

## CONFIDENTIALITY AGREEMENT

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

**Re: Confidentiality Agreement with Respect to the  
Interwest Enterprises Ltd, Anna Resources Ltd, and Badger Creek Resources Ltd. Asset Sale**

In connection with your consideration and analysis of a possible negotiated transaction (a "Transaction") involving the sale by Interwest Enterprises Ltd., Anna Resources Ltd., and Badger Creek Resources Ltd. (collectively, "the Companies") of certain hydrocarbon and other mineral interests within those lands bounded in red on the map attached as Schedule "A" (the "Properties") and not in any other formation or any other lands, and in consideration of other good and valuable consideration exchanged between the parties (the receipt and sufficiency of which are hereby acknowledged), the Companies have, at your request, agreed to provide you (the "Recipient") with certain information that is proprietary, non-public or confidential (the "Confidential Information") concerning the Companies, their businesses and assets.

For the purposes of this Confidentiality Agreement, "Confidential Information" means any and all information (in whatever form, whether written, oral, electronic or otherwise) acquired by the Recipient or its Representatives (as defined below) that describes or is related to the assets, businesses or affairs of the Companies and includes, but is not limited to, operational information, information relating to exploration, development and production activities and plans, potential land acquisitions, land schedules, financial results, marketing materials, budget information, geological, geophysical, engineering and environmental information, corporate strategies, and other information, whether factual or interpretive, and howsoever obtained by the Recipient or its Representatives (whether in data books, data rooms, presentations or otherwise) and includes any and all notes, memoranda, summaries, analyses, reports, documents and other information developed by or for the Recipient or its Representatives.

1. The Recipient understands that all Confidential Information provided to it is proprietary to the Companies and other joint venture participants in the Properties (as applicable) and is confidential and will be so treated by the Recipient. The undertakings and indemnities provided by the Recipient in this Confidentiality Agreement are given to the Companies for its benefit and for the benefit of such joint venture participants. In consideration of and as a condition to the Companies providing the Confidential Information to the Recipient, the Recipient agrees as follows:
  - (a) The Confidential Information and the terms and conditions of this Confidentiality Agreement shall be kept in strict confidence by the Recipient and shall not be used for any purpose whatsoever other than the evaluation of a Transaction between the Recipient and the Companies. The Confidential Information shall not be disclosed by the Recipient to any person other than such of the Recipient's directors, officers, employees, agents, consultants and advisors who have a need to know such Confidential Information (collectively, the "Representatives") for

the sole purpose of the evaluation of a Transaction between the Companies and the Recipient. Disclosure of and access to the Confidential Information shall, at all times, be at the complete discretion of the Companies.

- (b) Prior to disclosing any Confidential Information to any of its Representatives, the Recipient shall take all such steps as are necessary or desirable to ensure that such Representative is aware of the terms and conditions of this Confidentiality Agreement, and that such terms and conditions are binding upon such Representative. The Recipient shall be liable to the Companies for any and all damages caused to the Companies as a result of any improper disclosure or improper use of Confidentiality Information or other breach of the Confidentiality Agreement. The Recipient shall, if so requested by the Companies, provide the Companies with a list of Representatives who have received the Confidential Information and copies of any written instruments signed by Representatives to acknowledge their agreement to be bound by the provisions of this Confidentiality Agreement.
  - (c) The Recipient agrees that it will not, and, will direct its Representatives not to, without the prior written consent of the Companies, disclose to any person other than Representatives: (i) the fact that any investigations, discussions or negotiations are taking place concerning a Transaction; (ii) that the Recipient has requested or received Confidential Information; (iii) any opinion or comment with respect to the Confidential Information; or (iv) any of the terms, conditions or any facts with respect to a Transaction, including the status thereof.
  - (d) Notwithstanding the foregoing provisions of this Paragraph 1, the Recipient shall be permitted to disclose such Confidential Information as is required to be disclosed pursuant to any law, rule or regulation or order of a court of competent jurisdiction. If the Recipient is so required to disclose Confidential Information, the Recipient shall promptly notify the Companies of such request, and consult with the Companies on the advisability of taking steps to resist or narrow such request. If disclosure is required, the Recipient shall cooperate with the Companies in any attempt that the Companies may make to obtain an order or other reliable assurance that confidential treatment will be accorded to such Confidential Information and will disclose only that portion of the Confidential Information that, in the reasonable opinion of the Recipient's counsel, is legally required to be disclosed.
2. The Confidential Information shall not be disclosed by the Recipient other than to Representatives or as required by law, rule, regulation or court order, in each case after complying with applicable provisions of Paragraph 1(d) to any third party without the prior written consent of the Companies.
  3. The requirements set forth in Paragraph 1 shall not apply to any part of the Confidential Information that:

- (a) is now in the public domain or hereafter (and then only after such date) becomes a part of the public domain, other than as a result of any act, failure or omission on the part of the Recipient or a Representative in breach of Paragraphs 1 or 2, provided that specific items of Confidential Information shall not be considered to be in the public domain merely because more general information is in the public domain; or,
  - (b) is already known to the Recipient (as evidenced by the Recipient's written records) prior to its disclosure by the Companies and is not subject to any obligation of confidence; or
  - (c) was lawfully acquired by the Recipient from a third party (as evidenced by the Recipient's written records) who, in so disclosing Confidential Information did not breach any obligation of confidence.
4. Without limitation and in addition to any other rights that the Companies may have against the Recipient by reason of any breach hereof (whether by the Recipient or a Representative), the Recipient agrees to and shall:
- (a) be liable to the Companies and to its affiliates and to each of their respective representatives for all losses, costs, damages, expenses and liabilities whatsoever, including legal, accounting and other professional costs, expenses, fees and disbursements (with legal fees on a solicitor and client basis) that the Companies, its affiliates or each of their respective representatives may suffer, sustain, pay or incur; and
  - (b) indemnify and hold harmless the Companies and its affiliates and each of their respective representatives against all claims, losses, costs, damages, expenses and liabilities whatsoever, including solicitor and client legal costs and disbursements, that may be brought against or suffered or incurred by the Companies or its affiliates or their respective directors, officers, servants, agents or employees;
- in respect of all matters and things that may result from or arise, directly or indirectly, out of any breach of this Confidentiality Agreement by the Recipient or any of its Representatives.
5. The Recipient acknowledges the sensitive nature and competitive value of the Confidential Information and that the Companies will be irreparably damaged if any of the restrictions on disclosure or use of the Confidential Information in this Confidentiality Agreement or other provisions hereof are not observed or performed by the Recipient and all of its Representatives. The Recipient further acknowledges that monetary damages alone would not be a sufficient remedy for a breach of this Confidentiality Agreement and agrees that the Companies shall, in the event of any such breach or anticipated breach, be entitled to equitable relief, including injunctive relief and specific performance, in addition to any other remedy available to the Companies, at law or in equity. The Recipient further agrees to waive any requirement for the deposit of security of any bond in connection with any equitable remedy.

6. (a) This Confidential Agreement shall not be construed as granting to the Recipient, either expressly or by implication, any rights or interests in any of the Confidential Information, all of which shall remain the sole property of the Companies.
  - (b) If the Recipient determines not to proceed with a Transaction, the Recipient shall not use any of the Confidential Information in furtherance of any aspect of its business and shall immediately return to the Companies the Confidential Information in its possession and shall not retain any copies or other reproductions or extracts thereof.
7. At any time, at the request of the Companies, the Recipient shall immediately return or cause to be returned to the Companies all of the Confidential Information that may have been provided to the Recipient or its Representatives and shall not retain any copies or other reproductions or extracts thereof. The Recipient shall at any time, at the request of the Companies, destroy or have destroyed all memoranda, notes, reports and documents prepared by or in the possession of the Recipient or its Representatives that are based upon, contain or reflect any Confidential Information. Furthermore, the Recipient shall, if so requested by the Companies, provide an Officer's Certificate to the Companies certifying that the terms and conditions of this Paragraph 7 have been complied with in full.
8. This Confidentiality Agreement shall remain in force for a period of 12 months from the date hereof, or until such time as all of the Confidential Information becomes part of the public domain through no breach of this Confidentiality Agreement, whichever occurs first (other than the provisions of Paragraphs 4, 5, 6(a) and 10(b) and this Paragraph 8, which will survive the expiration of such period).
9. It is understood by the Recipient that, in providing access to the Confidential Information, the Companies make no representations or warranties, expressed or implied, as to the accuracy or completeness of the Confidential Information. The Recipient agrees that neither the Companies nor any officer, director, employee, consultant, agent or advisor of the Companies, shall have any liability whatsoever for any errors in or omissions from or for any damages resulting from the use of the Confidential Information. The Recipient shall rely solely on its own due diligence, analysis, appraisals and estimates in evaluation and satisfying itself to all matters relating to the Companies and its business, affairs and assets, including, but not limited to the value and condition of the Properties and shall rely solely on its own geological, geophysical, engineering, environmental, accounting and financial interpretations and analysis related thereto. Only such representations and warranties as are contained in a definitive agreement with respect to a Transaction, will, if executed and delivered by the Companies (and subject to such conditions or limitations or restrictions as may therein be specified) have any legal effect.

10. (a) For a period of 12 months from the date hereof, the Recipient will not and will ensure that its Representatives do not, directly or indirectly, initiate or maintain contact (except for those contacts made in the ordinary course of business) with any officer, director, employee, consultant, agent or advisor of the Companies, including any customers or suppliers of the Companies, regarding its business, operations, prospects or finances, except with the prior written permission of the Companies. It is understood that the Companies will arrange for any contacts for due diligence purposes with respect to the Recipient's 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 the Recipient and its Representatives to the Companies except with prior written permission of the Companies. The Recipient shall not visit any of the business sites of the Companies without the prior written consent of the Companies.
  - (b) If the Recipient wishes to have physical access to any of the Properties, the Recipient agrees to indemnify, defend and hold harmless the Companies, its affiliates and their respective representatives 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 the Recipient's entry onto the premises.
  - (c) The Recipient agrees to comply fully with all rules, regulations and instructions issued by the Companies regarding the Recipient's actions while upon, entering or leaving any of the Properties.
11. For a period of 12 months from the date hereof, neither the Recipient, nor any of its affiliates or Representatives who act for the benefit or at the direction of the Recipient, or jointly and in concert with the Recipient, shall, without the prior written consent of the Companies, directly or indirectly:
    - (a) effect or seek, make an offer respecting, agree or propose (whether publicly or otherwise) to effect, or cause to participate in or in any way advise, encourage or assist (including financial assistance) any other person to effect or seek, make an offer respecting, agree or propose (whether publicly or otherwise) to effect or participate in: (i) any acquisition of any securities or rights to acquire any securities (or any beneficial interest therein), assets or properties of the Companies; (ii) any merger, arrangement, amalgamation or other business combination or tender, takeover bid or exchange offer involving the Companies or any of its shareholders; (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Companies, or (iv) any "solicitation" of "proxies" (as such terms are used in the *Business Corporations Act* (Alberta) with respect to any voting securities of the Companies;

- (b) form, join or in any way participate in a group or act jointly or in concert with any person with respect to voting securities of the Companies;
- (c) otherwise act, alone or in concert with others, to seek to control or influence any person in respect of the voting of any voting securities of the Companies, the management, Boards of Directors or policies of the Companies (other than negotiations or proposals in accordance with this Confidentiality Agreement);
- (d) take any action that might reasonably be expected to cause or require the Companies to make an announcement regarding any of the types of matters set forth in Paragraph 11(a);
- (e) disclose any intention, plan or arrangement in contravention of the foregoing;
- (f) attempt to induce any third person not to make or conclude any proposal with respect to the Companies, provided that this paragraph 11(f) shall not in any way preclude the Recipient from making a *bona fide* offer for such third person;
- (g) publicly or privately announce, disclose, reveal or otherwise evidence any intention or desire to do any of the foregoing, other than in accordance with this Confidentiality Agreement; or
- (h) enter into any discussions or arrangements with any third person with respect to any of the foregoing.

provided, however, that nothing contained herein should be construed to prohibit the Recipient from making a proposal to the Companies in respect of the Transaction, as defined above. For greater certainty, the Recipient hereby agrees and acknowledges that neither an agreement with the Companies regarding a Transaction that the Boards of Directors of the Companies has recommended to the shareholders of the Companies or otherwise agreed with, nor an announcement of an unsolicited transaction that is not recommended by the Boards of Directors of the Companies shall release the Recipient from the provisions of this Paragraph 11.

12. The Recipient understands and agrees that no contract or agreement respecting a Transaction between the Companies and the Recipient or any affiliate of the Recipient shall exist or be deemed to exist unless and until a definitive agreement in writing has been executed and delivered by the Recipient and the Companies (a "Definitive Agreement"), and the Recipient and the Companies hereby waive, in advance, any claims (including, without limitation, breach of contract) in connection with such Transaction unless and until a Definitive Agreement has been executed and delivered by the Recipient and the Companies. It is also understood and agreed that unless and until a Definitive Agreement has been executed and delivered by the Companies and the Recipient with respect to a Transaction, none of the Companies' shareholders, officers, directors, employees, consultants, agents or advisors has any legal obligation of any kind whatsoever with respect to any such Transaction nor is there any restriction on the right of the Companies to solicit or provide information to any other person in respect of any form of transaction. Unless and until a Definitive Agreement has been executed and

delivered, the Recipient understands that: (i) the Companies shall be free to conduct business as it may, in its sole discretion, determine (including, without limitation, negotiating with any prospective buyer and entering into definitive agreements without prior notice to the Recipient or any other person); (ii) any procedures relating to the Companies' sale may be changed at any time without notice to the Recipient or any other person; and (iii) the Companies shall have the right to reject or accept any potential buyer, proposal or offer, for any reason whatsoever, in their sole discretion. For purposes of this Paragraph 12, the term "Definitive Agreement" does not include an executed letter of intent or any other preliminary written agreement, nor does it include any written or oral offer or bid or any written or oral acceptance thereof. Neither this Paragraph 12 nor any other provision in this Confidentiality Agreement can be waived or amended except by written consent of the Companies, which consent shall specifically refer to this Paragraph (or such other provision) and explicitly make such waiver or amendment.

13. The Recipient, on behalf of itself and Representatives, acknowledges and confirms that they are aware of the general nature of applicable securities laws, including, without limitation, all applicable securities laws that may prohibit any person who has material, non-public information concerning the matters that are the subject of this Confidentiality Agreement, from trading in securities of a corporation that may be a party to a transaction of, or may propose to become a party to, the type contemplated herein or from communication such information to other persons.
14. No failure or delay by the Companies to exercise any of its rights under this Confidentiality Agreement shall operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or further exercise thereof.
15. This Confidentiality Agreement shall be governed by the laws of the Province of Alberta and the parties hereby attorn to the jurisdiction of the Courts of Alberta in respect of all matters or disputes arising under or in respect of this Confidentiality Agreement.
16. In the event that any provision or portion of this Confidentiality Agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Confidentiality Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by applicable law.
17. This Confidentiality Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.
18. This Confidentiality Agreement shall not be assigned by either party without first obtaining the written consent of the other party.
19. This Confidentiality Agreement may be amended in writing only and must be signed on behalf of the Companies. Waivers of any of the terms and provisions of this agreement shall be made in writing by the Companies. No waiver of any provision of this Confidentiality Agreement is deemed to constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.
20. Time is of the essence in this Confidentiality Agreement.

21. This Confidentiality Agreement expresses the entire agreement between the parties with respect to the matters set forth herein.
22. This Confidentiality Agreement may be executed in counterparts that together are deemed to constitute one valid and binding agreement, and delivery of counterparts may be effected by means of facsimile transmission.

AGREED TO THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2008.

Yours truly,

Interwest Enterprises Ltd, Anna Resources Ltd, and Badger Creek Resources Ltd..

(by its agent Tristone Inc.)

\_\_\_\_\_  
Ian van Staalduinen  
Principal, Acquisitions & Divestitures

\_\_\_\_\_  
Company Name

Accepted this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

Per: \_\_\_\_\_

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

**ATTACHMENT TO THE CONFIDENTIALITY AGREEMENT  
OF THE COMPANIES**

Please forward the Confidential Information for Recipient to:

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

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

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

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

\_\_\_\_\_

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

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

E-Mail: \_\_\_\_\_

Schedule "A"

