

OFFER TO PURCHASE

TO: PRISM INVESTMENTS LTD.
Suite 228, 1935 32nd Ave N.E
Calgary, Alberta
T2E 7C8
(the "Vendor")

_____ (hereinafter referred to as the "Purchaser") hereby **OFFERS TO PURCHASE** from the Vendor a portion of the lands described legally as:

"Meridian 4, Range 29, Township 26, Section 10, NW 1/4
excepting thereout all mines and minerals"

_____ that portion of the lands described containing _____ acres (more or less) above being sold to the Purchaser is shown crosshatched on Schedule "A" attached hereto and will hereinafter be referred to as the "Property".

The Purchaser offers to purchase the Property on the following terms and conditions:

1. PRICE

The total purchase price shall be _____
(\$ _____) DOLLARS payable as follows:

\$ _____ (The First Deposit) to be paid upon within 72 hours of acceptance to the Vendor's solicitor and to be held in non-interest trust, pending removal of Conditions Precedent contained in this Offer. In the event that the Purchaser's Conditions Precedent are not satisfied or the waived the First Deposit will be returned to the Purchaser. Upon removal of Conditions Precedent, the Deposit will released to the Vendor.

\$ _____ (The Second Deposit) to be paid within two business days of the satisfaction of the Purchaser's Conditions Precedent set out in paragraph 6 hereof and to be paid to the Vendor.

\$ _____ More or less, Cash on Closing.

\$ _____ TOTAL PURCHASE PRICE (plus GST if applicable)

2. CLOSING

The date of Possession and Closing shall be ten (10) business days after satisfaction of the Subdivision Condition as contained herein, at 12:00 noon (Calgary time) (hereinafter referred to as the "Closing Date"), or such date as the Purchaser and Vendor may elect, upon which date all taxes, and all other incomings and outgoings with respect to the Property shall be adjusted between the Purchaser and the Vendor.

Conveyances are to be prepared and encumbrances, if any, discharged at the expense of the Vendor and the Vendor and the Purchaser each agree to execute promptly when prepared any documents required to complete the purchase. Registration of the documents at the Land Titles Office for the South Alberta Registration District is to be at the expense of the Purchaser.

3. TITLE

Title to the Property shall be transferred on the Closing Date free and clear of all encumbrances, save and except those encumbrances that are shown below on Schedule 'B'. The Vendor will be entitled to discharge financial encumbrances from the sale proceeds by the undertaking of its solicitors.

4. SUBDIVISION CONDITION

This Agreement is subject to the Vendor, at its sole cost and expense, obtaining and registering a subdivision plan (the "Subdivision Plan") which will create title to the Property as a separate parcel of land having the dimensions shown on Schedule "A" within three (3%) per cent, capable of being transferred to the Purchaser pursuant to the provisions of the Land Titles Act of Alberta (the "Subdivision Condition") by July 1st, 2010. The Vendor agrees to use commercially reasonable efforts to satisfy the Subdivision Condition and agrees to notify the Purchaser forthwith upon satisfying this condition. Should the Vendor encounter any delays in effecting the registration of the Subdivision Plan, it shall notify the Purchaser of such delays and the Vendor shall then be at liberty to extend the date by which the Subdivision Condition must be satisfied to a maximum of three (3) extensions of thirty (60) days each from July 1st, 2010.

The Subdivision Condition has been inserted for the benefit of the Purchaser and the Vendor. Neither the Purchaser nor the Vendor may waive the Subdivision Condition. If the condition is not removed within the time limit set out, as it may be extended as set out above, this agreement shall be null and void and of no further effect and any and all deposits shall be returned to the Purchaser along with any accrued interest thereon immediately without any set off, deduction or abatement whatsoever and all obligations between the parties shall terminate such that neither party shall have any remedy or claim against the other and the Purchaser shall immediately discharge any caveat it has registered in respect of this Agreement.

The parties acknowledge and agree that this Agreement and the completion of the sale herein provided for is subject to the subdivision approval referred to above. The Vendor and the Purchaser agree that pursuant to Section 94 of the Land Titles Act (Alberta) the obligation to register the Subdivision Plan is a duty of both parties and neither may plead to rely on the said section to declare or seek to have this Agreement declared null and void.

5. SERVICING

The Vendor covenants and agrees to install in the roadway fronting the Property or in the boulevard abutting the roadway standard underground utilities for water, stormwater, sewage, natural gas, electrical power and telephone (the "Utility Services") in accordance with its development agreement with the municipal government. The Vendor shall not be required to provide any connections or stubs to the Utility Services to the property line of the Property and the costs of connecting to the underground services from the Property shall be at the expense of the Purchaser. The Vendor agrees to use commercially reasonable efforts to install the Utility Services by the Closing Date. In the event that the Utility Services have not been installed by the Closing Date, the obligation to install the Utility Services and construct the road shall survive the completion of this transaction and the Vendor shall use commercially reasonable efforts to complete such work as soon as possible following the Closing Date. The failure of the Vendor to complete the Utility Services by the Closing Date shall not excuse the Purchaser from completing the purchase of the Property. In view of the fact that the Vendor will have provided security to the municipal government to complete the work in relation to the Utility Services pursuant to a development agreement, there shall be no holdback of the Purchase Price or any portion thereof in respect of any uncompleted work on the Closing Date.

6. CONDITIONS PRECEDENT

This Offer to Purchase is subject to the following Purchaser's Conditions Precedent which are for the sole benefit of the Purchaser and which must be satisfied or waived within 90 (ninety) days from acceptance in writing at the sole discretion of the Purchaser;

- (a) The Purchaser acquiring the appropriate permits and approvals from the appropriate authorities regarding the proposed improvements to the Property desired by the Purchaser and subject only to subdivision and the payment of the requisite fees;
- (b) The Purchaser obtaining the necessary approvals to access the municipal services in sufficient quantity and under cost considerations acceptable to the Purchaser; and
- (c) The Purchaser satisfying itself as to soils and environmental tests.

- (d) The Purchaser satisfying itself that it will obtain new mortgage financing.

The Purchaser may at its sole discretion, remove these Purchaser's Conditions Precedent by notice to the Vendor in writing on or before the above noted times, failing which, this Offer shall be null and void and be of no further force or effect and the deposit monies plus interest, if any, herein shall be returned to the Purchaser.

If this Offer is accepted within the time herein limited for acceptance, and the aforesaid Purchaser's Conditions Precedent are all removed in writing, and the Purchaser subsequently fails to complete the purchase of the Property pursuant to the terms and conditions contained herein, then the deposit shall be forfeited to the Vendor as sole liquidated damages and not as a penalty and the Purchaser shall have no interest in the Property pursuant to this Offer and the Vendor and Purchaser shall have no further claims against each other whatsoever.

The Purchaser agrees not to register a caveat respecting this Offer unless and until it has waived the Purchaser's Conditions Precedent and, upon waiver of such conditions, it shall not register a caveat respecting this Offer unless it concurrently provides to the Vendor's solicitors, Burnet, Duckworth & Palmer LLP, 1400, 350 – 7th Avenue S.W., Calgary, Alberta T2P 3N9, a partial discharge of such caveat to be used in connection with the Vendor's Subdivision Plan and a written consent to the Subdivision Plan.

7. CANADIAN RESIDENT

The Vendor warrants that it is a resident of Canada for all of the purposes under the Income Tax Act (Canada) and in particular with respect to Section 116 of the said Income Tax Act.

8. PROPERTY INFORMATION AND ACCESS

- (a) The Vendor shall provide the Purchaser with access to the Property at reasonable times upon reasonable notice, if requested.
- (b) Vendor shall permit the Purchaser and its authorized representatives reasonable access to the Property for the purpose of making soils, ground-water, environmental or any other tests, measurements or surveys in, on or below the Property which the Purchaser in its sole discretion deems necessary; provided that the Purchaser shall do so at its own expense and at its own risk and shall not interfere with the operations of the Vendor at the Property, and shall return the Property to the state in which it was before the commencement of such action. The Purchaser shall completely indemnify the Vendor against any and all damages or claims arising from the Purchaser's activities on the Property under this Clause #8. If, in the sole opinion of the Purchaser, such test results are not satisfactory, then the Purchaser may either terminate the Agreement as per Clause #6 herein.

9. VENDOR'S REPRESENTATIONS

The Vendor represents that:

- (a) Between the date of acceptance of this Offer and the Closing Date, the Vendor will not enter into any agreements extending beyond the Closing Date regarding the Property except in connection with servicing and/or subdivision and/or rezoning; and
- (b) To the best of the Vendor's knowledge without specific inquiry, the Property is free of any contamination at levels that are deemed harmful by any governmental department or other body having authority over such matters in the area in which the Property is located.

The foregoing representation shall survive the completion of the transaction contemplated herein for a period of 12 months from the Closing Date. It is specifically acknowledged and agreed that the Vendor has been given an adequate opportunity to inspect the Property and conduct all necessary examinations thereof and the Vendor makes no representations and

warranties regarding the condition of the Property, or its fitness or suitability for use, including without limitation, the surface or subsoil conditions and soil stability, except as is specifically represented and warranted herein.

10. INSURANCE

Until the Property is registered in the name of the Purchaser, the Property shall be at the risk of the Vendor. The Vendor further covenants that all proceeds of any insurance policies shall be held in trust for the parties hereto as their interest may appear.

11. CLOSING DOCUMENTATION

On Closing, the Vendor agrees to deliver to the Purchaser, in addition to any other closing documentation:

- (a) Transfer in registrable form of the Property (including a certificate of residency);
- (b) Statement of adjustments.

12. GOODS AND SERVICES TAX

Vendor and Purchaser agree that should any goods and services taxes be applicable to the purchase and sale of the Property then the Purchaser is responsible to pay such taxes in such manner consistent with Federal Government legislation.

13. NO COLLECTION OF GOODS AND SERVICES TAX

The Purchaser represents and warrants to the Vendor that the Purchaser is or on closing will be registered pursuant to subdivision (d) of Division V of Part 9 of the Excise Tax Act (Canada), as amended (the "Act") for the purposes of remission of GST on taxable supplies made by the Purchaser and the Purchaser is not an "individual" in accordance with the terms of Section 123 of the Act. Accordingly, pursuant to the provisions of Section 221 (2) of the Act, no amount is required to be remitted or shall be remitted by the Purchaser to the Vendor in respect of any GST payable by the Purchaser in relation to its acquisition of the Property. Purchaser shall provide its GST Number to the Vendor prior to Closing and a GST indemnity in form suitable to the Vendor's solicitors.

14. NOTIFICATION

Notification by facsimile transmission is acceptable.

All notices to be given to the Purchaser at:

Phone:
Fax:

All notices to be given to the Vendor at:

Prism Investments Ltd
Suite 228, 1935 32nd Ave N.E
Calgary, Alberta
T2E 7C8
Phone (403) 870-6970
Fax (403) 387-7769

15. AGENCY

The Vendor and the Purchaser acknowledge and agree that _____ is acting for the Purchaser. The fees of the named broker shall be paid by the Vendor. The fees of all other agents and brokers shall be for the account of the Purchaser.

16. VENDOR AND PURCHASER AGREE THAT:

- (a) Time shall be of the essence in this Offer.
- (b) This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators, and the assigns of the parties hereto and shall be governed by the laws of the Province of Alberta and the parties irrevocably submit to the jurisdiction of the courts of the Province of Alberta.
- (c) The obligations of all parties hereunder shall continue in full force and effect and shall not be deemed to be merged in any conveyance or conveyances to be given to the Purchaser.
- (d) This Offer to Purchase constitutes the entire agreement between the Vendor and the Purchaser and there are no representations, warranties, collateral agreements or conditions affecting the Property or the Agreement of Purchase and Sale arising out of acceptance of this Offer, other than as are set forth herein.

16. ACCEPTANCE

This Offer to Purchase is open for Acceptance until _____, _____, 20__

DATED BY THE PURCHASER as of this ____ day of _____, ____ in the City of _____, _____.

Purchaser:

Per: _____

Per: _____

I/We have the authority to bind the Corporation

DATED BY THE VENDOR as of this ____ day of _____, _____ in the City of Calgary, Alberta.

Vendor: PRISM INVESTMENTS LTD.

Per: _____

Per: _____

SCHEDULE "A"

Attached hereto and forming part of this Purchase and Sale Agreement between _____ as
Purchaser and Prism Investments Ltd. as Vendor.

SCHEDULE "B"

Attached hereto and forming part of this Purchase and Sale Agreement between _____ as Purchaser and Prism Investments Ltd. as Vendor.

PERMITTED ENCUMBRANCES

REGISTRATION NUMBER	DATE (DMY)	PARTICULARS
3592HL	16/05/1958	Caveat Caveator – Banff Oil Ltd.
4658IA	22/09/1960	Caveat Caveator – Wascana Energy Inc.
5425IG	15/10/1961	Utility Right of Way Grantee - Wascana Energy Inc.
7610IO	04/06/1962	Caveat Caveator – Wascana Energy Inc.
3034IT	03/06/1963	Caveat Caveator – Nexen Canada Ltd.
731 082 232	12/12/1973	Caveat Caveator – Canadian Western Natural Gas Company Limited
771 147 064	20/10/1977	Zoning Regulations Subject to Calgary International Airport Zoning Regulations

and all encumbrances required by the subdivision approving authority or utility providers in connection with the registration of the Subdivision Plan such as utility rights-of-way, restrictive covenants and other similar registrations.