

## Strictly Confidential

Date: \_\_\_\_\_, 2008

Dear Sir/Madam:

### **Re: Confidentiality Agreement – Welton Energy Corporation Corporate –Divestiture**

In connection with your consideration of a possible acquisition of the shares or substantially all of the assets (the "Transaction") of Welton Energy Corporation (the "Corporation") you have requested the opportunity to review certain confidential information. As a condition to reviewing such information, the Corporation has requested and you have agreed to execute this agreement respecting the confidentiality of such information.

Where the terms "you and your" are used, the same shall be construed as including your Affiliates and Associates (as such terms are defined in the *Securities Act (Alberta)*), and the officers, directors and employees, agents, consultants, advisors and counsel to you or your Affiliates and Associates. Your agreement to the terms hereof shall extend to such Affiliates and Associates and your officers, directors, employees, agents, advisor, counsel, dealer, broker or consultant involved in evaluating or effecting a Transaction ("Representatives") and the Representatives shall be bound by the terms of this Agreement.

When used herein, the term "Confidential Information" means any information made available by the Corporation or Tristone Capital Inc. ("Tristone"), any information which is obtained by you or any of your Representatives from any officer, director, employee, agent, consultant, advisor or counsel to the Corporation in connection with your consideration of a Transaction and all other information derived by you from any of the foregoing. Confidential Information shall not, however, include any information which: (i) at the time of its disclosure to you or your Representatives is, or thereafter becomes, generally available to, and known by the public (other than as a result of a disclosure directly or indirectly by you or your Representatives unless permitted by this Agreement); (ii) was available to you or your Representatives from a source other than the Corporation or Tristone ; or (iii) has been independently acquired or developed by you without violating any of your obligations under this agreement .

You agree to use the Confidential Information only for the purposes of evaluating a potential Transaction and not to use or employ the Confidential Information for any other commercial or operational purpose or in any manner detrimental to the Corporation, its Affiliates or Associates.

You will safeguard and keep confidential the Confidential Information and not release or disclose any Confidential Information to any person, trust, firm, government or governmental agency or body corporate ("Person") other than your Representatives and in each case only those Representatives who need to receive such information. You will be responsible for any breach of this agreement by you or any of your Representatives. You shall not disclose any Confidential Information to any other Person without the prior written consent of the Corporation.

Promptly upon the Corporation's request therefore, you will cause your Representatives to: (a) return to the Corporation all Confidential Information provided to you or your Representatives by Tristone, the Corporation or any advisor to them, without retaining copies thereof; and (b) destroy all Confidential Information in your possession or in the possession of your Representatives that were prepared by or on behalf of you or your Representatives. You shall, on request by the Corporation, deliver an officer's certificate certifying compliance with this paragraph. Notwithstanding anything to the contrary herein, it is understood and agreed by the Corporation and you that your computer systems may automatically back-up Confidential Information. To the extent that such computer back-up procedures create copies of the Confidential Information, you may retain such copies in its archival or back-up computer storage for the period you normally archive backed-up computer records, which copies shall be subject to the provisions of this Agreement until the same are destroyed, and shall not be accessed by you during such period of archival or back-up storage other than as might be required by this Agreement.

Should you or your Representatives be required by law or policy or be requested by legal process or regulatory authority to disclose any Confidential Information, you will provide the Corporation with immediate notice of such requirement or request so that the Corporation may seek an appropriate protection order. If, in the absence of either a protective order or a waiver by the Corporation, you or your Representative, in the reasonable opinion of legal counsel, is required by law or securities regulatory policy to disclose any Confidential Information or stand liable for contempt or to suffer other censure or penalty on any failure to so disclose, you or your Representative may, without liability hereunder, thereafter disclose that portion, and only that portion, of the Confidential Information that you or your Representative is required so to disclose and provided that you or your Representatives shall each exercise reasonable commercial efforts to obtain reasonable assurance that such Confidential Information will be accorded confidential treatment.

The Corporation makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the Confidential Information and neither the Corporation, Tristone nor any of their Representatives, respective officers, directors or employees will have any liability whatsoever to you or to any other Person resulting from your use of the Confidential Information.

If you receive any Confidential Information then for a period of 12 months from the date hereof, you will not and will ensure that your Representatives do not, directly or indirectly, initiate or maintain contact (except for those contacts made in the ordinary course of business, other than ordinary course mergers and acquisitions activity) with any officer, director, employee, consultant, agent or advisor of the Corporation or any customers or suppliers of the Corporation, regarding its business operations, prospects or finances or as to any potential Transaction, except with the prior written permission of the Corporation. It is understood that the Corporation or Tristone will arrange for any contacts for due diligence purposes with respect to your evaluation of a Transaction and that all communications regarding a Transaction, all requests for additional Confidential Information, all requests for facility tours or meetings with management and all discussions or questions regarding the Confidential Information will be submitted or directed by you and your Representatives to Tristone unless otherwise permitted by the Corporation.

If you wish to have physical access to any of the Corporation's properties, you agree to release the Corporation, its affiliates and subsidiaries from and against any and all liabilities, claims and causes of action for personal injury, death or property damage occurring on such property as a result of you or your Representative's entry onto the property.

You agree to comply fully with all lawful rules, regulations and instructions issued by the Corporation regarding you and your Representatives' actions while upon, entering or leaving any of the Corporation's properties.

If you receive any Confidential Information then for a period of 24 months from the date hereof, neither you nor any of your Representatives, alone or with others, shall, without the prior approval of the Corporation which approval may be given on such terms as the Corporation may determine: (a) in any manner make any proposal or offer to acquire or solicit offers to sell, directly or indirectly, any securities or property of the Corporation or any of its Affiliates or Associates (other than property transferred in the ordinary course of business), make any proposal or offer to enter into, directly or indirectly, any merger or business combination involving the Corporation or any of its Affiliates or Associates or purchase, directly or indirectly, a material portion of the assets of the Corporation or any of its Affiliates or Associates; (b) make any public or private disclosure of any consideration, intention, plan or arrangement inconsistent with the restriction in paragraph (a) or enter into any discussion or arrangements with any third person other than your Representatives inconsistent with the restriction in paragraph (a); (c) advise, assist or encourage (including by knowingly providing or arranging financing for that purpose) any other Person in connection with any of the foregoing; (d) solicit for employment, or contract any employee or full-time consultant of the Corporation (whose employment or contract has not been terminated by the Corporation) excluding general advertising or posting of positions in the ordinary course of business and persons who contact you independently of your solicitation; (e) publicly or privately announce, disclose, reveal or otherwise evidence any intention or desire to do any of the foregoing. Provided, however that nothing contained in this paragraph shall prohibit you from making a proposal to the board of directors of the Corporation relating to a possible Transaction.

There has been no decision to pursue a Transaction with any Person and the provision of Confidential Information hereunder shall not be taken as indicating that any such decision has been made. You agree that unless and until an agreement effecting a Transaction, has been executed and delivered, the Corporation shall have no legal obligation of any kind whatsoever with respect to any proposed or contemplated Transaction with you by virtue of this agreement or any other written or oral expression with respect to such a Transaction. You further understand that: (a) the Corporation shall be free to conduct any process with respect to any Transaction as it, in its sole discretion, shall determine (including, without limitation, negotiating with any other prospective parties and entering into any agreement without prior notice to you or any other Person); (b) any procedures relating to such Transaction may be changed at any time and without notice to you or any other Person; and (c) you shall not have any claim whatsoever against the Corporation, its Representatives (including Tristone) or its Affiliates or Associates or any of their respective officers, directors, employees, shareholders or Representatives arising out of or relating to a Transaction, if any, concluded with another Person.

You agree that monetary damages may not be sufficient to remedy any breach by you or your Representatives of any term or provision of this agreement and that such breach may cause the Corporation and its Affiliates and Associates irreparable harm. Accordingly, you also agree that in the event of any breach or threatened breach of this agreement, the Corporation and its Affiliates and Associates shall be entitled, without the requirement of a bond or other security, to equitable relief including injunctive relief and specific performance in addition to any other remedy available at law or in equity.

You shall be liable to and indemnify the Corporation and its Affiliates, Associates and Representatives for damages caused to them by the breach, by you or any of your Representatives, of the obligations undertaken in this agreement. However, it is acknowledged that the Corporation and its

Representatives shall not pursue any claims for punitive damages against you or your Representatives.

This agreement constitutes the entire agreement between the parties regarding the subject matter hereof. No provision of this agreement may be waived or amended except by written consent of the Corporation, which consent shall specifically refer to the provision being so amended or waived.

This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada. You hereby irrevocably and unconditionally consent to and submit to the jurisdiction of the courts of the Province of Alberta, Canada for any actions, suits or proceedings arising out of or relating to this agreement in the matters contemplated hereby. The invalidity or unenforceability of any provision of this agreement shall not affect the validity or enforceability of any other provision of this agreement, which shall remain in full force and effect.

You understand and agree that this agreement is for the benefit of the Corporation and its Representatives, Affiliates and Associates and their respective successors and assigns and may be enforced by the Corporation and its Representatives, Affiliates and Associates and their respective successors and assigns. Where in this agreement any right or privilege is reserved for exercise by the Corporation, you agree that such right may be exercised by any or all of the Corporation, its Affiliates and Associates.

This agreement may be executed in counterparts that together shall be deemed to constitute one valid and binding agreement and delivery of counterparts may be effected by means of facsimile transmission.

The Corporation may assign all rights under this agreement including, without limitation, the right to enforce all of the terms contained herein .

Yours truly,

Company Name  
by its agent Tristone Capital Inc.

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Ian van Staalduinen  
Principal, Acquisitions & Divestitures

ACCEPTED AND AGREED TO this  
\_\_\_\_ day of \_\_\_\_\_, 2008

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Corporation Name

Per:

Name:

Title:

SCHEDULE "A"

**WELTON ENERGY CORPORATION CONFIDENTIALITY AGREEMENT**

Please forward the Confidential Information to:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_