ARRANGEMENT AGREEMENT

AMONG:

ACCLAIM ENERGY TRUST

- and -

ACCLAIM ENERGY INC.

- and -

STARPOINT ENERGY TRUST

- and -

STARPOINT ENERGY LTD.

November 17, 2005

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 17th day of November, 2005,

BETWEEN:

ACCLAIM ENERGY TRUST, a trust created under the Laws of the Province of Alberta (hereinafter referred to as "**Acclaim**")

AND

ACCLAIM ENERGY INC., a corporation subsisting under the Laws of the Province of Alberta (hereinafter referred to as "**AEI**")

AND

STARPOINT ENERGY TRUST, a trust created under the Laws of the Province of Alberta (hereinafter referred to as "**StarPoint**")

AND

STARPOINT ENERGY LTD., a corporation subsisting under the Laws of the Province of Alberta (hereinafter referred to as "**SEL**")

WHEREAS:

A. Acclaim, AEI, StarPoint and SEL wish to propose an arrangement involving AEI, Acclaim , SEL and StarPoint and the securityholders of AEI, Acclaim, StarPoint and SEL;

B. the Parties intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (Alberta);

C. the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

(a) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(b) "**Acclaim Administration Agreement**" means the administration agreement dated April 20, 2001 between AEI and Acclaim;

(c) "**Acclaim Balance Sheets**" has the meaning ascribed thereto in Section 5.1(p);

(d) "**Acclaim Board of Directors**" means the board of directors of AEI as it may be comprised from time to time;

(e) "**Acclaim Confidentiality Agreement**" means the confidentiality agreement between AEI and SEL dated August 15, 2005 in respect of information relating to SEL to be provided to AEI;

(f) "**Acclaim Credit Facilities Agreement**" means the Restated Credit Agreement dated as of June 29, 2004 among AEI, as borrower, The Toronto Dominion Bank, as administrative agent and the persons named on the signature pages thereto, as lenders, as amended as of January 5, 2005 and June 8, 2005;

(g) "**Acclaim Damages Event**" has the meaning set forth in Section 7.1;

(h) "**Acclaim Debenture Indenture**" means the Trust Indenture dated as of December 17, 2002 among Acclaim, AEI and the Acclaim Debenture Trustee as supplemented by the Acclaim 8% Debenture Supplemental in the case of the Acclaim 8% Debentures and by the Acclaim 11% Debenture Supplemental in the case of the Acclaim 11% Debentures;

(i) "**Acclaim Debenture Trustee**" means Computershare Trust Company of Canada;

(j) "**Acclaim Debentures**" means, collectively, the Acclaim 8% Debentures and the Acclaim 11% Debentures;

(k) "**Acclaim 8% Debentures**" means the 8% convertible, extendible, unsecured, subordinated debentures issued on June 15, 2004 pursuant to the Acclaim 8% Debenture Indenture;

(l) "**Acclaim 8% Debenture Supplemental**" means the supplemental indenture dated as of June 15, 2004 among Acclaim, AEI and the Acclaim Debenture Trustee, governing the Acclaim 8% Debentures;

(m) "**Acclaim 11% Debentures**" means the 11% convertible, extendible, unsecured, subordinated debentures issued on December 17, 2002 pursuant to the Acclaim 11% Debenture Indenture;

(n) "**Acclaim 11% Debenture Supplemental**" means the supplemental indenture dated as of December 17, 2002 among Acclaim, AEI and the Acclaim Debenture Trustee, governing the Acclaim 11% Debentures;

(o) "**Acclaim DRIP**" means the distribution reinvestment and optional unit purchase plan of Acclaim;

(p) "**Acclaim Employment Agreements**" means the employment agreements between AEI and each of Paul Charron, David Broshko, Rick Tiede, Brian Evans, Mark Fitzgerald and Wesley Morningstar;

(q) "**Acclaim Energy Partnership Agreement**" means the Partnership Agreement dated as of November 1, 2000 among Ketch Energy Ltd., Highland Energy Inc. and Caravan Oil & Gas Ltd., as amended from time to time;

(r) "**Acclaim Exchangeable Shares**" means the exchangeable shares, Series 1 of AEI;

(s) "**Acclaim Financial Statements**" means, collectively, the audited consolidated financial statements of Acclaim for the year ended December 31, 2004, together with the notes thereto and the report of the auditors thereon, the interim unaudited financial statements of Acclaim for the three month period ended March 31, 2005, the interim unaudited financial statements of Acclaim for the six month period ended June 30, 2005 and the interim unaudited financial statements of Acclaim for the nine month period ended September 30, 2005;

(t) "**Acclaim Incentive Plans**" means, collectively, the Acclaim Unit Award Incentive Plan and the Acclaim Employee Unit Ownership Plan;

(u) "**Acclaim Information**" means the information included in the Acclaim Information Circular describing Acclaim and its business, operations and affairs and the matters to be considered at the Acclaim Meeting;

(v) "**Acclaim Information Circular**" means the information circular of Acclaim to be sent by Acclaim to the Acclaim Securityholders in connection with the Acclaim Meeting, which, unless otherwise determined by Acclaim and StarPoint, shall be part of a joint information circular that shall also be sent to StarPoint Securityholders in connection with the StarPoint Meeting;

(w) "**Acclaim Lock-Up Agreements**" means the agreements between StarPoint and the Acclaim Lock-Up Securityholders pursuant to which the Acclaim Lock-Up Securityholders have agreed to vote the Acclaim Securities beneficially owned or controlled by the Acclaim Lock-Up Securityholders in favour of the Merger Resolution and to otherwise support the Arrangement and other related matters to be considered at the Acclaim Meeting;

(x) "**Acclaim Lock-Up Securityholders**" means those Acclaim Securityholders that have entered into Acclaim Lock-Up Agreements with StarPoint;

(y) "**Acclaim LP**" means Acclaim Limited Partnership;

(z) "**Acclaim LP Agreement**" means Acclaim LP's limited partnership agreement dated June 25, 2004 between ACT and 1107882 Alberta Ltd. as general partner;

(aa) "**Acclaim Material Agreements**" means, collectively, the Acclaim Trust Indenture, the ACT Indenture, the Acclaim Energy Partnership Agreement, the Acclaim LP Agreement, the Acclaim NPI Agreements, the Acclaim Administration Agreement, the Acclaim Note Indentures, the Acclaim Debenture Indentures, Acclaim Subordination Agreement and the Acclaim Credit Facilities Agreement;

(bb) "**Acclaim Meeting**" means the special meeting of Acclaim Securityholders to be held to consider the Merger Resolution and related matters, and any adjournment(s) thereof;

(cc) "**Acclaim Note Indentures**" means the note indentures between Acclaim and AEI governing the Acclaim Notes;

(dd) "**Acclaim Notes**" means the unsecured subordinated notes issued by predecessors in interest of AEI to Acclaim pursuant to the Acclaim Note Indentures and the unsecured subordinated notes issued by any Acclaim Operating Entity from time to time otherwise than pursuant to the Acclaim Note Indentures;

(ee) "**Acclaim NPI Agreements**" means collectively the Net Profits Interest Agreement made as of July 1, 2000 between Danoil Energy Partnership, as grantee, and 101001276 Saskatchewan Ltd., as Trustee of Danoil Energy Trust, as grantor, as amended, the Petroleum Natural Gas and Related Rights Conveyance and Contribution Agreements dated July 9, 2001 between Ketch Energy Ltd. and Ketch Energy Partnership and the Net Profits Interest Agreement dated October 1, 2002 between Ketch Energy Ltd. and Computershare Trust Company of Canada, as Trustee of Acclaim Energy Trust;

(ff) "**Acclaim Parties**" means Acclaim, AEI, ACT, Acclaim LP, Acclaim Processing Co. Ltd., 1107911 Alberta Ltd., 1107882 Alberta Ltd., 1141702 Alberta Ltd., 101001276 Saskatchewan Ltd., Acclaim Energy Partnership, Acclaim Saskatchewan Trust, 960347 Alberta Ltd. and Acclaim Resource Partnership and "**Acclaim Party**" means any of them unless the context otherwise requires;

(gg) "**Acclaim Plans**" has the meaning ascribed thereto in Section 5.1(x);

(hh) "**Acclaim Reorganization**" means the reorganization transactions to be undertaken by Acclaim before January 1, 2006 and as agreed to by StarPoint and SEL;

(ii) "**Acclaim Report**" has the meaning ascribed thereto in Section 5.1(cc);

(jj) "**Acclaim Rights**" means the rights to acquire Acclaim Units granted under the Acclaim Incentive Plans;

(kk) "**Acclaim Securities**" means, collectively, the Acclaim Units and the Acclaim Exchangeable Shares;

(ll) "**Acclaim Securityholders**" means, collectively, the Acclaim Unitholders and the Acclaim Exchangeable Shareholders;

(mm) "**Acclaim Subordination Agreement**" means the Subordination Agreement dated as of January 28, 2005 among Acclaim, AEI, Computershare Trust Company of Canada and the Toronto-Dominion Bank;

(nn) "**Acclaim TriStar Assets**" means the assets of Acclaim and/or an Acclaim Party identified in the letter agreement dated September 19, 2005 between AEI and SEL and such additional or other assets of Acclaim and/or an Acclaim Party, if any, as Acclaim and StarPoint may mutually agree to be transferred either directly or indirectly by Acclaim to TriStar pursuant to the Arrangement;

(oo) "**Acclaim TriStar Conveyance Agreement**" means the agreement(s) to be entered into between Acclaim and/or an Acclaim Party and TriStar, in form satisfactory to each of Acclaim and StarPoint, acting reasonably, effecting the sale of the Acclaim TriStar Assets to TriStar;

(pp) "**Acclaim Trustee**" means Computershare Trust Company of Canada, in its capacity as the trustee under the Acclaim Trust Indenture;

(qq) "**Acclaim Trust Indenture**" means Acclaim's trust indenture dated as of April 20, 2001, as amended, between AEI and the Acclaim Trustee;

(rr) "**Acclaim Unitholders**" means the holders of issued and outstanding Acclaim Units;

(ss) "**Acclaim Units**" means the trust units of Acclaim;

(tt) "**Acclaim Voting Trust Agreement**" means the voting and exchange trust agreement dated as of April 20, 2001 among Acclaim, and the Acclaim Trustee;

(uu) "**ACT**" means Acclaim Commercial Trust, a trust created under the Laws of the Province of Alberta and a wholly-owned Subsidiary of Acclaim;

(vv) "**ACT Trust Indenture**" means ACT's trust indenture dated May 14, 2004, as amended and restated as of June 30, 2004 between 1107911 Alberta Ltd., as trustee and Acclaim, as initial unitholder;

(ww) "**Acquisition Proposal**" means, with respect to Acclaim or StarPoint, any inquiry or the making of any proposal to such Party or its unitholders from any Person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from such Party or its unitholders of any securities of such Party (other than on exercise of currently outstanding Acclaim Rights or StarPoint Rights, as applicable) or its Subsidiaries; (ii) any acquisition of a substantial amount of assets of such Party or its Subsidiaries; (iii) an amalgamation, arrangement, merger, or consolidation involving such Party or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving such Party or its Subsidiaries or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to the Other Party under this Agreement or the Arrangement;

(xx) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

(yy) "**AmalgamationCo**" means the corporation resulting from the amalgamation of 1198329 Alberta Ltd., AEI and SEL pursuant to the Arrangement;

(zz) "**APF Energy Trust**" means APF Energy Trust, an unincorporated trust formed under the Laws of the Province of Alberta;

(aaa) "**APF Inc.**" means APF Energy Inc., a corporation incorporated under the Laws of the Province of Alberta;

(bbb) "**APF Notes**" means the unsecured notes of APF Inc. held by StarPoint;

(ccc) "**APF Partnership**" means APF Energy Limited Partnership, a limited partnership formed under the Laws of the Province of Alberta;

(ddd) "**APF Report**" has the meaning ascribed thereto in Section 5.2(cc);

(eee) "**APF Royalties**" means the entitlement of StarPoint, pursuant to the terms and conditions of certain royalty agreements dated May 14, 2004, to 99% of the production revenues from the oil and gas properties of APF Inc. and APF Partnership, less deductions on account of production costs, debt service charges, management fees and general and administration costs;

(fff) "**APF Trust**" means APF Acquisition Trust, an unincorporated trust formed under the Laws of the Province of Alberta;

(ggg) "**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the securities legislation of each of the provinces and territories of Canada, and the rules, regulations and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;

(hhh) "**Applicable Law**", in the context that refers to one or more Persons, means that the Laws that apply to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

(iii) "**Arrangement**" means the arrangement pursuant to Section 193 of the ABCA set forth in the Plan of Arrangement;

(jjj) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;

(kkk) "**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary, Alberta are not generally open for business;

(lll) "**Canetic Trust**" has the meaning set forth in Section 2.4(a);

(mmm) "**Canetic Trust Incentive Plans**" means the Unit Award Incentive Plan and the Employee Unit Ownership Purchase Plan to be established by Canetic Trust for the benefit of the Canetic Trust Service Providers under which the maximum number of Canetic Units reserved for issuance shall be no more than 10% of the outstanding Canetic Units and on such other terms and conditions as approved by Acclaim, StarPoint and Canetic Trust;

(nnn) "**Canetic Trust Offered Employees**" has the meaning set forth in Section 2.7(a);

(ooo) "**Canetic Trust Service Providers**" means persons, firms or corporations who are employees, senior officers or directors of the Canetic Trust or any affiliates or who are consultants or other service providers to the Canetic Trust or any affiliates;

(ppp) "**Canetic Unit**" means a trust unit of Canetic Trust issued by Canetic Trust;

(qqq) "**Certificate**" means the certificate or other confirmation of filing to be issued by the Registrar pursuant to Subsection 193(11) of the ABCA giving effect to the Arrangement;

(rrr) "**Closing Time**" shall be 8:00 a.m. (Calgary time) on the later of January 5, 2006 and the Business Day immediately following the date the Final Order is granted, unless otherwise agreed to by Acclaim and StarPoint;

(sss) "**Competition Act**" means the *Competition Act*, R.S. 1985, c. C-34, as amended;

(ttt) "**Confidential Information**" has the meaning ascribed thereto in Section 3.4(a);

(uuu) "**Confidentiality Agreements**" means, collectively, the Acclaim Confidentiality Agreement and the StarPoint Confidentiality Agreement;

(vvv) "**Court**" means the Court of Queen's Bench of Alberta;

(www) "**Effective Date**" means the date the Arrangement becomes effective under the ABCA;

(xxx) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;

(yyy) "**EnCana Report**" has the meaning ascribed thereto in Section 5.2(cc);

(zzz) "**Environmental Laws**" means, with respect to any Person or its business, activities, property, assets or undertaking, all federal, municipal or local Laws of any Governmental Entity or of any court, tribunal or other similar body, relating to environmental or health matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertaking, including legislation governing the use and storage of Hazardous Substances;

(aaaa) "**Final Order**" means the order of the Court approving the Arrangement pursuant to Subsection 193(9) of the ABCA in respect of Acclaim, AEI, StarPoint and SEL, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(bbbb) "**GAAP**" has the meaning ascribed thereto in Section 1.7;

(cccc) "**GLJ**" means GLJ Petroleum Consultants Ltd.;

(dddd) "**GLJ APF Report**" has the meaning ascribed thereto in Section 5.1(cc);

(eeee) "**GLJ EnCana Report**" has the meaning ascribed thereto in Section 5.1(cc);

(ffff) "**Governmental Entity**" means any (a) multinational, federal, provincial, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, (b) any subdivision, agent, commission, board or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(gggg) "**Hazardous Substances**" means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Laws;

(hhhh) "**Interim Order**" means an interim order of the Court concerning the Arrangement under Subsection 193(4) of the ABCA in respect of Acclaim, AEI, StarPoint and SEL, containing declarations and directions with respect to the Arrangement and the holding of the Acclaim Meeting and the StarPoint Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(iiii) "**ITA**" means the *Income Tax Act* (Canada), including the regulations thereunder, as amended;

(jjjj) "**Laws**" means all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Entity, statutory body or self-regulatory authority (including the TSX),

(kkkk) "**Mailing Date**" has the meaning ascribed thereto in Section 3.3(f);

(llll) "**Material Adverse Change**" or "**Material Adverse Effect**" means, with respect to any Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, operations, assets, capitalization, financial condition or prospects of such Person and its Subsidiaries, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) general economic, financial, currency exchange, securities or commodity prices in Canada or elsewhere, (ii) conditions affecting the oil and gas exploration, exploitation, development and production industry as a whole, and not specifically relating to any Person and/or its Subsidiaries, including changes in Tax Laws (iii) any decline in crude oil or natural gas prices on a current or forward basis (iv) any matter which has been publicly disclosed or has been communicated in writing to the Other Party as of September 19, 2005, or (v) any changes arising from matters consented to or approved in writing by the Other Party;

(mmmm) "**Material Subsidiaries**" means, with respect to Acclaim, the Acclaim Parties (other than Acclaim), and with respect to StarPoint, the StarPoint Parties (other than StarPoint);

(nnnn) "**McDaniel**" means McDaniel & Associates Consultants Ltd.

(oooo) "**Merger Resolutions**" means the special resolutions in respect to the Arrangement to be considered at the Acclaim Meeting and the StarPoint Meeting, as the case may be;

(pppp) "**MFCorp**" has the meaning set forth in Section 2.5;

(qqqq) "**Nexen Report**" has the meaning ascribed thereto in Section 5.1(cc);

(rrrr) "**NYSE**" means the New York Stock Exchange;

(ssss) "**Other Party**" means with respect to the applicable Acclaim Party(ies), the applicable StarPoint Party(ies) and, with respect to the applicable StarPoint Party(ies), the applicable Acclaim Party(ies);

(tttt) "**Parties**" means, collectively, the parties to this Agreement, and "**Party**" means any one of them, or where implied by the context, means the Acclaim Parties or the StarPoint Parties, as the case may be;

(uuuu) "**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

(vvvv) "**Plan of Arrangement**" means the plan of arrangement substantially in the form set out in **Schedule A** hereto as amended or supplemented from time to time in accordance with Article 6 thereof and Article 8 hereof;

(wwww) "**Pre-Arrangement Agreement**" means the agreement dated September 19, 2005 among Acclaim, AEI, StarPoint and SEL in respect of the Arrangement;

(xxxx) "**Public Record**" means all information filed by either Acclaim or StarPoint, as the case may be, after December 31, 2003 with any securities commission or similar regulatory authority in compliance, or intended compliance, with any Applicable Canadian Securities Laws;

(yyyy) "**Receiving Party**" has the meaning ascribed thereto in Section 3.4(c);

(zzzz) "**Registrar**" means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

(aaaaa) "**Responding Party**" has the meaning ascribed thereto in Section 3.4(c);

(bbbbb) "**Retention Bonus Plan**" has the meaning ascribed thereto in Section 2.7(b);

(ccccc) "**SCT**" means the StarPoint Commercial Trust, a trust created under the Laws of the Province of Alberta and a wholly-owned Subsidiary of StarPoint.

(ddddd) "**SCT Trust Indenture**" means the Trust Indenture dated as of January 27, 2005 between 1149708 Alberta Ltd., in its capacity as trustee of SCT and SEL, as may be amended, supplemented or restated from time to time;

(eeeee) "**SEC**" means the United States Securities and Exchange Commission;

(fffff) "**Securities Authorities**" means the securities commissions or similar securities regulatory authorities in each of the Provinces of Canada;

(ggggg) "**Selkirk Report**" has the meaning ascribed thereto in Section 5.2(cc);

(hhhhh) "**Sproule**" means Sproule Associates Limited;

(iiiii) "**StarPoint Administration Agreement**" means the administration agreement dated as of December 6, 2004 between SEL and the StarPoint Trustee, as may be amended, supplemented or restated from time to time;

(jjjjj) "**StarPoint Balance Sheets**" has the meaning ascribed thereto in Section 5.2(p);

(kkkkk) "**StarPoint Board of Directors**" means the board of directors of SEL as it may be comprised from time to time;

(lllll) "**StarPoint Confidentiality Agreement**" means the confidentiality agreement between SEL and AEI dated August 15, 2005 in respect of information relating to AEI provided to SEL;

(mmmmm) "**StarPoint Credit Facilities Agreement**" means the Credit Agreement dated as of June 27, 2005 among SEL and SCT, as borrowers, Bank of Montreal as administration agent, arranger and book manager, The Bank of Nova Scotia, Royal Bank of Canada and The Toronto-Dominion Bank as co-syndication agents, and the following lenders: Bank of Montreal, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, The Toronto-Dominion Bank, Royal Bank of Canada, National Bank of Canada, Alberta Treasury Branches and BNP Paribas (Canada), as amended from time to time;

(nnnnn) "**StarPoint 6.5% Debentures**" means the 6.5% convertible, extendible, unsecured, subordinated debentures issued on May 26, 2005 pursuant to the StarPoint 6.5% Debenture Indenture;

(ooooo) "**StarPoint Damages Event**" has the meaning set forth in Section 7.2;

(ppppp) "**Starpoint Debenture Indentures**" means, collectively, the Starpoint 6.5% Debenture Indenture and the Starpoint 9.4% Debenture Indenture;

(qqqqq) "**StarPoint 6.5% Debenture Indenture**" means the trust indenture dated as of May 26, 2005 among StarPoint and the StarPoint 6.5% Debenture Trustee, governing the StarPoint 6.5% Debentures;

(rrrrr) "**StarPoint 9.4% Debentures**" means the 9.4% convertible, extendible, unsecured, subordinated debentures issued by APF Energy Trust on July 3, 2003, the terms and conditions of which are governed by the StarPoint 9.4% Debenture Indenture;

(sssss) "**StarPoint 9.4% Debenture Indenture**" means the Trust Indenture dated as of June 27, 2005 among StarPoint, SEL, APF Energy Trust, APF Inc. and the StarPoint Debenture Trustee, governing the StarPoint 9.4% Debentures;

(ttttt) "**StarPoint 6.5% Debenture Trustee**" means Olympia Trust Company;

(uuuuu) "**StarPoint 9.4% Debenture Trustee**" means Computershare Trust Company of Canada;

(vvvvv) "**StarPoint DRIP**" means the premium distribution, distribution reinvestment and optional unit purchase plan of StarPoint;

(wwwww) "**StarPoint Exchangeable Shares**" means series A exchangeable shares in the capital of SEL;

(xxxxx) "**StarPoint ExchangeCo**" means StarPoint ExchangeCo Ltd.;

(yyyyy) "**StarPoint Employees**" means the employees of, and consultants to, StarPoint or its Subsidiaries;

(zzzzz) "**StarPoint Employment Agreements**" means the employment agreements between SEL and each of Brett Herman, Murray Mason, Graham Kidd, Eric Strachan, Jeremy Wallis, Kerry Olsen and the letter agreements between SEL and each of Paul Colborne, Lynda Robinson, Nancy Stewart and Colleen Remenda;

(aaaaaa) "**StarPoint Financial Statements**" means, collectively, StarPoint's audited balance sheet as at December 31, 2004, together with the notes thereto and the report of the auditors thereon, the audited consolidated financial statements of SEL for the year ended December 31, 2004, together with the notes thereto and the report of the auditors thereon, the interim unaudited financial statements of StarPoint for the three month period ended March 31, 2005, the interim unaudited financial statements of StarPoint for the six month period ended June 30, 2005 and the interim unaudited financial statements of StarPoint for the nine month period ended September 30, 2005;

(bbbbbb) "**StarPoint Incentive Plan**" means the restricted unit plan of StarPoint;

(cccccc) "**StarPoint Information**" means the information included in the StarPoint Information Circular describing StarPoint and its business, operations and affairs and the matters to be considered at the StarPoint Meeting;

(dddddd) "**StarPoint Information Circular**" means the management proxy circular of StarPoint to be sent by StarPoint to the StarPoint Securityholders in connection with the StarPoint Meeting, which, unless otherwise determined by Acclaim and StarPoint, shall be part of a joint information circular which shall also be sent to Acclaim Securityholders in connection with the Acclaim Meeting;

(eeeeee) "**StarPoint Lock-up Agreements**" means the agreements between Acclaim and the StarPoint Lock-Up Securityholders pursuant to which the StarPoint Lock-Up Securityholders have agreed to vote the StarPoint Securities beneficially owned or controlled by the StarPoint Lock-Up Securityholders in favour of the Merger Resolution and to otherwise support the Arrangement and other related matters to be considered at the StarPoint Meeting.

(ffffff) "**StarPoint Lock-up Securityholders**" means those StarPoint Securityholders that have entered into StarPoint Lock-Up Agreements with Acclaim;

(gggggg) "**StarPoint Material Agreements**" means, collectively, the StarPoint Administration Agreement, the StarPoint Voting and Exchange Agreement, the StarPoint Trust Indenture, the StarPoint Note Indenture, the StarPoint Credit Facilities Agreement, the StarPoint Subordination Agreement, the StarPoint NPI Agreement, the SCT Trust Indenture and the APF Royalty Agreements;

(hhhhhh) "**StarPoint Meeting**" means the special meeting of StarPoint Securityholders to be held to consider the Merger Resolution and related matters, and any adjournments thereof;

(iiiiii) "**StarPoint Note Indenture**" means the note indenture dated January 4, 2005 between SEL and Olympia Trust Company governing the StarPoint Notes;

(jjjjjj) "**StarPoint Notes**" means the unsecured subordinated notes of SEL issued to StarPoint pursuant to the StarPoint Note Indenture;

(kkkkkk) "**StarPoint NPI Agreement**" means the Net Profits Agreement dated as of January 7, 2005 between StarPoint and the StarPoint Partnership, as may be amended, supplemented or restated from time to time;

(llllll) "**StarPoint Parties**" means StarPoint, SEL, SCT, StarPoint ExchangeCo, 1149708 Alberta Ltd., Trend Energy Ltd., StarPoint Energy Partnership, APF Inc., APF Energy Trust**,** APF Trust, APF Limited Partnership, StarPoint Resources, StarPoint Prairie Partnership, StarPoint Prairie Corp., 1167639 Alberta Ltd., 990009 Alberta Inc., Tika Energy Inc. and Upton Resources Inc., and "**StarPoint Party**" means any of them unless the context otherwise requires;

(mmmmmm) "**StarPoint Plans**" has the meaning ascribed thereto in Section 5.2(x);

(nnnnnn) "**StarPoint Reorganization**" means the reorganization transactions to be undertaken by StarPoint before January 1, 2006 and as agreed to by Acclaim and AEI;

(oooooo) "**StarPoint Report**" has the meaning ascribed thereto in Section 5.2(cc);

(pppppp) "**StarPoint Rights**" means the rights to acquire StarPoint Units granted under the StarPoint Incentive Plan;

(qqqqqq) "**StarPoint Securities**" means, collectively, the StarPoint Units and the StarPoint Exchangeable Shares;

(rrrrrr) "**StarPoint Securityholders**" means, collectively, the StarPoint Unitholders and the StarPoint Exchangeable Shareholders;

(ssssss) "**StarPoint Subordination Agreement**" means the Subordination Agreement dated as of June 27, 2005 among StarPoint, SEL, StarPoint Energy Partnership, SCT and Bank of Montreal;

(tttttt) "**StarPoint TriStar Conveyance Agreement**" means the agreement(s) to be entered into between StarPoint and/or a StarPoint Party and TriStar, in form satisfactory to each of Acclaim and StarPoint, acting reasonably, effecting the sale of the StarPoint TriStar Assets to TriStar;

(uuuuuu) "**StarPoint TriStar Assets**" means the assets of StarPoint and/or a StarPoint Party identified in the letter agreement dated September 19, 2005 between AEI and SEL and such additional or other assets of StarPoint, if any, as StarPoint and Acclaim may mutually agree to be transferred by StarPoint and/or a StarPoint Party to TriStar pursuant to the Arrangement;

(vvvvvv) "**StarPoint Trust Indenture**" means the Trust Indenture dated as of December 6, 2004 between the StarPoint Trustee and SEL, as may be amended, supplemented or restated from time to time;

(wwwwww) "**StarPoint Trustee**" means Olympia Trust Company, in its capacity as the trustee under the StarPoint Trust Indenture;

(xxxxxx) "**StarPoint Voting and Exchange Agreement**" means the voting and exchange trust agreement dated as of January 7, 2005 among StarPoint, SEL, StarPoint ExchangeCo and the StarPoint Trustee;

(yyyyyy) "**StarPoint Unitholders**" means the holders from time to time of StarPoint Units;

(zzzzzz) "**StarPoint Units**" means the trust units of StarPoint;

(aaaaaaa) "**Subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Alberta) (and, for greater certainty, includes all partnerships (general or limited) and trusts directly or indirectly owned by Acclaim, StarPoint or Canetic Trust, as the case may be);

(bbbbbbb) "**Superior Proposal**" has the meaning set forth in Section 3.4(b)(v)(A);

(ccccccc) "**Tax**" or "**Taxes**" shall mean all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, unemployment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which Acclaim or StarPoint (or any of their respective Subsidiaries), as the case may be, is required to pay, withhold, remit or collect;

(ddddddd) "**Tax Returns**" shall mean all reports, estimates, elections, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes;

(eeeeeee) "**TriStar**" has the meaning set forth in Section 2.6;

(fffffff) "**TriStar Arrangement Warrants**" means the share purchase warrants to be issued to Acclaim Securityholders and StarPoint Securityholders pursuant to the Arrangement, each of which will entitle the holder to acquire one (1) TriStar Common Share at an exercise price of $2.75 per whole TriStar Common Share (or such other price as determined by the Parties) until 4:30 p.m. (Calgary time) on the date that is 30 days following the Effective Date;

(ggggggg) "**TriStar Assets**" means the assets identified in the letter agreement dated September 19, 2005 between AEI and SEL and such additional or other assets, if any, as Acclaim and StarPoint may mutually agree to be transferred by Acclaim and/or an Acclaim Party and StarPoint and/or a StarPoint Party to TriStar pursuant to the Arrangement;

(hhhhhhh) "**TriStar Common Shares**" means the common shares in the capital of TriStar;

(iiiiiii) "**TriStar FinCo**" means a corporation incorporated under the ABCA to participate in the TriStar Private Placement;

(jjjjjjj) "**TriStar FinCo Common Shares**" means the common shares in the capital of TriStar FinCo

(kkkkkkk) "**TriStar FinCo Performance Shares**" means the performance shares in the capital of TriStar FinCo;

(lllllll) "**TriStar Incentive Plan**" means the share option plan of TriStar which will provide for the grant of options to acquire TriStar Common Shares that may be granted to TriStar Service Providers and which shall provide that the maximum number of TriStar Common Shares issuable on exercise of options granted and outstanding at any time thereunder together with all other share compensation arrangements of TriStar shall, in the aggregate, not exceed 10% of the outstanding TriStar Common Shares and shall be on such other terms and conditions as approved by TriStar, StarPoint and Acclaim;

(mmmmmmm) "**TriStar Offered Employees**" has the meaning ascribed thereto in Section 2.7(a);

(nnnnnnn) "**TriStar Outstanding Shares**" means the number of TriStar Common Shares outstanding after giving effect to the Arrangement;

(ooooooo) "**TriStar Performance Shares**" means the performance shares in the capital of TriStar, having such terms and conditions as are agreed to by Acclaim and StarPoint;

(ppppppp) "**TriStar Private Placement**" means the proposed private placement to be completed by TriStar FinCo prior to the completion of the Arrangement of up to 2,727,273 TriStar Common Shares at an issue price of $2.75 per share and up to 2,309,657 TriStar FinCo Performance Shares at an issue price of $0.01 per share (or such other prices as determined by Acclaim, StarPoint and TriStar, acting reasonably), which will be exchanged for TriStar Common Shares and TriStar Performance Shares on a one-for-one basis pursuant to the Arrangement, and on such other terms and conditions as approved by Acclaim, StarPoint and TriStar;

(qqqqqqq) "**TriStar Service Providers**" means the directors, officers, employees and consultants of TriStar;

(rrrrrrr) "**TSX**" means the Toronto Stock Exchange;

(sssssss) "**U.S. Securities Act**" means the *United States Securities Act 1933*, as amended; and

(ttttttt) "**U.S. Securities Laws**" means the federal and state securities legislation of the United States and all rules, regulations and orders promulgated thereunder, as amended from time to time.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including **Schedule A** hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

This Agreement, the Confidentiality Agreements, the Acclaim Lock-Up Agreements and the StarPoint Lock-Up Agreements, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof including, without limitation, the Pre-Arrangement Agreement.

1.6 Currency

All sums of money that are referred to in this Agreement are expressed in lawful money of Canada.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles ("**GAAP**") and all determinations of an accounting nature are required to be made shall be made in a manner consistent with GAAP.

1.8 Disclosure in Writing

Reference to disclosure in writing herein shall, in the case of Acclaim, include disclosure to Acclaim or its representatives, or in the case of StarPoint, include disclosure to StarPoint or its representatives.

1.9 Interpretation Not Affected by Party Drafting

The Parties hereto acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the Parties agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable in the interpretation of this Agreement.

1.10 Trust Power and Capacity

In this Agreement references to the power and capacity of Acclaim and StarPoint, as the case may be, are deemed to be references to that of the Acclaim Trustee and the StarPoint Trustee, or their respective duly authorized delegates or agents, pursuant to the power and capacity of trustees generally under the Laws of the Province of Alberta and pursuant to the powers of the trustees specified in the Acclaim Trust Indenture and StarPoint Trust Indenture, respectively.

1.11 Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

A – Plan of Arrangement

ARTICLE 2
THE ARRANGEMENT

2.1 Plan of Arrangement

Each of Acclaim and AEI on the one hand and StarPoint and SEL on the other hand will forthwith jointly file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Acclaim Meeting and the StarPoint Meeting, which shall be held concurrently on the same date, if practicable, for the purpose of considering and, if deemed advisable, approving the Merger Resolution and the other matters to be considered at the Acclaim Meeting and the StarPoint Meeting. Provided all necessary approvals for the Merger Resolution are obtained from the Acclaim Securityholders and the StarPoint Securityholders, each of Acclaim and AEI on the one hand and StarPoint and SEL on the other hand shall submit the Arrangement to the Court and jointly apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 6, each of Acclaim and AEI on the one hand and StarPoint and SEL on the other hand shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to Subsection 193(9) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

2.2 Interim Order

The Interim Order shall provide that:

(a) for the purpose of the Acclaim Meeting:

(i) the securities of Acclaim for which holders shall be entitled to vote on the Merger Resolution shall be the Acclaim Units and the Acclaim Exchangeable Shares;

(ii) the Acclaim Unitholders and the Acclaim Exchangeable Shareholders shall be entitled to vote on the Merger Resolution and the other matters to be considered at the Acclaim Meeting together as a single class, and not as separate classes, with each Acclaim Unitholder being entitled to one vote for each Acclaim Unit held by such holder and each Acclaim Exchangeable Shareholder being entitled to one vote for each Acclaim Exchangeable Share held by such holder; and

(iii) the requisite majority for the approval of the Merger Resolution shall be: (i) two-thirds of the votes cast by the Acclaim Securityholders present in person or by proxy at the Acclaim Meeting, voting together as a single class, and not as separate classes; and (ii) a majority of the votes cast by the Acclaim Unitholders, after excluding the votes cast by those persons whose votes must be excluded pursuant to Ontario Securities Commission Rule 61-501 or the equivalent rules in Québec;

(b) for the purpose of the StarPoint Meeting:

(i) the securities of StarPoint for which holders shall be entitled to vote on the Merger Resolution shall be the StarPoint Units and the StarPoint Exchangeable Shares;

(ii) the StarPoint Unitholders, the StarPoint Exchangeable Shareholders shall be entitled to vote on the Merger Resolution and the other matters to be considered at the StarPoint Meeting together as a single class, and not as separate classes, with each StarPoint Unitholder being entitled to one vote for each StarPoint Unit held by such holder and each StarPoint Exchangeable Shareholder being entitled to one vote for each StarPoint Unit issuable pursuant to the StarPoint Exchangeable Shares held by such holder; and

(iii) the requisite majority for the approval of the Merger Resolution shall be: (i) two-thirds of the votes cast by the StarPoint Securityholders present in person or by proxy at the StarPoint Meeting, voting together as a single class, and not as separate classes; and (ii) a majority of the votes cast by the StarPoint Unitholders, after excluding the votes cast by those persons whose votes must be excluded pursuant to Ontario Securities Commission Rule 61-501 or the equivalent rules in Québec.

2.3 Information Circulars and Meetings

(a) As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and applicable corporate, trust and securities Laws:

(i) Acclaim and AEI shall:

(A) prepare the Acclaim Information Circular and cause such circular to be mailed to the Acclaim Securityholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and

(B) convene the Acclaim Meeting; and

(ii) StarPoint and SEL shall:

(A) prepare the StarPoint Information Circular and cause such circular to be mailed to the StarPoint Securityholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and

(B) convene the StarPoint Meeting.

2.4 Canetic Trust

(a) On or prior to the Effective Date, Acclaim shall cause to be settled an unincorporated open-ended investment trust (the "**Canetic Trust**") under the Laws of the Province of Alberta in such form as agreed to by Acclaim and StarPoint, acting reasonably, and in form customary for transactions of this type. Prior to the Effective Time, Acclaim shall not cause or permit Canetic Trust to: (i) issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of Canetic Units as is necessary to properly settle Canetic Trust; or (ii) carry on any business, enter into any transaction or effect any act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the transactions contemplated by the Plan of Arrangement unless previously consented to in writing by StarPoint.

(b) AmalgamationCo shall, among other things, serve as the administrator of Canetic Trust. The board of directors of AmalgamationCo immediately following the Arrangement will be comprised of the existing board of directors of AEI plus Paul Colborne. The existing senior management and officers of AEI will be the initial senior management and officers of the Administrator, supplemented on a contractual transitional basis by Murray Mason.

The Parties' current intention is that following the completion of the Arrangement Canetic Trust will adopt a policy to initially distribute $0.23 per Canetic Unit per month, subject always to the discretion of the board of directors of AmalgamationCo.

2.5 MFCorp.

(a) Prior to the Effective Date, Acclaim shall cause a new corporation to be incorporated under the ABCA ("**MFCorp**"). MFCorp shall have such provisions included in its articles of incorporation as may be agreed by Acclaim and StarPoint, acting reasonably. Prior to the Effective Time, Acclaim shall not cause or permit MFCorp to: (i) issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of common shares on incorporation; or (ii) carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the transactions contemplated by the Plan of Arrangement unless previously consented to in writing by StarPoint.

2.6 TriStar

(a) Prior to the Effective Date, StarPoint shall cause a new corporation to be incorporated under the ABCA ("**TriStar**"). TriStar shall have such provisions included in its articles of incorporation as may be agreed by Acclaim and StarPoint, acting reasonably. Prior to the Effective Time, StarPoint shall not cause or permit TriStar to: (i) issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of TriStar Common Shares on incorporation; or (ii) carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the transactions contemplated by the Plan of Arrangement unless previously consented to in writing by Acclaim.

(b) Prior to the Effective Date, StarPoint shall cause a new corporation to be incorporated under the ABCA ("**TriStar FinCo**"). TriStar FinCo shall have such provisions included in its articles of incorporation as may be agreed by Acclaim and StarPoint, acting reasonably. Prior to the Effective Time, StarPoint shall not cause or permit TriStar FinCo to: (i) issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of TriStar FinCo Common Shares on incorporation; or (ii) carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the transactions contemplated by the Plan of Arrangement unless previously consented to in writing by Acclaim.

(c) Pursuant to the Arrangement, the Acclaim TriStar Conveyance Agreement and the StarPoint TriStar Conveyance Agreement, the Acclaim TriStar Assets and the StarPoint TriStar Assets, respectively, will be transferred to TriStar. Acclaim and StarPoint will reasonably cooperate with each other and will give due consideration to any request made by the Other Party to change the composition of the TriStar Assets, provided such changes do not materially change the production, prospects or net asset value of TriStar. Acclaim and StarPoint agree that a capital expenditure budget of $1.5 million will be made available for the TriStar Assets for the period from September 19, 2005 to the Effective Date, such amount to be funded by the Party contributing the TriStar Assets in respect of which such expenditures are to be incurred. To the extent the actual capital expenditures on the TriStar Assets exceed $1.5 million, TriStar shall reimburse AmalgamationCo for such amount on the Effective Date. All cash flow generated by the TriStar Assets to the Effective Date shall accrue to the benefit of Acclaim or StarPoint, as applicable.

(d) The board of directors of TriStar immediately following the Arrangement shall be comprised of such members of the existing board of directors of SEL as may be designated by SEL together with Paul Charron and Brett Herman. Substantially all of the existing initial senior management of SEL shall be the senior management of TriStar with Paul Colborne as Chairman and Chief Executive Officer and Brett Herman as President and Chief Operating Officer.

(e) The Parties acknowledge that pursuant to the Arrangement Acclaim Securityholders and StarPoint Securityholders who would otherwise be entitled to receive less than 100 TriStar Common Shares and TriStar Arrangement Warrants in the aggregate, shall not receive TriStar Common Shares or TriStar

Arrangement Warrants and such securities will instead be pooled and sold on the TSX by an investment dealer designated by SEL and acceptable to AEI acting reasonably, within five Business Days following the Effective Date, and the cash proceeds thereof shall be distributed to the Acclaim Securityholders and StarPoint Securityholders pro rata in accordance with the applicable exchange ratios set forth in the Plan of Arrangement.

2.7 Employees

(a) On or before November 21, 2005, StarPoint and Acclaim shall agree on the employees of SEL and AEI who will be offered employment by TriStar (the "**TriStar Offered Employees**") on terms and conditions acceptable to the Parties, acting reasonably. On or before November 21, 2005, Acclaim will advise StarPoint which employees or consultants of AEI and SEL who are not TriStar Offered Employees will be offered employment or continued employment or continued consulting with AmalgamationCo, or one of the other Subsidiaries of Canetic Trust (the "**Canetic Trust Offered Employees**"), with such employment, if provided, to be effective immediately following the Closing Time. The Canetic Trust Offered Employees shall be offered employment or continued employment or continued consulting on terms and conditions comparable, in the aggregate, to the terms and conditions on which they are currently employed or retained.

If any Canetic Trust Offered Employee does not accept employment or continued employment from AmalgamationCo or one of the other Subsidiaries of Canetic Trust, such employee shall be entitled on completion of the Arrangement to the payment of a severance payment not to exceed statutory termination pay; provided that such obligation shall not extend to any Canetic Trust Offered Employee who is a consultant of AEI or SEL. Each of AEI and SEL shall be responsible for all such severance obligations of AEI or SEL as the case may be as regards any employee of AEI or SEL who is not a TriStar Offered Employee.

(b) On or before November 21, 2005, Acclaim and StarPoint shall agree, acting reasonably, on retention bonus plans for SEL and AEI employees who are offered employment or continued employment with AmalgamationCo or any of the other subsidiaries of Canetic Trust (the "**Retention Bonus Plans**"). Acclaim and StarPoint agree that bonuses (the "**StarPoint 2005 Bonuses**") will be payable by SEL to its employees in respect of the 2005 year in an amount consistent with StarPoint's bonus policies and acceptable to Acclaim, acting reasonably, and that the entitlement to such bonuses will vest on a date subsequent to the Effective Date to be determined by Acclaim and acceptable to StarPoint, acting reasonably.

(c) The Parties acknowledge that the Arrangement will result in a "change of control" for purposes of their respective unit incentive plans and executive and employee (if applicable) employment and "change of control" agreements. The Parties agree to make the payments due pursuant to the unit incentive plans in Acclaim Units and StarPoint Units which will then participate in the Arrangement on the same basis as the existing Acclaim Units and StarPoint Units.

2.8 Completion of Transactions

Acclaim shall cause each of Canetic Trust and MFCorp to complete the transactions contemplated herein and in the Plan of Arrangement. StarPoint shall cause TriStar and TriStar FinCo to complete the transactions contemplated herein and in the Plan of Arrangement.

2.9 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date. The Parties shall use their reasonable commercial efforts to cause the Effective Date to occur on or about January 5, 2006 or as soon thereafter as reasonably practicable and in any event by January 31, 2006.

2.10 Post-Closing Wind-up

Provided the Arrangement is completed, Acclaim and StarPoint shall cause Canetic Trust to completely dissolve and liquidate Acclaim, StarPoint and MFCorp as soon as reasonably practicable after the Effective Date and in any event within twelve (12) months following the Effective Date.

2.11 United States Tax Considerations

The Parties intend that the series of transactions contemplated in this Agreement ("**Combination Transactions**"), considered together as a single integrated transaction for United States federal income tax purposes, will qualify as a "reorganization" with respect to Acclaim and the Acclaim Unitholders and with respect to StarPoint and the StarPoint Unitholders within the meaning of Section 368(a)(1) of the U.S. Internal Revenue Code (the "**Code**"). This Agreement is intended to constitute a "plan of reorganization" within the meaning of Treasury Regulation Section 1.368-2(g). Each Party agrees that it shall (a) treat the Combination Transactions as a single integrated transaction for U.S. federal income tax purposes, (b) treat the Combination Transactions which relate to Acclaim and the Acclaim Unitholders as a single integrated transaction that qualifies as a "reorganization" within the meaning of Section 368(a)(1) of the Code and the Combination Transactions which relate to StarPoint and the StarPoint Unitholders as a single integrated transaction that qualifies as a "reorganization" within the meaning of Section 368(a)(1) of the Code, and (c) retain such records and file such information as is required to be retained and filed pursuant to Treasury Regulation Section 1.368-3 in connection with the Combination Transactions. Excluding the transactions contemplated by this Agreement and the Plan of Arrangement, no Party shall take any action, fail to take any action, cause any action to be taken or cause any action to fail to be taken that could reasonably be expected to prevent the Combination Transactions, considered together as a single integrated transaction, from qualifying as a "reorganization" within the meaning of Section 368(a)(1) of the Code with respect to Acclaim and the Acclaim Unitholders or with respect to StarPoint and the StarPoint Unitholders.

ARTICLE 3
COVENANTS

3.1 Covenants of Acclaim and AEI

From September 19, 2005 until the Effective Date or termination of this Agreement, except with the prior written consent of StarPoint (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement:

(a) Acclaim's affairs and the business of AEI and each of its other Subsidiaries shall be conducted only in the usual and ordinary course consistent with past practices (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property) and it shall use all commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its assets and that become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;

(b) other than as is necessary to effect the Acclaim Reorganization, Acclaim shall not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, trust units, shares or property) in respect of its outstanding trust units other than regular monthly cash distributions on the Acclaim Units of an amount equal to approximately $0.1625 per Acclaim Unit; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any trust units of Acclaim, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, trust units of Acclaim (other than on exercise of currently outstanding Acclaim Exchangeable Shares or Acclaim Rights or to employees hired after September 19, 2005 (in a manner consistent with past practice) or pursuant to the Acclaim DRIP); (iv) redeem, purchase or otherwise acquire any of its outstanding trust units or other securities, other than redemptions required pursuant to the Acclaim Trust Indenture; (v) split, combine or reclassify any of its trust units; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Acclaim; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(c) other than as is necessary to effect the Acclaim Reorganization, and other than pursuant to commitments entered into and disclosed to StarPoint in writing prior to September 19, 2005, Acclaim will not, and will not permit any of its Subsidiaries to, directly or indirectly, do any of the following: (i) sell, pledge, dispose of or encumber any assets, except for production in the ordinary course of business, for consideration in excess of $5 million individually; (ii) expend or commit to expend amounts in respect of capital or operating expenses in excess of $3 million individually or $90 million in the aggregate; (iii) reorganize, amalgamate, merge or otherwise continue Acclaim or any of its Subsidiaries with any other Person; (iv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or, except for investments in securities made in the ordinary course of business, make any investment either by purchase of shares or other securities, contributions of capital (other than to Subsidiaries), property transfer, or, except in the ordinary course of business, purchase of any property or assets of any other individual or entity, in each case having a value in excess of $20 million individually or $30 million in the aggregate; (v) incur any indebtedness for borrowed money in excess of existing credit facilities or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, any such obligations of any other individual or entity, or make any loans or advances, except in the ordinary course of business or to effect the proposed unwind of certain hedging transactions of each of Acclaim and StarPoint as agreed to in writing by SEL and AEI; (vi) pay, discharge or satisfy any material claims, liabilities or obligations other than as disclosed in writing to StarPoint prior to September 19, 2005, as reflected or reserved against in the Acclaim Financial Statements or otherwise in the ordinary course of business; (vii) enter into any hedges, swaps or other financial instruments or like transactions; (viii) enter into any agreements for the sale of production having a term of more than thirty (30) days; (ix) enter into any consulting or contract operating agreement that cannot be terminated on thirty (30) days or less notice without penalty; or (x) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(d) except as permitted by Section 2.7, neither Acclaim nor any of its Subsidiaries shall adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(e) except to the extent applicable after the Effective Date, Acclaim shall not, except as regards increases in base salaries granted to each of Keith Rockley, Dave Sterna and Don Robson, who were appointed to their respective offices on November 3, 2005, nor permit any of its Subsidiaries to, grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers, employees or consultants, nor adopt or amend or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(f) Acclaim shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(g) no amendments shall be made to outstanding Acclaim Rights without the prior written consent of StarPoint;

(h) Acclaim shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;

(i) Acclaim shall promptly notify StarPoint in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Acclaim threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Acclaim in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Acclaim shall in good faith discuss with StarPoint any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Acclaim threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to StarPoint pursuant to this provision;

(j) Acclaim shall ensure that it has available funds under its lines of credit to permit the payment of the amount which may be required by Section 7.2 having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;

(k) Acclaim shall use its reasonable commercial efforts to obtain the consent of its bankers and any other third party consents required for the transactions contemplated hereby and provide the same to StarPoint on or prior to the Effective Date;

(l) Acclaim shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 6.1 and 6.3 as soon as reasonably possible following execution of this Agreement to the extent that the satisfaction of the same is within the control of Acclaim;

(m) Acclaim shall provide notice to StarPoint of the Acclaim Meeting and allow StarPoint's representatives to attend such meeting;

(n) subject to compliance by StarPoint with Section 3.2(q), Acclaim will ensure that the Acclaim Information Circular provides Acclaim Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and will set out the StarPoint Information in the Acclaim Information Circular in the form approved by StarPoint and shall include, without limitation; (i) any financial statements in respect of prior acquisitions made by it that are required to be included therein in accordance with Applicable Laws; (ii) the unanimous determination of the Acclaim Board of Directors that the Arrangement is fair to Acclaim Securityholders and is in the best interests of Acclaim and Acclaim Securityholders, and include the unanimous recommendation of the Acclaim Board of Directors that the Acclaim Securityholders vote in favour of the Merger Resolution; and (iii) the fairness opinion of Acclaim's financial advisor that the Arrangement is fair, from a financial point of view, to Acclaim Unitholders; provided that, notwithstanding the covenants of Acclaim in this subsection, prior to the completion of the Arrangement, the Acclaim Board of Directors may withdraw, modify or change the recommendation regarding the Arrangement if, in the opinion of such board of directors acting reasonably, having received the advice of its outside legal counsel which is reflected in minutes of the meeting of the board of directors, such withdrawal, modification or change is required to act in a manner consistent with the fiduciary duties of the Acclaim Board of Directors and, if applicable, provided the board of directors shall have complied with the provisions of Sections 3.4 and 7.2;

(o) Acclaim will assist StarPoint in the preparation of the StarPoint Information Circular and provide to StarPoint, in a timely and expeditious manner, all information as may be reasonably requested by StarPoint with respect to Acclaim for inclusion in the StarPoint Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all applicable legal requirements on the date of issue thereof and to enable StarPoint to meet the standard referred to in Section 3.2(p) with respect to Acclaim, the Arrangement and the transactions to be considered at the StarPoint Meeting;

(p) Acclaim shall indemnify and save harmless StarPoint and the directors, officers and agents of StarPoint and SEL, as applicable, from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which StarPoint or SEL, or any director, officer or agent thereof, may be subject or which StarPoint or SEL, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in the Acclaim Information Circular or in any material filed in compliance or intended compliance with any Applicable Laws;

(ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Acclaim Information Circular or in any material filed by or on behalf of Acclaim in compliance or intended compliance with Applicable Canadian Securities Laws, which prevents or restricts the trading in the Acclaim Units; and

(iii) Acclaim not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement;

except that Acclaim shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation of a material fact based solely on the StarPoint Information included in the Acclaim Information Circular or the negligence of StarPoint;

(q) except for proxies and other non-substantive communications with securityholders, Acclaim will furnish promptly to StarPoint or StarPoint's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Acclaim in connection with: (i) the Arrangement; (ii) the Acclaim Meeting; (iii) any filings under Applicable Laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated hereby;

(r) Acclaim shall solicit proxies to be voted at the Acclaim Meeting in favour of matters to be considered at the Acclaim Meeting, including the Merger Resolution;

(s) Acclaim shall conduct the Acclaim Meeting in accordance with the Acclaim Trust Indenture and any instrument governing the Acclaim Meeting (including, without limitation, the Interim Order) as applicable, and as otherwise required by law;

(t) Acclaim will make all necessary filings and applications under Canadian federal and provincial and U.S. Securities Laws required to be made on the part of Acclaim in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such laws and regulations;

(u) in the event that dissent rights are given to Acclaim Securityholders under the terms of the Interim Order, Acclaim shall promptly advise StarPoint of the number of Acclaim Securities for which Acclaim receives notices of dissent or written objections to the Arrangement and provide StarPoint with copies of such notices and written objections;

(v) prior to the Effective Date, Acclaim will cooperate with StarPoint in making application to list the TriStar Common Shares (including the TriStar Common Shares issuable pursuant to the TriStar Incentive Plan and the conversion of the TriStar Performance Shares) on the TSX; and

(w) Acclaim shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement and the Arrangement.

3.2 Covenants of StarPoint and SEL

From September 19, 2005 until the Effective Date or termination of this Agreement, except with the prior written consent of Acclaim (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement:

(a) StarPoint's affairs and the business of SEL and each of its other Subsidiaries shall be conducted only in the usual and ordinary course consistent with past practices (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property) and it shall use all commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships, provided that it shall be entitled and authorized to comply with all pre-emptive rights, first purchase rights or rights of first refusal that are applicable to its assets and become operative by virtue of this Agreement or any of the transactions contemplated by this Agreement;

(b) other than as is necessary to effect the StarPoint Reorganization, StarPoint shall not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, trust units, shares or property) in respect of its outstanding trust units other than regular monthly cash distributions on the StarPoint Units of an amount equal to approximately $0.22 per StarPoint Unit; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any trust units of StarPoint, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, trust units of StarPoint (other than on exercise of currently outstanding StarPoint Exchangeable Shares or StarPoint Rights, to employees hired after September 19, 2005 (in a manner consistent with past practice) or pursuant to the StarPoint DRIP); (iv) redeem, purchase or otherwise acquire any of its outstanding trust units or other securities, except other than redemptions required pursuant to the StarPoint Trust Indenture; (v) split, combine or reclassify any of its trust units; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of StarPoint; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(c) other than as is necessary to effect the StarPoint Reorganization, and other than pursuant to commitments entered into and disclosed to Acclaim in writing prior to September 19, 2005, StarPoint will not, and will not permit any of its Subsidiaries to, directly or indirectly, do any of the following: (i) sell, pledge, dispose of or encumber any assets except for production in the ordinary course of business, for consideration in excess of $5 million individually; (ii) expend or commit to expend amounts in respect of capital or operating expenses in excess of $3 million individually or $90 million in the aggregate; (iii) reorganize, amalgamate, merge or otherwise continue StarPoint or any of its Subsidiaries with any other Person; (iv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or, except for investments in securities made in the ordinary course of business, make any investment either by purchase of shares or other securities, contributions of capital (other than to Subsidiaries), property transfer, or, except in the ordinary course of business, purchase of any property or assets of any other individual or entity, in each case having a value in excess of $20 million individually or $30 million in the aggregate; (v) incur any indebtedness for borrowed money in excess of existing credit facilities or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, any such obligations of any other individual or entity, or make any loans or advances, except in the ordinary course of business; (vi) pay, discharge or satisfy any material claims, liabilities or obligations other than as disclosed in writing to Acclaim prior to September 19, 2005, as reflected or reserved against in the StarPoint Financial Statements or otherwise in the ordinary course of business; (vii) enter into any hedges, swaps or other financial instruments or like transactions; (viii) enter into any agreements for the sale of production having a term of more than thirty (30) days; (ix) enter into any consulting or contract operating agreement that cannot be terminated on thirty (30) days or less notice without penalty; or (x) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(d) except as permitted by Section 2.7, neither StarPoint nor any of its Subsidiaries shall adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(e) StarPoint shall not, nor permit any of its Subsidiaries to, grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers, employees or consultants, nor adopt or amend or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(f) StarPoint shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(g) no amendments shall be made to outstanding StarPoint Rights without the prior written consent of Acclaim;

(h) each of StarPoint and SEL shall use its commercially reasonable efforts to cause the resignation of all of the directors and officers of SEL and all the Subsidiaries of StarPoint and SEL at the Effective Time (and for such directors and officers to provide releases in form and substance satisfactory to Acclaim) and SEL shall cooperate with Acclaim to provide an orderly transition of control and management of StarPoint and SEL and its Subsidiaries;

(i) StarPoint and SEL shall use its commercially reasonable efforts to ensure that all outstanding StarPoint Rights are either exercised, terminated, expired or surrendered prior to the Effective Time provided that StarPoint and SEL shall not pay the holders any amount of consideration therefor nor shall they make any amendment to outstanding StarPoint Rights without the prior written consent of Acclaim, except to permit the early vesting of StarPoint Rights and to cause the cancellation, termination, expiry or surrender of the StarPoint Rights prior to the Effective Time without payment therefor;

(j) StarPoint shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;

(k) StarPoint shall promptly notify Acclaim in writing of any material change (actual, anticipated, contemplated or, to the knowledge of StarPoint threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by StarPoint in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and StarPoint shall in good faith discuss with Acclaim any change in circumstances (actual, anticipated, contemplated, or to the knowledge of StarPoint threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Acclaim pursuant to this provision;

(l) StarPoint shall ensure that it has available funds under its lines of credit or other bank facilities to permit the payment of the amount which may be required by Section 7.1 having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;

(m) StarPoint shall use its reasonable commercial efforts to obtain the consent of its bankers and any other third party consents required for the transactions contemplated hereby and provide the same to Acclaim on or prior to the Effective Date;

(n) StarPoint shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 6.1 and 6.2 as soon as reasonably possible to the extent that the satisfaction of the same is within the control of StarPoint;

(o) StarPoint shall provide notice to Acclaim of the StarPoint Meeting and allow Acclaim's representatives to attend such meeting;

(p) subject to compliance by Acclaim with Section 3.1(o), StarPoint will ensure that the StarPoint Information Circular provides StarPoint Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and will set out the Acclaim Information in the StarPoint Information Circular in the form approved by Acclaim and shall include, without limitation; (i) any financial statements in respect of prior acquisitions made by it that are required to be included therein in accordance with Applicable Laws; (ii) the unanimous determination of the StarPoint Board of Directors that the Arrangement is fair to StarPoint Securityholders and is in the best interests of StarPoint and StarPoint Securityholders, and include the unanimous recommendation of the StarPoint Board of Directors that the StarPoint Securityholders vote in favour of the Merger Resolution; and (iii) the fairness opinion of StarPoint's financial advisor that the Arrangement is fair, from a financial point of view, to StarPoint Unitholders; provided that, notwithstanding the covenants of StarPoint in this subsection, prior to the completion of the Arrangement, the StarPoint Board of Directors may withdraw, modify or change the recommendation regarding the Arrangement if, in the opinion of such board of directors acting reasonably, having received the advice of its outside legal counsel which is reflected in minutes of the meeting of the board of directors, such withdrawal, modification or change is required to act in a manner consistent with the fiduciary duties of the StarPoint Board of Directors and, if applicable, provided the board of directors shall have complied with the provisions of Sections 3.4 and 7.1,

(q) StarPoint will assist Acclaim in the preparation of the Acclaim Information Circular and provide to Acclaim, in a timely and expeditious manner, all information as may be reasonably requested by Acclaim with respect to StarPoint for inclusion in the Acclaim Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all applicable legal requirements on the date of issue thereof and to enable Acclaim to meet the standard referred to in Section 3.1(n) with respect to StarPoint, the Arrangement and the transactions to be considered at the Acclaim Meeting;

(r) StarPoint shall indemnify and save harmless Acclaim and the directors, officers and agents of Acclaim and AEI, as applicable, from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Acclaim or AEI, or any director, officer or agent thereof, may be subject or which Acclaim or AEI, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in the StarPoint Information Circular or in any material filed in compliance or intended compliance with any Applicable Laws;

(ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the StarPoint Information Circular or in any material filed by or on behalf of StarPoint in compliance or intended compliance with Applicable Canadian Securities Laws, which prevents or restricts the trading in the StarPoint Units; and

(iii) StarPoint not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement;

except that StarPoint shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation of a material fact based solely on the Acclaim Information included in the StarPoint Information Circular or the negligence of Acclaim;

(s) except for proxies and other non-substantive communications with securityholders, StarPoint will furnish promptly to Acclaim or Acclaim's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by StarPoint in connection with: (i) the Arrangement; (ii) the StarPoint Meeting; (iii) any filings under Applicable Laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated hereby;

(t) StarPoint shall solicit proxies to be voted at the StarPoint Meeting in favour of matters to be considered at the StarPoint Meeting, including the Merger Resolution;

(u) StarPoint shall conduct the StarPoint Meeting in accordance with the StarPoint Trust Indenture and any instrument governing the StarPoint Meeting (including, without limitation, the Interim Order), as applicable, and as otherwise required by law;

(v) StarPoint will make all necessary filings and applications under Canadian federal and provincial and U.S. Securities Laws required to be made on the part of StarPoint in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such laws and regulations;

(w) in the event that dissent rights are given to StarPoint Securityholders under the terms of the Interim Order, StarPoint shall promptly advise Acclaim of the number of StarPoint Securities for which StarPoint receives notices of dissent or written objections to the Arrangement and provide Acclaim with copies of such notices and written objections;

(x) prior to the Effective Date, StarPoint will cooperate with Acclaim in making application to list the Canetic Units (including the Canetic Units issuable pursuant to the Canetic Trust Incentive Plans) on the TSX and in preparing to make application to list the Canetic Units (including the Canetic Units issuable pursuant to the Canetic Trust Incentive Plans) on the NYSE; and

(y) StarPoint shall take all commercially reasonable actions to give effect to the transactions contemplated by this Agreement and the Arrangement.

3.3 Mutual Covenants Regarding the Arrangement

From the date hereof until the Effective Date, each of Acclaim, AEI, StarPoint and SEL will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

(a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(b) to, on or before November 21, 2005, agree to the list of TriStar Offered Employees and the Canetic Trust Offered Employees and, subject to Section 2.7(a), the maximum amount payable by each of

Acclaim and StarPoint, respectively, in respect of severance obligations to those employees of Acclaim and StarPoint who will not be Canetic Trust Offered Employees, and to, on or before the Effective Date, cause offers or confirmations of employment, as applicable, to be made to the TriStar Offered Employees and the Canetic Trust Offered Employees, as applicable;

(c) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;

(d) to effect all necessary registrations and filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Arrangement, and each of Acclaim and StarPoint will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of AEI and SEL, subject in all cases to the applicable Confidentiality Agreement;

(e) reasonably cooperate with the other Party and its tax advisors in structuring the Arrangement and the Acclaim Reorganization and the StarPoint Reorganization in a tax effective manner, and assist the other Party and its tax advisors in making such investigations and inquiries with respect to such Party in that regard, as the other Party and its tax advisors shall consider necessary, acting reasonably, provided that such Party shall not be obligated to consent or agree to any structuring that has the effect of reducing the consideration to be received under the Arrangement by any of its securityholders;

(f) use their reasonable commercial efforts to cause the mailing of the Information Circular to their respective securityholders (the "**Mailing Date**") to occur as soon as reasonably practicable after the Parties' respective financial statements for the nine month period ended September 30, 2005 have been approved by the boards of directors of their respective administrators and in any event by November 30, 2005;

(g) use their reasonable commercial efforts to effect the listing of the Canetic Units (including the Canetic Units issuable pursuant to the Canetic Trust Incentive Plans) on the NYSE no later than 60 days following the Effective Date. In furtherance thereof, the Parties shall use their reasonable commercial efforts to submit to the NYSE the documentation required for a confidential review for eligibility as soon as reasonably practicable following the Mailing Date; and

(h) reasonably cooperate with each other prior to the Effective Date to restructure, unwind or terminate certain of Acclaim's and StarPoint's hedging arrangements with a view to optimizing the hedging position for Canetic Trust.

3.4 Mutual Covenants Regarding Non-Solicitation

(a) Except to the extent disclosed in writing to and consented to by the other Party, each Party shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any advisors or other parties on its behalf), if any, with any parties conducted before the date of this Agreement with respect to any Acquisition Proposal and shall immediately request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with such Party relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.

(b) Except to the extent disclosed in writing to and consented to by the other Party, neither Party shall, directly or indirectly, do or authorize or permit any of its officers, directors or employees or any financial advisor, expert or other representative retained by it to do, any of the following:

(i) solicit, facilitate, initiate or encourage any Acquisition Proposal;

(ii) enter into or participate in any discussions or negotiations regarding an Acquisition Proposal, or furnish to any other Person any information with respect to its business, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing;

(iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including, without limitation, any "standstill provisions" thereunder; or

(iv) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, each Party and its officers, directors and advisers may:

(v) enter into or participate in any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by such Party or any of its officers, directors or employees or any financial advisor, expert or other representative retained by it) seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality and standstill agreement substantially similar to the Confidentiality Agreements (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to the other Party as set out below), may furnish to such third party information concerning such Party and its business, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written bona fide Acquisition Proposal which the board of directors of the administrator of such Party determines in good faith: (1) that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available; (2) (after consultation with its financial advisor) would, if consummated in accordance with its terms, result in a transaction financially superior for securityholders of the Receiving Party than the transaction contemplated by this Agreement; and (3) after receiving the advice of outside counsel as reflected in minutes of the board of directors of the administrator of such Party, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under Applicable Laws (a "**Superior Proposal**"); and

(B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party, such Party provides prompt notice to the other Party to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such Person together with a copy of the confidentiality agreement referenced above and if not previously provided to the other Party, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that such Party shall notify the other Party orally and in writing of any inquiries, offers or proposals with respect to a Superior Proposal (which written notice shall include, without limitation, a copy of any such proposal (and any amendments or supplements thereto), the identity of the Person making it, if not previously provided to the other Party, copies of all information provided to such Party and all other information reasonably requested by the other Party), within 24 hours of the receipt thereof, shall keep the other Party informed of the status and details of any such inquiry, offer or proposal and answer the other Party's questions with respect thereto; or

(vi) comply with Section 172 of the *Securities Act* (Alberta) and similar provisions under Applicable Canadian Securities Laws relating to the provision of directors' circulars and make appropriate disclosure with respect thereto to its securityholders; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, the board of directors of its administrator shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 3.4(c) and after receiving the advice of outside counsel as reflected in minutes of the board of directors of such Party, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under Applicable Laws and such Party complies with its obligations set forth in Section 3.4(c) and terminates this Agreement in accordance with Section 9.1(e) or (f), as applicable, and concurrently therewith pays the amount required by Section 7.1 or 7.2, as applicable to the other Party.

(c) Each Party in receipt of a Superior Proposal (a "**Receiving Party**") shall give the other Party (the "**Responding Party**"), orally and in writing, at least 72 hours advance notice of any decision by the board of directors of its administrator to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the board of directors of the administrator of the Receiving Party has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the third party making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. During such 72 hour period, the Receiving Party agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hour period the Receiving Party shall and shall cause its financial and legal advisors to, negotiate in good faith with the Responding Party and its financial and legal advisors to make such adjustments in the terms and conditions of this agreement and the Arrangement as would enable the Receiving Party to proceed with the Arrangement as amended rather than the Superior Proposal. In the event the Responding Party proposes to amend this agreement and the Arrangement to provide that the holders of the Acclaim Securities or StarPoint Securities, as applicable, (the "**Receiving Party Securities**") shall receive a value per Receiving Party Security equal to or having a value greater than the value per Receiving Party Security provided in the Superior Proposal and so advises the board of directors of the administrator of the Receiving Party prior to the expiry of such 72 hour period, the board of directors of the administrator of the Receiving Party shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement.

(d) Each Party agrees that all information that may be provided to it by the other Party with respect to any Superior Proposal pursuant to this Section 3.4 shall be treated as if it were "**Confidential Information**" as that term is defined in the Confidentiality Agreements and shall not be disclosed or used except in accordance with the provisions of the applicable Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.

(e) Each Party shall ensure that its officers, directors and employees and any investment bankers or other advisers or representatives retained by it are aware of the provisions of this Section 3.4. Acclaim shall be responsible for any breach of this Section 3.4 by its officers, directors, employees, investment bankers, advisers or representatives, and StarPoint shall be responsible for any breach of this Section 3.4 by its officers, directors, employees, investment bankers, advisers or representatives.

3.5 Provision of Information; Access

(a) From and after the date hereof, StarPoint shall provide Acclaim and its representatives access, during normal business hours and at such other time or times as Acclaim may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel and shall furnish promptly to Acclaim all information concerning its business, properties and personnel as Acclaim may reasonably request, which information shall remain subject to the Acclaim Confidentiality Agreement, in order to permit Acclaim to be in a position to expeditiously and efficiently integrate the business and operations of StarPoint with those of Acclaim immediately upon but not prior to the Effective Date. Without limitation, representatives of Acclaim will be permitted to attend StarPoint's weekly operations meetings. StarPoint agrees to keep Acclaim fully appraised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the business and operations of StarPoint. StarPoint shall confer with and obtain Acclaim's approval (not to be unreasonably withheld or delayed), prior to taking action (other than in emergency situations) with respect to any material operational matters involved in its business.

(b) From and after the date hereof, Acclaim shall provide StarPoint and its representatives access, during normal business hours and at such other time or times as StarPoint may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel concerning the Acclaim TriStar Assets and shall furnish promptly to StarPoint all information concerning the Acclaim TriStar Assets as StarPoint may reasonably request, which information shall remain subject to the StarPoint Confidentiality Agreement, in order to permit StarPoint to be in a position to expeditiously and efficiently integrate the Acclaim TriStar Assets into TriStar immediately upon but not prior to the Effective Date. Without limitation, representatives of StarPoint will be permitted to attend any operations meetings of Acclaim pertaining to the Acclaim TriStar Assets. Acclaim agrees to keep StarPoint fully appraised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the Acclaim TriStar Assets. Acclaim shall confer with and obtain StarPoint's approval (not to be unreasonably withheld or delayed), prior to taking action (other than in emergency situations) with respect to any material operational matters involving the Acclaim TriStar Assets.

ARTICLE 4
PRIVATE PLACEMENT AND INCENTIVE PLANS

4.1 TriStar

(a) Subject to receipt of all necessary approvals, prior to the completion of the Arrangement, TriStar FinCo shall complete the TriStar Private Placement.

(b) Subject to receipt of all necessary approvals, TriStar shall adopt the TriStar Incentive Plan.

4.2 Canetic Trust

(a) Subject to receipt of all necessary approvals, Canetic Trust will adopt the Canetic Trust Incentive Plans.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of Acclaim

Acclaim and AEI hereby jointly and severally make the representations and warranties set forth in this Section 5.1 to and in favour of StarPoint and SEL and acknowledge that each of StarPoint and SEL is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

(a) Organization and Qualification. Each of Acclaim and ACT is a trust duly created and validly existing under the Laws of the Province of Alberta and has the requisite trust power and authority to own its assets and to conduct its affairs as now conducted. Acclaim Saskatchewan Trust is a trust duly created and validly existing under the Laws of the Province of Saskatchewan and has the requisite trust power and authority to own its assets and to conduct its affairs as now conducted. Acclaim LP is a limited partnership duly created and validly existing under the Laws of the Province of Alberta and has the requisite partnership power and authority to own its assets and to carry on its business as now conducted. Acclaim Energy Partnership and Acclaim Resource Partnership are general partnerships duly created and validly existing under the Laws of the Province of Alberta and each has the requisite partnership power and authority to own its assets and to carry on its business as now conducted. Each of AEI and Acclaim Processing Co. Ltd. is a corporation duly incorporated and validly existing under the Laws of the Province of Alberta and has the requisite corporate power and authority to own its assets as now owned and to carry on its business as now conducted. Each of the Acclaim Parties is duly registered to conduct its affairs or do business, as applicable, in each jurisdiction in which the character of its assets, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered would not have a Material Adverse Effect on the Acclaim Parties. Copies of the constating documents of the Acclaim Parties (including the Acclaim Material Agreements) provided to SEL, together with all amendments to date, are accurate and complete as of the date hereof and have not been amended or superseded.

(b) Authority Relative to this Agreement. Each of Acclaim and AEI has the requisite authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Acclaim and AEI of the Arrangement have been duly authorized by the Acclaim Board of Directors and, subject to the requisite approval of the Acclaim Securityholders, no other proceedings on the part of Acclaim or AEI are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by each of Acclaim and AEI and constitutes a legal, valid and binding obligation of each of Acclaim and AEI enforceable against each of them in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) Subsidiaries. Acclaim has no Subsidiaries (other than the Material Subsidiaries) that are material to its business, operation or financial condition.

(d) No Violations. Except as disclosed to StarPoint in writing prior to September 19, 2005, or contemplated by this Agreement:

(i) neither the execution and delivery of this Agreement by Acclaim and AEI nor the consummation of the Arrangement nor compliance by the Acclaim Parties with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any encumbrance upon any of the properties or assets of the Acclaim Parties or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) the Acclaim Material Agreements or the articles, by-laws, shareholder agreements or other constating documents of any Acclaim Party, or (2) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which an Acclaim Party is a party or to which any of them, or any of their respective properties or assets, may be subject or by which an Acclaim Party is bound; or (B) subject to compliance with applicable statutes and regulations, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Acclaim Parties or any of their respective properties or assets (except, in the case of each of clauses (A) and (B) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of encumbrances which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the Acclaim Parties taken as a whole, or significantly impede the ability of the Acclaim Parties to consummate the Arrangement); or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect which would have a Material Adverse Effect on the Acclaim Parties; and

(ii) other than in connection with or in compliance with the provisions of applicable Laws or which are required to be filed post Arrangement, and except for the requisite approval of

Acclaim Unitholders, (A) there is no legal impediment to the Acclaim Parties' consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Acclaim Parties in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not have a Material Adverse Effect on the Acclaim Parties, or significantly impede the ability of the Acclaim Parties to consummate the Arrangement.

(e) Litigation. There are no actions, suits or proceedings in existence or pending or, to the knowledge of AEI, threatened or for which there is a reasonable basis, affecting or that would affect the Acclaim Parties or affecting or that would affect any of their respective property or assets at law or equity or before or by any court or Governmental Entity which action, suit or proceeding involves a possibility of any judgment against or liability of the Acclaim Parties which, if successful, would have a Material Adverse Effect on the Acclaim Parties, or would significantly impede the ability of the Acclaim Parties to consummate the Arrangement.

(f) Taxes, etc.

(i) Except for Tax Returns respecting, ACT, Acclaim, Acclaim, Acclaim Processing Co. Ltd., 1107911 Alberta Ltd. and 1107882 Alberta Ltd, all Tax Returns required to be filed by or on behalf of any Acclaim Parties have been duly filed on a timely basis and such tax returns are correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by any Acclaim Parties with respect to items or periods covered by such Tax Returns;

(ii) Acclaim has paid or provided adequate accruals in its consolidated financial statements for the period from inception to December 31, 2004 for Taxes, including income taxes and related future taxes, if applicable, for such periods, in conformity with GAAP;

(iii) for all periods ended on and after December 31, 2004, StarPoint has been furnished by Acclaim true and complete copies of: (A) material portions of income tax audit reports, statement of deficiencies, closing or other agreements received by any Acclaim Party or on behalf of any Acclaim Party relating to the Taxes; and (B) any material federal, provincial, state, local or foreign income or franchise tax returns for each Acclaim Party;

(iv) no material deficiencies exist or have been asserted with respect to Taxes of Acclaim or any of its Subsidiaries;

(v) except as disclosed to StarPoint in writing prior to September 19, 2005, none of Acclaim or its Material Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of Acclaim and AEI, has such an event been asserted or threatened against Acclaim or its Material Subsidiaries or any of their respective assets that would have a Material Adverse Effect on the Acclaim Parties. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of Acclaim or its Material Subsidiaries. No audit by tax authorities of Acclaim or its Material Subsidiaries is in process or pending or, to the knowledge of Acclaim and AEI, threatened; and

(vi) Acclaim has provided adequate accruals in its consolidated financial statements for the period ended December 31, 2004 (or such amounts are fully funded) for all pension or other employee benefit obligations of Acclaim and its Subsidiaries arising under or relating to each of the pension or retirement income plans or other employee benefit plans or agreements or policies maintained by or binding on Acclaim or its Material Subsidiaries.

(g) Reporting Issuer Status. Acclaim is a reporting issuer (where such concept exists) in all provinces of Canada and is in material compliance with all Applicable Canadian Securities Laws therein and the Acclaim Units, the Acclaim 8% Debentures and the Acclaim 11% Debentures are listed and posted for trading on the TSX.

(h) Capitalization. As of the date hereof, the authorized capital of Acclaim consists of an unlimited number of Acclaim Units and an unlimited number of Special Voting Units (as defined in the Acclaim Trust Indenture). As of the date hereof there are issued and outstanding 109,300,000 Acclaim Units, and one Special Voting Unit. Other than 1,700,000 Acclaim Units issuable pursuant to the outstanding Acclaim Debentures, 14,015 Acclaim Units reserved for issuance pursuant to the Acclaim DRIP, 1,557,460 Acclaim Units issuable pursuant to the Acclaim Incentive Plans and 424,618 Acclaim Units issuable pursuant to the Acclaim Exchangeable Shares, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Acclaim of any securities of Acclaim (including Acclaim Units) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of Acclaim (including Acclaim Units). All outstanding Acclaim Units have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all Acclaim Units issuable pursuant to the Acclaim Debentures, the Acclaim DRIP, the Acclaim Exchangeable Shares, and upon vesting of Acclaim Rights pursuant to the Acclaim Incentive Plans in accordance with their respective terms will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(i) Ownership of Subsidiaries. As of the date hereof, Acclaim is the beneficial direct or indirect owner of all of the outstanding shares, general partnership units, limited partnership units and trust units, as applicable, of the Acclaim Parties (other than Acclaim and the 313,126 outstanding Acclaim Exchangeable Shares) with good title thereto free and clear of any and all encumbrances, except for security interests in such securities for the benefit of the lenders under Acclaim's credit facilities. There are no options, warrants or other rights, shareholder or unitholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of the Acclaim Parties (other than Acclaim) of any securities of the Acclaim Parties (other than Acclaim) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of the Acclaim Parties (other than Acclaim). All outstanding securities of the Acclaim Parties (other than Acclaim) have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

(j) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Acclaim Units, the Acclaim Exchangeable Shares, the Acclaim Debentures or any other securities of Acclaim has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of Acclaim and AEI, are contemplated or threatened under any Applicable Laws or by any other regulatory authority.

(k) Material Agreements. There are no agreements material to the conduct of the Acclaim Parties' affairs or businesses, as applicable, except for those agreements disclosed in the Public Record, disclosed in writing to the StarPoint Parties prior to September 19, 2005 or those entered into in the ordinary course of business, and all such material agreements are valid and subsisting and the Acclaim Party that is a party thereto is not in material default under any such agreements.

(l) Filings. Acclaim has filed all documents required to be filed by it with all applicable Governmental Entities and all such documents were, as of their respective dates, in compliance in all material respects with all Applicable Laws and at the time filed did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. AEI will deliver to SEL, as soon as they become available, true and complete copies of any material reports or statements required to be filed by Acclaim with any Governmental Entity subsequent to the date hereof. As of their respective dates, such reports and statements (excluding any information therein provided by the StarPoint Parties, as to which Acclaim and AEI make no representation) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and will comply in all material respects with all Applicable Laws.

(m) No Material Adverse Change. Since January 1, 2005, other than as disclosed in the Public Record, (i) the Acclaim Parties have conducted their respective businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Acclaim, taken as a whole, has been incurred other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of the Acclaim Parties.

(n) Books and Records. The records and minute books of the Acclaim Parties have been maintained substantially in accordance with all Applicable Laws and are complete and accurate in all material respects.

(o) Reports. As of their respective dates, (i) the Acclaim Financial Statements, (ii) Acclaim's Annual Information Form dated March 24, 2005 (including all documents incorporated by reference therein), (iii) Acclaim's Information Circular and Proxy Statement dated March 23, 2005, (iv) all Acclaim press releases, material change reports, business acquisition reports or similar documents filed with the Securities Authorities since January 1, 2004 and (v) all prospectuses or other offering documents used by Acclaim in the offering of its securities or filed with the Securities Authorities since January 1, 2004, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and complied in all material respects with all applicable Laws. The Acclaim Financial Statements and other financial statements of Acclaim included or incorporated by reference in such forms, statements, prospectuses and other offering documents were prepared in accordance with GAAP (except (x) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Acclaim's independent auditors or (y) in the case of unaudited interim statements, to the extent they may not include footnotes, are subject to normal year end adjustments or may be condensed or summary statements), and present fairly in accordance with GAAP the consolidated financial position, results of operations and changes in financial position of Acclaim and AEI as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments) and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Acclaim on a consolidated basis. There has been no material change in Acclaim accounting policies, except as described in the notes to the Acclaim Financial Statements, since January 1, 2005.

(p) Absence of Undisclosed Liabilities. The Acclaim Parties have no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:

(i) those set forth or adequately provided for in the balance sheets and associated notes thereto included in the Acclaim Financial Statements (the "**Acclaim Balance Sheets**");

(ii) those incurred in the ordinary course of business and not required to be set forth in the Acclaim Balance Sheets under GAAP;

(iii) those incurred in the ordinary course of business since the dates of the Acclaim Balance Sheets and consistent with past practice; and

(iv) those incurred in connection with the execution of this Agreement.

(q) Environmental. Other than has been disclosed in the Public Record, there has not occurred any material spills, emissions or pollution on any property of any Acclaim Party, nor has any Acclaim Party been subject to any stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws, any of which might reasonably be expected to have a Material Adverse Effect on Acclaim. All operations of the Acclaim Parties have been and are now being conducted in compliance with all applicable Environmental Laws, except where the failure to be in compliance would not have a Material Adverse Effect on the Acclaim Parties, taken as a whole. The Acclaim Parties are not subject to nor are Acclaim or AEI aware of:

(i) any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction, or expenditures; or

(ii) any demand or notice with respect to the breach of any Environmental Laws applicable to the Acclaim Parties, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of any Hazardous Substances,

which would have a Material Adverse Effect on the Acclaim Parties.

(r) Title. Although they do not warrant title, except as disclosed in writing to StarPoint prior to September 19, 2005, neither Acclaim nor AEI has any knowledge or is aware of any defects, failures or impairments in the title of the Acclaim Parties to their respective assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect on: (i) the quantity and pre-tax present worth values of such assets; (ii) the current production volumes of the Acclaim Parties; or (iii) the current consolidated cash flow of the Acclaim Parties.

(s) Licences. Except as disclosed in the Public Record, each of the Acclaim Parties has obtained and is in compliance with all licences, permits, certificates, consents, orders, grants and other authorizations of or from any Governmental Entity necessary to conduct its businesses as they are now being or are proposed to be conducted, other than such permissions the absence of which would not have a Material Adverse Effect on the Acclaim Parties.

(t) Compliance with Laws. Each of the Acclaim Parties has complied with and is in compliance with all Laws applicable to the operation of its business, except where such non-compliance would not have a Material Adverse Effect on the business, affairs, operations, assets, prospects or financial condition of the Acclaim Parties or on the ability of the Acclaim Parties to consummate the Arrangement.

(u) Long Term and Derivative Transactions. Except as disclosed in the Public Record, none of the Acclaim Parties has any obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(v) Fairness Opinion. The Acclaim Board of Directors has received a verbal opinion as of September 19, 2005 (and have been advised that they will receive a written opinion) from BMO Nesbitt Burns Inc. that the consideration to be received by Acclaim Unitholders in connection with the Arrangement is fair, from a financial point of view, to the Acclaim Unitholders.

(w) *Investment Canada Act*. Acclaim is a "Canadian" within the meaning of the *Investment Canada Act* (Canada).

(x) Employee Benefit Plans. Acclaim has made available to StarPoint true, complete and correct copies of each employee benefits plan (the "**Acclaim Plans**") covering active, former or retired employees of the Acclaim Parties, any related trust agreement, annuity or insurance contract or other funding vehicle, and: (i) each Acclaim Plan has been maintained and administered in material compliance with its terms and is, to the extent required by Applicable Law or contract, fully funded without having any deficit or unfunded actuarial liability or adequate provision has been made therefor; (ii) all required employer contributions under any such plans have been made and the applicable funds have been funded in accordance with the terms thereof; (iii) each Acclaim Plan that is required or intended to be qualified under applicable law or registered or approved by a governmental agency or authority has been so qualified, registered or approved by the appropriate governmental agency or authority, and nothing has occurred since the date of the last qualification, registration or approval to adversely affect, or cause, the appropriate governmental agency or authority to revoke such qualification, registration or approval; (iv) to the knowledge of Acclaim and AEI, there are no pending or anticipated material claims against or otherwise involving any of the Acclaim Plans and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of Acclaim Plan activities) has been brought against or with respect to any Acclaim Plan; (v) all material contributions, reserves or premium payments required to be made to the Acclaim Plans have been made or provided for; and (vi) no Acclaim Party has any material obligations for retiree health and life benefits under any Acclaim Plan.

(y) Insurance. Policies of insurance are in force as of the date hereof naming an Acclaim Party as an insured that adequately cover all risks as are customarily covered by oil and gas producers in the industry in which the Acclaim Parties operate. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(z) Indebtedness To and By Officers, Directors and Others. None of the Acclaim Parties is indebted to any of the directors, officers, employees or consultants or any of their respective associates or affiliates or other parties not at arm's length to any Acclaim Party, except for amounts due as normal compensation or reimbursement of ordinary business expenses, nor, except as disclosed in the Public Record, is there any indebtedness owing by any such parties to any of the Acclaim Parties except for amounts due which will be repaid in full to such Acclaim Parties prior to the Effective Date.

(aa) No Limitation. There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which any Acclaim Party is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of any Acclaim Party in a particular manner or to a particular locality or geographic region or for a limited period of time and the execution, delivery and performance of this Agreement does not and will not result in the restriction of any Acclaim Party from engaging in this business or from competing with any Person or in any geographic area.

(bb) Guarantees and Indemnification. Other than as disclosed in writing to StarPoint, no Acclaim Party is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or applicable Laws and other than standard indemnity agreements in underwriting and agency agreements) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person, other than guarantees of obligations of any other Acclaim Party.

(cc) Information to Independent Engineer. Acclaim and AEI have no reason to believe that (i) the report of GLJ dated February 23, 2005 and effective as of December 31, 2004 evaluating the crude oil and natural gas reserves and future net production revenues attributable to the properties of Acclaim (taken as a whole) as of December 31, 2004 (the "**Acclaim Report**"), (ii) the mechanical update of the Acclaim Report prepared by GLJ effective September 30, 2005 to account for production from the applicable properties from the original effective date of the Acclaim Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions, and (iii) if applicable, any other reserve evaluation reports which may be or be deemed to be, included or incorporated by reference in the Acclaim Information Circular, whether in addition to or as a replacement for the reports referred to in clauses (i) and (ii); was not accurate in all material respects as at the effective date of such report, and, except for any impact of changes in commodity prices, which may or may not be material, Acclaim and AEI have no knowledge of a Material Adverse Change in the production, costs, price, reserves, estimates of future net production revenues or other relevant information from that disclosed in that report. Acclaim has provided to GLJ all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and gas assets of the Acclaim Parties, in each case as at the effective dates of such reports, and, in particular, all material information respecting the Acclaim Parties' interests in their principal oil and gas assets and royalty burdens and net profits interest burdens thereon and such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no Material Adverse Change in any of the material information so provided since the date thereof.

(dd) No Insider Rights. No director, officer, insider or other party not at arm's length to any Acclaim Party has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any properties of any Acclaim Party.

(ee) Disclosure. The data and information in respect of the Acclaim Parties and their respective assets, reserves, liabilities, businesses, affairs and operations provided by or on behalf of Acclaim to or on behalf of StarPoint was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(ff) Debt and Working Capital. As at September 30, 2005, Acclaim's consolidated indebtedness did not exceed $336.9 million and its working capital deficiency was not more than $42.0 million, exclusive of the Acclaim Debentures which at September 30, 2005 had an outstanding principal amount not exceeding $24.9 million.

(gg) Production. For the month of September 2005, the Acclaim Parties' production was not less than 40,000 boe/d.

(hh) No Defaults under Leases and Agreements. Except as disclosed in writing to StarPoint:

(i) no Acclaim Party has received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to the Acclaim Parties' oil and gas assets to which an Acclaim Party is a party or by or to which any Acclaim Party or any such assets are bound or subject except to the extent that such defaults would not in the aggregate have a Material Adverse Effect; and

(ii) to their knowledge:

(A) each of the Acclaim Parties is in good standing under all, and is not in default under any; and

(B) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice, would constitute a default under any,

leases and other title and operating documents or any other agreements and instruments pertaining to its oil and gas assets to which it is a party or by or to which it or such assets are bound or subject and, to their knowledge, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults would not in the aggregate have a Material Adverse Effect.

(ii) No Encumbrances. None of the Acclaim Parties has encumbered or alienated its interest in the Acclaim Parties' oil and gas assets or agreed to do so and such assets are free and clear of all encumbrances except for or pursuant to encumbrances securing the Acclaim Credit Facilities Agreement and derivative transactions with the lenders (and other affiliates) thereunder or encumbrances disclosed in the Public Record, any governmental registry (including the personal property registry in British

Columbia, Alberta, Saskatchewan or Manitoba) or those arising in the ordinary course of business, which are not material in the aggregate or have been disclosed in writing to StarPoint.

(jj) No Reduction of Interests. Except as disclosed in writing to StarPoint prior to September 19, 2005, none of the Acclaim Parties' oil and gas assets are subject to reduction by reference to payout of or production penalty on any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under a Acclaim Party except to the extent that such reduction or change to an interest would not in the aggregate have a Material Adverse Effect.

(kk) Royalties, Rentals and Taxes Paid. All royalties and rentals payable on or before the date hereof under the leases and other title and operating documents pertaining to the Acclaim Parties' oil and gas assets and all ad valorem, property, production, severance and similar taxes and assessments based upon or measured by the ownership of such assets or the production of petroleum substances derived therefrom or allocated thereto or the proceeds of sales thereof payable on or before the date hereof have been properly paid in full and in a timely manner except to the extent that such non-payment would not in the aggregate have a Material Adverse Effect.

(ll) Production Allowables and Production Penalties.

(i) None of the wells in which any of the Acclaim Parties holds an interest has been produced in excess of applicable production allowables imposed by any applicable law or any governmental authority and none of the Acclaim Parties has any knowledge of any impending change in production allowables imposed by any applicable law or any governmental authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situate except to the extent that such non-compliance or changes would not in the aggregate have a Material Adverse Effect.

(ii) None of the Acclaim Parties has received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any governmental authority, including gas-oil ratio, off-target and overproduction penalties imposed by the Alberta Energy and Utilities Board, and, to their knowledge, none of the wells in which any of them holds an interest is subject to any such penalty or restriction except to the extent that such penalty or restriction would not in the aggregate have a Material Adverse Effect.

(mm) Operation and Condition of Wells. All wells in which any of the Acclaim Parties holds an interest:

(i) for which any of the Acclaim Parties was or is operator, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and all applicable Law; and

(ii) for which none of the Acclaim Parties was or is operator, to their knowledge, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and all Applicable Law;

except, in either case, to the extent that such non-compliance with prudent oil and gas industry practices or applicable Law would not in the aggregate have a Material Adverse Effect;

(nn) Operation and Condition of Tangibles. The Acclaim Parties' tangible depreciable property used or intended for use in connection with their oil and gas assets:

(i) for which any of the Acclaim Parties was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all Applicable Law during all periods in which an Acclaim Party was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business; and

(ii) for which none of the Acclaim Parties was or is operator, to their knowledge, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all applicable Laws during all periods in which none of the Acclaim Parties was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business;

except, in either case, to the extent that such non-compliance with prudent oil and gas industry practices or applicable Law would not in the aggregate have a Material Adverse Effect.

(oo) Outstanding AFEs. There are no outstanding authorizations for expenditure pertaining to any of the Acclaim Parties' oil and gas assets or any other commitments, approvals or authorizations pursuant to which an expenditure may be required to be made in respect of such assets after the date of the most recent Acclaim Financial Statements in excess of $5 million for each such commitment, approval or authorization other than those disclosed in writing to StarPoint.

(pp) Brokers and Finders. The Acclaim Parties have not retained nor will they retain any financial advisor, broker, agent or finder or pay, or agree to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except BMO Nesbitt Burns Inc., which has been retained as Acclaim's financial advisor, TD Securities Inc. and Kern and Partners Ltd., which have been retained as Acclaim's strategic advisors, in connection with certain matters including the transactions contemplated hereby. The total obligation of the Acclaim Parties to such financial and strategic advisors is set forth in the engagement letters between Acclaim and those advisors, copies of which have been provided to StarPoint. After the payment of such financial obligations, the Acclaim Parties will not have any continuing obligations to BMO Nesbitt Burns Inc., TD Securities Inc. or Kern and Partners Ltd. other than those related to indemnification, confidentiality and the payment of expenses.

(qq) Employment and Officer Obligations. Other than the Acclaim Employment Agreements, AEI's existing health plan, pension obligations and as disclosed in writing to StarPoint, in connection with the Arrangement there are no other employment or consulting services agreements, termination, severance and retention plans or policies of the Acclaim Parties. Other than as described in the Information Circular, the obligations of Acclaim Parties under the Acclaim Employment Agreements and all such employment or consulting services agreements, termination, severance plans or policies for severance, termination or bonus payments or any other payments related to any Acclaim incentive plan, arising out of or in connection with the Arrangement, shall not exceed $1 million.

(rr) Confidentiality Agreements. All agreements entered into by Acclaim with persons other than StarPoint regarding the confidentiality of information provided to such persons or reviewed by such persons with respect to the sale of Acclaim or a substantial portion of its assets or any other business combination or similar transaction with another party are in substantially the form of the Confidentiality Agreement and Acclaim has not waived the standstill or other provisions of any of such agreements.

(ss) Outstanding Acquisitions. The Acclaim Parties have no rights to purchase assets, properties or undertakings of third parties under any agreements to purchase that have not closed except those having an acquisition cost of less than $20 million individually or $30 million in the aggregate or otherwise approved in writing by StarPoint prior to becoming a binding obligation on the relevant Acclaim Party.

(tt) Mutual Fund Trust. Acclaim is a "mutual fund trust" and a "unit trust" within the meaning of the ITA.

(uu) Place of Principal Offices. The principal offices of the Acclaim Parties are not located within the United States.

(vv) Location of Assets and U.S. Sales. The assets and property of the Acclaim Parties are located outside the United States and did not generate sales in or into the United States exceeding U.S.$50 million during Acclaim's most recent fiscal year.

(ww) Foreign Private Issuer. Acclaim is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the SEC under the U.S. Securities Act.

(xx) Investment Company. To its knowledge and awareness, and without investigation, Acclaim is not an "investment company" within the meaning of the *United States Investment Company Act of 1940,* as amended.

(yy) Board Approval. The Acclaim Board of Directors has unanimously endorsed the Arrangement and approved this Agreement, has unanimously determined that the Arrangement and this Agreement are in the best interests of Acclaim and the Acclaim Securityholders, and has, based on the opinion of its financial advisor, unanimously determined that the Arrangement is fair, from a financial point of view, to Acclaim Securityholders and has resolved to unanimously recommend approval of the Arrangement by Acclaim Securityholders.

5.2 Representations and Warranties of StarPoint

StarPoint and SEL hereby jointly and severally make the representations and warranties set forth in this Section 5.2 to and in favour of Acclaim and AEI and acknowledge that Acclaim and AEI is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

(a) Organization and Qualification. Each of StarPoint, SCT, APF Energy Trust and APF Trust is a trust duly created and validly existing under the Laws of the Province of Alberta and has the requisite trust power and authority to own its assets and to conduct its affairs as now conducted. Each of the StarPoint Energy Partnership, StarPoint Resources and StarPoint Prairie Partnership is a partnership duly created and validly existing under the Laws of the Province of Alberta and has the requisite partnership power and authority to own its assets and to carry on its business as now conducted. Each of SEL, APF Inc., 1167639 Alberta, 990009 Alberta, StarPoint Prairie Corp. Trend and StarPoint ExchangeCo is a corporation duly incorporated or amalgamated and validly existing under the Laws of its jurisdiction of incorporation and has the requisite corporate power and authority to own its assets as now owned and to carry on its business as now conducted. Each of the StarPoint Parties is duly registered to conduct its affairs or do business, as applicable, in each jurisdiction in which the character of its assets, owned or leased, or the nature of its activities makes such registration necessary, except where the failure to be so registered would not have a Material Adverse Effect on the StarPoint Parties. Copies of the constating documents of the StarPoint Parties (including the StarPoint Material Agreements) provided to AEI, together with all amendments to date, are accurate and complete as of the date hereof and have not been amended or superseded.

(b) Authority Relative this Agreement. Each of StarPoint and SEL has the requisite authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by StarPoint and SEL of the Arrangement have been duly authorized by the StarPoint Board of Directors and, subject to the requisite approval of the StarPoint Securityholders, no other proceedings on the part of StarPoint or SEL are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by each of StarPoint and SEL and constitutes a legal, valid and binding obligation of each of StarPoint and SEL enforceable against them in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) Subsidiaries. StarPoint has no Subsidiaries (other than the Material Subsidiaries) that are material to its business, operation or financial condition.

(d) No Violations. Except as disclosed to Acclaim in writing prior to September 19, 2005, or as contemplated by this Agreement:

(i) neither the execution and delivery of this Agreement by StarPoint and SEL nor the consummation of the Arrangement nor compliance by the StarPoint Parties with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any encumbrance upon any of the properties or assets of the StarPoint Parties or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) the StarPoint Material Agreements or the articles, by-laws, shareholder agreements or other constating document of any StarPoint Party, or (2) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which a StarPoint Party is a party or to which any of them, or any of their respective properties or assets, may be subject or by which a StarPoint Party is bound; or (B) subject to compliance with applicable statutes and regulations, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the StarPoint Parties or any of their respective properties or assets (except, in the case of each of clauses (A) and (B) above, for such violations, conflicts, breaches, defaults, terminations, accelerations or creations of encumbrances which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the StarPoint Parties taken as a whole, or significantly impede the ability of the StarPoint Parties to consummate the Arrangement); or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect which would have a Material Adverse Effect on the StarPoint Parties; and

(ii) other than in connection with or in compliance with the provisions of applicable Laws pr which are required to be filed post Arrangement, and except for the requisite approval of StarPoint Unitholders, (A) there is no legal impediment to the StarPoint Parties' consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the StarPoint Parties in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not have a Material Adverse Effect on the StarPoint Parties, or significantly impede the ability of the StarPoint Parties to consummate the Arrangement.

(e) Litigation. There are no actions, suits or proceedings in existence or pending or, to the knowledge of SEL, threatened or for which there is a reasonable basis, affecting or that would affect the StarPoint Parties or affecting or that would affect any of their respective property or assets at law or equity or before or by any court or Governmental Entity which action, suit or proceeding involves a possibility of any judgment against or liability of the StarPoint Parties which, if successful, would have a Material Adverse Effect on the StarPoint Parties, or would significantly impede the ability of the StarPoint Parties to consummate the Arrangement.

(f) Taxes, etc. Except as disclosed in writing to Acclaim prior to September 19, 2005:

(i) All Tax Returns required to be filed by or on behalf of any StarPoint Parties have been duly filed on a timely basis and such tax returns are correct in all material respects. All Taxes shown to be payable on the Tax Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis, and no other Taxes are payable by any StarPoint Parties with respect to items or periods covered by such Tax Returns;

(ii) StarPoint has paid or provided adequate accruals in its consolidated financial statements for the period from inception to December 31, 2004 for Taxes, including income taxes and related future taxes, if applicable, for such periods, in conformity with GAAP**;**

(iii) for all periods ended on and after December 31, 2004, Acclaim has been furnished by StarPoint true and complete copies of: (A) material portions of income tax audit reports, statement of deficiencies, closing or other agreements received by any StarPoint Party or on behalf of any StarPoint Party relating to the Taxes; and (B) any material federal, provincial, state, local or foreign income or franchise tax returns for each StarPoint Party;

(iv) no material deficiencies exist or have been asserted with respect to Taxes of StarPoint or any of its Subsidiaries;

(v) none of StarPoint or its Material Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor, to the knowledge of StarPoint and SEL, has such an event been asserted or threatened against StarPoint or its Material Subsidiaries or any of their respective assets that would have a Material Adverse Effect on the StarPoint Parties. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Tax Returns of StarPoint or its Material Subsidiaries. No audit by tax authorities of StarPoint or its Material Subsidiaries is in process or pending or, to the knowledge of StarPoint; and

(vi) StarPoint has provided adequate accruals in its consolidated financial statements for the period ended December 31, 2004 (or such amounts are fully funded) for all pension or other employee benefit obligations of StarPoint and its Subsidiaries arising under or relating to each of the pension or retirement income plans or other employee benefit plans or agreements or policies maintained by or binding on StarPoint or its Material Subsidiaries.

(g) Reporting Issuer Status. StarPoint is a reporting issuer (where such concept exists) in all provinces of Canada and is in material compliance with all Applicable Canadian Securities Laws therein and the StarPoint Units, the StarPoint 6.5% Debentures and the StarPoint 9.4% Debentures are listed and posted for trading on the TSX.

(h) Capitalization. As of the date hereof, the authorized capital of StarPoint consists of an unlimited number of StarPoint Units and an unlimited number of Special Voting Units (as defined in the StarPoint Trust Indenture). As of the date hereof there are issued and outstanding 102,416,206 StarPoint Units and one Special Voting Unit. Other than 3,519,613 StarPoint Units issuable pursuant to the StarPoint Debentures, nil StarPoint Units reserved for issuance pursuant to the StarPoint DRIP, 1,292,200 StarPoint Units issuable pursuant to the StarPoint Incentive Plan and 1,775,728 StarPoint Units issuable pursuant to the StarPoint Exchangeable Shares, there are no options, warrants or other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by StarPoint of any securities of StarPoint (including StarPoint Units) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of StarPoint (including StarPoint Units). All outstanding StarPoint Units have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights and all StarPoint Units issuable pursuant to the StarPoint DRIP, the StarPoint Exchangeable Shares, and upon vesting of StarPoint Rights pursuant to the StarPoint Incentive Plan in accordance with their respective terms will be duly authorized and validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(i) Ownership of Subsidiaries. As of the date hereof, StarPoint is the beneficial direct or indirect owner of all of the outstanding shares, limited partnership units and trust units, as applicable, of the StarPoint Parties (other than StarPoint and the 1,599,035 outstanding StarPoint Exchangeable Shares) with good title thereto free and clear of any and all encumbrances, except for security interests in such securities for the benefit of the lenders under StarPoint's credit facilities. There are no options, warrants or other rights, shareholder or unitholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by any of the StarPoint Parties (other than StarPoint) of any securities of the StarPoint Parties (other than StarPoint) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of any of the StarPoint Parties (other than StarPoint). All outstanding securities of the StarPoint Parties (other than

StarPoint) have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights.

(j) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the StarPoint Units, the StarPoint Exchangeable Shares, the StarPoint Debentures or any other securities of StarPoint has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of StarPoint and SEL, are contemplated or threatened under any Applicable Laws or by any other regulatory authority.

(k) Material Agreements. There are no agreements material to the conduct of the StarPoint Parties' affairs or businesses, as applicable, and SEL, except for those agreements disclosed in the Public Record, disclosed in writing to Acclaim prior to September 19, 2005 or those entered into in the ordinary course of business, and all such material agreements are valid and subsisting and the Acclaim Party that is a party thereto is not in material default under any such agreements.

(l) Filings. StarPoint has filed all documents required to be filed by it with all applicable Governmental Entities and all such documents were, as of their respective dates, in compliance in all material respects with all Applicable Laws and at the time filed did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. SEL will deliver to AEI, as soon as they become available, true and complete copies of any material reports or statements required to be filed by StarPoint with any Governmental Entity subsequent to the date hereof. As of their respective dates, such reports and statements (excluding any information therein provided by the Acclaim Parties, as to which StarPoint and SEL make no representation) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they are made, not misleading and 'will comply in all material respects with all Applicable Laws.

(m) No Material Adverse Change. Since January 1, 2005, other than as disclosed in the Public Record, (i) the StarPoint Parties have conducted their respective businesses only in the ordinary and normal course, (ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to StarPoint, taken as a whole, has been incurred other than in the ordinary course of business, and (iii) there has not been any Material Adverse Change in respect of the StarPoint Parties.

(n) Books and Records. The records and minute books of the StarPoint Parties have been maintained substantially in accordance with all Applicable Laws and are complete and accurate in all material respects.

(o) Reports. As of their respective dates, (i) the StarPoint Financial Statements, (ii) StarPoint's Renewal Annual Information Form dated March 28, 2005 (including all documents incorporated by reference therein), (iii) SEL's and E3 Energy Inc.'s Joint Proxy Statement and Information Circular dated December 7, 2004, (iv) StarPoint's information circular and proxy statement dated April 12, 2005, (v) all StarPoint press releases, material change reports, business acquisition reports or similar documents filed with the Securities Authorities since January 1, 2005, and (vi) all prospectuses or other offering documents used by StarPoint in the offering of its securities or filed with the Securities Authorities since January 1, 2005, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and complied in all material respects with all applicable Laws. The StarPoint Financial Statements and other financial statements of StarPoint included or incorporated by reference in such forms, statements, prospectuses and other offering documents were prepared in accordance with GAAP (except (x) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of StarPoint's independent auditors or (y) in the case of unaudited interim statements, to the extent they may not include footnotes, are subject to normal year end adjustments or may be condensed or summary statements), and present fairly in accordance with GAAP the consolidated financial position, results of operations and changes in financial position of StarPoint and SEL as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments) and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of StarPoint on a consolidated basis. There has been no material change in StarPoint accounting policies, except as described in the notes to the StarPoint Financial Statements, since January 1, 2005.

(p) Absence of Undisclosed Liabilities. The StarPoint Parties have no material liabilities of any nature (matured or unmatured, fixed or contingent), other than:

(i) those set forth or adequately provided for in the balance sheets and associated notes thereto included in the StarPoint Financial Statements (the "**StarPoint Balance Sheets**");

(ii) those incurred in the ordinary course of business and not required to be set forth in the StarPoint Balance Sheets under GAAP;

(iii) those incurred in the ordinary course of business since the dates of the StarPoint Balance Sheets and consistent with past practice; and

(iv) those incurred in connection with the execution of this Agreement.

(q) Environmental. Except as disclosed in writing to Acclaim prior to September 19, 2005 or than has been disclosed in the Public Record, there has not occurred any material spills, emissions or pollution on any property of any StarPoint Party, nor has any StarPoint Party been subject to any stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws, any of which might reasonably be expected to have a Material Adverse Effect on StarPoint. All operations of the StarPoint Parties have been and are now being conducted in compliance with all applicable Environmental Laws, except where the failure to be in compliance would not have a Material Adverse Effect on the StarPoint Parties, taken as a whole. The StarPoint Parties are not subject to nor are StarPoint or SEL aware of:

(i) any proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction, or expenditures; or

(ii) any demand or notice with respect to the breach of any Environmental Laws applicable to the StarPoint Parties, including, without limitation, any regulations respecting the use, storage, treatment, transportation, or disposition of any Hazardous Substances,

which would have a Material Adverse Effect on the StarPoint Parties.

(r) Title. Although they do not warrant title, except as disclosed in writing to Acclaim prior to September 19, 2005, neither StarPoint nor SEL has any knowledge or is aware of any defects, failures or impairments in the title of the StarPoint Parties to their respective assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect on: (i) the quantity and pre-tax present worth values of such assets; (ii) the current production volumes of the StarPoint Parties; or (iii) the current consolidated cash flow of the StarPoint Parties.

(s) Licences. Except as disclosed in the Public Record, each of the StarPoint Parties has obtained and is in compliance with all licences, permits, certificates, consents, orders, grants and other authorizations of or from any Governmental Entity necessary to conduct its businesses as they are now being or are proposed to be conducted, other than such permissions the absence of which would not have a Material Adverse Effect on the StarPoint Parties.

(t) Compliance with Laws. Each of the StarPoint Parties has complied with and is in compliance with all Laws applicable to the operation of its business, except where such non-compliance would not have a

Material Adverse Effect on the business, affairs, operations, assets, prospects or financial condition of the StarPoint Parties or on the ability of the StarPoint Parties to consummate the Arrangement.

(u) Long Term and Derivative Transactions. Except as disclosed in the Public Record, none of the StarPoint Parties has any obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.

(v) Fairness Opinion. The StarPoint Board of Directors has received a verbal opinion as of September 19, 2005 (and have been advised that they will receive a written opinion) from Orion Securities Inc. that the consideration to be received by StarPoint Unitholders in connection with the Arrangement is fair, from a financial point of view, to the StarPoint Unitholders.

(w) *Investment Canada Act*. StarPoint is a "Canadian" within the meaning of the *Investment Canada Act* (Canada).

(x) Employee Benefit Plans. StarPoint has made available to Acclaim true, complete and correct copies of each employee benefits plan (the "**StarPoint Plans**") covering active, former or retired employees of the StarPoint Parties, any related trust agreement, annuity or insurance contract or other funding vehicle, and: (i) each StarPoint Plan has been maintained and administered in material compliance with its terms and is, to the extent required by Applicable Law or contract, fully funded without having any deficit or unfunded actuarial liability or adequate provision has been made therefor; (ii) all required employer contributions under any such plans have been made and the applicable funds have been funded in accordance with the terms thereof; (iii) each StarPoint Plan that is required or intended to be qualified under applicable law or registered or approved by a governmental agency or authority has been so qualified, registered or approved by the appropriate governmental agency or authority, and nothing has occurred since the date of the last qualification, registration or approval to adversely affect, or cause, the appropriate governmental agency or authority to revoke such qualification, registration or approval; (iv) to the knowledge of StarPoint and SEL, there are no pending or anticipated material claims against or otherwise involving any of the StarPoint Plans and no suit, action or other litigation (excluding claims for benefits incurred in the ordinary course of StarPoint Plan activities) has been brought against or with respect to any StarPoint Plan; (v) all material contributions, reserves or premium payments required to be made to the StarPoint Plans have been made or provided for; and (vi) no StarPoint Party has any material obligations for retiree health and life benefits under any StarPoint Plan.

(y) Insurance. Policies of insurance are in force as of the date hereof naming a StarPoint Party as an insured that adequately cover all risks as are customarily covered by oil and gas producers in the industry in which the StarPoint Parties operate. All such policies shall remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement.

(z) Indebtedness To and By Officers, Directors and Others. None of the StarPoint Parties is indebted to any of the directors, officers, employees or consultants or any of their respective associates or affiliates or other parties not at arm's length to any StarPoint Party, except for amounts due as normal compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to any of the StarPoint Parties.

(aa) No Limitation. There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which any StarPoint Party is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of any StarPoint Party in a particular manner or to a particular locality or geographic region or for a limited period of time and the execution, delivery and performance of this Agreement does not and will not result in the restriction of any

StarPoint Party from engaging in this business or from competing with any Person or in any geographic area.

(bb) Guarantees and Indemnification. Other than as disclosed in writing to Acclaim, no StarPoint Party is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of the respective corporation or applicable Laws and other than standard indemnity agreements in underwriting and agency agreements) or any like commitment in respect of the obligations, liabilities (contingent or otherwise) of indebtedness of any other Person, other than guarantees of obligations of any other StarPoint Party.

(cc) Information to Independent Engineer. StarPoint and SEL have no reason to believe that (i) the report of Sproule Associates Limited. ("**Sproule**") dated February 24, 2005 and effective as of December 31, 2004, evaluating the crude oil and natural gas reserves and future net production revenues attributable to the properties of StarPoint as of December 31, 2004 (the "**StarPoint Report**") and the mechanical update of the StarPoint Report prepared by Sproule effective September 30, 2005 to account for production from the applicable properties from the original effective date of the StarPoint Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions, (ii) the report of Sproule dated February 23, 2005 and effective as of December 31, 2004, evaluating the crude oil and natural gas reserves and future net production revenues attributable to the properties of Selkirk Energy Partnership (the "**Selkirk Report**") and the mechanical update of the Selkirk Report prepared by Sproule effective September 30, 2005 to account for production from the applicable properties from the original effective date of the Selkirk Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions; (iii) the report of Sproule dated February 18, 2005 and effective as of December 31, 2004, evaluating the coal bed methane reserves and future net production revenues attributable to certain of the properties of APF Energy Trust (the "**APF Report**") and the mechanical update of the APF Report prepared by Sproule effective September 30, 2005 to account for production from the applicable properties from the original effective date of the APF Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions; (iv) the report of GLJ dated February 28, 2005 and effective as of December 31, 2004, evaluating the crude oil and natural gas reserves and future net production revenues attributable to certain of the properties of APF Energy Trust as of December 31, 2004 (the "**GLJ APF Report**") and the mechanical update of the GLJ APF Report prepared by GLJ effective September 30, 2005 to account for production from the applicable properties from the original effective date of the GLJ APF Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions, (v) the report of McDaniel & Associates Consultants Ltd. ("**McDaniel**") dated April 29, 2005 and effective as of March 31, 2005, evaluating certain of the crude oil and natural gas reserves and future net production revenues attributable to the properties acquired by StarPoint from EnCana Corporation (the "**EnCana Report**") and the mechanical update of the EnCana Report prepared by McDaniel effective September 30, 2005 to account for production from the applicable properties from the original effective date of the EnCana Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions, (vi) the report of GLJ dated April 29, 2005 and effective as of March 31, 2005 evaluating certain of the crude oil and natural gas reserves and future net production revenues attributable to certain of the properties acquired by StarPoint from EnCana Corporation (the "**GLJ EnCana Report**") and the mechanical update of the GLJ EnCana Report prepared by GLJ effective September 30, 2005 to account for production from the applicable properties from the original effective date of the GLJ EnCana Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions, (vii) the report of Sproule dated June 30, 2005 and effective March 31, 2005, evaluating the crude oil and natural gas reserves and future net production revenues attributable to certain of the properties of Nexen Inc. (the "**Nexen Report**") acquired by StarPoint and the mechanical update of the Nexen Report prepared by Sproule effective September 30, 2005 to account for production from the applicable properties from the original effective date of the Nexen Report to September 30, 2005 and to give effect to September 30, 2005 pricing assumptions, and (viii) if applicable, any other reserve evaluation reports which may be, or be deemed to be, included or incorporated by reference in the StarPoint Information Circular, whether in addition to or as a replacement for the reports referred to in clauses (i) through (vii); was not accurate in all material respects as at the effective date of such report, and, except for any impact of changes in commodity prices, which may or may not be material, StarPoint and SEL have no knowledge of a Material Adverse

Change in the production, costs, price, reserves, estimates of future net production revenues or other relevant information from that disclosed in that report. StarPoint (or, to its knowledge, APF Energy Trust, EnCana Corporation or Nexen Inc., as applicable) has provided to Sproule, GLJ or McDaniel, as applicable, all material information concerning land descriptions, well data, facilities and infrastructure, ownership and operations, future development plans and historical technical and operating data respecting the principal oil and gas assets of the StarPoint Parties, in each case as at the effective dates of such reports, and, in particular, all material information respecting the StarPoint Parties' interests in their principal oil and gas assets and royalty burdens and net profits interest burdens thereon and such information was accurate and correct in all material respects as at the respective dates thereof and did not omit any information necessary to make any such information provided not misleading as at the respective dates thereof and there has been no Material Adverse Change in any of the material information so provided since the date thereof.

(dd) No Insider Rights. No director, officer, insider or other party not at arm's length to any StarPoint Party has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, participation interest or any other interest whatsoever, in any properties of any StarPoint Party.

(ee) Disclosure. The data and information in respect of the StarPoint Parties and their respective assets, reserves, liabilities, businesses, affairs and operations provided by or on behalf of StarPoint to or on behalf of Acclaim was and is accurate and correct in all material respects as at the respective dates thereof and does not omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof.

(ff) Debt and Working Capital. As at September 30, 2005, StarPoint's consolidated indebtedness did not exceed $415 million and its working capital surplus was not less than $12 million exclusive of the StarPoint Debentures which at September 30, 2005 had an outstanding principal amount not exceeding $78 million.

(gg) Production. For the month of September 2005, the StarPoint Parties' production was not less than 36,500 boe/d.

(hh) No Defaults under Leases and Agreements. Except as disclosed in writing to Acclaim:

(i) no StarPoint Party has received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to the StarPoint Parties' oil and gas assets to which a StarPoint Party is a party or by or to which a StarPoint Party or any such assets are bound or subject except to the extent that such defaults would not in the aggregate have a Material Adverse Effect; and

(ii) to their knowledge:

(A) each of the StarPoint Parties is in good standing under all, and is not in default under any; and

(B) there is no existing condition, circumstance or matter which constitutes or which, with the passage of time or the giving of notice, would constitute a default under any,

leases and other title and operating documents or any other agreements and instruments pertaining to its oil and gas assets to which it is a party or by or to which it or such assets are bound or subject and, to their knowledge, all such leases, title and operating documents and other agreements and instruments are in good standing and in full force and effect and none of the counterparties to such leases, title and operating documents and other agreements and instruments is in default thereunder except to the extent that such defaults would not in the aggregate have a Material Adverse Effect.

(ii) No Encumbrances. None of the StarPoint Parties has encumbered or alienated its interest in the StarPoint Parties' oil and gas assets or agreed to do so and such assets are free and clear of all encumbrances except for or pursuant to encumbrances securing the StarPoint Credit Facilities Agreement and derivative transactions with the lenders (and other affiliates) thereunder or encumbrances disclosed in the Public Record, any governmental registry (including the personal property registry in British Columbia, Alberta, Saskatchewan or Manitoba) or those arising in the ordinary course of business, which are not material in the aggregate or have been disclosed in writing to Acclaim.

(jj) No Reduction of Interests. Except as disclosed in writing to Acclaim, prior to September 19, 2005, none of the StarPoint Parties' oil and gas assets are subject to reduction by reference to payout of or production penalty on any well or otherwise or to change to an interest of any other size or nature by virtue of or through any right or interest granted by, through or under a StarPoint Party except to the extent that such reduction or change to an interest would not in the aggregate have a Material Adverse Effect.

(kk) Royalties, Rentals and Taxes Paid. All royalties and rentals payable on or before the date hereof under the leases and other title and operating documents pertaining to the StarPoint Parties' oil and gas assets and all ad valorem, property, production, severance and similar taxes and assessments based upon or measured by the ownership of such assets or the production of petroleum substances derived therefrom or allocated thereto or the proceeds of sales thereof payable on or before the date hereof have been properly paid in full and in a timely manner except to the extent that such non-payment would not in the aggregate have a Material Adverse Effect.

(ll) Production Allowables and Production Penalties.

(i) None of the wells in which any of the StarPoint Parties holds an interest has been produced in excess of applicable production allowables imposed by any applicable law or any governmental authority and none of the StarPoint Parties has any knowledge of any impending change in production allowables imposed by any applicable law or any governmental authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situate except to the extent that such non-compliance or changes would not in the aggregate have a Material Adverse Effect.

(ii) None of the StarPoint Parties has received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any governmental authority, including gas-oil ratio, off-target and overproduction penalties imposed by the Alberta Energy and Utilities Board, and, to their knowledge, none of the wells in which any of them holds an interest is subject to any such penalty or restriction except to the extent that any such penalty or restriction would not in the aggregate have a Material Adverse Effect.

(mm) Operation and Condition of Wells. All wells in which any of the StarPoint Parties holds an interest:

(i) for which any of the StarPoint Parties was or is operator, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and all applicable Law; and

(ii) for which none of the StarPoint Parties was or is operator, to their knowledge, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and all applicable Law;

except, in either case, to the extent that such non-compliance with prudent oil and gas industry practices or applicable Law would not in the aggregate have a Material Adverse Effect;

(nn) Operation and Condition of Tangibles. The StarPoint Parties' tangible depreciable property used or intended for use in connection with their oil and gas assets:

(i) for which any of the StarPoint Parties was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all applicable Law during all periods in which a StarPoint Party was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business; and

(ii) for which none of the StarPoint Parties was or is operator, to their knowledge, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all applicable Law during all periods in which none of the StarPoint Parties was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business;

except to the extent that such non-compliance with prudent oil and gas industry practices or applicable Law would not in the aggregate have a Material Adverse Effect.

(oo) Outstanding AFEs. There are no outstanding authorizations for expenditure pertaining to any of the StarPoint Parties' oil and gas assets or any other commitments, approvals or authorizations pursuant to which an expenditure may be required to be made in respect of such assets after the date of the most recent StarPoint Financial Statements in excess of $5 million for each such commitment, approval or authorization other than those disclosed in writing to Acclaim.

(pp) Brokers and Finders. The StarPoint Parties have not retained nor will they retain any financial advisor, broker, agent or finder or pay, or agree to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except Orion Securities Inc., which has been retained as StarPoint's financial advisor and FirstEnergy Capital Corp., Scotia Waterous and GMP Securities Ltd., which have been retained as StarPoint's strategic advisors, in connection with certain matters including the transactions contemplated hereby. The total obligation of the StarPoint ties to such financial and strategic advisors is set forth in the engagement letters between StarPoint and such advisors, copies of which have been provided to Acclaim. After the payment of such financial obligations to Orion Securities, FirstEnergy Capital Corp., Scotia Waterous and GMP Securities Ltd., the StarPoint Parties will not have any continuing obligations to such advisors other than those related to indemnification, confidentiality and the payment of expenses.

(qq) Employment and Officer Obligations. Other than the StarPoint Employment Agreements, SEL's existing health plan, pension obligations and as disclosed in writing to Acclaim, in connection with the Arrangement there are no other employment or consulting services agreements, termination, severance and retention plans or policies of the StarPoint Parties. The obligations of StarPoint Parties under the StarPoint Employment Agreements and all such employment or consulting services agreements, termination, severance plans or policies for severance, termination or bonus payments or any other payments related to any StarPoint incentive plan, arising out of or in connection with the Arrangement, shall not exceed $10.0 million.

(rr) Confidentiality Agreements. All agreements entered into by StarPoint with persons other than Acclaim regarding the confidentiality of information provided to such persons or reviewed by such persons with respect to the sale of StarPoint or a substantial portion of its assets or any other business combination or similar transaction with another party are in substantially the form of the Confidentiality Agreement and Acclaim has not waived the standstill or other provisions of any of such agreements.

(ss) Outstanding Acquisitions. The StarPoint Parties have no rights to purchase assets, properties or undertakings of third parties under any agreements to purchase that have not closed.

(tt) Mutual Fund Trust. StarPoint is a "mutual fund trust" and a "unit trust" within the meaning of the ITA.

(uu) Place of Principal Offices. The principal offices of the StarPoint Parties are not located within the United States.

(vv) Location of Assets and U.S. Sales. The assets and property of the StarPoint Parties are located outside the United States and did not generate sales in or into the United States exceeding U.S.$50 million during StarPoint's most recent fiscal year.

(ww) Foreign Private Issuer. StarPoint is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the SEC under the U.S. Securities Act.

(xx) Investment Company. To its knowledge and awareness, and without investigation, StarPoint is not an "investment company" within the meaning of the *United States Investment Company Act of 1940*, as amended.

(yy) Board Approval. The StarPoint Board of Directors has unanimously endorsed the Arrangement and approved this Agreement, has unanimously determined that the Arrangement and this Agreement are in the best interests of StarPoint and the StarPoint Securityholders, and has, based on the opinion of its financial advisor, unanimously determined that the Arrangement is fair, from a financial point of view, to StarPoint Securityholders and has resolved to unanimously recommend approval of the Arrangement by StarPoint Securityholders.

5.3 Privacy Issues.

(a) For the purposes of this Section 5.3, the following definitions shall apply:

(i) "**applicable law**" means, in relation to any Person, transaction or event, all applicable provisions of Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws.

(ii) "**applicable privacy laws**" means any and all applicable Laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law including the *Personal Information Protection Act* (Alberta).

(iii) "**authorized authority**" means, in relation to any Person, transaction or event, any (a) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such Person, transaction or event.

(iv) "**Personal Information**" means information about an individual transferred to StarPoint by Acclaim in accordance with this Agreement and/or as a condition of the Arrangement.

(b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement (the "**Disclosed Personal Information**").

(c) Neither Party shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement.

(d) Each Party acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Arrangement.

(e) Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with applicable law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

(f) Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective Party who have a bona fide need to access to such information in order to complete the Arrangement.

(g) Each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.

(h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the counterparty shall forthwith cease all use of the Personal Information acquired by the counterparty in connection with this Agreement and will return to the Party or, at the Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

(a) on or prior to November 30, 2005, the Interim Order shall have been granted in form and substance satisfactory to each of Acclaim and StarPoint, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Acclaim and StarPoint, acting reasonably, on appeal or otherwise;

(b) the Merger Resolution shall have been passed by the holders of StarPoint Securities, on or prior to January 31, 2006 in accordance with the Interim Order and in form and substance satisfactory to each of Acclaim and StarPoint, acting reasonably;

(c) the Merger Resolution shall have been passed by the holders of Acclaim Securities, on or prior to January 31, 2006 in accordance with the Interim Order and in form and substance satisfactory to each of Acclaim and StarPoint, acting reasonably;

(d) in the event that dissent rights are given to StarPoint Securityholders under the terms of the Interim Order, holders of not greater than 5% of the outstanding StarPoint Securities shall have exercised rights of dissent in respect of the Arrangement that have not been withdrawn as of the Effective Date;

(e) in the event that dissent rights are given to Acclaim Securityholders under the terms of the Interim Order, holders of not greater than 5% of the outstanding Acclaim Securities shall have exercised rights of dissent in respect of the Arrangement that have not been withdrawn as of the Effective Date;

(f) on or prior to January 31, 2006, the Final Order shall have been granted in form and substance satisfactory to Acclaim and StarPoint, acting reasonably;

(g) the Articles of Arrangement to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of Acclaim and StarPoint, acting reasonably;

(h) the Arrangement shall have become effective on or prior to January 31, 2006;

(i) Acclaim or one or more Subsidiaries of Acclaim and TriStar shall have entered into the TriStar StarPoint Conveyance Agreement;

(j) StarPoint or one or more Subsidiaries of StarPoint and TriStar shall have entered into the TriStar StarPoint Conveyance Agreement;

(k) AmalgamationCo shall enter into written agreements effective as of the Effective Date satisfactory to each of Acclaim and StarPoint, acting reasonably, pursuant to which AmalgamationCo shall agree that, for a period of six years after the Effective Date, AmalgamationCo shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by each of Acclaim and StarPoint (provided that AmalgamationCo may substitute therefor policies of at least the same claims coverage and amounts containing terms and conditions that are no less advantageous) providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of AEI and SEL with respect to claims arising from facts or events which occurred before the Effective Date;

(l) the relevant waiting period in section 123 of the Competition Act shall have expired and: (i) an advance ruling certificate ("**ARC**") pursuant to section 102 of the Competition Act shall have been issued by the Commissioner of the Competition Bureau ("**Commissioner**") appointed under the Competition Act; or (ii) a "no action letter" satisfactory to each of Acclaim and StarPoint, acting reasonably, indicating that the Commissioner has determined not to make an application for an order under section 92 of the Competition Act shall have been received from the Commissioner, and any terms and conditions attached to any such letter shall be acceptable to each of Acclaim and StarPoint, acting reasonably; and in addition, in the event that the ARC or "no action" letter described in (i) or (ii) in the foregoing is issued, there shall be no threatened or actual application by the Commissioner for an order under section 92 or 100 of the Competition Act;

(m) in addition to the approval required by Section 6.1(l), all other required regulatory, governmental and third party approvals and consents in respect of the completion of the Arrangement shall have been obtained on terms and conditions, satisfactory to Acclaim and StarPoint, each acting reasonably, including, without limitation, conditional approval for listing of the Canetic Units (including, without limitation, the Canetic Units issuable pursuant to the Canetic Trust Incentive Plans), the TriStar Common Shares (including, without limitation, the TriStar Common Shares issuable pursuant to the TriStar Incentive Plan and the TriStar Arrangement Warrants) on the TSX and all applicable statutory and regulatory waiting periods shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made during any applicable statutory regulatory period;

(n) the Arrangement, and the consummation thereof, shall have been approved by Acclaim's lenders on a basis acceptable to Acclaim and StarPoint, each acting reasonably;

(o) the Arrangement, and the consummation thereof, shall have been approved by StarPoint's lenders on a basis acceptable to Acclaim and StarPoint, each acting reasonably;

(p) Acclaim, StarPoint and Canetic Trust shall have executed such instruments, and the Acclaim Debenture Trustee and StarPoint Debenture Trustees shall have received such opinions, as contemplated and required by the Acclaim Debenture Indentures and the StarPoint Debenture Indentures, as applicable;

(q) there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:

(i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or

(ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;

The foregoing conditions are for the mutual benefit of StarPoint and Acclaim and may be asserted by StarPoint and Acclaim regardless of the circumstances and may be waived by StarPoint and Acclaim (with respect to such Party) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which StarPoint or Acclaim may have.

6.2 Additional Conditions to Obligations of Acclaim

The obligation of Acclaim to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) StarPoint shall have mailed the StarPoint Information Circular and other documentation required in connection with the StarPoint Meeting on or before November 30, 2005;

(b) each of the acts and undertakings of StarPoint to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by StarPoint;

(c) StarPoint shall have furnished Acclaim with:

(i) certified copies of the resolutions duly passed by the StarPoint Board of Directors approving this Agreement and the consummation of the transactions contemplated hereby; and

(ii) certified copies of the resolutions of StarPoint Securityholders, duly passed at the StarPoint Meeting, approving the Merger Resolution;

(d) except as affected by the transactions contemplated by this Agreement, the representations and warranties of StarPoint and SEL contained in Section 5.2 shall be true in all respects as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time and each of StarPoint and SEL shall have complied in all respects with its covenants in this Agreement and Acclaim shall have received a certificate to that effect dated the Effective Date from the Chief Executive Officer and Chief Financial Officer of SEL acting solely on behalf of SEL and not in their personal capacity, to the best of his information and belief having made reasonable inquiry and Acclaim will have no knowledge to the contrary;

(e) any director, officer, insider or other non-arm's length party that is indebted to StarPoint shall have repaid such indebtedness on or prior to completion of the Arrangement;

(f) there shall not have occurred any change after September 19, 2005 or prior to September 19, 2005 which has not been publicly disclosed prior to September 19, 2005 or previously disclosed prior to September 19, 2005 to Acclaim in writing (or any condition, event or development involving a prospective change) in the business, affairs, operations, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of StarPoint and which, in the judgment of Acclaim, acting reasonably, is materially adverse to StarPoint other than: (i) a change directly resulting from an action taken by StarPoint permitted by this Agreement or to which Acclaim has consented in writing; (ii) a change resulting from conditions affecting the oil and gas industry generally including, without limitation, changes in commodity prices or taxes of any kind at any time; or (iii) a change resulting from general economic, financial, currency exchange, securities or commodities market conditions;

(g) the StarPoint Board of Directors shall have authorized the application for listing of the Canetic Units on the NYSE;

(h) as at the Effective Date, StarPoint's Debt shall not exceed $450 million. "**StarPoint's Debt**" means total indebtedness, including long-term debt, bank debt and working capital deficiency, but excluding convertible debentures and hedging obligations or debt incurred to unwind or terminate any of StarPoint's hedge positions pursuant to Section 3.3(h);

(i) Acclaim and AEI shall have received resignations and releases from the directors and officers of StarPoint and its Subsidiaries in form satisfactory to Acclaim and AEI, acting reasonably, which releases shall contain exceptions for amounts or obligations owing to such directors or officers as a result of accrued but unpaid salary, bonus, benefits and other compensation and as a result of the Arrangement or pursuant to indemnity or directors' and officers' insurance arrangements; and

(j) all StarPoint Rights shall have been exercised or terminated.

The conditions in this Section 6.2 are for the exclusive benefit of Acclaim and may be asserted by Acclaim regardless of the circumstances or may be waived by Acclaim in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Acclaim may have.

6.3 Additional Conditions to Obligations of StarPoint

The obligation of StarPoint to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) Acclaim shall have mailed the Acclaim Information Circular and other documentation required in connection with the Acclaim Meeting on or before November 30, 2005;

(b) each of the acts and undertakings of Acclaim to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by Acclaim;

(c) Acclaim shall have furnished StarPoint with:

  (i) certified copies of the resolutions duly passed by the Acclaim Board of Directors approving this Agreement and the consummation of the transactions contemplated hereby; and

  (ii) certified copies of the resolutions of Acclaim Securityholders, duly passed at the Acclaim Meeting, approving the Merger Resolution;

(d) except as affected by the transactions contemplated by this Agreement, the representations and warranties of Acclaim and AEI contained in Section 5.1 shall be true in all respects as at the Effective Date with the same effect as though such representations and warranties had been made at and as of such time and each of Acclaim and AEI shall have complied in all respects with its covenants in this Agreement and StarPoint shall have received a certificate to that effect dated the Effective Date from the Chief Executive Officer and Chief Financial Officer of AEI acting solely on behalf of AEI and not in their personal capacity, to the best of his information and belief having made reasonable inquiry and StarPoint will have no knowledge to the contrary;

(e) there shall not have occurred any change after September 19, 2005 or prior to September 19, 2005 which has not been publicly disclosed prior to September 19, 2005 or previously disclosed prior to September 19, 2005 to StarPoint in writing (or any condition, event or development involving a prospective change) in the business, affairs, operations, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Acclaim and which, in the judgment of StarPoint, acting reasonably, is materially adverse to Acclaim other than: (i) a change directly resulting from an action taken by Acclaim permitted by this Agreement to which StarPoint has consented in writing; (ii) a change resulting from conditions affecting the oil and gas industry generally including, without limitation, changes in commodity prices or taxes of any kind at any time; or (iii) a change resulting from general economic, financial, currency exchange, securities or commodities market conditions;

(f) the Acclaim Board of Directors shall have authorized the application for listing of the Canetic Units on the NYSE; and

(g) at the Effective Date, Acclaim's Debt shall not exceed $400 million. "**Acclaim's Debt**" means total indebtedness, including long-term debt, bank debt and working capital deficiency, but excluding convertible debentures and hedging obligations or debt incurred to unwind or terminate any of Acclaim's hedge positions pursuant to Section 3.3(h).

The conditions in this Section 6.3 are for the exclusive benefit of StarPoint and may be asserted by StarPoint regardless of the circumstances or may be waived by StarPoint in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which StarPoint may have.

6.4 Notice and Effect of Failure to Comply with Conditions

(a) Each of Acclaim and StarPoint shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

(b) If any of the conditions precedents set forth in Sections 6.1, 6.2 or 6.3 hereof shall not be complied with or waived by the Party or Parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement provided that prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent. More than one such notice may be delivered by a Party.

6.5 Satisfaction of Conditions

The conditions set out in this Article 6 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Arrangement are filed under the ABCA to give effect to the Arrangement.

ARTICLE 7
AGREEMENT AS TO DAMAGES AND OTHER ARRANGEMENTS

7.1 Acclaim Damages

If at any time after the execution of this Agreement:

(a) the board of directors of StarPoint has withdrawn or changed any of its recommendations or determinations referred to in Section 3.2(p) and 5.2(yy) in a manner adverse to Acclaim or shall have resolved to do so prior to the Effective Date;

(b) a bona fide Acquisition Proposal is publicly announced, proposed, offered or made to the StarPoint Unitholders or to StarPoint and the StarPoint Securityholders do not approve the Arrangement or the Arrangement is not submitted for their approval;

(c) StarPoint accepts, recommends, approves or enters into an agreement to implement a Superior Proposal; or

(d) StarPoint breaches any of its representations, warranties or covenants made in this Agreement which breach individually or in the aggregate would have a Material Adverse Effect on StarPoint or materially impede the completion of the Arrangement;

(each of the above being a "**Acclaim Damages Event**"), then in the event of the termination of this Agreement pursuant to Section 9.1, StarPoint shall pay to Acclaim $65 million as liquidated damages in immediately available funds to an account designated by Acclaim within one business day after the first to occur of the events described above, and after such event but prior to payment of such amount, StarPoint shall be deemed to hold such fund in trust for Acclaim. StarPoint shall only be obligated to pay a maximum of $65 million pursuant to this Section 7.1.

7.2 StarPoint Damages

If at any time after the execution of this Agreement:

(a) the board of directors of Acclaim has withdrawn or changed any of its recommendations or determinations referred to in Section 3.1(n) and 5.1(yy) in a manner adverse to StarPoint or shall have resolved to do so prior to the Effective Date;

(b) a bona fide Acquisition Proposal is publicly announced, proposed, offered or made to the Acclaim Unitholders or to Acclaim and the Acclaim Securityholders do not approve the Arrangement or the Arrangement is not submitted for their approval;

(c) Acclaim accepts, recommends, approves or enters into an agreement to implement a Superior Proposal; or

(d) Acclaim breaches any of its representations, warranties or covenants made in this Agreement which breach individually or in the aggregate would have a Material Adverse Effect on Acclaim or materially impede the completion of the Arrangement;

(each of the above being a "**StarPoint Damages Event**"), then in the event of the termination of this Agreement pursuant to Section 9.1, Acclaim shall pay to StarPoint $65 million as liquidated damages in immediately available funds to an account designated by StarPoint within one business day after the first to occur of the events described above, and after such event but prior to payment of such amount, Acclaim shall be deemed to hold such fund in trust for StarPoint. Acclaim shall only be obligated to pay a maximum of $65 million pursuant to this Section 7.2.

7.3 Liquidated Damages

Each Party acknowledges that all of the payment amounts set out in this Article 7 are payments of liquidated damages which are a genuine pre-estimate of the damages which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the Parties agree that, subject to Article 9, the payment of the amount pursuant to this Article 7 is the sole monetary remedy of the Party receiving such payment. Nothing herein shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreements or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

ARTICLE 8
AMENDMENT

8.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the StarPoint Meeting and the Acclaim Meeting be amended by written agreement of the Parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by an Acclaim Securityholder or a StarPoint Securityholder, as the case may be, without approval by the affected securityholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

ARTICLE 9
TERMINATION

9.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written consent of Acclaim and StarPoint;

(b) as provided in Sections 6.1, 6.2 and 6.3;

(c) by Acclaim upon the occurrence of an Acclaim Damages Event as provided in Section 7.1 provided that in the event of an Acclaim Damages Event provided for in Section 7.1(a), this Agreement may not be terminated by Acclaim unless StarPoint Securityholders do not approve the Arrangement as required in the Interim Order or the Arrangement is not submitted for their approval;

(d) by StarPoint upon the occurrence of a StarPoint Damages Event as provided in Section 7.2 provided that in the event of a StarPoint Damages Event provided for in Section 7.2(a), this Agreement may not be terminated by StarPoint unless the Acclaim Securityholders do not approve the Arrangement as required in the Interim Order or the Arrangement is not submitted for their approval;

(e) by Acclaim upon the occurrence of a StarPoint Damages Event and the payment by Acclaim to StarPoint of the amount required by Section 7.2; and

(f) by StarPoint upon the occurrence of a Acclaim Damages Event and the payment by StarPoint to Acclaim of the amount required by Section 7.1.

In the event of the termination of this Agreement in the circumstances set out in paragraphs (a) through (f) of this Section 9.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to the other Party hereunder except with respect to the obligations set forth in Article 7 and each Part's obligations in the Confidentiality Agreements which shall survive such termination.

ARTICLE 10
NOTICES

10.1 Notices

All notices that may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by telecopy:

(a) in the case of Acclaim or AEI, to:

Acclaim Energy Trust
c/o Acclaim Energy Inc.
1900, 255 – 5th Avenue SW
Calgary, AB T2P 3G6

Attention: J. Paul Charron, President and Chief Executive Officer
Facsimile: (403) 539-6330

with a copy to:

Burnet, Duckworth & Palmer LLP
1400, 350 – 7th Avenue SW
Calgary, AB T2P 3N9

Attention: Bill Maslechko
Facsimile: (403) 260-0377

(b) in the case of StarPoint or SEL, to:

StarPoint Energy Trust
Suite 3900 Bow Valley Square II
205 - 5th Avenue S.W.
Calgary, AB T2P 2V7

Attention: Paul Colborne, President and Chief Executive Officer
Facsimile: (403) 263-3388

with a copy to:

Heenan Blaikie LLP
12th Floor, 425- 1st Street S.W.
Calgary, AB T2P 3L8

Attention: James Pasieka
Facsimile: (403) 234-7987

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such telecopy is received.

ARTICLE 11
GENERAL

11.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto.

11.2 Assignment

No Party to this Agreement may assign any of its rights or obligations under this Agreement without prior written consent of the other Party.

11.3 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Party prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if either Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Party as to the wording of such disclosure prior to its being made.

11.4 Costs

Except as contemplated herein (including Sections 7.1 and 7.2 hereof), each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby. Acclaim and StarPoint shall share equally any filing fees payable for applications made under the Competition Act in respect of the transactions contemplated by the Arrangement.

11.5 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

11.6 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

11.7 Time of Essence

Time shall be of the essence of this Agreement.

11.8 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Parties hereto irrevocably atom to the jurisdiction of the courts of the Province of Alberta.

11.9 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

11.10 Third Party Beneficiaries.

The provisions of Sections 6.1(k) and 11.11 are (i) intended for the benefit of all present and former trustees, directors and officers of Acclaim and its Subsidiaries and StarPoint and its Subsidiaries, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and AEI and SEL, respectively, shall hold the rights and benefits of Sections 6.1(k) and 11.11 in trust for and on behalf of the Third Party Beneficiaries and AEI and SEL hereby accept such trust and agree to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries, and (ii) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise.

11.11 Obligations

(a) The Parties hereto acknowledge that, with respect to Acclaim being a party to this Agreement, AEI is entering into this Agreement solely in its capacity as agent on behalf of Acclaim and the obligations of Acclaim hereunder shall not be personally binding upon the Acclaim Trustee, AEI or any of the Acclaim Unitholders or any annuitant under a plan of which an Acclaim Unitholder is a trustee or carrier (an "**annuitant**") and that any recourse against Acclaim, the Acclaim Trustee, AEI or any Acclaim Unitholder or annuitant in any manner in respect of any indebtedness, obligation or liability of Acclaim arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including without limitation claims based on negligence, or tortuous behaviour or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Fund as defined in the Acclaim Trust Indenture.

(b) The Parties hereto acknowledge that, with respect to StarPoint being a party to this Agreement, SEL is entering into this agreement solely on behalf of StarPoint and the obligations of StarPoint hereunder shall not be personally binding upon SEL or any of the StarPoint Unitholders and that any recourse against the StarPoint, the StarPoint Trustee, SEL or any StarPoint Unitholder in any manner in respect of any indebtedness, obligation or liability arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including without limitation claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Fund as defined in the StarPoint Trust Indenture.

11.12 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

ACCLAIM ENERGY TRUST, by its Administrator, Acclaim Energy Inc.

Per: *"J. Paul Charron"*
Name: J. Paul Charron
Title: President and Chief Executive Officer

Per: *"Brian D. Evans"*
Name: Brian D. Evans
Title: Vice President, General Counsel and Secretary

STARPOINT ENERGY TRUST, by its Administrator, StarPoint Energy Ltd.

Per: *"J. Paul Charron"*
Name: Paul Colborne
Title: President and Chief Executive Officer

Per: *"Brett Herman"*
Name: Brett Herman
Title: Vice President, Finance and Chief Financial Officer

ACCLAIM ENERGY INC.

Per: *"J. Paul Charron"*
Name: J. Paul Charron
Title: President and Chief Executive Officer

Per: *"Brian D. Evans"*
Name: Brian D. Evans
Title: Vice President, General Counsel and Secretary

STARPOINT ENERGY LTD.

Per: *"Paul Colborne"*
Name: Paul Colborne
Title: President and Chief Executive Officer

Per: *"Brett Herman"*
Name: Brett Herman
Title: Vice President, Finance and Chief Financial Officer

SCHEDULE A

Plan of Arrangement under Section 193
of the
***Business Corporations Act* (Alberta)**

ARTICLE 1
INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

(a) "**1107882**" means 1107882 Alberta Ltd., a corporation incorporated under the ABCA, and the general partner of Acclaim LP;

(b) "**1107911**" means 1107911 Alberta Ltd., a corporation incorporated under the ABCA, and the trustee of ACT Trust;

(c) "**1149708**" means 1149708 Alberta Ltd., a corporation incorporated under the ABCA, and the trustee of SCT Trust;

(d) "**1167639**" means 1167639 Alberta Ltd., a corporation incorporated under the ABCA, and a partner of StarPoint Resources;

(e) "**1198329**" means 1198329 Alberta Ltd., a corporation incorporated under the ABCA;

(f) "**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(g) "**Acclaim**" means Acclaim Energy Trust, a trust organized under the laws of the Province of Alberta;

(h) "**Acclaim Arrangement Parties**" means Acclaim, AEI, ACT, ACT Subsidiary, Acclaim LP, 1107882, 1107911 and Acclaim Processing;

(i) "**Acclaim Assets**" means all of the property, assets and undertaking of Acclaim of whatsoever nature or kind, present and future, and wheresoever located, including the shares, units, notes, royalties, net profit interests, or other interests in the capital of or granted by Acclaim's direct Subsidiaries and any rights to purchase assets, properties or undertakings of third parties under agreements to purchase that have not yet closed, if any, and whether or not reflected on the books of Acclaim (other than $10.00);

(j) "**Acclaim Assumed Liabilities**" means all of the liabilities and obligations of Acclaim, whether or not reflected on the books of Acclaim;

(k) "**Acclaim Exchangeable Shareholders**" means the holders from time to time of Acclaim Exchangeable Shares;

(l) "**Acclaim Exchangeable Shares**" means the exchangeable shares, Series 1 of AEI;

(m) "**Acclaim LP**" means Acclaim Limited Partnership, a limited partnership organized under the laws of the Province of Alberta;

(n) "**Acclaim LP Agreement**" means the limited partnership agreement dated June 25, 2004 between ACT and 1107882, as general partner;

(o) "**Acclaim Meeting**" means the special meeting of Acclaim Securityholders to be held to consider the Arrangement Resolution and related matters, and any adjournment thereof;

(p) "**Acclaim Odd Lot Holder**" means an Acclaim Unitholder who holds less than 993 Acclaim Units or an Acclaim Exchangeable Shareholder who would hold less than 993 Acclaim Units if the Acclaim Exchangeable Shares held by such holder were exchanged for Acclaim Units in accordance with their terms;

(q) "**Acclaim Operating Entities**" means AEI, ACT, 960347 Alberta Ltd., Acclaim Resource Partnership, Acclaim Energy Partnership, Acclaim Saskatchewan Trust, 101001276 Saskatchewan Ltd., Acclaim LP, 1107882, ACT, 1107911, Acclaim Processing and 1141702;

(r) "**Acclaim Processing**" means Acclaim Processing Co. Ltd., a corporation incorporated under the ABCA and a wholly-owned subsidiary of Acclaim LP;

(s) "**Acclaim Securities**" means, collectively, the Acclaim Units and the Acclaim Exchangeable Shares;

(t) "**Acclaim Securityholders**" means, collectively, the Acclaim Unitholders and the Acclaim Exchangeable Shareholders;

(u) "**Acclaim TriStar Assets**" means the assets of the Acclaim Operating Entities identified in the letter agreement dated September 19, 2005 between AEI and SEL and such additional or other assets of the Acclaim Operating Entities, if any, as Acclaim and StarPoint may mutually agree, to be transferred to TriStar pursuant to the Arrangement;

(v) "**Acclaim TriStar Conveyance**" means the conveyance of the Acclaim TriStar Assets pursuant to the Acclaim TriStar Conveyance Agreement;

(w) "**Acclaim TriStar Conveyance Agreement**" means the agreement or agreements to be entered into between the applicable Acclaim Operating Entities and TriStar, in form satisfactory to each of Acclaim and StarPoint, acting reasonably, effecting the sale of the Acclaim TriStar Assets, together with a cash payment, to TriStar for TriStar Common Shares;

(x) "**Acclaim Trust Indenture**" means Acclaim's trust indenture dated as of April 20, 2001, as amended, between AEI and Computershare Trust Company of Canada;

(y) "**Acclaim Unitholders**" means the holders from time to time of Acclaim Units;

(z) "**Acclaim Units**" means the trust units of Acclaim;

(aa) "**ACT**" means Acclaim Commercial Trust, a trust created under the laws of the Province of Alberta and a direct and indirect subsidiary of Acclaim;

(bb) "**ACT Assets**" means all of the property, assets and undertaking of ACT of whatsoever nature or kind, present and future, and wheresoever located, including the ACT Subsidiary Shares, the ACT Note and the ACT NPI (other than $10.00);

(cc) "**ACT Assumed Liabilities**" means all of the liabilities and obligations of ACT, whether or not reflected on the books of ACT;

(dd) "**ACT Common Units**" means the common trust units of ACT;

(ee) "**ACT Note**" means the promissory note of the ACT Subsidiary in a principal amount equal to ACT's undepreciated capital cost for purposes of the Tax Act of the ACT Other Assets;

(ff) "**ACT NPI**" means the 99% net profits interest granted to ACT pursuant to an agreement entered into between ACT and ACT Subsidiary;

(gg) "**ACT Other Assets**" means the ACT Tangible Assets and other assets of ACT other than the ACT Resource Properties;

(hh) "**ACT Other Assets Conveyance**" means the conveyance of the ACT Other Assets to the ACT Subsidiary in exchange for ACT Subsidiary Shares, assumption of the ACT Assumed Liabilities and the ACT Note pursuant to the ACT Other Assets Conveyance Agreement;

(ii) "**ACT Other Assets Conveyance Agreement**" means the conveyance agreement between ACT and the ACT Subsidiary to be dated the Effective Date effecting the ACT Other Assets Conveyance;

(jj) "**ACT Preferred Units**" means the preferred trust units of ACT;

(kk) "**ACT Resource Properties**" means all of the oil and natural gas assets (excluding ACT Other Assets) of ACT;

(ll) "**ACT Resource Property Conveyance**" means the conveyance of the ACT Resource Properties to the ACT Subsidiary in exchange for ACT Subsidiary Shares pursuant to the ACT Resource Property Conveyance Agreement and pursuant to which the ACT NPI shall be reserved by ACT;

(mm) "**ACT Resource Property Conveyance Agreement**" means the conveyance agreement between ACT and the ACT Subsidiary to be dated the Effective Date effecting the ACT Resource Property Conveyance;

(nn) "**ACT Special Preferred Units**" means the special preferred trust units of ACT;

(oo) "**ACT Subsidiary**" means 1199519 Alberta Ltd., a corporation incorporated under the ABCA and a wholly owned subsidiary of ACT;

(pp) "**ACT Subsidiary Shares**" means the common shares of ACT Subsidiary;

(qq) "**ACT Tangible Assets**" means all of the tangible assets of ACT,

(rr) "**ACT Unitholders**" means holders from time to time of ACT Special Preferred Units, ACT Preferred Units or ACT Common Units;

(ss) "**AEI**" means Acclaim Energy Inc., a corporation amalgamated under the ABCA;

(tt) "**AmalgamationCo**" means the corporation resulting from the amalgamation of AEI, SEL, 1198329, Acclaim Processing, ACT Subsidiary, 1107911, 1107882, SCT Subsidiary, APF Energy Inc. and 1149708 and StarPoint ExchangeCo pursuant to the Arrangement;

(uu) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the arrangement pursuant to Section 193 of the ABCA set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

(vv) "**Arrangement Agreement**" means the agreement dated November 17 2005 among Acclaim, AEI, StarPoint and SEL with respect to the Arrangement and all amendments thereto;

(ww) "**Arrangement Resolution**" means the applicable special resolution in respect of the Arrangement to be considered at the Acclaim Meeting and the StarPoint Meeting, as the case may be;

(xx) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;

(yy) "**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary, Alberta are not generally open for business;

(zz) "**Canetic Special Unit**" means a special trust unit of Canetic Trust;

(aaa) "**Canetic Trust**" means Canetic Resources Trust, a mutual fund trust organized under the laws of the Province of Alberta;

(bbb) "**Canetic Unit**" means a trust unit of Canetic Trust;

(ccc) "**Certificate**" means the certificate or certificates or confirmation of filing which may be issued by the Registrar pursuant to subsection 193(11) of the ABCA;

(ddd) "**Court**" means the Court of Queen's Bench of Alberta;

(eee) "**Depositary**" means Computershare Investor Services Inc or such other company as may be designated by Acclaim and StarPoint;

(fff) "**Designated Broker**" means the broker designated by AEI and SEL to effect the resale of TriStar Common Shares and TriStar Arrangement Warrants;

(ggg) "**Dissenting Securityholders**" means registered holders of Acclaim Securities and registered holders of StarPoint Securities who validly exercise the rights of dissent with respect to the Arrangement provided to them under the Interim Order and whose dissent rights remain valid immediately before the Effective Time;

(hhh) "**Effective Date**" means the date the Arrangement is effective under the ABCA;

(iii) "**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;

(jjj) "**Electing Odd Lot Securityholder**" means a registered Acclaim Odd Lot Holder or a registered StarPoint Odd Lot Holder who has validly elected to receive delivery of the TriStar Common Shares and TriStar Arrangement Warrants issued to them pursuant to the Arrangement;

(kkk) "**Final Order**" means the order of the Court approving this Arrangement pursuant to Subsection 193(9) of the ABCA in respect of Acclaim, AEI, StarPoint and SEL, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(lll) **Interim Order**" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to this Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

(mmm) "**Letters of Transmittal**" means the letters of transmittal accompanying the Information Circular sent to the Acclaim Securityholders and the StarPoint Securityholders pursuant to which such holders are required to deliver certificates representing Acclaim Securities and StarPoint Securities in order to receive the consideration payable to them pursuant to the Arrangement and pursuant to which registered Acclaim Odd Lot Holders and registered StarPoint Odd Lot Holders are required to elect to receive elected to receive delivery of the TriStar Common Shares and TriStar Arrangement Warrants issued to them pursuant to the Arrangement;

(nnn) "**MFCorp**" means 1198330 Alberta Ltd., a corporation incorporated under the ABCA;

(ooo) "**MFCorp Assets**" means all of the property, assets and undertaking of MFCorp of whatsoever nature or kind, present and future, and wheresoever located, including the Canetic Special Units, Acclaim Exchangeable Shares and StarPoint Exchangeable Shares (other than $10.00);

(ppp) "**MFCorp Assumed Liabilities**" means all of the liabilities and obligations of MFCorp, whether or not reflected on the books of MFCorp;

(qqq) "**MFCorp Shares**" means common shares of MFCorp;

(rrr) "**MFCorp Special Shares**" means special shares of MFCorp;

(sss) "**Non-Resident**" means: (i) a person who is not a resident of Canada for the purposes of the Tax Act; or (ii) a partnership that is not a Canadian partnership for the purposes of the Tax Act;

(ttt) "**Registrar**" means the Registrar appointed under Section 263 of the ABCA;

(uuu) "**Resident**" means a person who is not a Non-Resident;

(vvv) "**Sale Proceeds**" means the proceeds received by the Designated Broker from the resale of TriStar Common Shares or TriStar Arrangement Warrants issuable to an Acclaim Odd Lot Holder or StarPoint Odd Lot Holder, based on the average price obtained by the Designated Broker for all of the TriStar Common Shares and TriStar Arrangement Warrants that were transferred to the Designated Broker for sale at the same time as the holder's;

(www) "**SCT**" means the StarPoint Commercial Trust, a trust created under the laws of the Province of Alberta and a wholly-owned Subsidiary of StarPoint;

(xxx) "**SCT Assets**" means all of the property, assets and undertaking of SCT of whatsoever nature or kind, present and future, and wheresoever located, including the SCT Subsidiary Shares, the SCT Note and the SCT NPI (other than $10.00);

(yyy) "**SCT Assumed Liabilities**" means all of the liabilities and obligations of SCT, whether or not reflected on the books of SCT;

(zzz) "**SCT Note**" means the promissory note of the SCT Subsidiary in a principal amount equal to the elected amount pursuant to the SCT Other Assets Conveyance less the SCT Assumed Liabilities;

(aaaa) "**SCT NPI**" means the 99% net profits interest granted to SCT pursuant to an agreement entered into between SCT and SCT Subsidiary;

(bbbb) "**SCT Other Assets**" means all of the assets of SCT other than the SCT Resource Properties including, without limitation, SCT's interest in StarPoint Resources and all of the issued and outstanding shares of 1167639 held by SCT;

(cccc) "**SCT Other Assets Conveyance**" means the conveyance of the SCT Other Assets to the SCT Subsidiary in exchange for SCT Subsidiary Shares, SCT Assumed Liabilities and the SCT Note pursuant to the SCT Other Assets Conveyance Agreement;

(dddd) "**SCT Preferred Units**" means the preferred trust units of SCT;

(eeee) "**SCT Resource Properties**" means all of the oil and natural gas assets of SCT (excluding SCT Tangible Assets);

(ffff) "**SCT Resource Property Conveyance**" means the conveyance of the SCT Resource Properties, to the SCT Subsidiary in exchange for SCT Subsidiary Shares pursuant to the SCT Resource Property Conveyance Agreement and pursuant to which the SCT NPI shall be reserved by SCT;

(gggg) "**SCT Resource Property Conveyance Agreement**" means the conveyance agreement between SCT and the SCT Subsidiary to be dated the Effective Date effecting the SCT Resource Property Conveyance;

(hhhh) "S**CT Subsidiary**" means 1199523 Alberta Ltd., a corporation incorporated under the ABCA and a wholly-owned subsidiary of SCT;

(iiii) "**SCT Subsidiary Shares**" means the common shares of SCT Subsidiary;

(jjjj) "**SCT Tangible Assets**" means all of the tangible assets of SCT;

(kkkk) "**SCT Trust Unit**" means the outstanding trust units of SCT;

(llll) "**SCT Unitholders**" means holders from time to time of SCT Preferred Units and SCT Trust Units;

(mmmm) "**Securities**" means the Acclaim Securities and/or StarPoint Securities, as the case may be;

(nnnn) "**Securityholders**" means the holders from time to time of Acclaim Securities and/or StarPoint Securities, as the case may be;

(oooo) "**SEL**" means StarPoint Energy Ltd., a corporation amalgamated under the ABCA;

(pppp) "**StarPoint**" means StarPoint Energy Trust, a trust organized under the laws of the Province of Alberta;

(qqqq) "**StarPoint Arrangement Parties**" means StarPoint, SEL, SCT, SCT Subsidiary, 1167639, StarPoint Resources and StarPoint ExchangeCo;

(rrrr) "**StarPoint Assets**" means all of the property, assets and undertaking of StarPoint of whatsoever nature or kind, present and future, and wheresoever located, including the shares, units, notes, royalties or other interests in the capital of or granted by StarPoint's direct Subsidiaries and any rights to purchase assets, properties or undertakings of third parties under agreements to purchase that have not yet closed, if any, and whether or not reflected on the books of StarPoint (other than $10.00);

(ssss) "**StarPoint Assumed Liabilities**" means all of the liabilities and obligations of StarPoint, whether or not reflected on the books of StarPoint;

(tttt) "**StarPoint ExchangeCo**" means StarPoint ExchangeCo Ltd., a corporation incorporated under the ABCA;

(uuuu) "**StarPoint Exchangeable Shareholders**" means the holders from time to time of StarPoint Exchangeable Shares;

(vvvv) "**StarPoint Exchangeable Shares**" means series A exchangeable shares in the capital of SEL;

(wwww) "**StarPoint Meeting**" means the special meeting of StarPoint Securityholders to be held to consider the Arrangement Resolution and related matters, and any adjournment thereof;

(xxxx) "**StarPoint Odd Lot Holder**" means a StarPoint Unitholder who holds less than 827 StarPoint Units or an StarPoint Exchangeable Shareholder who would hold less than 827 StarPoint Units if the StarPoint Exchangeable Shares held by such holder were exchanged for StarPoint Units in accordance with their terms;

(yyyy) "**StarPoint Operating Entities**" means StarPoint, SEL, SCT, StarPoint ExchangeCo, 1149708 Alberta Ltd., Trend Energy Ltd., StarPoint Energy Partnership, APF Energy Inc., APF Acquisition Trust, APF Energy Limited Partnership, StarPoint Resources, StarPoint Prairie Partnership, StarPoint Prairie Corp., 1167639 Alberta Ltd., 990009 Alberta Inc., Tika Energy Inc. and Upton Resources Inc.;

(zzzz) "**StarPoint Resources**" means StarPoint Resources, a partnership organized under the laws of the Province of Alberta;

(aaaaa) "**StarPoint Securities**" means, collectively, the StarPoint Units and the StarPoint Exchangeable Shares;

(bbbbb) "**StarPoint Securityholders**" means, collectively, the StarPoint Unitholders and the StarPoint Exchangeable Shareholders;

(ccccc) "**StarPoint TriStar Assets**" means the assets of the StarPoint Operating Entities identified in the letter agreement dated September 19, 2005 between AEI and SEL and such additional or other assets of the StarPoint Operating Entities, if any, as Acclaim and StarPoint may mutually agree, to be transferred to TriStar pursuant to the Arrangement;

(ddddd) "**StarPoint TriStar Conveyance**" means the conveyance of the StarPoint TriStar Assets to TriStar pursuant to the StarPoint TriStar Conveyance Agreement;

(eeeee) "**StarPoint TriStar Conveyance Agreement**" means the agreement or agreements to be entered into between the applicable StarPoint Operating Entities and TriStar, in form satisfactory to each of Acclaim and StarPoint, acting reasonably, effecting the sale of the StarPoint TriStar Assets to TriStar for TriStar Common Shares and cash;

(fffff) "**StarPoint Trust Indenture**" means StarPoint's trust indenture dated as of December 6, 2004 between SEL and Olympia Trust Company;

(ggggg) "**StarPoint Unitholders**" means the holders from time to time of StarPoint Units;

(hhhhh) "**StarPoint Units**" means the trust units of StarPoint;

(iiiii) "**Subsidiary**" means, with respect to any Person, a subsidiary (as that term is defined in the ABCA (for such purposes, if such person is not a corporation, as if such person were a corporation)) of such Person and includes any limited partnership, joint venture, trust, limited liability company, unlimited liability company or other entity, whether or not having legal status, that would constitute a subsidiary (as described above) if such entity were a corporation;

(jjjjj) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985, c. 1 (5th Supp.), as amended, including the regulations promulgated thereunder, as amended from time to time;

(kkkkk) "**TriStar**" means TriStar Oil & Gas Ltd., a corporation incorporated under the ABCA;

(lllll) "**TriStar Arrangement Warrants**" means the share purchase warrants to be issued to former Acclaim Securityholders and former StarPoint Securityholders pursuant to the Arrangement, each of which will entitle the holder to acquire one (1) TriStar Common Share at an exercise price of $2.75 per whole TriStar Common Share until 4:30 p.m. (Calgary time) on the date that is 30 days following the Effective Date;

(mmmmm) "**TriStar Common Shares**" means the common shares in the capital of TriStar;

(nnnnn) "**TriStar FinCo**" means TriStar Finance Ltd., a corporation incorporated under the ABCA;

(ooooo) "**TriStar FinCo Common Shares**" means the common shares in the capital of TriStar FinCo issued pursuant to the TriStar Private Placement;

(ppppp) "**TriStar FinCo Performance Shares**" means the performance shares in the capital of TriStar FinCo issued pursuant to the TriStar Private Placement;

(qqqqq) "**TriStar Performance Shares**" means the performance shares in the capital of TriStar; and

(rrrrr) "**TriStar Private Placement**" means the proposed private placement to be completed by TriStar FinCo prior to the completion of the Arrangement of 2,727,273 TriStar FinCo Common Shares at an issue price of $2.75 per share and up to 2,309,657 TriStar FinCo Performance Shares at a price of $0.01 per share (which will be exchanged for TriStar Common Shares and TriStar Performance Shares pursuant to the Arrangement).

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the parties is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issue of the Certificate, if any, shall become effective on, and be binding on and after, the Effective Time on: (i) Acclaim Securityholders; (ii) StarPoint Securityholders; (iii) the Acclaim Arrangement Parties; (iv) the StarPoint Arrangement Parties; (v) MFCorp; (vi) Canetic Trust; (vii) 1198329 (viii) TriStar; and (ix) TriStar FinCo.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein. If no Certificate is required to be issued by the Registrar pursuant to subsection 193(11) of the ABCA, the Arrangement shall become effective on the date the Articles of Arrangement are filed with the Registrar pursuant to subsection 193(10) of the ABCA.

ARTICLE 3
ARRANGEMENT

3.1 Commencing at the Effective Time, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided herein:

Amendments to the Trust Indentures and Other Constating Documents

(a) the Acclaim Trust Indenture and other constating documents of the Acclaim Arrangement Parties shall be amended to the extent necessary to facilitate the Arrangement;

(b) the StarPoint Trust Indenture and other constating documents of the StarPoint Arrangement Parties shall be amended to the extent necessary to facilitate the Arrangement;

Dissenting Securityholders

(c) the Acclaim Units held by Dissenting Securityholders shall be deemed to have been transferred to Acclaim (free of any claims) and such Dissenting Securityholders shall cease to have any rights as Acclaim Unitholders other than the right to be paid the fair value of their Acclaim Units accordance with Article 4;

(d) the Acclaim Exchangeable Shares held by Dissenting Securityholders shall be deemed to have been transferred to AEI (free of any claims) and such Dissenting Securityholders shall cease to have any rights as Acclaim Exchangeable Shareholders other than the right to be paid the fair value of their Acclaim Exchangeable Shares accordance with Article 4;

(e) the StarPoint Units held by Dissenting Securityholders shall be deemed to have been transferred to StarPoint (free of any claims) and such Dissenting Securityholders shall cease to have any rights as StarPoint Unitholders other than the right to be paid the fair value of their StarPoint Units accordance with Article 4;

(f) the StarPoint Exchangeable Shares held by Dissenting Securityholders shall be deemed to have been transferred to SEL (free of any claims) and such Dissenting Securityholders shall cease to have any rights as StarPoint Exchangeable Shareholders other than the right to be paid the fair value of their StarPoint Exchangeable Shares accordance with Article 4;

Acclaim Commercial Trust Transactions

(g) Acclaim LP shall be liquidated in accordance with the terms of the Acclaim LP Agreement and pursuant to such liquidation all of the assets and liabilities of Acclaim LP, including the shares of Acclaim Processing, shall be transferred to ACT and 1107882;

(h) Acclaim shall subscribe for that number of ACT Special Preferred Units necessary for Acclaim to satisfy its obligations under Subsection 3.1(k) for aggregate subscription proceeds of $1 million;

(i) the ACT Resource Property Conveyance shall become effective and the ACT Resource Properties shall be transferred to the ACT Subsidiary and the ACT Subsidiary shall issue ACT Subsidiary Shares and the ACT NPI to ACT in satisfaction of the purchase price for the ACT Resource Properties;

(j) the ACT Other Assets Conveyance shall become effective and the ACT Other Assets shall be transferred to the ACT Subsidiary and the ACT Subsidiary shall issue ACT Subsidiary Shares and the ACT Note to ACT and assume the ACT Assumed Liabilities in satisfaction of the purchase price for the ACT Other Assets;

(k) Acclaim shall distribute all of the ACT Special Preferred Units to Acclaim Unitholders on the basis of one (1) ACT Special Preferred Unit for each one (1) Acclaim Unit held;

(l) ACT shall sell, transfer, convey, assign and deliver to Acclaim and Acclaim shall purchase and accept from ACT, all of the ACT Assets and Acclaim shall issue to ACT, Acclaim Units with a fair market value equal to the fair market value of the ACT Assets;

(m) Acclaim shall subscribe for one (1) ACT Common Unit for $10.00;

(n) ACT shall redeem all of the issued and outstanding ACT Special Preferred Units, ACT Preferred Units and ACT Common Units (other than the one (1) ACT Common Unit subscribed for by Acclaim pursuant to Subsection 3.1(m)) in exchange for Acclaim Units and ACT shall distribute the Acclaim Units to the ACT Unitholders on a pro rata basis based on the fair market value of the ACT Special Preferred Units, ACT Preferred Units and ACT Common Units surrendered;

(o) (i) all of the Acclaim Units received by AEI pursuant to subsection 3.1(n) shall be cancelled in consideration for the reduction of outstanding debt owing from AEI to Acclaim; and (ii) all of the Acclaim Units received by Acclaim pursuant to subsection 3.1(n) shall be cancelled;

(p) immediately after the pro rata distribution of Acclaim Units to all ACT Unitholders pursuant to Subsection 3.1(n), the number of outstanding Acclaim Units will be consolidated such that each Acclaim Unitholder will hold after the consolidation the same number of Acclaim Units as the Acclaim Unitholder held before the distribution of additional Acclaim Units. In such case, each Acclaim Unit certificate representing a number of Acclaim Units prior to the distribution of additional Acclaim Units is deemed to represent the same number of Acclaim Units after the distribution of additional Acclaim Units and the consolidation;

StarPoint Commercial Trust Transactions

(q) StarPoint shall subscribe for that number of SCT Preferred Units of SCT necessary for StarPoint to satisfy its obligations under Subsection 3.1(t) for aggregate subscription proceeds of $1 million;

(r) the SCT Resource Property Conveyance shall become effective and the SCT Resource Properties shall be transferred to the SCT Subsidiary and the SCT Subsidiary shall issue SCT Subsidiary Shares to SCT and the SCT NPI in satisfaction of the purchase price for the SCT Resource Properties;

(s) the SCT Other Assets Conveyance shall become effective and the SCT Other Assets shall be transferred to the SCT Subsidiary and the SCT Subsidiary shall issue SCT Subsidiary Shares and the SCT Note to SCT and assume the SCT Assumed Liabilities in satisfaction of the purchase price for the SCT Other Assets;

(t) StarPoint shall distribute all of the SCT Preferred Units to StarPoint Unitholders on the basis of one (1) SCT Preferred Unit for each one (1) StarPoint Unit held;

(u) SCT shall sell, transfer, convey, assign and deliver to StarPoint and StarPoint shall purchase and accept from SCT, all of the SCT Assets and StarPoint shall issue to SCT, StarPoint Units with a fair market value equal to the fair market value of the SCT Assets;

(v) StarPoint shall subscribe for one (1) SCT Trust Unit for $10.00;

(w) SCT shall redeem all of the issued and outstanding SCT Preferred Units and SCT Trust Units (other than the one (1) SCT Trust Unit subscribed for by StarPoint pursuant to Subsection 3.1(v)) in exchange for StarPoint Units and SCT shall distribute the StarPoint Units to the SCT Unitholders on a pro rata basis based on the fair market value of the SCT Preferred Units and the SCT Trust Units surrendered;

(x) all of the StarPoint Units received by StarPoint pursuant to subsection 3.1(w) shall be cancelled;

(y) immediately after the pro rata distribution of StarPoint Units to all SCT Unitholders pursuant to Subsection 3.1(w), the number of outstanding StarPoint Units will be consolidated such that each StarPoint Unitholder will hold after the consolidation the same number of StarPoint Units as the StarPoint Unitholder held before the distribution of additional StarPoint Units. In such case, each StarPoint Unit certificate representing a number of StarPoint Units prior to the distribution of additional StarPoint Units is deemed to represent the same number of StarPoint Units after the distribution of additional StarPoint Units and the consolidation;

StarPoint TriStar Common Share Transactions

(z) the StarPoint TriStar Conveyance shall become effective and TriStar shall deliver to SEL (through the applicable StarPoint Operating Entities) that number of TriStar Common Shares necessary for StarPoint and SEL to satisfy their obligations to deliver TriStar Common Shares to each holder of StarPoint Securities pursuant to Subsections 3.1(aa) and 3.1(bb) and SEL shall transfer that number of TriStar Common Shares to StarPoint necessary for StarPoint to satisfy its obligation to deliver TriStar Common Shares to each holder of StarPoint Units pursuant to Subsection 3.1(bb) in consideration for reduction of SEL's indebtedness to StarPoint in an amount equal to the fair market value of the TriStar Common Shares transferred by SEL to StarPoint;

(aa) SEL shall distribute TriStar Common Shares to each StarPoint Exchangeable Shareholder on the basis of 0.1000 of a TriStar Common Share for each StarPoint Unit that would be issuable if the StarPoint Exchangeable Shares held by such holder were exchanged into StarPoint Units in accordance with their terms immediately prior to the Effective Time, and in the case of StarPoint Exchangeable Shareholders who are StarPoint Odd Lot Holders and not Electing Odd Lot Securityholders, StarPoint shall deliver the TriStar Common Shares otherwise required to be delivered to such StarPoint Exchangeable Shareholders pursuant to this Subsection 3.1(aa) to the Designated Broker for resale and the Sale Proceeds of such TriStar Common Shares shall be provided to the Depositary for delivery to such StarPoint Exchangeable Shareholders;

(bb) StarPoint shall distribute TriStar Common Shares to StarPoint Unitholders on the basis of 0.1000 of a TriStar Common Share for each StarPoint Unit held, provided that:

(i) if the StarPoint Unitholders are Residents who are also StarPoint Odd Lot Holders and not Electing Odd Lot Securityholders, StarPoint shall deliver the TriStar Common Shares otherwise required to be delivered to such StarPoint Unitholders to the Designated Broker for resale and the Sale Proceeds of such TriStar Common Shares shall be provided to the Depositary for delivery to such StarPoint Unitholders;

(ii) if the StarPoint Unitholders are Non-Residents:

(A) if such Non-Residents are also not StarPoint Odd Lot Holders or are also Electing Odd Lot Securityholders, StarPoint shall deliver 17/20ths of the TriStar Common Shares required to be delivered to such Non-Residents pursuant to Subsection 3.1(bb) and the balance of the TriStar Common Shares shall be delivered to the Designated Broker for resale and the Sale Proceeds of such TriStar Common Shares shall be paid to StarPoint and remitted by StarPoint to the Canada Revenue Agency on behalf of each StarPoint Unitholder who is a Non-Resident under Part XIII or Part XIII.2 of the Tax Act; and

(B) if such Non-Residents are also StarPoint Odd Lot Holders and not Electing Odd Lot Securityholders, StarPoint shall deliver all of the TriStar Common Shares otherwise required to be delivered to such Non-Residents to the Designated Broker for resale and approximately 17/20ths of the Sale Proceeds of such TriStar Common Shares shall be paid to the Depositary for delivery to such Non-Residents (after costs and appropriate withholding taxes) and the balance shall be paid to StarPoint and remitted by StarPoint to the Canada Revenue Agency on behalf of each StarPoint Unitholder who is a Non-Resident under Part XIII or Part XIII.2 of the Tax Act;

Acclaim TriStar Common Share Transactions

(cc) the Acclaim TriStar Conveyance shall become effective and TriStar shall deliver to AEI (through the applicable Acclaim Operating Entities) that number of TriStar Common Shares necessary for Acclaim and AEI to satisfy their obligations to deliver TriStar Common Shares to each holder of Acclaim Securities pursuant to Subsections 3.1(dd) and 3.1(ee) and AEI shall transfer that number of TriStar Common Shares to Acclaim necessary for Acclaim to satisfy its obligation to deliver TriStar Common Shares to each holder of Acclaim Units pursuant to Subsection 3.1(ee) in consideration for reduction of AEI's indebtedness to Acclaim in an amount equal to the fair market value of the TriStar Common Shares transferred by AEI to Acclaim;

(dd) AEI shall distribute TriStar Common Shares to each Acclaim Exchangeable Shareholder on the basis of 0.0833 of an TriStar Common Share for each Acclaim Unit that would be issuable if the Acclaim Exchangeable Shares held by such holder were exchanged into Acclaim Units in accordance with their terms immediately prior to the Effective Time, and in the case of Acclaim Exchangeable Shareholders who are Acclaim Odd Lot Holders and not Electing Odd Lot Securityholders, Acclaim shall deliver the TriStar Common Shares otherwise required to be delivered to such Acclaim Exchangeable Shareholders pursuant to this Subsection 3.1(dd) to the Designated Broker for resale and the Sale Proceeds of such TriStar Common Shares shall be provided to the Depositary for delivery to such Acclaim Exchangeable Shareholders;

(ee) Acclaim shall distribute TriStar Common Shares to Acclaim Unitholders on the basis of 0.0833 of a TriStar Common Share for each Acclaim Unit held, provided that:

(i) if the Acclaim Unitholders are Residents who are also Acclaim Odd Lot Holders and not Electing Odd Lot Securityholders, Acclaim shall deliver the TriStar Common Shares otherwise required to be delivered to such Acclaim Unitholders to the Designated Broker for resale and the Sale Proceeds of such TriStar Common Shares shall be provided to the Depositary for delivery to such Acclaim Unitholders;

(ii) if the Acclaim Unitholders are Non-Residents:

(A) if such Non-Residents are also not Acclaim Odd Lot Holders or are also Electing Odd Lot Securityholders, Acclaim shall deliver 17/20ths of the TriStar Common Shares required to be delivered to such Non-Residents pursuant to Subsection 3.1(ee) and the balance of the TriStar Common Shares shall be delivered to the Designated Broker for resale and the Sale Proceeds of such TriStar Common Shares shall be paid to Acclaim and remitted by Acclaim to the Canada Revenue Agency on behalf of each Acclaim Unitholder who is a Non-Resident under Part XIII or Part XIII.2 of the Tax Act; and

(B) if such Non-Residents are also Acclaim Odd Lot Holders and not Electing Odd Lot Securityholders, Acclaim shall deliver all of the TriStar Common Shares otherwise required to be delivered to such Non-Residents to the Designated Broker for resale and approximately 17/20ths of the Sale Proceeds of such TriStar Common Shares shall be paid to the Depositary for delivery to such Non-Residents (after costs and appropriate withholding taxes) and the balance shall be paid to Acclaim and remitted by Acclaim to the Canada Revenue Agency on behalf of each Acclaim Unitholder who is a Non-Resident under Part XIII or Part XIII.2 of the Tax Act;

TriStar Distribution of TriStar Arrangement Warrants

(ff) TriStar shall issue TriStar Arrangement Warrants in respect of the TriStar Common Shares held on the basis of 0.210 TriStar Arrangement Warrant for each TriStar Common Share held, and in the case of former StarPoint Unitholders and Acclaim Unitholders who are StarPoint or Acclaim Odd Lot Holders, Tristar shall deliver the TriStar Arrangement Warrants otherwise required to be delivered to such former

StarPoint Unitholders or Acclaim Unitholders pursuant to this Subsection 3.1(ff) to the Designated Broker for resale and the Sale Proceeds shall be paid to the Depositary for delivery to such former StarPoint or Acclaim Unitholders;

MFCorp Acquisition of Acclaim Securities

(gg) each Acclaim Unitholder shall transfer ninety-nine (99%) percent of their Acclaim Units to MFCorp in exchange for MFCorp Special Shares on the basis of 0.8333 of a MFCorp Special Share for each Acclaim Unit transferred;

(hh) each Acclaim Exchangeable Shareholder shall transfer one hundred (100%) percent of their Acclaim Exchangeable Shares to MFCorp in exchange for MFCorp Special Shares on the basis of 0.8333 of a MFCorp Special Share for each Acclaim Unit that would be issuable if the Acclaim Exchangeable Shares transferred were exchanged into Acclaim Units in accordance with their terms immediately prior to the Effective Time;

MFCorp Acquisition of StarPoint Securities

(ii) each StarPoint Unitholder shall transfer ninety-nine (99%) percent of their StarPoint Units to MFCorp in exchange for MFCorp Special Shares on the basis of 1.000 MFCorp Special Share for each StarPoint Unit transferred;

(jj) each StarPoint Exchangeable Shareholder shall transfer one hundred (100%) percent of their StarPoint Exchangeable Shares to MFCorp in exchange for MFCorp Special Shares on the basis of 1.0000 MFCorp Special Share for each StarPoint Unit that would be issuable if the StarPoint Exchangeable Shares transferred were exchanged into StarPoint Units in accordance with their terms immediately prior to the Effective Time;

Canetic Trust Purchase of Acclaim Assets

(kk) Acclaim shall sell, transfer, convey, assign and deliver to Canetic Trust and Canetic Trust shall purchase and accept from Acclaim, all of the Acclaim Assets and Canetic Trust shall (i) assume and become liable to pay, satisfy, discharge and observe, perform and fulfill the Acclaim Assumed Liabilities in accordance with their terms, and (ii) issue to Acclaim an aggregate number of Canetic Special Units and Canetic Units equal in number to the number of Acclaim Units outstanding multiplied by 0.8333 with the allocation between Canetic Special Units and Canetic Units being such that Acclaim can meet its distribution obligations under Subsection 3.1(nn);

(ll) Canetic Trust shall subscribe for one (1) Acclaim Unit for $10.00;

(mm) Acclaim shall redeem all of the issued and outstanding Acclaim Units (other than the one (1) Acclaim Unit held by Canetic Trust) in exchange for all of the Canetic Special Units and Canetic Units held by Acclaim;

(nn) the Canetic Special Units shall be distributed by Acclaim to MFCorp on the basis of 0.8333 Canetic Special Unit for each Acclaim Unit held and the Canetic Units shall be distributed to the remaining Acclaim Unitholders on the basis of 0.8333 Canetic Unit for each Acclaim Unit held;

Canetic Trust Purchase of StarPoint Assets

(oo) StarPoint shall sell, transfer, convey, assign and deliver to Canetic Trust and Canetic Trust shall purchase and accept from StarPoint, all of the StarPoint Assets and Canetic Trust shall (i) assume and become liable to pay, satisfy, discharge and observe, perform and fulfill the StarPoint Assumed Liabilities in accordance with their terms, and (ii) issue to StarPoint an aggregate number of Canetic Special Units and Canetic Units equal in number to the number of StarPoint Units outstanding with the allocation between Canetic Special

Units and Canetic Units being such that StarPoint can meet its distribution obligation under Subsection 3.1(rr);

(pp) Canetic Trust shall subscribe for one (1) StarPoint Unit for $10.00;

(qq) StarPoint shall redeem all of the issued and outstanding StarPoint Units (other than the one (1) StarPoint Unit held by Canetic Trust) in exchange for all of the Canetic Special Units and Canetic Units held by StarPoint;

(rr) the Canetic Special Units shall be distributed by StarPoint to MFCorp on the basis of 1.0000 Canetic Special Unit for each StarPoint Unit held and the Canetic Units shall be distributed to the remaining StarPoint Unitholders on the basis of 1.0000 Canetic Unit for each StarPoint Unit held;

Canetic Trust Purchase of MFCorp Assets

(ss) MFCorp shall sell, transfer, convey, assign and deliver to Canetic Trust and Canetic Trust shall purchase and accept from MFCorp, all of the MFCorp Assets and Canetic Trust shall (i) assume and become liable to pay, satisfy, discharge and observe, perform and fulfill the MFCorp Assumed Liabilities in accordance with their terms, and (ii) issue to MFCorp an aggregate number of Canetic Units equal in number to the number of MFCorp Special Shares and MFCorp Shares outstanding;

(tt) Canetic Trust shall subscribe for one (1) MFCorp Share for $10.00;

(uu) MFCorp shall redeem all of the issued and outstanding the MFCorp Special Shares and MFCorp Shares (other than the one (1) MFCorp Share held by Canetic Trust) in exchange for Canetic Units, which shall be distributed to the holders of MFCorp Special Shares and the holder of MFCorp Shares (other than Canetic Trust) on the basis of 1.0000 Canetic Unit for each MFCorp Special Share and 1.0000 Canetic Unit for each MFCorp Share held;

Canetic Trust Reorganization Matters

(vv) AEI, SEL, 1198329, Acclaim Processing, ACT Subsidiary, 1107911, 1107882, SCT Subsidiary, APF Energy Inc., 1149708 and StarPoint ExchangeCo shall be amalgamated and continued as one corporation, AmalgamationCo, in accordance with the following:

   (i) the stated capital of the common shares of 1198329 shall be reduced to $1.00 in aggregate immediately prior to the amalgamation;

   (ii) the articles of AmalgamationCo shall be the same as the articles of 1198329 and the name of AmalgamationCo shall be "Canetic Energy Inc.";

   (iii) the shares of AEI, SEL, 1198329, Acclaim Processing, ACT Subsidiary, 1107911, 1107882, SCT Subsidiary, APF Energy Inc., 1149708 and StarPoint ExchangeCo shall be cancelled and One Hundred (100) common shares of AmalgamationCo shall be issued to Canetic Trust;

   (iv) the property of each of the amalgamating corporations shall continue to be the property of AmalgamationCo;

   (v) AmalgamationCo shall continue to be liable for the obligations of each of the amalgamating corporations;

   (vi) any existing cause of action, claim or liability to prosecution of each of the amalgamating corporations shall be unaffected;

(vii) any civil, criminal or administrative action or proceeding pending by or against each of the amalgamating corporations may be continued to be prosecuted by or against AmalgamationCo;

(viii) a conviction against, or ruling, order or judgment in favour of or against, each of the amalgamating corporations may be enforced by or against AmalgamationCo;

(ix) the Articles of Amalgamation of AmalgamationCo shall be deemed to be the Articles of Incorporation of AmalgamationCo and the Certificate of Amalgamation of AmalgamationCo shall be deemed to be the Certificate of Incorporation of AmalgamationCo;

(x) the by-laws of AmalgamationCo shall be the by-laws of AEI;

(xi) the first directors of AmalgamationCo shall be the directors of AEI and Paul Colborne;

(xii) the first officers of AmalgamationCo shall be the officers of AEI; and

(xiii) the registered office of AmalgamationCo shall be the registered office of AEI;

Acquisition of TriStar FinCo and Other TriStar Matters

(ww) each TriStar FinCo Common Share and each TriStar FinCo Performance Share shall be transferred to TriStar in exchange for TriStar Common Shares and TriStar Performance Shares on the basis of 1.0000 TriStar Common Share for each TriStar FinCo Common Share and 1.0000 TriStar Performance Share for each TriStar FinCo Performance Share; and

(xx) the stated capital account of the TriStar Common Shares shall be reduced, without payment, by the amount of the deficit, if any, as shown on the balance sheet of TriStar as at the Effective Date.

3.2 With respect to each holder of Acclaim Securities, each holder of StarPoint Securities, each holder of shares of Acclaim Processing, ACT Common Units, each holder of ACT Preferred Units, each holder of ACT Special Preferred Units, each holder of Canetic Special Units, each holder of Canetic Units, each holder of TriStar Common Shares, each holder of TriStar Performance Shares, each holder of TriStar Arrangement Warrants, each holder of TriStar FinCo Common Shares, each holder of TriStar FinCo Performance Shares, each holder of MFCorp Shares, each holder of MFCorp Special Shares, each holder of SCT Preferred Units and each holder of SCT Trust Units at the Effective Time (other than Dissenting Securityholders):

(a) upon the liquidation of Acclaim LP pursuant to Subsection 3.1(g):

(i) Acclaim LP shall cease to be a holder of the shares of Acclaim Processing and the name of such holder shall be removed from the register of holders of shares of Acclaim Processing; and

(ii) ACT and 1107882 shall become the holders of the common shares of Acclaim Processing and shall be added to the register of holders of the shares of Acclaim Processing;

(b) upon the subscription for ACT Special Preferred Units of ACT by Acclaim pursuant to Subsection 3.1(h), Acclaim shall become the registered holder of the ACT Special Preferred Units subscribed for and Acclaim shall be added to the register of holders of ACT Special Preferred Units of ACT;

(c) upon the issuance of the ACT Subsidiary Shares pursuant to Subsections 3.1(i) and 3.1(j), ACT shall become the registered holder of the ACT Subsidiary Shares so issued and ACT shall be added to the register of holder of common shares of ACT Subsidiary;

(d) upon the distribution of the ACT Special Preferred Units by Acclaim to Acclaim Unitholders pursuant to Subsection 3.1(k):

(i) Acclaim shall cease to be a holder of the ACT Special Preferred Units so distributed and shall be removed from the register of holders of ACT Special Preferred Units as it relates to the ACT Special Preferred Units so distributed; and

(ii) each registered holder of Acclaim Units shall become a registered holder of the ACT Special Preferred Units so distributed and shall be added to the register of holders of ACT Special Preferred Units;

(e) upon the issuance of the Acclaim Units to ACT pursuant to Subsection 3.1(l), ACT shall become the registered holder of the Acclaim Units so issued and ACT shall be added to the register of holders of Acclaim Units;

(f) upon the issuance of the one (1) ACT Common Unit to Acclaim pursuant to Subsection 3.1(m), Acclaim shall become the registered holder of the one (1) ACT Common Unit issued and Acclaim shall be added to the register of holders of ACT Common Units;

(g) upon the redemption of the ACT Special Preferred Units, ACT Preferred Units and ACT Common Units (other than the one (1) ACT Common Unit subscribed for by Acclaim pursuant to Subsection 3.1(m)) in exchange for Acclaim Units pursuant to Subsection 3.1(n) and the distribution by ACT of the Acclaim Units to the ACT Unitholders on a pro rata basis:

(i) Acclaim, AEI and registered holders of Acclaim Units shall cease to be a holder of the ACT Special Preferred Units, ACT Preferred Units and ACT Common Units so redeemed and shall be removed from the register of holders of ACT Special Preferred Units, ACT Preferred Units and ACT Common Units as it relates to the ACT Special Preferred Units, ACT Preferred Units and ACT Common Units so redeemed; and

(ii) Acclaim, AEI and registered holders of Acclaim Units shall become registered holders of the Acclaim Units distributed and shall be added to the register of holders of Acclaim Units;

(h) upon the cancellation pursuant to subsection 3.1(o) of all of the Acclaim Units received by AEI pursuant to subsection 3.1(n), and all of the Acclaim Units received by Acclaim pursuant to subsection 3.1(n), Acclaim and AEI shall cease to be a holder of the Acclaim Units so cancelled and shall be removed from the register of holders of Acclaim Units as it relates to the Acclaim Units so cancelled;

(i) upon the subscription for SCT Preferred Units of SCT by StarPoint pursuant to Subsection 3.1(q), StarPoint shall become the registered holder of the SCT Preferred Units subscribed for and StarPoint shall be added to the register of holders of SCT Preferred Units of SCT;

(j) upon the issuance of the SCT Subsidiary Shares pursuant to Subsection 3.1(r) and 3.1(s), SCT shall become the registered holder of the SCT Subsidiary Shares so issued and SCT shall be added to the register of holder of common shares of SCT Subsidiary;

(k) upon the distribution of the SCT Preferred Units by StarPoint to StarPoint Unitholders pursuant to Subsection 3.1(t):

(i) StarPoint shall cease to be a holder of the SCT Preferred Units so distributed and shall be removed from the register of holders of SCT Preferred Units as it relates to the SCT Preferred Units so distributed; and

(ii) each registered holder of StarPoint Units shall become a registered holder of the SCT Preferred Units so distributed and shall be added to the register of holders of SCT Preferred Units;

(l) upon the issuance of the StarPoint Units to SCT pursuant to Subsection 3.1(u), SCT shall become the registered holder of the StarPoint Units so issued and SCT shall be added to the register of holders of StarPoint Units;

(m) upon the issuance of the one (1) SCT Trust Unit to StarPoint pursuant to Subsection 3.1(v), StarPoint shall become the registered holder of the one (1) SCT Trust Unit issued and StarPoint shall be added to the register of holders of SCT Trust Units;

(n) upon the redemption of the SCT Preferred Units and SCT Trust Units (other than the one (1) SCT Trust Unit subscribed for by StarPoint pursuant to Subsection 3.1(v)) in exchange for StarPoint Units pursuant to Subsection 3.1(w) and the distribution by SCT of the StarPoint Units to the SCT Unitholders on a pro rata basis:

(i) StarPoint and the registered holders of StarPoint Units shall cease to be a holder of the SCT Preferred Units and SCT Trust Units so redeemed and shall be removed from the register of holders of SCT Preferred Units and SCT Trust Units as it relates to the SCT Preferred Units and SCT Trust Units so redeemed; and

(ii) StarPoint and registered holders of StarPoint Units shall become registered holders of the StarPoint Units distributed and shall be added to the register of holders of StarPoint Units;

(o) upon the cancellation pursuant to subsection 3.1(x) of all of the StarPoint Units received by StarPoint pursuant to subsection 3.1(w), StarPoint shall cease to be a holder of the StarPoint Units so cancelled and shall be removed from the register of holders of StarPoint Units as it relates to the StarPoint Units so cancelled;

(p) upon the issuance of the TriStar Common Shares to SEL pursuant to Subsection 3.1(z) and the subsequent transfer of some of the TriStar Common Shares by SEL to StarPoint pursuant to Subsection 3.1(z):

(i) SEL shall become the registered holder of the TriStar Common Shares so issued and not subsequently transferred and SEL shall be added to the register of holders of TriStar Common Shares;

(ii) StarPoint shall become the registered holder of the TriStar Common Shares so issued and subsequently transferred to StarPoint and StarPoint shall be added to the register of holders of TriStar Common Shares;

(q) upon the distribution of TriStar Common Shares by SEL to StarPoint Exchangeable Shareholders pursuant to Subsection 3.1(aa):

(i) SEL shall cease to be a holder of the TriStar Common Shares so distributed and shall be removed from the register of holders of TriStar Common Shares as it relates to the TriStar Common Shares so distributed; and

(ii) each registered holder of StarPoint Exchangeable Shares or the Designated Broker on behalf of such holder, as the case may be, shall become a registered holder of the TriStar Common Shares so distributed and shall be added to the register of holders of TriStar Common Shares;

(r) upon the distribution of TriStar Common Shares by StarPoint to StarPoint Unitholders pursuant to Subsection 3.1(bb):

(i) StarPoint shall cease to be a holder of the TriStar Common Shares so distributed and shall be removed from the register of holders of TriStar Common Shares as it relates to the TriStar Common Shares so distributed; and

(ii) each registered holder of StarPoint Units or the Designated Broker on behalf of such holder, as the case may be, shall become a registered holder of the TriStar Common Shares so distributed and shall be added to the register of holders of TriStar Common Shares;

(s) upon the issuance of the TriStar Common Shares to AEI pursuant to Subsection 3.1(cc) and the subsequent transfer of some of the TriStar Common Shares by AEI to Acclaim pursuant to Subsection 3.1(cc):

(i) AEI shall become the registered holder of the TriStar Common Shares so issued and not subsequently transferred and AEI shall be added to the register of holders of TriStar Common Shares;

(ii) Acclaim shall become the registered holder of the TriStar Common Shares so issued and subsequently transferred to Acclaim and Acclaim shall be added to the register of holders of TriStar Common Shares;

(t) upon the distribution of TriStar Common Shares by AEI to Acclaim Exchangeable Shareholders pursuant to Subsection 3.1(dd):

(i) AEI shall cease to be a holder of the TriStar Common Shares so distributed and shall be removed from the register of holders of TriStar Common Shares as it relates to the TriStar Common Shares so distributed; and

(ii) each registered holder of Acclaim Exchangeable Shares or the Designated Broker on behalf of such holder, as the case may be, shall become a registered holder of the TriStar Common Shares so distributed and shall be added to the register of holders of TriStar Common Shares;

(u) upon the distribution of TriStar Common Shares by Acclaim to Acclaim Unitholders pursuant to Subsection 3.1(ee):

(i) Acclaim shall cease to be a holder of the TriStar Common Shares so distributed and shall be removed from the register of holders of TriStar Common Shares as it relates to the TriStar Common Shares so distributed; and

(ii) each registered holder of Acclaim Units or the Designated Broker on behalf of such holder, as the case may be, shall become a registered holder of the TriStar Common Shares so distributed and shall be added to the register of holders of TriStar Common Shares;

(v) upon the issuance of TriStar Arrangement Warrants by TriStar to holders of TriStar Common Shares pursuant to Subsection 3.1(ff), each registered holder of TriStar Common Shares or the Designated Broker on behalf of such holder, as the case may be, shall become a registered holder of the TriStar Arrangement Warrants so issued and shall be added to the register of holders of TriStar Arrangement Warrants;

(w) upon the transfer by each Acclaim Unitholder of ninety-nine (99%) percent of their Acclaim Units to MFCorp in exchange for MFCorp Special Shares pursuant to Subsection 3.1(gg):

(i) the Acclaim Unitholders shall cease to be the holders of the Acclaim Units so transferred and shall be removed from the register of holders of Acclaim Units as it relates to the Acclaim Units so transferred; and

(ii) MFCorp shall become the registered holder of the Acclaim Units so transferred and MFCorp shall be added to the register of holders of Acclaim Units;

(x) upon the transfer by each Acclaim Exchangeable Shareholder of all of their Acclaim Exchangeable Shares to MFCorp in exchange for MFCorp Special Shares pursuant to Subsection 3.1(hh):

(i) the Acclaim Exchangeable Shareholders shall cease to be the holders of the Acclaim Exchangeable Shares so transferred and shall be removed from the register of holders of Acclaim Exchangeable Shares as it relates to the Acclaim Exchangeable Shares so transferred; and

(ii) MFCorp shall become the registered holder of the Acclaim Exchangeable Shares so transferred and MFCorp shall be added to the register of holders of Acclaim Exchangeable Shares;

(y) upon the transfer by each StarPoint Unitholder of ninety-nine (99%) percent of their StarPoint Units to MFCorp in exchange for MFCorp Special Shares pursuant to Subsection 3.1(ii):

(i) the StarPoint Unitholders shall cease to be the holders of the StarPoint Units so transferred and shall be removed from the register of holders of StarPoint Units as it relates to the StarPoint Units so transferred; and

(ii) MFCorp shall become the registered holder of the Acclaim Units so transferred and MFCorp shall be added to the register of holders of Acclaim Units;

(z) upon the transfer by each StarPoint Exchangeable Shareholder of all of their StarPoint Exchangeable Shares to MFCorp in exchange for MFCorp Special Shares pursuant to Subsection 3.1(jj):

(i) the StarPoint Exchangeable Shareholders shall cease to be the holders of the StarPoint Exchangeable Shares so transferred and shall be removed from the register of holders of StarPoint Exchangeable Shares as it relates to the StarPoint Exchangeable Shares so transferred; and

(ii) MFCorp shall become the registered holder of the StarPoint Exchangeable Shares so transferred and MFCorp shall be added to the register of holders of StarPoint Exchangeable Shares;

(aa) upon the issuance by Canetic Trust of Canetic Special Units and Canetic Units to Acclaim pursuant to Subsection 3.1(kk), Acclaim shall become the registered holder of the Canetic Special Units and Canetic Units so issued and Acclaim shall be added to the register of holders of Canetic Special Units and Canetic Units;

(bb) upon the subscription for one (1) Acclaim Unit by Canetic Trust pursuant to Subsection 3.1(pp), Canetic Trust shall become the registered holder of the one (1) Acclaim Unit so issued and Canetic Trust shall be added to the register of holders of Acclaim Units;

(cc) upon the redemption by Acclaim of all of the outstanding Acclaim Units (other than the one (1) Acclaim Unit held by Canetic Trust) in exchange for all of the Canetic Special Units and Canetic Units held by Acclaim pursuant to Subsection 3.1(mm), MFCorp and the other registered holders of Acclaim Units (other than Canetic Trust) shall cease to be a holder of the Acclaim Units so redeemed and shall be removed from the register of holders of Acclaim Units as it relates to the Acclaim Units so redeemed;

(dd) upon the distribution of the Canetic Special Units to MFCorp and the distribution of Canetic Units to the remaining Acclaim Unitholders pursuant to Subsection 3.1(nn):

(i) Acclaim shall cease to be the holder of the Canetic Special Units and Canetic Units so distributed and shall be removed from the register of holders of Canetic Special Units and Canetic Units as it relates to the Canetic Special Units and Canetic Units so distributed;

(ii) MFCorp shall become the registered holder of the Canetic Special Units so distributed and MFCorp shall be added to the register of holders of Canetic Special Units;

(iii) the remaining Acclaim Unitholders shall become the registered holders of the Canetic Units so distributed and the remaining Acclaim Unitholders shall be added to the register of holders of Canetic Units;

(ee) upon the issuance by Canetic Trust of Canetic Special Units and Canetic Units to StarPoint pursuant to Subsection 3.1(oo), StarPoint shall become the registered holder of the Canetic Special Units and Canetic Units so issued and StarPoint shall be added to the register of holders of Canetic Special Units and Canetic Units;

(ff) upon the subscription of one (1) StarPoint Unit by Canetic Trust pursuant to Subsection 3.1(pp), Canetic Trust shall become the registered holder of the one (1) StarPoint Unit so issued and Canetic Trust shall be added to the register of holders of StarPoint Units;

(gg) upon the redemption by StarPoint of all of the outstanding StarPoint Units (other than the one (1) StarPoint Unit held by Canetic Trust) in exchange for all of the Canetic Special Units and Canetic Units held by StarPoint pursuant to Subsection 3.1(qq), MFCorp and the other registered holders of StarPoint Units (other than Canetic Trust) shall cease to be a holder of the StarPoint Units so redeemed and shall be removed from the register of holders of StarPoint Units as it relates to the StarPoint Units so redeemed;

(hh) upon the distribution of the Canetic Special Units to MFCorp and the distribution of Canetic Units to the remaining StarPoint Unitholders pursuant to Subsection 3.1(rr):

(i) StarPoint shall cease to be the holder of the Canetic Special Units and Canetic Units so distributed and shall be removed from the register of holders of Canetic Special Units and Canetic Units as it relates to the Canetic Special Units and Canetic Units so distributed;

(ii) MFCorp shall become the registered holder of the Canetic Special Units so distributed and MFCorp shall be added to the register of holders of Canetic Special Units;

(iii) the remaining StarPoint Unitholders shall become the registered holders of the Canetic Units so distributed and the remaining StarPoint Unitholders shall be added to the register of holders of Canetic Units;

(ii) upon the issuance by Canetic Trust of Canetic Units to MFCorp pursuant to Subsection 3.1(ss), MFCorp shall become the registered holder of the Canetic Units so issued and MFCorp shall be added to the register of holders of Canetic Units;

(jj) upon the transfer by MFCorp to Canetic Trust of Canetic Special Units pursuant to 3.1(ss), MFCorp shall cease to be a holder of the Canetic Special Units so transferred and shall be removed from the register of holders of Canetic Special Units;

(kk) upon the subscription of one (1) MFCorp Share by Canetic Trust pursuant to Subsection 3.1(tt), Canetic Trust shall become the registered holder of the one (1) MFCorp Shares so issued and Canetic Trust shall be added to the register of holders of MFCorp Shares;

(ll) upon the redemption by MFCorp of all of the outstanding MFCorp Special Shares and MFCorp Shares (other than the one (1) MFCorp Share held by Canetic Trust) in exchange for Canetic Units pursuant to Subsection 3.1(uu), MFCorp and the other registered holders of StarPoint Units (other than Canetic Trust) shall cease to be a holder of the MFCorp Special Shares and MFCorp Shares so redeemed and shall be removed from the register of holders of MFCorp Special Shares and MFCorp Shares as it relates to the MFCorp Special Shares and MFCorp Shares so redeemed;

(mm) upon the distribution of the Canetic Units to the holders of MFCorp Special Shares and MFCorp Shares pursuant to Subsection 3.1(uu), the former holders of MFCorp Special Shares and MFCorp Shares shall become the registered holder of the Canetic Units so distributed and shall be added to the register of holders of Canetic Units; and

(nn) upon the transfer of TriStar FinCo Common Shares and TriStar FinCo Performance Shares transferred to TriStar in exchange for TriStar Common Shares and TriStar Performance Shares pursuant to Section 3.1(ww):

(i) each holder of such TriStar FinCo Common Shares and TriStar FinCo Performance Shares so transferred shall cease to be the holder of such TriStar FinCo Common Shares and TriStar FinCo Performance Shares and each of their names shall be removed from the register of holders of TriStar FinCo Common Shares and TriStar FinCo Performance Shares as it relates to such TriStar FinCo Common Shares and TriStar FinCo Performance Shares;

(ii) the TriStar FinCo Common Shares and TriStar FinCo Performance Shares so exchanged shall be cancelled; and

(iii) TriStar shall allot and issue to each such holder the number of TriStar Common Shares and TriStar Performance Shares issuable to such holders on the basis set forth in Section 3.1(ww) and the name of each such holder shall be added to the register of holders of TriStar Common Shares and TriStar Performance Shares.

3.3 A holder who (i) has exchanged Securities for MFCorp Special Shares under the Arrangement; and (ii) is not a Non-Resident; shall be entitled to make an income tax election, pursuant to subsection 85(1) and 85(2) of the Tax Act as applicable (and the analogous provisions of provincial income tax law) with respect to the exchange by the holder of Securities for MFCorp Special Shares by providing two signed copies of the necessary election forms to AmalgamationCo within 90 days following the Effective Date, duly completed with the details of the number and type of Securities transferred and the applicable agreed amounts for the purposes of such elections. Thereafter, the election forms will be signed and returned to such former holders of Securities within 30 days after the receipt thereof by AmalgamationCo for filing with the Canada Revenue Agency (or the applicable provincial taxing authority). AmalgamationCo will not be responsible for the proper completion and filing of any election form and, except for the obligation of AmalgamationCo to so sign and return election forms which are received by AmalgamationCo within 90 days of the Effective Date, AmalgamationCo will not be responsible for any taxes, interest or penalties resulting from the failure by a former holder of AmalgamationCo to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, AmalgamationCo may choose to sign and return an election form received by it more than 90 days following the Effective Date, but AmalgamationCo will have no obligation to do so.

ARTICLE 4
DISSENTING SECURITYHOLDERS

4.1 Each registered holder of Acclaim Securities and StarPoint Securities shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Securityholder shall, at the Effective Time, cease to have any rights as a holder of Acclaim Securities and StarPoint Securities and shall only be entitled to be paid the fair value of the holder's Acclaim Securities and StarPoint Securities by Acclaim, AEI, StarPoint or SEL, as the case may be. A Dissenting Securityholder who is paid the fair value of the holder's Acclaim Securities and StarPoint Securities, shall be deemed to have transferred the holder's Acclaim Securities and StarPoint Securities to Acclaim, AEI, StarPoint or SEL, as the case may be, for cancellation at the Effective Time, notwithstanding the provisions of Section 191 of the ABCA. A Dissenting Securityholder who for any reason is not entitled to be paid the fair value of the holder's Acclaim Securities and StarPoint Securities shall be treated as if the holder had participated in the Arrangement on the same basis as a non dissenting holder of Acclaim Securities and StarPoint Securities notwithstanding the provisions of Section 191 of the ABCA. The fair value of the Acclaim Securities and StarPoint Securities shall be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the holders of Acclaim Securities and StarPoint Securities at the applicable Meeting; but in no event shall Acclaim, AEI, StarPoint or SEL be required to recognize such Dissenting

Securityholder as a Securityholder of Acclaim, AEI, StarPoint or SEL after the Effective Time and the name of such holder shall be removed from the applicable register of Securityholders as at the Effective Time. For greater certainty, in addition to any other restrictions in section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 5
OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

5.1 From and after the Effective Time, certificates formerly representing Acclaim Securities and StarPoint Securities under the Arrangement shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Securityholders, other than those Dissenting Securityholders, deemed to have participated in the Arrangement pursuant to Section 4.1, to receive the fair value of the Acclaim Securities and StarPoint Securities represented by such certificates.

5.2 Canetic Trust and TriStar shall, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Acclaim Securities and StarPoint Securities of a duly completed Letter of Transmittal and the certificates representing such Acclaim Securities and StarPoint Securities, either:

(a) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or

(b) if requested by such holder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such holder,

certificates representing the number of Canetic Units, TriStar Common Shares and TriStar Arrangement Warrants to be delivered to such holder under the Arrangement.

5.3 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Acclaim Securities or StarPoint Securities that were exchanged pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary shall issue and deliver in exchange for such lost stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to each of Acclaim, StarPoint and TriStar and their respective transfer agents, which bond is in form and substance satisfactory to each of the Acclaim, StarPoint and TriStar and their respective transfer agents, or shall otherwise indemnify Acclaim, StarPoint and TriStar and their respective transfer agents against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

5.4 All distributions made with respect to any Canetic Units allotted and issued to former holders of Acclaim Securities and StarPoint Securities pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the registered holder thereof. The Depositary shall pay and deliver to any such registered holder, as soon as reasonably practicable after application therefor is made by the registered holder to the Depositary in such form as the Depositary may reasonably require, such distributions to which such holder, is entitled, net of applicable withholding and other taxes.

5.5 Any certificate formerly representing Acclaim Securities or StarPoint Securities that is not deposited with all other documents as required by this Plan of Arrangement on or before the sixth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature including the right of the holder of such shares to receive: (i) Canetic Units (and any distributions thereon); (ii) TriStar Common Shares; or (iii) TriStar Arrangement Warrants, as the case may be. In such case, such securities shall be returned to the issuer thereof for cancellation and any distributions in respect of Canetic Units shall be returned to Canetic Trust.

5.6 No certificates representing fractional Canetic Units, TriStar Common Shares or TriStar Performance Shares shall be issued under the Arrangement. In lieu of any fractional trust unit or share, each registered Acclaim Securityholder, StarPoint Securityholder and TriStar FinCo Shareholder otherwise entitled to a fractional interest in a Canetic Unit, TriStar Common Share or TriStar Performance Share certificate, shall receive the nearest whole number of Canetic Units, TriStar Common Shares or TriStar Performance Shares as the case may be (with fractions equal to exactly 0.5 being rounded up). Fractional TriStar Arrangement Warrants may be issued pursuant to the Arrangement (rounded to the nearest four decimal points) but TriStar Common Shares will not be issued on exercise of the TriStar Arrangement Warrants and TriStar Arrangement Warrants may only be exercised in a sufficient number to acquire whole numbers of TriStar Common Shares.

ARTICLE 6
AMENDMENTS

6.1 Acclaim, AEI, StarPoint and SEL may amend this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment must be: (i) set out in writing; (ii) approved by the other parties; (iii) filed with the Court and, if made following the Meetings, approved by the Court; and (iv) communicated to holders of Acclaim Securities and StarPoint Securities if and as required by the Court.

6.2 Any amendment to this Plan of Arrangement may be proposed by Acclaim, AEI, StarPoint or SEL at any time prior to or at the Meetings (provided that the other parties shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meetings (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Any amendment to this Plan of Arrangement that is approved by the Court following the Meetings shall be effective only if it is consented to by each of Acclaim, AEI, StarPoint and SEL.

6.4 Any amendment to this Plan of Arrangement may be made prior to or following the Effective Time by Acclaim, AEI, StarPoint and SEL, provided that it concerns a matter which, in the reasonable opinion of Acclaim, AEI, StarPoint and SEL, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Acclaim, AEI, StarPoint and SEL, or any former holder of Acclaim Securities or StarPoint Securities.