A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws. Accordingly, the securities may not be offered or sold in the United States or to U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States of America. See "Plan of Distribution".*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue **August 8, 2005**

REAL RESOURCES INC.

$60,030,000

2,668,000 COMMON SHARES

PRICE: $22.50 PER COMMON SHARE

This short form prospectus qualifies the distribution of 2,668,000 common shares (the "**Offered Shares**") of Real Resources Inc. (the "**Corporation**") at a price of $22.50 per Offered Share (the "**Offering**"). The price for the Offered Shares offered under this short form prospectus was determined by negotiation between the Corporation and the Underwriters (as defined below).

The outstanding common shares (the "**Common Shares**") of the Corporation are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "RER". On August 5, 2005, the closing price of the Common Shares on the TSX was $23.30. The Corporation has applied to list the Offered Shares distributed under this short form prospectus on the TSX. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX.

	Price to Public	Underwriters' Fee	Net Proceeds to the Corporation(1)
Per Offered Share	$22.50	$1.125	$21.375
Total	$60,030,000	$3,001,500	$57,028,500

Note:
(1) Before deducting expenses of the Offering estimated to be $245,000.

GMP Securities Ltd., Raymond James Ltd., CIBC World Markets Inc., Maison Placements Canada Inc., Orion Securities Inc. and Scotia Capital Inc. (collectively, the "**Underwriters**"), as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by the Corporation and delivered to and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters on behalf of the Corporation by Blake, Cassels & Graydon LLP and on behalf of the Underwriters by Burnet, Duckworth & Palmer LLP.

Each of CIBC World Markets Inc. and Scotia Capital Inc. is, directly or indirectly, a wholly-owned subsidiary of a Canadian chartered bank which is a lender to the Corporation and to which the Corporation is presently indebted. Consequently, the Corporation may be considered to be a connected issuer of CIBC World Markets Inc. and Scotia Capital Inc. under applicable securities laws. See "Relationship Between the Corporation's Lenders and the Underwriters".

Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. It is expected that definitive certificates for the Offered Shares will be available for delivery on the closing of the Offering, which is expected to occur on or about August 24, 2005 (the "**Closing Date**") or such later date as the Corporation and the Underwriters may agree, but in no event later than September 15, 2005. Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions which stabilize or maintain the market price for the Common Shares at levels other than those which otherwise might prevail in the open market. See "Plan of Distribution".

TABLE OF CONTENTS

All dollar amounts in this short form prospectus are in Canadian dollars unless otherwise stated.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation, at its offices located at 700, 555 – 4th Avenue S.W., Calgary, Alberta, T2P 3E7 (Telephone: (403) 262-9077 or by faxing a written request to (403) 262-6403) or by accessing the disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) website at www.sedar.com. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained from the Corporation at the above-mentioned address, telephone and fax numbers.

The following documents of the Corporation filed with the securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) the Renewal Annual Information Form of the Corporation dated March 21, 2005 for the year ended December 31, 2004 (the "**AIF**");

(b) Management's Discussion and Analysis of the financial condition and results of operations of the Corporation for the years ended December 31, 2004 and December 31, 2003;

(c) the audited comparative financial statements of the Corporation and the notes thereto for the years ended December 31, 2004 and December 31, 2003, together with the report of the auditors thereon;

(d) Management's Discussion and Analysis of financial condition and results of operations for the six months ended June 30, 2005;

(e) the unaudited comparative financial statements of the Corporation for the six months ended June 30, 2005 and 2004;

(f) the Information Circular of the Corporation dated March 16, 2005, relating to the Annual General and Special Meeting of Shareholders held on May 5, 2005 (excluding those portions that are not required pursuant to National Instrument 44-101 of the Canadian Securities Administrators to be incorporated by reference herein, being the disclosure under the headings "Report on Executive Compensation", "Performance Graph" and "Statement of Corporate Governance Practices"); and

(g) the Material Change Report of the Corporation dated March 3, 2005 in respect of an offering of 2,527,076 Common Shares at a price of $13.85 per Common Share.

Any of the following documents, if filed by the Corporation with the securities commissions or similar authorities in the provinces of Canada after the date of this short form prospectus and before the termination of this Offering, shall be deemed to be incorporated by reference in this short form prospectus:

(a) material change reports (except confidential material change reports);

(b) comparative interim financial statements;

(c) comparative financial statements for the Corporation's most recently completed financial year, together with the accompanying report of the auditor; and

(d) information circulars (other than any disclosure comparable to the portions of the Information Circular of the Corporation dated March 16, 2005 which are not incorporated by reference in this short form prospectus).

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superceded for the purposes of this short form prospectus to the

extent that a statement contained herein or in any other subsequently filed document which is also, or is deemed to be, incorporated by reference herein modifies or supercedes such statement. The modifying or superceding statement need not state that it has modified or superceded a prior statement or include any other information set forth in the document that it modifies or supercedes. The making of a modifying or superceding statement shall not be deemed to be an admission for any purposes that the modified or superceded statement, when made, constituted a misrepresentation, an untrue statement of material fact or an admission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superceded shall not be deemed, except as so modified or superceded, to constitute a part of this short form prospectus.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this short form prospectus and in certain documents incorporated by reference into this short form prospectus constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in, or incorporated by reference into, this short form prospectus should not be unduly relied upon. These statements speak only as of the date of this short form prospectus or as of the date specified in the documents incorporated by reference into this short form prospectus, as the case may be.

In particular, this short form prospectus and the documents incorporated by reference, contain forward-looking statements pertaining to the following:

- the quantity of the Corporation's reserves;
- oil and natural gas production levels;
- capital expenditure programs;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development; and
- treatment under governmental regulatory regimes.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this short form prospectus:

- volatility in market prices for oil and natural gas and foreign exchange rates;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- geological, technical, drilling and processing problems; and
- the other factors discussed under "Risk Factors" in this short form prospectus.

These factors should not be construed as exhaustive. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements.

REAL RESOURCES INC.

The Corporation was incorporated in 1978 and continued under the *Business Corporations Act* (Alberta) (the "**ABCA**") on January 19, 1989. In recent years the Corporation has made several corporate acquisitions by merging or amalgamating with other issuers, including an amalgamation with Blue Ridge Resources Inc. on July 1, 1995, amalgamations with Flatland Energy Inc. and Flatland Resources Ltd. on January 31, 1997, an amalgamation with Tri-Ex Oil & Gas Ltd. on January 9, 1998, an amalgamation with ABCOG Corporation on November 12, 1998, an amalgamation with Flatland Resources Inc. on January 7, 2000, an amalgamation with Prism Petroleum Inc. on October 2, 2000 and an amalgamation with Embo Petroleum Inc. on April 1, 2001. The Corporation has continued under the name of "Real Resources Inc." following each amalgamation.

On October 31, 2002, the Corporation formed a wholly-owned subsidiary, Real Oil Corporation, incorporated under the ABCA, which changed its name to Real Oil & Gas Corp. ("**Real Oil**") on November 14, 2002.

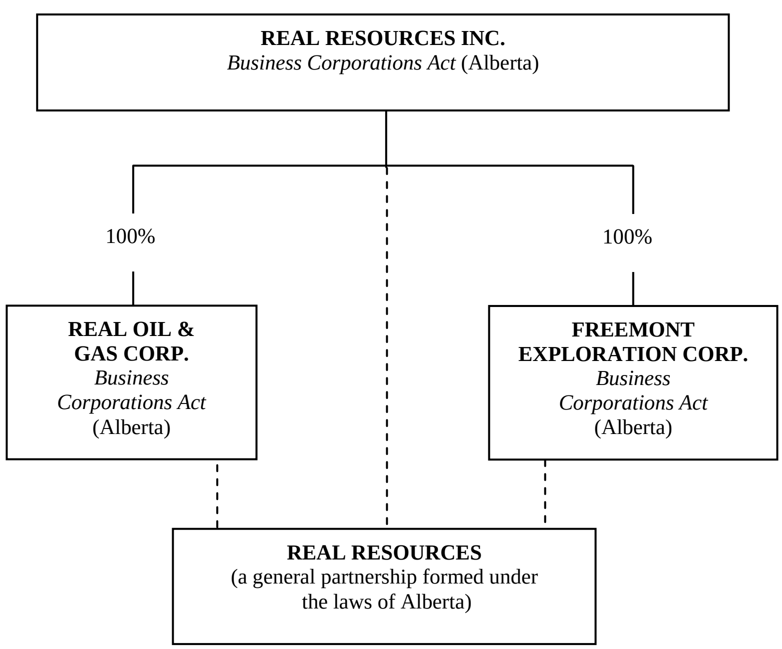
Effective December 10, 2002, the Corporation acquired all of the issued and outstanding shares of Belmont Energy Ltd. ("**Belmont**"), a private Alberta oil and natural gas exploration and development company. See "General Development of the Business – Three Year History" in the AIF.

On December 17, 2002, the Corporation and its subsidiaries, Real Oil and Belmont, formed a general partnership under the laws of Alberta (the "**Partnership**") to carry on business under the name "Real Resources". Effective December 31, 2003, Real Oil and Belmont were amalgamated under the ABCA, with the continuing corporation named "Real Oil & Gas Corp." Until the acquisition of Freemont Exploration Corp. ("**Freemont**"), the Corporation and Real Oil were the only two partners of the Partnership. See "General Development of the Business – Three Year History" in the AIF. The Partnership now carries on the petroleum and natural gas exploration, development, production and marketing businesses which were carried on by each of the Corporation, Real Oil, Belmont and Freemont.

On April 8, 2005, the Corporation acquired all of the shares of Freemont, a private oil and gas company, and concurrently acquired additional oil and gas assets held by other private companies. See "Recent Developments". The assets of Freemont were subsequently contributed into the Partnership. Freemont remains as a wholly-owned subsidiary of the Corporation and is the third partner in the Partnership.

The head office of the Corporation is located at 700, 555 - 4th Avenue S.W., Calgary, Alberta, T2P 3E7. The registered office is located at 3500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4J8.

The structure of the Corporation, its subsidiaries and the Partnership is as follows:



DESCRIPTION OF THE BUSINESS

General

The business of the Corporation is the acquisition of interests in petroleum and natural gas rights and the exploration for, and the development, production and marketing of, petroleum and natural gas. The Corporation's principal properties are located in Alberta and Saskatchewan.

For a detailed description of the business of the Corporation, please refer to "Description of the Business" as contained in the AIF.

For information regarding the Corporation's natural gas and petroleum reserves and production information, please refer to "Oil, NGLs and Natural Gas Reserves Definitions", "Oil and Natural Gas Reserves", "Estimated 2005 Production", "Future Development Costs", "Historical Undeveloped Reserves – Constant Prices and Costs" and "Other Oil and Gas Information" in the AIF and to the definitions set forth in National Instrument 51-101 and Companion Policy 51-101CP.

RECENT DEVELOPMENTS

On April 8, 2005, the Corporation purchased all of the shares of Freemont, and concurrently purchased additional oil and gas assets held by multiple private companies for an aggregate of $46 million (comprised of approximately 2.4 million Common Shares at a deemed price per Common Share of $14.00 and approximately $12.1 million in cash, inclusive of working capital adjustments).

The assets of Freemont and the additional purchased assets are located in Southeast Saskatchewan, and are near the Company's core area at Alida, Saskatchewan.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at December 31, 2004, as at June 30, 2005 and as at July 31, 2005, both before and after giving effect to the Offering:

Designation	Authorized	Outstanding as at December 31, 2004	Outstanding as at June 30, 2005[3]	Outstanding as at July 31, 2005	Outstanding as at July 31, 2005 after giving effect to the Offering[1]
		(derived from audited financial statements)	(unaudited)	(unaudited)	(unaudited)
Common Shares[2]	Unlimited	$91,767,000 (29,090,305 Common Shares)	$159,766,000 (34,132,885 Common Shares)	$159,861,000 (34,159,719 Common Shares)	$216,644,500 (36,827,719 Common Shares)
Preferred Shares	Unlimited	Nil	Nil	Nil	Nil
Credit Facilities[4]	$115,000,000	$46,235,000	$65,441,000	$69,875,000	$13,091,500

Notes:

(1) Based on the issuance of 2,668,000 Offered Shares for an aggregate of $60,030,000 less the Underwriters' fee of $3,001,500 and expenses of the Offering estimated to be $245,000, the net proceeds from this issue are estimated to be $56,783,500.

(2) As at July 31, 2005, there were 2,655,588 options issued and outstanding to acquire Common Shares. These options were held by directors, officers and employees of the Corporation and are exercisable at prices ranging from $3.01 to $21.06 per Common Share. The options expire at various dates to July 25, 2010.

(3) As at June 30, 2005, the Corporation had retained earnings of $68,857,000, contributed surplus of $1,533,000, a provision for its asset retirement obligation of $15,225,000 and a future income tax liability of $76,072,000.

(4) A syndicate of three Canadian chartered banks has provided the Corporation, Real Oil and the Partnership with credit facilities (the "**Credit Facilities**") pursuant to a syndicated credit agreement dated effective August 3, 2005. The Credit Facilities consist of a $95,000,000 extendible revolving term credit facility and a $20,000,000 extendible revolving term operating facility, each available through bankers' acceptances, Libor borrowings, prime rate loans, U.S. base rate loans, letters of credit and letters of guarantee. Interest under the Credit Facilities is incurred based on the consolidated debt to cash flow ratio of the Corporation plus applicable margins. The Credit Facilities are secured by floating charge debentures and cross-guarantees from the Corporation, Real Oil, the Partnership and Freemont. For periods prior to August 3, 2005, any indebtedness was pursuant to the Corporation's former credit facilities.

USE OF PROCEEDS

The estimated net proceeds received by the Corporation, after deducting the estimated expenses of the Offering of $245,000 and the Underwriters' fees of $3,001,500, will be $56,783,500.

All of the proceeds of the Offering, net of expenses of the Offering, will be initially used by the Corporation to reduce indebtedness under the Credit Facilities and thereafter to fund ongoing exploration and development activities.

PLAN OF DISTRIBUTION

Subject to the terms and conditions of an underwriting agreement (the "**Underwriting Agreement**") dated as of August 8, 2005, among the Corporation and the Underwriters, the Corporation has agreed to sell to the Underwriters, and the Underwriters have severally agreed to purchase from the Corporation, as principals, a total of 2,668,000 Offered Shares at a price of $22.50 per Offered Share for total consideration of $60,030,000 payable to the Corporation against delivery of the Common Shares. Closing of this Offering is anticipated to occur on August 24, 2005, or on such later date as may be agreed upon by the parties (the "**Closing Date**"), but in any event not later than September 15, 2005. In connection with the Offering, the Corporation will pay the Underwriters a fee (the "**Underwriters' Fee**") of $1.125 per Offered Share, for an aggregate fee of $3,001,500. The price of the Offered Shares offered hereunder was determined by negotiation between the Corporation and the Underwriters. Subscriptions for Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription book at any time without notice. It is expected that definitive certificates for the Offered Shares will be available for delivery on the closing of the Offering.

Under the terms of the Underwriting Agreement, the obligations of the Underwriters are several and not joint and may be terminated by the Underwriters, or any of them, at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. If one or more of the Underwriters fails to purchase its allotment of Offered Shares, the remaining Underwriter or Underwriters may, but are not obligated to, purchase the Offered Shares not purchased by the Underwriter or Underwriters which fail to purchase. The Underwriters are, however, obligated to take up and pay for all the Offered Shares if any are purchased under the Underwriting Agreement.

Pursuant to policy statements of the Ontario Securities Commission and the Autorité des marchés financiers du Québec, the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. Such exceptions include a bid or purchase permitted under the Universal Market Integrity Rules of Market Regulation Services Inc. relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution, provided that the bid or purchase was not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Common Shares. The Corporation has been advised by the Underwriters that, in connection with the Offering, subject to the foregoing and applicable laws, the Underwriters may effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Common Shares have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or any state securities laws, and, accordingly, may not be offered or sold within the United States or to U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act) except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Underwriting Agreement enables the Underwriters to offer and resell the securities that they have acquired pursuant to the Underwriting Agreement to certain qualified institutional buyers in the United States, provided such offers and sales are made in accordance with Rule 144A of the U.S. Securities Act.

In addition, until 40 days after the commencement of this Offering, any offer or sale of Common Shares within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made other than in accordance with Rule 144A under the U.S. Securities Act.

The Corporation has agreed that it will not, without the prior consent of GMP Securities Ltd. pursuant to the Underwriting Agreement, which consent may not be unreasonably withheld, offer, or announce the offering of, or make or announce any agreement to issue or sell or exchange any Common Shares or any securities convertible into or exchangeable for Common Shares or announce any intention to effect any of the foregoing (subject to certain exceptions) at any time prior to the date 90 days following the Closing Date.

The Corporation has agreed to indemnify the Underwriters and their affiliates and their respective directors, officers, employees and agents against certain liabilities.

The Corporation has applied to list the Offered Shares distributed under this short form prospectus on the TSX. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSX.

RELATIONSHIP BETWEEN THE CORPORATION'S LENDERS AND THE UNDERWRITERS

Each of CIBC World Markets Inc. and Scotia Capital Inc. is, directly or indirectly, a wholly-owned subsidiary of a Canadian chartered bank which is a lender to the Corporation pursuant to the Credit Facilities. See Note 4 to the table under "Consolidated Capitalization" for a description of the Credit Facilities. As a result, the Corporation may be considered to be a connected issuer of CIBC World Markets Inc. and Scotia Capital Inc. under applicable Canadian securities laws. As of August 4, 2005, the Corporation was indebted to the lenders under the Credit Facilities in the amount of approximately $69,888,000. The Corporation is in compliance with all material terms of the agreements governing the Credit Facilities. The Credit Facilities are secured by floating charge debentures and cross-guarantees from the Corporation, Real Oil, the Partnership and Freemont, and the Corporation's financial position has not changed substantially since the indebtedness under the Credit Facilities was incurred.

The decision to distribute the Offered Shares offered under this short form prospectus and the determination of the terms of the distribution were made through negotiations between the Corporation and the Underwriters. The banks affiliated with the two Underwriters did not have any involvement in such decision or determination but have been advised of this issuance and its terms. As a consequence of this Offering, CIBC World Markets Inc. and Scotia Capital Inc. will each receive its share of the Underwriters' Fee.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of four classes of preferred shares designated as First Preferred Shares, Second Preferred Shares, Third Preferred Shares and Fourth Preferred Shares, each class issuable in series (collectively, the "**Preferred Shares**"). As at July 31, 2005, there were 34,157,719 Common Shares and no Preferred Shares issued and outstanding.

Common Shares

The holders of Common Shares are entitled to: (i) one vote for each Common Share held at all meetings of shareholders of the Corporation other than meetings of the holders of any class or series of shares meeting as a class or series; (ii) receive any dividends declared by the Corporation on the Common Shares; and (iii) subject to the rights of shares ranking prior to the Common Shares, to receive the remaining property of the Corporation on dissolution, after the payment of all liabilities.

Preferred Shares

The Preferred Shares are issuable in series and the designation of, and the rights or privileges, restrictions and conditions attached to any series of Preferred Shares are to be established by the board of directors of the Corporation prior to the issuance thereof. The Preferred Shares have a preference over the Common Shares and any class of shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs. The holders of First Preferred Shares shall have preference over the Second Preferred Shares, Third Preferred Shares, Fourth Preferred Shares and the Common Shares with respect to the distribution of assets in the event of the liquidation, dissolution, or winding-up of the Corporation. In a like manner, Second Preferred Shares shall have preference over Third Preferred Shares, Fourth Preferred Shares and Common Shares; Third Preferred Shares shall have preference over Fourth Preferred Shares and Common Shares; and Fourth Preferred Shares shall have preference over Common Shares.

RISK FACTORS

An investment in the Offered Shares is subject to certain risks. Prior to making an investment in the Offered Shares, investors should carefully consider the risk factors set forth under the heading "Risk Factors" in the AIF which is incorporated into and forms part of this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of counsel to the Corporation and the Underwriters ("**Counsel**"), provided the Offered Shares are listed on a prescribed stock exchange at the relevant time, and subject to the provisions of any particular plan, the Offered Shares will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans under the *Income Tax Act* (Canada) as in effect on the date hereof.

In the opinion of Counsel, subject to compliance with the prudent investment standards or criteria and the general investment provisions of the following statutes (and, where applicable, the regulations thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, procedures or goals and, in certain circumstances, the filing of such policies, procedures and goals, the Offered Shares offered hereunder are not, at the date hereof, precluded as investments under or by the following statutes:

Insurance Companies Act (Canada)
Trust and Loan Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Financial Institutions Act (British Columbia)
Pension Benefits Standards Act (British Columbia)
Loan and Trust Corporations Act (Alberta)
Insurance Act (Alberta)
Employment Pension Plans Act (Alberta)
Alberta Heritage Savings Trust Fund Act (Alberta)
The Pension Benefits Act, 1992 (Saskatchewan)
The Insurance Act (Manitoba)
The Trustee Act (Manitoba)
The Pension Benefits Act (Manitoba)
Pension Benefits Act (Ontario)
Loan and Trust Corporations Act (Ontario)
Trustee Act (Ontario)
an Act respecting insurance (Québec) (for insurers (as defined therein) other than guarantee funds)
an Act respecting trust companies and savings companies (Québec) (for a trust company (as defined therein) investing its own funds and deposits it receives or a savings company (as defined therein) which invests its own funds)
Supplemental Pension Plans Act (Québec)

INTERESTS OF EXPERTS

Certain legal matters relating to the securities offered hereunder will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Corporation and by Burnet, Duckworth & Palmer LLP on behalf of the Underwriters. The partners and associates of these firms, each as a group, beneficially own, directly or indirectly, less than 1% of the Common Shares. Dallas L. Droppo Q.C., a director and Corporate Secretary of the Corporation, is a partner of Blake, Cassels & Graydon LLP. Neither Paddock Lindstrom Associates Ltd., which prepared the independent engineering evaluation of the Corporation's oil, natural gas and natural gas liquids referenced in the AIF, nor its officers or directors, beneficially own, directly or indirectly, any Common Shares.

AUDITORS, REGISTRAR AND TRANSFER AGENT OF THE CORPORATION

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, Calgary, Alberta.

The registrar and transfer agent for the Common Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus of the Corporation dated August •, 2005 relating to the issue and sale of 2,668,000 common shares of the Corporation (the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2004 and 2003 and the consolidated statements of operations and retained earnings and cash flows for each of the years then ended. Our report is dated •, 2005.

(signed) "•"

Chartered Accountants
Calgary, Alberta

August •, 2005

CERTIFICATE OF THE CORPORATION

Dated: August 8, 2005

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada. For the purpose of the Province of Québec, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

(signed) LOWELL E. JACKSON Director, President and Chief Executive Officer	(signed) PAMELA J. ORR Vice President, Finance and Chief Financial Officer

On behalf of the Board of Directors

(signed) DALLAS L. DROPPO, Q.C. Director	(signed) D. NOLAN BLADES Director

CERTIFICATE OF THE UNDERWRITERS

Dated: August 8, 2005

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada. For the purpose of the Province of Québec, to our knowledge, this simplified prospectus, as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or the market price of the securities to be distributed.

GMP SECURITIES LTD.

By: (signed) CHRISTOPHER T. GRAHAM

RAYMOND JAMES LTD.

By: (signed) EDWARD J. BEREZNICKI

CIBC WORLD MARKETS INC.

By: (signed) ARTHUR KORPACH

MAISON PLACEMENTS CANADA INC.	ORION SECURITIES INC.	SCOTIA CAPITAL INC.
By: (signed) JOHN ING	By: (signed) LEE A. PETTIGREW	By: (signed) MARK HERMAN