS LEASE BIDS" for Leases.
"2004 December 15, --- OIL SANDS PERMIT BIDS" for Permits.
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 December 16 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 October 20
EDMONTON, Alberta

Steve Tkalcic - Director Operations
Oil Sands Development

OIL SANDS LEASES

LEASE SCHEDULE

PAGE 1

2004, DECEMBER 15

LEASE	HECTARES	LAND DESCRIPTION	
-----	-----	-----	
--- COLD LAKE OS AREA ---			
L0861	2304	4-06-062: 8;9;10W;15SE;16S,NW;17;18;19E;20-22 OIL SANDS BELOW THE TOP OF THE MANNVILLE GRP TO THE BASE OF THE MANNVILLE GRP EXCEPTING OIL SANDS IN THE SUB U COLONY CRETACEOUS	(IRS000602) (DRRZD 4) (DRRZD 4) (ZD 2920)
L0862	1536	4-06-062: 27SW;28-30;31N,SW;32;33 OIL SANDS BELOW THE TOP OF THE MANNVILLE GRP TO THE BASE OF THE MANNVILLE GRP EXCEPTING OIL SANDS IN THE SUB U COLONY CRETACEOUS	(IRS000602) (DRRZD 4) (DRRZD 4) (ZD 2920)
L0863	1408	4-07-062: 13-15;22;23;24N OIL SANDS BELOW THE TOP OF THE MANNVILLE GRP TO THE BASE OF THE MANNVILLE GRP EXCEPTING OIL SANDS IN THE SUB U COLONY CRETACEOUS	(IRS000602) (DRRZD 4) (DRRZD 4) (ZD 2920)
L0864	1984	4-07-062: 25-27;28S,NE;34-36 4-07-063: 11 OIL SANDS BELOW THE TOP OF THE MANNVILLE GRP TO THE BASE OF THE MANNVILLE GRP EXCEPTING OIL SANDS IN THE SUB U COLONY CRETACEOUS	(IRS000305) (IRS000602) (DRRZD 4) (DRRZD 4) (ZD 2920)
--- ATHABASCA OS AREA ---			
L0865	7680	4-11-074: 5-8;17-21;27-35 4-11-075: 1-5 4-12-074: 1;11-14;23;24 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000121) (CRG000122) (DRRZD 6) (DRRZD 258)
L0866	5376	4-12-074: 27;33;34 4-12-075: 3;4;9;10;13-15;16E;21E;22-27;28E;33E;34-36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000122) (DRRZD 6) (DRRZD 258)
L0867	5120	4-10-075: 7;17-20;29-32 4-11-075: 9-15;23-25;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000118) (CRG000121) (DRRZD 6) (DRRZD 258)

2004, DECEMBER 15

LEASE	HECTARES	LAND DESCRIPTION	
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L0868	512	4-04-076: 18;19 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP EXCEPTING OIL SANDS IN THE WABISKAW-MCMURRAY	(DRRZD 6) (DRRZD 258) (ZD 3162)
L0869	256	4-04-076: 31 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP EXCEPTING OIL SANDS IN THE WABISKAW-MCMURRAY	(DRRZD 6) (DRRZD 258) (ZD 3162)
L0870	256	4-04-076: 32 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP EXCEPTING OIL SANDS IN THE WABISKAW-MCMURRAY	(DRRZD 6) (DRRZD 258) (ZD 3162)
L0871	9216	4-12-076: 3-10;15-22;27-34 4-12-077: 3-7 4-13-076: 25;35;36 4-13-077: 1;2;11;12 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000122) (CRG000123) (PFR000601) (DRRZD 6) (DRRZD 258)
L0872	9216	4-12-079: 28-33 4-12-080: 4-9;16-21;28-33 4-13-079: 25-27;34-36 4-13-080: 1;12;13;24;25;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000121) (CRG000123) (DRRZD 6) (DRRZD 258)
L0873	5888	4-11-080: 8-17;20-23;26-28;31-36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000121) (DRRZD 6) (DRRZD 258)
L0874	9216	4-10-081: 6;7;16-21;29-32 4-11-081: 1-5;8-17;20-26;35;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(CRG000120) (CRG000121) (DRRZD 6) (DRRZD 258)

OIL SANDS LEASES

LEASE SCHEDULE

PAGE 3

2004, DECEMBER 15

LEASE	HECTARES	LAND DESCRIPTION	
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L0875	4608		(CRG000121) (CRG000123)
		4-12-081: 5-8;17-20 4-13-081: 1-3;10-14;23;24 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(DRRZD 6) (DRRZD 258)

L0876	9216		(CRG000121) (CRG000122) (CRG000123)
		4-12-081: 25-36 4-12-082: 1-7;18;19;30;31 4-13-081: 25;26;35;36 4-13-082: 1;2;11-14;24;25;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(DRRZD 6) (DRRZD 258)

L0877	7168		(CRG000120) (CRG000121)
		4-10-082: 6;7;18;31-33 4-11-082: 1;2;9-16;21-28;33-36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(DRRZD 6) (DRRZD 258)

L0878	2304		(CRG000119) (CRG000120)
		4-09-083: 5-8;18 4-10-083: 1;12;13;24 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(DRRZD 6) (DRRZD 258)

L0879	9216		(CRG000120) (CRG000121)
		4-10-083: 2-11;14-23;26-35 4-11-083: 1;12;13;24;25;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(DRRZD 6) (DRRZD 258)

L0880	9216		(CRG000121)
		4-11-083: 2-11;14-23;26-35 4-12-083: 1;12;13;24;25;36 OIL SANDS BELOW THE TOP OF THE VIKING FM TO THE BASE OF THE WOODBEND GRP	(DRRZD 6) (DRRZD 258)

20	101,696.00	HA TOTALS	END

OIL SANDS PERMITS

PERMIT SCHEDULE

PAGE 1

2004, DECEMBER 15

PERMIT	HECTARES	LAND DESCRIPTION	
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			--- COLD LAKE OS AREA ---
P0881	2624	4-06-061: 21NW;23-25;27E;28;29;33;34;35N,SE;36	(IRS000602)
		4-06-062: 2NE;3W	
		OIL SANDS IN THE MANNVILLE GRP	(DRRZD 4)

1	2,624.00	HA TOTALS	END

ZONE DESIGNATIONS APPLICABLE TO THE 2004, DECEMBER 15 PUBLIC OFFERING NOTICE

ZD: 2920 ZONE: 2581 SUB U COLONY CRETACEOUS

INTERVAL: 1,018.00 - 1,503.00 FEET

KEY WELL: 00/10-29-062-06W4/0

LOG TYPE: DUAL INDUCTION-LATEROLOG

ZD: 3162 ZONE: 3062 WABISKAW-MCMURRAY

INTERVAL: 1,190.00 - 1,488.00 FEET

KEY WELL: 00/10-10-076-05W4/0

LOG TYPE: DUAL INDUCTION-LATEROLOG

END

DEEPER RIGHTS REVERSION ZONE DESIGNATIONS

APPLICABLE TO THE 2004, DECEMBER 15 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: 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, DECEMBER 15 PUBLIC OFFERING NOTICE

CRG000118 LAND DESCRIPTION
LEASE L0867 4-10-075: 7;17-20;29-32

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

CRG000119 LAND DESCRIPTION
LEASE L0878 4-09-083: 5-8;18

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 L0874 4-10-081: 6;7;16-21;29-32
LEASE L0877 4-10-082: 6;7;18;31-33
LEASE L0878 4-10-083: 1;12;13;24
LEASE L0879 4-10-083: 2-11;14-18;19P;20S,NP;21-23;26;27S,NW,NEP;
28SP,NEP;29SEP;34SP;35E,WP

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

APPENDIX 3

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ADDENDA AND CONTACTS APPLICABLE TO THE 2004, DECEMBER 15 PUBLIC OFFERING NOTICE

CRG000121	LAND DESCRIPTION
LEASE L0865	4-11-074: 5;6;7S,NP;8;17SP;21E,WP;27;28E,WP;32SP,NWP, NE;33-35
	4-11-075: 1-4;5NP,SEP
LEASE L0867	4-11-075: 9-15;23-25;36
LEASE L0872	4-12-079: 28-33
	4-12-080: 4-9;16-21;28-33
LEASE L0873	
LEASE L0874	4-11-081: 1-5;8-17;20-26;35;36
LEASE L0875	4-12-081: 5-8;17-20
LEASE L0876	4-12-081: 25-36
LEASE L0877	4-11-082: 1;2;9-16;21-28;33S,NP;34-36
LEASE L0879	4-11-083: 1SE,SWP,NEP;12EP;13SP,NWP,NE;24NP,SE,SWP
LEASE L0880	4-11-083: 2SP;3SP;4SEP;6SEP

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

CRG000122	LAND DESCRIPTION
LEASE L0865	4-12-074: 1;11S,NP;12S,NP
LEASE L0866	4-12-074: 33SEP
	4-12-075: 3NP,SWP;4N,SEP,SW;9;10;13N,SEP,SW;14;15;16E; 21E;22-27;28E;33E;34-36
LEASE L0871	4-12-076: 3;4;5SP,NEP;6SEP;8SEP;9SP,NEP;10S,NWP,NE; 15SP;16NP;17NEP;19SP,NWP,NE;20P;21N,SEP,SW; 22SP,N;27;28;29SP,N;30-34
	4-12-077: 3;4;5S,NP;6S,NP
LEASE L0876	4-12-082: 1-5;6NP,SE,SWP;7SEP

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

ADDENDA AND CONTACTS APPLICABLE TO THE 2004, DECEMBER 15 PUBLIC OFFERING NOTICE

CRG000123	LAND DESCRIPTION
LEASE L0871	4-13-076: 25SP,N;35E,WP;36 4-13-077: 1S,NP;2SP,NEP
LEASE L0872	4-13-079: 25-27;34-36 4-13-080: 1;12;13;24;25;36
LEASE L0875	4-13-081: 1;2;3EP;10SEP;11S,NWP,NE;12;13;14SP,NEP; 23SEP;24E,WP
LEASE L0876	4-13-081: 25SP,NEP;36EP

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

IRS000305	LAND DESCRIPTION
LEASE L0864	4-07-062: 28SEP

IS/ARE WITHIN THE LAKELAND INTEGRATED RESOURCE PLAN.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

FOR FURTHER INFORMATION, PLEASE CONTACT:

WAYNE HOLLAND
 LCRC MEMBER
 DEPT. OF SUSTAINABLE RESOURCE DEV
 SHERWOOD PARK OFFICE - PUBLIC LANDS
 182 CHIPPEWA RD
 SHERWOOD PARK AB T8A 4H5 (780) 464-7955

IRS000602	LAND DESCRIPTION
LEASE L0861	4-06-062: 20L9,L15,L16;21N;22N,SE
LEASE L0862	4-06-062: 28SW;29S;30S
LEASE L0863	4-07-062: 24L14
LEASE L0864	4-07-062: 25S,NW,L9,L10,L15;26NE,L1,L7,L8,L11,L14;34; 35S,NW,L9,L10;36L3-L5
PERMIT P0881	4-06-061: 21NWP

IS/ARE WITHIN THE COLD LAKE INTEGRATED RESOURCE PLAN.

SURFACE ACCESS IS SUBJECT TO SPECIFIC RESTRICTIONS

APPENDIX 3

PAGE 4

ADDENDA AND CONTACTS APPLICABLE TO THE 2004, DECEMBER 15 PUBLIC OFFERING NOTICE

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

PFR000601	LAND DESCRIPTION
LEASE L0871	4-12-077: 5NP;6NP,SE,SWP;7SEP,SW
	4-13-077: 1SE,NEP

IS/ARE WITHIN A PROPOSED FOREST RECREATION AREA.

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

END