



CONFIDENTIALITY AGREEMENT

Confidential Information for the NAL Resources 2010 Non-Core Property Divestiture is available in the online data room accessed via FirstEnergy's website www.firstenergy.com/nal.

The Confidential Information may be accessed by executing two original copies of the attached NAL Resources Confidentiality Agreement in full and access information for the online data room will be sent to the contact details submitted on Attachment "B". Confidentiality Agreements from undisclosed parties or for agents acting for undisclosed parties will not be accepted.

Please indicate the Package(s) for which you would like to receive Confidential Information by checking the appropriate box(es) on Attachment "C", attached.

Please deliver two (2) executed original copies of the agreement to:

NAL Resources

c/o

FirstEnergy Capital Corp.

Suite 1100, 311-6th Ave SW

Calgary, Alberta T2P 3H2

Attention: Derek T. Kreba

Tel: 403-262-0660

Fax: 403-262-0688

Email: dtkreba@firstenergy.com

Confidentiality Agreements may be faxed or emailed to the above but must be followed by two executed original copies.

NAL RESOURCES CONFIDENTIALITY AGREEMENT

Date: _____, 2010

_____ (your company name and address)

Attention: _____ (your name)

_____ (your title)

**RE: CONFIDENTIALITY AGREEMENT WITH RESPECT TO THE
2010 NAL RESOURCES NON-CORE PROPERTY DIVESTITURE**

In connection with your analysis of a possible negotiated transaction involving certain non-core properties (as described in Attachment "C") and NAL Resources or any of its affiliates (the "**Company**"), you have been or will be furnished certain information that is proprietary, non-public or confidential concerning the Company and its subsidiaries (as defined below), from Representatives (as defined below) of the Company (collectively, and together with the Company, the "**Disclosing Parties**"). In consideration of furnishing you with such information to assist you in such regard, you hereby agree to the following (it being understood that you are also agreeing to cause your Representatives to comply with the applicable provisions hereof):

1. **Use of Evaluation Material.** The Evaluation Material (as defined below) will be used solely for the purpose of evaluating a possible negotiated asset acquisition transaction (a "**Transaction**") between you and the Company approved by the Board of the Directors of the Company and not in a manner detrimental to the Company. Unless and until you have completed a Transaction involving an asset of the Company, all the Evaluation Material will be kept confidential and fully secret by you and will not be disclosed to any other persons in any manner nor used, exploited or employed for any other purpose or in any other manner; provided that you may disclose the Evaluation Material or portions thereof to those of your Representatives who need to know such information for the purpose of assisting you in evaluating a possible Transaction involving you and the Company (it being understood that such Representatives shall be informed by you of the confidential nature of the Evaluation Material and that you shall require such Representatives to be bound by the terms of this letter to the same extent as if they were parties hereto). You agree to be responsible for any breach of this agreement by any of your Representatives.
2. **Legally Required Disclosures.** In the event that you or any of your Representatives is requested or required (by deposition, interrogatory, request for information or documents in legal proceedings, subpoena, civil investigative demand or similar process, in connection with any proceeding) to disclose any of the Evaluation Material, you shall immediately provide the Company with written notice of such request or requirement in advance of complying with the

same so that the Company may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this agreement and you shall cooperate with the Company so that the Company may obtain such order or other remedy. In the event that such order or other remedy is not obtained, or the Company waives compliance with the relevant provisions hereof, you or such Representatives, as the case may be, may disclose only that portion of the Evaluation Material that, in the written opinion of your counsel, is legally required to be disclosed and shall exercise your, his or its best efforts to obtain assurances that confidential treatment will be accorded such Evaluation Material.

3. **Definition of Evaluation Material.** The term “**Evaluation Material**” as used in this agreement shall mean all information including, but not limited to, financial results, marketing materials, budget information, geological, geophysical, geochemical and engineering information, land schedules and other documentation made available to you in data books, data rooms and in the confidential, secure or restricted access areas, established with respect to the transaction that any Disclosing Party furnishes or otherwise discloses to you or any of your Representatives in the course of your evaluation of a possible Transaction with the Company (in whatever form communicated or maintained, whether orally, visually, documentary, computer storage or otherwise), which contains or otherwise reflects information concerning the Company. The term “**Evaluation Material**” shall also include all reports, analyses, notes or other information (including those prepared by you or your Representatives) that are based on, contain or reflect any Evaluation Material (“**Notes**”). The term “**Evaluation Material**” does not include any information (i) that at the time of disclosure to you or thereafter is generally available to and known by the public (other than as a result of a disclosure directly or indirectly by you or any of your Representatives or a disclosure pursuant to Paragraph 2), (ii) that is or was received by you on a non-confidential basis from a source other than the Disclosing Parties who is not prohibited from transmitting the information to you by a confidentiality agreement with, or other contractual, legal or fiduciary obligation to, the Company or any of its subsidiaries, (iii) heretofore disclosed to you by the Company or FirstEnergy on a non-confidential basis, or (iv) that was known by you prior to disclosure hereunder and is not subject to a confidentiality obligation.
4. **Return of Materials.** If you decide that you do not wish to proceed with a Transaction with the Company, you will promptly notify the Company and FirstEnergy Capital Corp. of that decision. In that case, or if the Company shall elect at any time to terminate further access by you to the Evaluation Material for any reason, you will (i) return promptly to FirstEnergy Capital Corp. all copies of the Evaluation Material then in your possession or in the possession of any of the Representatives, (ii) destroy all Notes and (iii) upon written request deliver to the Company a certificate executed by one of your duly authorized senior officers indicating that the requirements of this sentence have been satisfied in full. Notwithstanding the return or destruction of Evaluation Material and Notes, you and your Representatives will continue to be bound by your obligations of confidentiality and all other obligations hereunder.
5. **Nondisclosure of Possible Transaction.** Without the prior written consent of the Company, you will not, and will direct and cause your Representatives not to, disclose to any person (i) that Evaluation Material has been made available to you, (ii) that discussions or negotiations are or were taking place concerning a possible Transaction between the Company and you or any of your affiliates (as defined below), (iii) any opinion or comment with respect to the Evaluation Material, (iv) the terms, conditions or other facts with respect to any such possible Transaction or actions, including the status thereof; provided, however, that you may make such disclosure if you have received the written opinion of outside counsel that such disclosure must be made by you in order that you not commit a violation of law, regulation or rule of any stock exchange and, prior to such disclosure, you promptly advise and consult with the Company and its legal

counsel concerning the information you propose to disclose. Your obligations in the preceding sentence shall survive any return or destruction of the Evaluation Material pursuant to Paragraph 4. It is understood that neither this agreement nor the disclosure of any Evaluation Material to you shall be construed as granting to you or any of your Representatives any license or rights in respect of any part of the Evaluation Material.

6. **Contacts with Company Personnel.** Until the earliest of (i) the execution by you of a Definitive Agreement (as defined in Paragraph 9) or (ii) one year from the date of this agreement, you agree not to initiate or maintain contact (except for those contacts made in the ordinary course of business) with any officer, director or employee of the Company or any of its subsidiaries regarding its business, assets, operations, prospects or finances, except with the express permission of a duly authorized executive officer of the Company. Except as provided in a Definitive Agreement, you agree that for a period of one year from the date hereof, you will not solicit for employment any officer, director or key employee of the Company or any of its subsidiaries; *provided*, that this prohibition shall not apply to solicitations made by you to the public or the industry generally, and you shall not be prohibited from employing any such person who contacts you on his or her own initiative without any prohibited solicitation.
7. **No Representation or Warranty.** Although the Company has endeavoured to include in the Evaluation Material information known to it which it believes to be relevant for the purpose of your investigation, you understand and agree that neither the Company nor any of its Representatives have made or make any representation or warranty, express or implied, as to the accuracy or completeness of the Evaluation Material. You agree that neither the Company nor its Representatives shall have any liability to you or any of your Representatives relating to or resulting from the use of the Evaluation Material or any errors therein or omissions therefrom. Only those representations or warranties that are made in a Definitive Agreement when, as and if it is executed, and subject to such limitations and restrictions as may be specified in such Definitive Agreement, will have any legal effect as representations or warranties.
8. **Other Restrictions.** Until the earlier of (i) the expiration of one year from the date hereof; and (ii) the entering of a definitive agreement by the Company and an arm's length third party with respect to a Transaction, other than with you, neither you nor any of your affiliates (including any person or entity, directly or indirectly, through one or more intermediaries, controlling you, under common control with you, controlled by you or acting jointly or in concert with you) nor any of your Representatives shall, without the prior written consent of the Board of Directors of the Company, directly or indirectly:
 - (a) effect or seek, offer, 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, offer, 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 other beneficial ownership thereof), assets or properties of the Company or any of its subsidiaries, whether such agreement or proposal is with the Company or any of its subsidiaries or shareholders or with a third party (provided that the foregoing shall not apply to any acquisition by any of your employee benefit plans in the ordinary course of business); (ii) any merger, plan of arrangement or other business combination or tender, takeover bid or exchange offer involving the Company or any of its subsidiaries or shareholders; (iii) any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction with respect to the Company or any of its subsidiaries, or (iv) any "**solicitation**" of "**proxies**" (as such terms are used in the proxy provisions of the Business Corporations Act (Alberta), the Securities Act (Alberta), or

- under the rules of the United States Securities and Exchange Commission, as the case may be) or consents to vote or otherwise with respect to any voting securities of the Company or any of its subsidiaries;
- (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 Company;
 - (c) otherwise act, alone or in concert with others, to seek to control or influence the management, Board of Directors or policies of the Company;
 - (d) take any action which might cause or require the Company to make a public announcement regarding any of the types of matters set forth in (a) above;
 - (e) disclose any intention, plan or arrangement inconsistent with the foregoing; or
 - (f) enter into any discussions or arrangements with any third party with respect to any of the foregoing.
9. **Definitive Agreement.** You also understand and agree that no contract or agreement providing for a Transaction between the Company and you or your affiliates shall be deemed to exist unless and until a definitive agreement with respect thereto has been executed and delivered by you and each of the other parties thereto ("**Definitive Agreement**"), and you and the Company 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 you and each of the other parties thereto. It is also agreed that unless and until a Definitive Agreement has been executed by the Company and you with respect to a Transaction involving the Company, none of the Company, its shareholders, or its Representatives has any legal obligation of any kind whatsoever with respect to any such Transaction. Unless and until a Definitive Agreement between the Company, you and each of the other parties thereto has been executed and delivered, you understand that (i) the Company shall conduct the process for a possible Transaction as it in its sole discretion shall determine (including, without limitation, providing information to and/or negotiating with any prospective buyer and entering into definitive agreements without prior notice to you or any other person), (ii) any procedures relating to such Transaction may be changed at any time without notice to you or any other persons, and (iii) the Company shall have the right to reject or accept any potential buyer, proposal or offer, for any reason whatsoever, in its sole discretion. For purposes of this paragraph, 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 on your part or any written or oral acceptance thereof. You further agree that the entering into of this agreement by the Company or any approval granted pursuant to Paragraph 8 hereof does not constitute the agreement of the Company to agree to or to recommend to its shareholders any Transaction.
10. **Securities Laws.** You hereby acknowledge that you are aware, and that you will advise your Representatives who are informed as to the matters that are the subject of this agreement, that Canadian and United States securities laws prohibit any person who has material, non-public information concerning the matters which are the subject of this agreement from purchasing or selling securities of the Company or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities.

11. **Liability.** In addition to any other rights that the Company and its Representatives may have against you arising by reason of any breach of this agreement, you shall:
- (a) be liable to each of the Company and its Representatives for all claims, liabilities, damages, costs, losses and expenses (including legal, accounting and other professional and advisory costs, expenses, fees and other disbursements, with legal fees on a solicitor-client basis) whatsoever which they may suffer, sustain, pay or incur; and
 - (b) indemnify and hold harmless the Company and its Representatives and their respective directors, officers, employees and agents from and against any and all claims, liabilities, damages, costs, losses and expenses whatsoever which may be brought against or suffered by them or which they may suffer, sustain, pay or incur;

in respect of all matters or anything, which may arise out of any act or omission, directly or indirectly, related to any breach by you or your Representatives of this agreement or arising out of or resulting from any unauthorized use or disclosure by you or your Representatives of the Evaluation Material. You acknowledge that the Company is constituted as trustee of your covenants under this Paragraph 11 for the benefit of the Company's Representatives and their respective directors, officers, employees and agents and that the Company or its Representatives shall be entitled to enforce such covenants on behalf of such persons.

12. **Remedies.** You agree that (i) money damages would not be a sufficient remedy for any breach of this agreement by you or your Representatives, (ii) that, in addition to any other remedies at law or in equity that the Company may have, the Company shall be entitled to equitable relief, including injunction and specific performance, in the event of any breach of the provisions of this agreement, in addition to all other remedies available to the Company at law or in equity and (iii) you shall waive, and use your best efforts to cause your Representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy. The prevailing party shall be reimbursed for all costs and expenses, including reasonable attorneys' fees (on a solicitor-client basis), incurred in enforcing the other party's obligations hereunder.
13. **Access.** In the event you desire physical access to any of the Company's properties, you agree to indemnify, defend and hold harmless the Company and 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 or to such property as a result of your entry onto the premises. You agree to comply fully with all rules, regulations and instructions issued by the Company regarding your actions while upon, entering or leaving the property of the Company.
14. **No Waiver – Entire Agreement.** It is further understood and agreed that no failure or delay in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. This agreement represents the entire understanding of the parties with respect to the matters referred to herein and supersedes all prior understandings, written or oral, between the parties with respect thereto.
15. **Amendments.** All modifications of and amendments to this agreement or any part hereof must be in writing signed on behalf of you and the Company. Waivers of any terms and provisions of this agreement shall be in writing.
16. **Person; Representatives.** As used in this agreement, (i) the term “**person**” will be interpreted broadly to include, without limitation, any corporation, company, group, partnership, limited liability company, unincorporated association, trust, other entity or individual, (ii) the term

- “Representatives”**, used with respect to a person, shall include the directors, officers, employees, representatives, affiliates, subsidiaries, associates, agents, lawyers, consultants, accountants, financial and other advisors, specifically, in the case of the Company, includes FirstEnergy Capital Corp., and banks and other financing sources of or to such person, and (iii) the terms **“affiliates”**, **“subsidiaries”**, **“associates”** and derivations thereof shall have the respective meanings ascribed thereto in the Business Corporations Act (Alberta), as amended from time to time.
17. **Notices.** All notices to be given to a party hereunder shall be in writing and delivered personally, by overnight courier or by facsimile, addressed, in the case of the Company, to the President, c/o Richard J. Matthews of FirstEnergy Capital Corp., Suite 1100, 311 - 6th Avenue S.W. Calgary, Alberta, T2P 3H2 (in an envelope marked “Confidential”, with no mention of the Company), and, in the case of you, to the addressee at the address set forth on the execution page hereof.
18. **Severability.** In the event that any provision or portion of this agreement is determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by applicable law.
19. **Assignment.** The Company reserves the right to assign all or any of the benefits under this agreement including, without limitation, the right to enforce any or all of the terms of this agreement with respect to the unauthorized use or disclosure by you or your Representatives of the Evaluation Material to such parties as it deems appropriate including joint venture partners and the acquiror of any shares or assets of the Company and its subsidiaries pursuant to a Transaction.
20. **Term.** This agreement shall remain in effect for a period of one year from the date hereof.
21. **Reciprocal Agreement.** In the event the Company requires access to confidential information regarding you in order to assess a possible Transaction with you, you and the Company agree to enter into a reciprocal agreement governing the use of such confidential information substantially on the terms provided for in this agreement.
22. **Governing Law and Attornment.** This agreement shall be governed by and construed in accordance with the laws of the Province of Alberta. You also hereby irrevocably and unconditionally consent to submit to the jurisdiction of the courts of the Province of Alberta for any actions, suits or proceedings arising out of or relating to this agreement and the transactions contemplated hereby (and you agree not to commence any action, suit or proceeding relating thereto except in such courts), and further agree that service of any process, summons, notice or document by registered mail to your address specified on the signatory page shall be effective service of process for any action, suit or proceeding brought against you in any such court. You hereby irrevocably and unconditionally waive any objection to the laying of venue of action, suit or proceeding arising out of this agreement or the transaction contemplated hereby in the courts of the Province of Alberta and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.
23. **Seismic.** If the recipient makes a request to view seismic data as part of its review of a possible transaction involving a property, or the properties, as the case may be, and NAL provides such access, the recipient warrants that under no circumstances will it allow its Representatives to copy, remove, take away or otherwise reproduce any of the seismic data or derivatives thereof that such representatives have been given access to hereunder. This would include, but not be

limited to, an absolute restriction against the use of electronic equipment to produce photographs or other digital copy or reproductions of any of the affected seismic data and or photocopies, sketches or tracings of such affected seismic data. No electronic devices, cameras, USB devices, laptops or cellphones with photographic capability may be brought into the dataroom or an area where data is disclosed.

24. ***SEC Eligibility Terms and Conditions***

- (a) Background: The Company and FirstEnergy Capital Corp. will be providing Evaluation Material respecting the Company to you. Under United States securities legislation, this Evaluation Material may be viewed as “securities” and the delivery of Evaluation Material to you may be viewed as a “solicitation of an offer to buy” with the result that there may be registration requirements. In order to ensure that they are exempt from registration and in compliance with United States securities legislation, if it is applicable, the Company and FirstEnergy Capital Corp. require you to make the following representations.
- (b) Eligibility to Receive Confidentiality Information: If you are subject to the jurisdiction of the United States or the U.S. Securities and Exchange Commission, or if a property or properties described in or included as a part of the Evaluation Material (“Eligible Property” or “Eligible Properties”) is located in the United States or is subject to the jurisdiction of the United States or one of its political subdivisions, then in order for you to be granted access to the Evaluation Material you must qualify as an “accredited investor” (as defined in Rule 501(a) of Regulation D (“Regulation D”) of the Securities Act of 1933, as amended (the “Act”) and must demonstrate that it has the capacity to protect its own interests in evaluating the merits and risks of an investment in Eligible Properties by reason of its business and financial experience.
- (c) Representations and Warranties: You hereby represent, warrant and covenant to FirstEnergy Capital Corp. and the Company that:
- (i) You are an “accredited investor” within the meaning of the United States Securities and Exchange Commission’s Regulation D (see Attachment A).
 - (ii) In the event you determine to purchase Eligible Properties, you intend to purchase the Eligible Properties only for your own account and not for the account of any other person.
 - (iii) You can afford to bear the risks of a purchase of an Eligible Property and shall not purchase any Eligible Properties if it is not satisfied that its investment in the Eligible Properties is suitable or appropriate.
 - (iv) You have such knowledge and experience in financial and business matters that it can evaluate the merits and risks of a purchase of any Eligible Properties. By reason of its knowledge and experience in financial and business matters and its experience in and knowledge of the exploration for and production of oil and natural gas, you have the capacity to protect its own interest in purchases and sales of Eligible Properties and can evaluate the merits and risks of such a purchase or sale.
- (d) Additional Understandings: You acknowledge and understand that the Company and FirstEnergy Capital Corp. are entitled to rely, and will rely, on your representations and warranties contained herein to determine whether, under the United States Securities and Exchange Commission’s Regulation D, or Sections 4(1), 4(2) or 3(a)(11) of the Act, and the securities laws of any state of the United States or Canadian province, you meet the qualification and suitability requirements for its purchase of any Eligible Properties (to the extent the Eligible Properties constitute securities) to be exempt from registration.

This agreement shall be binding upon and ensure to the benefit of the parties hereto and to their respective successors and permitted assigns.

Please confirm that the foregoing correctly sets forth our agreement by signing this agreement in the space provided and returning one copy to us for our files. Please retain the second copy for your files.

Yours truly,

NAL RESOURCES

Per: _____

Title: _____

Accepted this ____ day of _____, 2009

Full Company Name

Officer's Signature

Officer's Printed Name

Officer's Title

Address

Address (continued)

Address (continued)

Fax Number

ATTACHMENT "A"

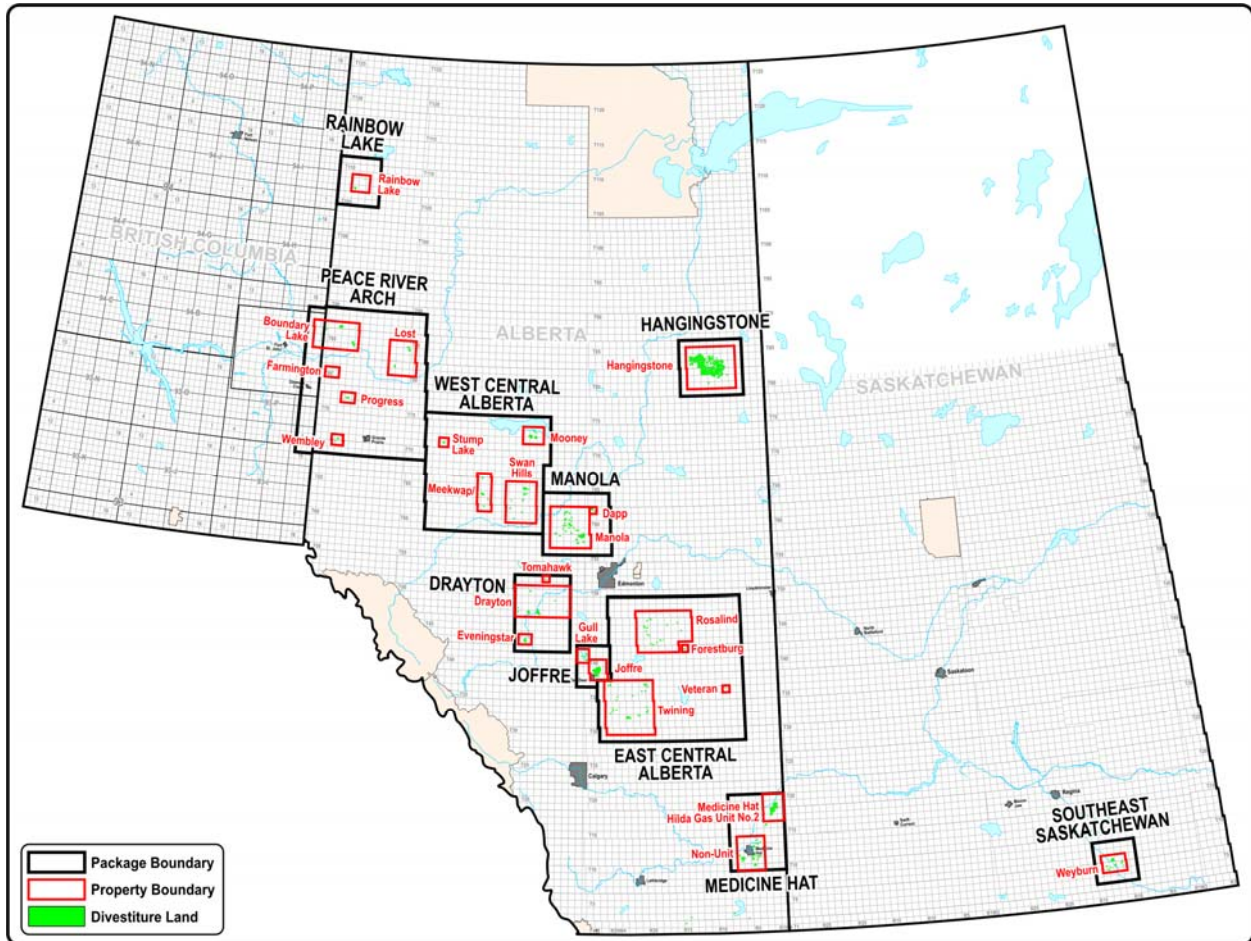
**NAL RESOURCES
2010 NON-CORE ASSET DIVESTITURE**

You are an "accredited investor" within the meaning of the United States Securities and Exchange Commission's Regulation D because you are:

- (i) A bank as defined in section 3(a)(2) of the Act, or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity; a broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934; an insurance company as defined in section 2(13) of the Act; an investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act; a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958; a plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; an employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- (ii) A private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;
- (iii) An organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000;
- (iv) A director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer;
- (v) A natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000;
- (vi) A natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year;
- (vii) A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Section 506(b)(2)(ii) of Regulation D; or
- (viii) An entity in which all of the equity owners are accredited investors.

Note: All dollar amounts in this Attachment A are in U.S. dollars.

**ATTACHMENT "C" TO THE
 NAL RESOURCES
 CONFIDENTIALITY AGREEMENT**



Please indicate below to indicate which packages you wish to receive confidential information for.

Joffre Package	
Southeast Saskatchewan Package	
Hangingstone Package	
Manola Package	
Medicine Hat Package	
East Central Alberta Package	
Peace River Arch Package	
Drayton Package	
West Central Alberta Package	
Rainbow Lake Package	