



Sales Procedure



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Introduction

NAL has initiated a broad public process to assist in the divestiture of certain non-core natural gas and oil properties in Alberta, southeast Saskatchewan and British Columbia. The Offering has been organized into 10 Packages for description and review with most Packages containing multiple properties.

Proposal Consideration

It is NAL’s strong preference to complete the sale of the Packages either individually or in combination for cash. However, NAL may in certain circumstances entertain proposals that include other consideration, such as shares or asset swaps. Please contact FirstEnergy for further information.

Timing and Key Dates

The following table provides an overview of the expected timing of the Offering. NAL and FirstEnergy reserve the right to make changes to this timing at their own discretion; updates will be emailed to all parties who have executed a Confidentiality Agreement (“CA”) and will also be posted to the online data room.

Physical and Online Data Room available:	Monday, August 23, 2010
Non-binding Proposals due by 12:00 PM (MDT):	Thursday, September 30, 2010

Contact Information

To minimize disruption to NAL, reviewing parties shall have no communication with any of NAL’s employees or affiliates without the prior approval of NAL through FirstEnergy. All inquiries related to this Offering should be directed to the appropriate FirstEnergy personnel at:

Derek T. Kreba Associate, Acquisitions & Divestitures 403-262-0660 dtkreba@firstenergy.com	Richard J. Matthews Vice President & Director, Acquisitions & Divestitures 403-262-0677 rjmatthews@firstenergy.com
Mark C. Pearson Associate, Acquisitions & Divestitures 403-444-8284 mcpearson@firstenergy.com	Stacey D. Epp Analyst, Acquisitions & Divestitures 403-444-4897 adepp@firstenergy.com

Confidential Information

The non-confidential information contained within this Information Memorandum (“IM”) has been provided to enable parties to review the Offering and assist in the evaluation of NAL’s non-core assets. Confidential information is available in the physical and online data rooms and may be accessed after executing two original copies of the NAL CA, which is available within this IM, on the FirstEnergy website at www.firstenergy.com/NAL, or by contacting FirstEnergy directly. Information relating to the execution of the CA is contained on its covering page. Confidentiality Agreements from undisclosed parties or for agents acting for undisclosed parties will not be accepted.

Sales Procedure (Cont'd)

Data Rooms

Confidential information is available within an online data room. After executing a CA, reviewing parties will be given access to the online data room, which will contain the majority of the confidential information available for the Offering and any updates added throughout the sales process. A physical data room containing some additional data, amongst other things, selected well files, is located at FirstEnergy's offices on the 16th floor at 311-6th Avenue SW in Calgary, Alberta. Please note, the FirstEnergy data room is accessed on the 16th floor and not through FirstEnergy's reception, which is located on the 11th floor. An up-to-date physical data room listing will be available within the online data room.

In order to utilize physical data room time effectively, reviewing parties are asked to review the confidential information available within the online data room before visiting the physical data room. Appointments for the physical data room can be made by contacting Stacey Epp at FirstEnergy at 403-444-4897.

Seismic Data

It is NAL's intention to provide a licensed copy of its 100% owned proprietary seismic data to the purchaser. Proprietary data that is not owned 100% by NAL will be subject to partner approval. Plots of NAL's seismic inventory will be available within the confidential information.

Offering Procedure and Structure

Parties are requested to submit non-binding proposals for the Packages either individually or in combination. Proposals are due by 12:00 PM (MDT) on Thursday, September 30, 2010. Proposals should include:

- A purchase price denominated in Canadian dollars reflecting the nature and value of the proposed transaction;
- Comments, if any, to the Purchase and Sales Agreement ("PSA");
- A review of any expected financing sources and timing issues to fund the offer;
- Requirements for approval of Management, Board of Directors, or other parties;
- Expected timing to remove offer conditions, execute PSA, and close.

From the proposals received, NAL will identify the most serious parties for the acquisition of the packages. NAL may, at its sole discretion, hold discussions with these parties and bidders could be asked to participate in a second proposal round prior to the final sale negotiation.

A detailed bidding instruction document and a draft copy of the PSA will be made available to parties who have executed a CA before September 20. This document will provide information regarding: effective date, closing date, consideration, form of agreement, offering conditions and requested commentary on financing and due diligence conditions.