ARRANGEMENT AGREEMENT

THIS AGREEMENT dated as of the 31st day of August, 2007.

BETWEEN:

SALVO ENERGY CORPORATION, a corporation incorporated under the laws of the Province of Alberta and having an office in the City of Calgary, in the Province of Alberta ("**Salvo**")

- and -

EXPEDITION ENERGY INC., a corporation incorporated under the laws of the Province of Alberta and having an office in the City of Calgary, in the Province of Alberta (hereafter referred to as "**Expedition**")

WHEREAS:

(a) Expedition proposes to carry out an arrangement under the Act involving Expedition, the Expedition Shareholders and Salvo, whereby Salvo will acquire all of the issued and outstanding Expedition Shares;

(b) The Parties intend to carry out the transaction contemplated herein pursuant to an arrangement under the Act;

(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 the transactions contemplated herein;

NOW THEREFORE IN CONSIDERATION OF the mutual covenants hereinafter contained and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

(a) "**Acquisition Proposal**" has the meaning ascribed thereto in Subsection 3.2(b)(i).

(b) "**Act**" means the *Business Corporations Act* (Alberta), in effect on the date hereof.

(c) "**AGM Information Circular**" means the management proxy circular of Expedition dated April 27, 2007 with respect to the annual and special meeting of shareholders of Expedition held on June 8, 2007.

(d) "**Agreement**", "**this Agreement**", "**herein**", "**hereto**", and "**hereof**" and similar expressions refer to this agreement, as the same may be amended or supplemented from time to time and, where applicable, to the appropriate Schedules hereto.

(e) "**Applicable Law**" means, in relation to any person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives, published guidelines, standards, codes of practice (regardless of whether such guidelines, standards and codes of practice have been promulgated by statute or regulation), treaties, ordinances, municipal by-laws and orders of and the terms of all judgments, orders, decrees, directives, awards and writs issued by any Authorized Authority by which such person is bound or which has application to the transaction or event in question.

(f) "**Arrangement**" means the arrangement under the provisions of subsection 193 of the Act, on the terms and conditions set forth in the Plan of Arrangement.

(g) "**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required by the Act to be filed with the Registrar after the Final Order has been made.

(h) "**Authorized Authority**" means, in relation to any person, transaction or event, any: (i) national, federal, provincial, state, county, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (ii) agency, authority, ministry, department, board, bureau, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, administrative or similar powers or functions of or pertaining to government; (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (iv) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including the TSXV or other stock or other securities exchange, in each case having jurisdiction over such person, transaction or event.

(i) "**Business Day**" means any day, excepting Saturdays, Sundays and statutory holidays observed in Calgary, Alberta.

(j) "**Canadian GAAP**" means Canadian generally accepted accounting principles applied on a consistent basis.

(k) "**Closing Time**" shall be 1:00 p.m. (Calgary time) on the day of the Expedition Meeting, unless otherwise agreed by Salvo and Expedition.

(l) "**Confidentiality Agreement**" means the confidentiality agreement dated June 11, 2007 between the Parties.

(m) "**Court**" means the Alberta Court of Queen's Bench.

(n) "**Designated Officers**" means, (i) with respect to Expedition, each of the following officers of Expedition: (A) the President and Chief Executive Officer, (B) the Vice President, Finance and Chief Financial Officer, (C) the Corporate Secretary, and (D) the Vice President, Operations, and (ii) with respect to Salvo, each of the following officers of Salvo: (A) the President and Chief Executive Officer, (B) the Chief Financial Officer, and (C) the Corporate Secretary.

(o) "**Disclosure Letter**" means the letter of Expedition to Salvo dated the date hereof providing disclosure of certain information referred to in this Agreement.

(p) "**Documents**" means, collectively:

(i) the Expedition Financial Statements;

(ii) Expedition's management's discussion and analysis of financial condition and results of operations as at and for the year ended December 31, 2006;

(iii) Expedition's management's discussion and analysis of financial condition and results of operations as at and for the three months ended June 30, 2007;

(iv) the Reserve Information;

(v) the AGM Information Circular;

(vi) the material change reports of Expedition subsequent to December 31, 2006; and

(vii) the press releases of Expedition filed on the SEDAR website subsequent to December 31, 2006.

(q) "**Effective Date**" means the date on which the Articles of Arrangement are filed with the Registrar.

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

(s) "**Employee Obligations**" means the obligations of Expedition to its officers, directors, employees and consultants for retention, severance, termination or bonus payments in connection with a termination of employment or change of control of Expedition pursuant to any written or oral agreements or any resolution of the board of directors of Expedition, pension plans or other plans, Expedition's severance, retention or other policies or otherwise.

(t) "**Expedition Financial Statements**" means the audited consolidated financial statements of Expedition as at and for the years ended December 31, 2006 and 2005 and the interim unaudited consolidated financial statements of Expedition as at and for the three month period ended June 30, 2007.

(u) "**Expedition Information Circular**" means the management proxy circular of Expedition to be sent by Expedition to the Expedition Shareholders in connection with the Expedition Meeting.

(v) "**Expedition Meeting**" means the meeting of Expedition Shareholders, as ordered by the Interim Order, to consider and, if determined advisable, approve the Arrangement.

(w) "**Expedition Non-Completion Fee**" has the meaning ascribed thereto in Section 8.2.

(x) "**Expedition Options**" means the outstanding options to acquire Expedition Shares.

(y) "**Expedition Public Record**" means all information filed by or on behalf of Expedition with securities regulatory authorities in Alberta and British Columbia, including, without limitation, the Documents and any other information filed with any such securities regulatory authority in compliance, or intended compliance, with any applicable securities laws.

(z) "**Expedition Shareholders**" means holders of Expedition Shares.

(aa) "**Expedition Shares**" means common shares in the share capital of Expedition and includes any common shares of Expedition issued after the date hereof upon the exercise of outstanding Expedition Options or other rights to purchase or acquire Expedition Shares.

(bb) "**Expedition Support Agreements**" means agreements between Salvo and certain holders of Expedition Shares and Expedition Options pursuant to which such Expedition Shareholders agree to vote the Expedition Shares beneficially owned or controlled by them in favour of the Arrangement and to otherwise support the Arrangement, as provided therein, substantially in the form attached as Schedule 1.1(bb).

(cc) "**Final Order**" means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the Act, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

(dd) "**GLJ**" means GLJ Petroleum Consultants Ltd., independent petroleum engineers, of Calgary, Alberta.

(ee) "**GLJ Report**" means the Reserves Assessment and Evaluation of Canadian Oil and Gas Properties dated March 19, 2007 evaluating, effective December 31, 2006, the oil and gas reserves of Expedition.

(ff) "**Interim Order**" means an interim order of the Court concerning the Arrangement under subsection 193(4) of the Act, containing declarations and directions with respect to the Arrangement and the holding of the Expedition Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

(gg) "**material**" when used in relation to Expedition, means that a fact, asset, liability, transaction or circumstance, as applicable, concerning the business, assets, rights, liabilities, capitalization, operations, prospects or financial condition of Expedition is such that: (i) it would be reasonably likely to have a significant effect on the value of the Expedition Shares; or (ii) it would prevent or materially delay completion of the Arrangement in accordance with this Agreement.

(hh) "**Material Adverse Change**" means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, financial condition, prospects, licenses, permits, concessions, rights, liabilities or privileges, whether contractual or otherwise, of Expedition (considered as a whole) that is, or could reasonably be expected to be, materially adverse to the business of Expedition (considered as a whole) other than a material adverse change: (i) that relates to or arises out of a matter that has, prior to the date hereof, been publicly disclosed; (ii) that relates to or arises out of conditions affecting the Canadian oil and gas industry as a whole; (iii) that relates to or arises out of general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; (iv) which arises out of any action taken by Expedition with the approval, consent or authority of Salvo; or (v) that results from the public announcement of this Agreement or the transactions contemplated herein.

(ii) "**Material Adverse Effect**" in relation to any circumstance, event or change, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of Expedition (considered as a whole), provided that a Material Adverse Effect shall not include an adverse effect: (i) that relates to or arises out of a matter that has been publicly disclosed prior to the date hereof; (ii) that relates to or arises out of conditions affecting the Canadian oil and gas industry as a whole; (iii) that relates to or arises out of general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere; (iv) which arises out of any action taken by Expedition with the approval, consent or authority of Salvo; or (v) that results from the public announcement of this Agreement or the transactions contemplated herein.

(jj) "**misrepresentation**" shall have the meaning ascribed thereto under the *Securities Act* (Alberta).

(kk) "**Option Termination Agreements**" has the meaning ascribed thereto in Subsection 4.1(b).

(ll) "**Outside Date**" means November 30, 2007.

(mm) "**Parties**" means Salvo and Expedition and "**Party**" means one of them.

(nn) "**Plan of Arrangement**" means the plan of arrangement set out in Schedule 1.1(nn) as amended or supplemented from time to time in accordance with Article 5 thereof and Section 11.2.

(oo) "**Registrar**" means the Registrar of Corporations duly appointed pursuant to section 263 of the Act;

(pp) "**Representatives**" has the meaning ascribed thereto in Subsection 3.2(a).

(qq) "**Reserve Information**" means, collectively, the Form 51-101F1 – "Statement of Reserves Data and Other Oil and Gas Information"; Form 51-101F2 – "Report on Reserves Data by an Independent Qualified Reserves Evaluator"; and Form 51-101F3 – "Report of Management and Directors on Oil and Gas Disclosure" filed by Expedition on April 27, 2007.

(rr) "**Salvo Information**" means the information regarding Salvo provided by Salvo for inclusion in the Expedition Information Circular.

(ss) "**Salvo Non-Completion Fee**" has the meaning ascribed thereto in Section 8.1.

(tt) "**subsidiary**" has the meaning ascribed thereto in the Act.

(uu) "**Superior Proposal**" has the meaning ascribed thereto in Subsection 3.2(b)(v)(A).

(vv) "**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, hedge, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions).

(ww) "**Take-over Proposal**" means a proposal or offer (other than by Salvo) to acquire 20% or more of the outstanding Expedition Shares, or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or a similar transaction or other business combination involving Expedition, or a subsidiary of Expedition, or any proposal, offer or agreement to acquire 20% or more in value of the assets of Expedition.

(xx) "**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time.

(yy) "**Termination Date**" means the date of termination of this Agreement pursuant to the terms hereof.

(zz) "**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) to be disclosed or conveyed to Salvo or any of its representatives or agents by or on behalf of Expedition as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to Salvo prior to the execution of this Agreement.

(aaa) "**TSX**" means the Toronto Stock Exchange.

(bbb) "**TSXV**" means the TSX Venture Exchange.

1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Deemed Currency

In the absence of a specific designation of any currency, any dollar amount referenced herein shall be deemed to refer to lawful currency of Canada.

1.4 Headings, etc.

The division of this Agreement into Articles, Sections and Subsections, the provision of a table of contents and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules to Articles, Sections, Subsections and Schedules refer to Articles, Sections and Subsections of and Schedules to this Agreement or of the Schedules in which such reference is made.

1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day. Notwithstanding the foregoing, this provision does not apply to the time periods set forth in Subsection 3.2(c).

1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.7 Attornment

Each of the Parties hereby irrevocably and unconditionally consents to and submits to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against either Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of Alberta and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributed thereto under Canadian GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with Canadian GAAP applied on a consistent basis.

1.9 Inclusive Terminology

Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters or items shall be regarded as illustrative without being either characterizing or exhaustive.

1.10 Interpretation Not Affected by Party Drafting

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

1.11 Knowledge

Where in this Agreement a representation or warranty is made on the basis of the knowledge or awareness of Expedition or Salvo, as the case may be, such knowledge or awareness consists only of the actual knowledge or awareness, as of the date of this Agreement, of the Designated Officers after due inquiry but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

1.12 Incorporation of Schedules

The schedules attached hereto and described below shall, for all purposes hereof, form an integral part of this Agreement.

Schedule 1.1(nn)	-	Plan of Arrangement
Schedule 1.1(bb)	-	Form of Expedition Support Agreement

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement

As soon as reasonably practicable, Expedition shall apply to the Court pursuant to subsection 193(2) of the Act for an order approving the Arrangement and in connection with such application shall:

(a) forthwith file, proceed with and diligently prosecute an application for an Interim Order under subsection 193(4) of the Act, providing for, among other things, the calling and holding of the Expedition Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement; and

(b) subject to obtaining the approval of the Expedition Shareholders as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take steps necessary to submit the Arrangement to the Court and apply for the Final Order,

and subject to fulfillment of the conditions set forth herein, shall deliver to the Registrar the Articles of Arrangement and such other documents as may be required to give effect to the Arrangement.

2.2 Effective Date

The Arrangement shall become effective on the Effective Date.

ARTICLE 3
COVENANTS

3.1 Covenants of Expedition

During the period from the date of execution of this Agreement and ending on the earlier of the Effective Date and the termination of this Agreement, except with the prior written consent of Salvo, and except as otherwise required by Applicable Law or expressly permitted or specifically contemplated by this Agreement, the Plan of Arrangement or the Disclosure Letter:

(a) Expedition covenants and agrees that its business shall be conducted only in the usual and ordinary course of business 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. Expedition shall consult with Salvo in respect of its ongoing business and affairs and keep Salvo apprised of all material developments relating thereto. Expedition agrees that it shall not proceed with any further exploration or development of its Erskine property without the prior written consent of Salvo.

(b) Expedition 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, shares or property) in respect of its outstanding securities; (iii) issue (other than on exercise of currently outstanding Expedition Options), grant, sell or pledge or agree to issue, grant, sell or pledge any securities of Expedition, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, securities of Expedition; (iv) redeem, purchase or otherwise acquire any of its outstanding securities, except as permitted pursuant to the terms thereof or as permitted in accordance with or contemplated by this Agreement; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Expedition; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing except as otherwise permitted or contemplated by this Agreement.

(c) Expedition will not, directly or indirectly, do any of the following other than as contemplated by this Agreement or pursuant to commitments entered into prior to the date of this Agreement and disclosed to Salvo in writing, without the prior consent of Salvo: (i) sell, pledge, dispose of or encumber any assets except for oil, natural gas and natural gas liquids production in the ordinary course consistent with past practice; (ii) expend or commit to expend amounts in respect of capital expenses (or overexpenditures on AFE's which were previously agreed to by Salvo), excluding certain expenditures which may be agreed to, from time to time, by Salvo in writing, provided that in the case of capital expenditures expended to address emergencies or other urgent matters involving the potential loss or damage to property or personal safety, Salvo's consent shall not be unreasonably withheld or delayed; (iii) expend or commit to expend any other amounts other than amounts to which it is currently contractually obligated to expend in an aggregate amount of more than $5,000, excluding certain expenditures which may be agreed to, from time to time, by Salvo in writing, provided that in the case of amounts expended to address emergencies or other urgent matters involving the potential loss or damage to property or personal safety, Salvo's consent shall not be unreasonably withheld or delayed; (iv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, make any investment, either by purchase of shares or securities, contributions of capital (other than to subsidiaries) or property transfer, or purchase any property or assets of any other individual or entity; (v) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligation of any other individual or entity, or make any loans or advances; (vi) pay, discharge or satisfy any material claims, liabilities or obligations other than as reflected or reserved against in Expedition's published financial statements or as contemplated by item (v) above; (vii) enter into any hedges, Swaps or other financial instruments or like transactions; (viii) enter into any employment, consulting or contract operating agreement; or (ix) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing, except as set forth in Subsection 3.3(j).

(d) Neither Expedition nor 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 or arrangements for the benefit of employees, except as is necessary: (i) to comply with Applicable Law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements; or (ii) to accelerate vesting of Expedition Options.

(e) Neither Expedition nor its subsidiaries shall 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 (other than to permit accelerated vesting of Expedition Options) or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, or form a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with Applicable Law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements or to accelerate vesting of Expedition Options.

(f) Expedition 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) Expedition shall ensure that it has available funds under its lines of credit or other bank facilities to permit the payment of the Salvo Non-Completion Fee 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.

(h) Subject to the payment of their respective severance obligations, Expedition shall use its commercially reasonable efforts to cause, effective at the Effective Time, the resignation of such directors and officers of Expedition and its subsidiaries as Salvo may specify (and to cause such officers to deliver mutual releases in favour of Expedition and Salvo, in form and substance satisfactory to Salvo and such persons) and to fill the resulting vacancies with designees of Salvo, and Expedition shall cooperate with Salvo to provide an orderly transition of control and management.

(i) Expedition shall not take any action or permit any of its subsidiaries to 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.

(j) Expedition shall promptly notify Salvo in writing of:

(i) any material change (actual, anticipated, contemplated or, to the knowledge of Expedition, threatened, financial or otherwise) in the business, affairs, financial condition, prospects, operations, assets, liabilities (contingent or otherwise) or capital of Expedition and its subsidiaries;

(ii) any change in the factual basis for any representation or warranty set forth in Article 5 where such a change is or may be of such a nature as to render any such representation or warranty misleading or untrue;

(iii) any material fact in respect of Expedition or its subsidiaries which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement; and

(iv) Expedition shall, in good faith, discuss with Salvo any change in circumstances (actual, anticipated, contemplated or, to the knowledge of Expedition, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Salvo pursuant to this Subsection 3.1(j).

(k) Expedition shall use its commercially reasonable efforts to fulfill or cause fulfillment of the conditions set forth in Sections 7.1 and 7.3 as soon as reasonably possible to the extent that the fulfillment of the same is within the control of Expedition.

(l) Expedition shall provide notice of the Arrangement to the TSXV and diligently carry out any requirements of the TSXV necessary for the parties hereto to carry out the Arrangement.

(m) Expedition shall use commercially reasonable efforts to file as provided herein and diligently proceed with and prosecute an application to the Court under the Act for an Interim Order with respect to the matters pertaining to the Arrangement on terms acceptable to Expedition and Salvo, acting reasonably.

(n) Expedition shall, upon the Interim Order being granted, use commercially reasonable efforts, as soon as reasonably practicable, to carry out the terms of the Interim Order.

(o) Expedition shall mail, on or before October 5, 2007 (or such other date as Salvo and Expedition may agree to) the Expedition Information Circular to the Expedition Shareholders and other persons required by the Interim Order.

(p) Expedition shall, on or before November 7, 2007 (or such other date as Salvo and Expedition may agree), convene the Expedition Meeting and distribute copies of this Agreement (or a written summary thereof prepared by Expedition in form and substance acceptable to Salvo, acting reasonably), in each case as ordered by the Interim Order.

(q) Expedition shall solicit proxies to be voted at the Expedition Meeting in favour of the Arrangement.

(r) Expedition shall provide notice to Salvo of the Expedition Meeting and allow Salvo's representatives to attend the Expedition Meeting.

(s) Expedition shall instruct its registrar and transfer agent to provide to Salvo upon request all information as to the results of proxies received in respect of voting at the Expedition Meeting on the Arrangement.

(t) Expedition shall conduct the Expedition Meeting and complete the Arrangement in accordance with the Interim Order, the by-laws of Expedition, the requirements of the TSXV and any instrument governing such meeting, as applicable, and as otherwise required by Applicable Law, including in compliance with the requirements of Ontario Securities Commission Rule 61-501.

(u) Subject to compliance by Salvo with Subsection 3.3(b), Expedition will prepare (in consultation with Salvo), file and distribute to Expedition Shareholders in a timely and expeditious manner, the Expedition Information Circular and any amendments or supplements thereto, all as required by Applicable Law, in all jurisdictions where the same is required, complying in all material respects with Applicable Law and, without limiting the generality of the foregoing, Expedition will ensure that the Expedition Information Circular provides Expedition Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and will set out the Salvo Information in the Expedition Information Circular in the form approved by Salvo and shall include or incorporate by reference, without limitation: (i) the financial statements in respect of prior acquisitions, if any, made by Expedition that are required to be included therein in accordance with Applicable Law prepared in accordance with Applicable Law; (ii) the unanimous determination of the board of directors of Expedition that the Arrangement is fair, from a financial point of view, to the Expedition Shareholders, is in the best interests of Expedition and the Expedition Shareholders, and include the unanimous recommendation of the board of directors of Expedition that the Expedition Shareholders vote in favour of the

Arrangement; and (iii) the fairness opinion of Expedition's financial advisor that the Arrangement is fair, from a financial point of view, to the Expedition Shareholders.

(v) Expedition shall indemnify and save harmless Salvo and the directors, officers and agents of Salvo from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Salvo, or any director, officer or agent thereof, may be subject or which Salvo, or any director, officer or agent thereof, may suffer or incur, 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 Expedition Information Circular (other than arising solely from any misrepresentation or alleged misrepresentation in the Salvo Information); and (ii) any material in respect of Expedition or its affiliates filed in compliance or intended compliance with Applicable Law.

(w) Expedition shall, subject to the approval of the Arrangement in accordance with the provisions of the Interim Order, as soon as reasonably practicable, file, proceed with and diligently prosecute an application for the Final Order.

(x) Expedition shall, as soon as reasonably practicable, carry out the terms of the Final Order to the extent applicable to Expedition and will, as soon as reasonably practicable, file Articles of Arrangement and the Final Order with the Registrar.

(y) Expedition will furnish promptly to Salvo or Salvo's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Expedition in connection with: (i) the Arrangement; (ii) the Expedition Meeting; (iii) any filings under Applicable Law; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated hereby.

(z) Expedition will make all necessary filings and applications under Applicable Law required to be made on the part of Expedition in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with Applicable Law.

(aa) Expedition will furnish promptly to Salvo or Salvo's counsel any requests from any Authorized Authority for any information in respect of the business, operations, financial condition or assets of Expedition or any material third party complaint, investigation or hearing (or investigations indicating the same may be contemplated) to the extent that it relates to or could affect Expedition or it subsidiaries or their respective properties or assets in a material way.

(bb) Expedition shall promptly advise Salvo of the number of Expedition Shares for which Expedition receives notices of dissent or written objections to the Arrangement or notices to appear in connection with application for the Final Order and shall promptly provide Salvo with copies of such notices and written objections.

(cc) Expedition shall deliver to Salvo, prior to mailing of the Expedition Information Circular, the Option Termination Agreements with holders of all outstanding Expedition Options.

(dd) Expedition shall have delivered Expedition Support Agreements from all directors and officers of Expedition, prior to, or contemporaneously with, the execution of this Agreement.

(ee) Expedition shall withhold, on or prior to the Effective Date, from any amounts otherwise payable to any employee, officer, consultant or director of Expedition amounts required to be withheld under the Tax Act in respect of Expedition Options exercised and/or terminated prior to the Effective Date and shall provide evidence thereof to Salvo, prior to the Effective Date.

(ff) Any severance, change of control payments or similar amounts payable to any officers, directors, employees or consultants of Expedition shall only be paid, subject to the provisions hereof, including Subsection 3.1(ee), in cash and not in properties or other interests.

3.2 Non-Solicitation

(a) Expedition shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any of its officers, directors, employees, advisors, representatives and agents ("**Representatives**") on its behalf), if any, with any other person initiated 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 which 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) Expedition shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

(i) solicit, facilitate, initiate or encourage or take any action to solicit, facilitate or encourage any inquiry or communication or the making of any proposal or offer to Expedition or its securityholders 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 Expedition or its securityholders of any securities of Expedition or its subsidiaries (other than on exercise of currently outstanding Expedition Options); (ii) any acquisition of a significant amount of assets of Expedition or any of its subsidiaries; (iii) an amalgamation, arrangement, merger or consolidation involving Expedition 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 Expedition or any of 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 which would or could be expected to materially reduce the benefits to Salvo under this Agreement (any such inquiry or proposal in respect of any of the foregoing being referred to herein as an "**Acquisition Proposal**");

(ii) enter into or participate in any negotiations or initiate any discussion 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, Expedition and its Representatives may:

(v) enter into or participate in any negotiations or discussions with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Expedition or any of its Representatives) seeks to engage in such negotiations or discussions and, subject to execution of a confidentiality agreement substantially with terms similar to the terms of the Confidentiality Agreement, may furnish to such third party information concerning Expedition 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 Expedition determines in good faith: (i) is funded, in that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available; and (ii) after consultation with Expedition's financial advisor, would, if consummated in accordance with its terms, result in a transaction financially superior for the securityholders of Expedition than the Arrangement (in its then current form) and can be carried out in a reasonable timeframe, and the board of directors of Expedition further determines, after receiving the advice of outside counsel, as reflected in minutes of the board of directors of Expedition, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under Applicable Law (any such *bona fide* Acquisition Proposal being herein referred to as a "**Superior Proposal**"); and

(B) prior to furnishing such information to or entering into or participating in any such negotiations or discussions with such third party, Expedition provides prompt notice to Salvo to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above, and if not previously provided to Salvo, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that, Expedition shall notify Salvo 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 such proposal (and any amendments or supplements thereto), the identity of the person making it, if not previously provided to Salvo, copies of all information provided to such third party and all other information reasonably requested by Salvo), within 24 hours of the receipt thereof, shall keep Salvo informed of the status and details of any such inquiry, offer or proposal and answer any questions of Salvo with respect thereto;

(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 Expedition shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Subsection 3.2(c) and after receiving the advice of outside counsel as reflected in the minutes of the board of directors of Expedition, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under Applicable Law and Expedition complies with its obligations set forth in Subsection 3.2(c) and terminates this Agreement in accordance with Subsection 11.1(c)(vii) and concurrently therewith pays the amount required by Section 8.1 to Salvo.

(c) If Expedition receives a Superior Proposal, Expedition shall give Salvo, orally and in writing, at least 72 hours advance notice of any decision by its board of directors to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall include a summary of the details of the Superior Proposal, including the identity of the third party making the Superior Proposal. During such 72 hour period, Expedition 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, Expedition shall and shall cause its financial and legal advisors to, negotiate in good faith with Salvo and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Expedition to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Salvo proposes to amend this Agreement and the Arrangement to provide that the Expedition Shareholders shall receive a value per Expedition Share equal to or greater than the value per Expedition Share provided in the Superior Proposal and so advises the board of directors of Expedition prior to the expiry of such 72 hour period and, during such period, the Parties actually amend this Agreement, the board of directors of Expedition 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 hereto shall be treated as if it were confidential and shall not be disclosed or used except to the extent required by Applicable Law 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 this Section 3.2. Salvo shall be responsible for any breach of this Section 3.2 by its officers, directors, employees, investment bankers, advisers or other representatives, and Expedition shall be responsible for any breach of this Section 3.2 by its officers, directors, employees, investment bankers, advisers or other representatives.

3.3 Covenants of Salvo

From the date hereof until the Effective Date or termination of this Agreement, except as otherwise expressly permitted or specifically contemplated by this Agreement:

(a) Salvo will make all necessary filings and applications under Applicable Law required to be made on the part of Salvo in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with Applicable Law.

(b) Salvo will assist Expedition in the preparation of the Expedition Information Circular and provide to Expedition, in a timely and expeditious manner, all information as may be required by Applicable Law with respect to Salvo for inclusion in the Expedition 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 Expedition to meet the standard referred to in Subsection 3.1(u) with respect to Salvo.

(c) Salvo 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.

(d) Salvo shall ensure that it has available funds under its lines of credit or other bank facilities to permit the prompt payment of the amounts contemplated by Section 6.5 (on the basis of $0.34 per Expedition Share) and the Expedition Non-Completion Fee 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 and does, in fact, pay such amounts when required.

(e) Salvo shall use its commercially reasonable efforts to fulfill or cause the fulfillment of the conditions set forth in Sections 7.1 and 7.2 as soon as reasonably possible to the extent that the fulfillment of the same is in the control of Salvo.

(f) Salvo will forthwith carry out the terms of the Interim Order and Final Order to the extent applicable to Salvo provided that nothing shall require Salvo to consent to any modification of this Agreement, the Arrangement or Salvo's obligations hereunder or thereunder.

(g) Salvo shall indemnify and save harmless Expedition and the directors, officers and agents of Expedition from and against any and all liabilities, claims demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Expedition, or any director, officer or agent thereof, may be subject or which Expedition, or any director, officer or agent thereof, may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in the Salvo Information contained in the Expedition Information Circular.

(h) Salvo agrees that, for a period of three years after the Effective Time, Salvo will, or will cause Expedition or any successor of Expedition (including any successor resulting from the winding up or liquidation or dissolution of Expedition) to, maintain Expedition's current directors' and officers' insurance policy or an equivalent policy on a two year "trailing" or "run-off" basis subject in either case to terms and conditions no less advantageous to the directors and officers of Expedition than those contained in the policy in effect on the date hereof ("**Equivalent Insurance**"), for all present and former directors and officers of Expedition, covering claims made prior to or within three years after the Effective Time. Salvo shall, and shall cause Expedition or any successor of Expedition to, indemnify the directors and officers of Expedition to the fullest extent to which Salvo and Expedition, as the case may, are required to indemnify such officers and directors under their respective charter, by-laws and contracts of indemnity.

(i) If the Arrangement is completed, Salvo will not take any action to terminate or materially adversely affect any indemnity agreements or right to indemnity in favour of past or present officers and directors of Expedition pursuant to the provisions of the articles, by-laws or similar constating documents of Expedition or written indemnity agreements between Expedition and its past and present directors and officers or any indemnity agreements in favour of current directors and officers of Expedition that are in place as at the date hereof and in the form disclosed to Salvo prior to the date hereof.

(j) Salvo acknowledges that pursuant to the terms of their existing employment agreements, as listed in the Disclosure Letter and made available to Salvo, Messrs. Scott St. John, Alan Bamsey, Neil Burrows and Neil Phyper shall, immediately prior to the Effective Time, be entitled to an aggregate payment in respect of a change of control of Expedition in the aggregate amount of $600,000, exclusive of applicable GST. Expedition shall be entitled to pay such payments to such individuals at the Effective Time, subject to the execution and delivery by such individuals at the Effective Time of releases (on terms satisfactory to Expedition and Salvo, acting reasonably) of their rights under such agreements.

(k) The provisions of subsections 3.3(h), 3.3(i) and 7.3(f) are intended for the benefit of all present and former directors and officers of Expedition and its subsidiaries, as and to the extent applicable in accordance with their terms, and are to be enforceable by each of such persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**"). Expedition will hold the rights and benefits of subsections 3.3(h), 3.3(i) and 7.3(f) in trust for and on behalf of the Third Party Beneficiaries and Expedition hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries. The provisions of Sections 3.3(i) and 3.3(j) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries have under contract or otherwise.

3.4 Mutual Covenants

From the date hereof until the Effective Date, each of Expedition and Salvo 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 Law 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 obtain all necessary consents, approvals and authorizations as are required to be obtained by it under Applicable Law; and

(c) to effect all necessary registrations and filings and submissions of information requested by Authorized Authorities required to be effected by it in connection with the Arrangement,

and each of Expedition and Salvo will use its reasonable commercial efforts to cooperate with the others in connection with the performance by the other of their obligations under this Section 3.4.

ARTICLE 4
EXPEDITION OPTIONS

4.1 Outstanding Expedition Options

(a) Subject to Applicable Law, Salvo and Expedition agree that to the extent holders of Expedition Options do not exercise such Expedition Options, Expedition may agree with such remaining holders of Expedition Options that, in lieu of such persons exercising their Expedition Options, Expedition will pay to such persons the difference between the exercise price of their Expedition Options and the purchase price for the Expedition Shares under the Arrangement immediately prior to the Effective Time in exchange for the termination of their Expedition Options and provided that such holders agree to surrender their remaining unexercised Expedition Options to Expedition for cancellation for no consideration effective immediately prior to the Effective Time.

(b) Expedition will use commercially reasonable efforts to ensure that all outstanding Expedition Options are either exercised, terminated, surrendered or expire prior to the Effective Date, provided that Expedition shall not pay the holders any amount in consideration therefor without the prior approval of Salvo (other than payments made in accordance with subsection 4.1(a)), and Expedition shall not grant any additional Expedition Options or other rights to purchase or acquire Expedition Shares or make any amendments to outstanding Expedition Options without the prior written consent of Salvo, except to permit the early vesting of all such Expedition Options and to cause the cancellation, termination, expiry or surrender of the Expedition Options prior to the Effective Date without payment therefor.

Expedition agrees to use reasonable commercial efforts to obtain as soon as practicable, and in any event not less than two Business Days prior to the time that the Expedition Information Circular is mailed, the written agreement of all holders of Expedition Options that any Expedition Options that are not exercised prior to the Effective Date shall either be surrendered or terminated prior to the Effective Date in accordance with this Section 4.1 (each, an "**Option Termination Agreement**") and Expedition acknowledges that the obtaining of such Option Termination Agreements (to which Expedition and Salvo will be a party) with each of the holders of the Expedition Options is a condition to Salvo's obligation to complete the Arrangement.

(c) Expedition represents that its directors have determined to cause Expedition to use reasonable commercial efforts to encourage and facilitate all persons holding Expedition Options to either:

(i) exercise those Expedition Options prior to the Effective Time; or

(ii) surrender and terminate their rights to exercise any of those Expedition Options,

as set forth above in this Section 4.1.

(d) Expedition shall promptly notify Salvo in writing of any exercise of Expedition Options pursuant to Subsection 4.1(a). Such notice shall include full particulars of each such exercise.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF EXPEDITION

Expedition represents and warrants to and in favour of Salvo as follows and acknowledges that Salvo is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

5.1 Organization and Qualification

Expedition has been duly incorporated under the laws of Alberta and has the requisite corporate power and capacity to carry on its business as it is now being conducted. Expedition is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a Material Adverse Effect.

5.2 Authority Relative to this Agreement

Expedition has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance by Expedition of its obligations hereunder have been duly authorized by the board of directors of Expedition, and no other corporate proceedings on the part of Expedition are necessary to authorize this Agreement or the performance by Expedition of its obligations hereunder (except for obtaining director approval to the form of the Expedition Information Circular and the distribution thereof and the approval of the Arrangement by Expedition's Shareholders). This Agreement has been duly executed and delivered by Expedition and constitutes a legal, valid and binding obligation of Expedition enforceable against Expedition in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

5.3 No Violations

(a) Subject to receipt of consent of Expedition's bankers to the Arrangement and the related transactions, neither the execution and delivery of this Agreement by Expedition, the consummation by it of the transactions contemplated hereby nor compliance by Expedition with any of the provisions hereof will: (i) violate, conflict with, or result in the 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 lien, security interest, charge or encumbrance upon any of the properties or assets of Expedition or its subsidiaries under any of the terms, conditions or provisions of: (A) the articles or by-laws of Expedition or its subsidiaries; or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Expedition or its subsidiaries is a party or to which Expedition or its subsidiaries, or any of their respective properties or assets, may be subject or by which Expedition or its subsidiaries is bound; or (ii) subject to compliance with Applicable Law, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Expedition or its subsidiaries (except, in the case of each of clauses (i) and (ii) directly above, for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices that if not given or received, would not have any Material

Adverse Effect on Expedition and would not have material adverse effect on the ability of Salvo and Expedition to consummate the transactions contemplated hereby).

(b) Other than in connection with or in compliance with the provisions of Applicable Law: (i) there is no legal impediment to the performance by Expedition of its obligations under this Agreement or to the execution and delivery of this Agreement by Expedition; and (ii) no filing or registration by Expedition with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary in connection with the making or 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 Expedition and would not have a material adverse effect on the ability of Expedition and Salvo to consummate the transactions contemplated hereby.

5.4 Capitalization of Expedition

As of the date hereof, the authorized share capital of Expedition consists of an unlimited number of Expedition Shares, of which only 31,627,408 Expedition Shares are issued and outstanding. As of the date hereof, 1,895,500 Expedition Options have been granted and are outstanding. Except as set forth above or as otherwise disclosed in writing, there are no securities of Expedition outstanding and Expedition has no other options, warrants or other rights, agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Expedition of any shares of Expedition (including Expedition Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Expedition (including Expedition Shares), nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attributes of Expedition. All outstanding Expedition Shares have been duly authorized and are validly issued, as fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Expedition Shares issuable upon exercise of outstanding Expedition Options will, when issued in accordance with the respective terms thereof, be duly authorized and validly issued as fully paid and non assessable shares.

5.5 No Material Change

There has not been any material change in the assets, liabilities or obligations (absolute, contingent or otherwise) of Expedition from the position set forth in the Expedition Financial Statements or as otherwise publicly disclosed in the Expedition Public Record prior to the date hereof and there has not been any Material Adverse Change in respect of Expedition (taken as a whole) since December 31, 2006; and since that date there have been no material facts, transactions, events or occurrences which could materially adversely affect the capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations or condition (financial or otherwise) or results of the operations of Expedition (taken as a whole) or that could affect Expedition's ability to consummate the transactions contemplated by this Agreement.

5.6 Financial Statements

The Expedition Financial Statements were prepared in accordance with Canadian GAAP and fairly present in accordance with Canadian GAAP the consolidated financial position, results of operations and changes in financial position of Expedition and its subsidiaries 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 Expedition on a consolidated basis. There has been no change in Expedition's accounting policies, except as described in the notes to the Expedition Financial Statements, since December 31, 2006.

5.7 Minute Books

The corporate records and minute books of Expedition have been maintained in accordance with all applicable statutory requirements and are complete and up-to-date in all material respects.

5.8 No Subsidiaries

Expedition has no subsidiaries and Expedition is not affiliated with, nor is it a holding corporation of any other body corporate.

5.9 Compliance with Applicable Laws

Expedition has conducted and is conducting its business in compliance in all material respects with all Applicable Law, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations and by-laws and other lawful requirements of any governmental or regulatory bodies applicable to Expedition in each jurisdiction in which Expedition carries on its business (except to the extent that the failure to so comply would not have a Material Adverse Effect on Expedition) and holds all licences, registrations and qualifications in all jurisdictions in which Expedition carries on its business which are necessary to carry on the business of Expedition (other than those that, the failure of which to so hold, would not have a Material Adverse Effect on Expedition), as now conducted and as presently proposed to be conducted and all such licenses, registrations or qualifications are valid and existing and in good standing and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which is of a nature that is not generally applicable to corporations or other entities engaged in the oil and gas exploration and production business in Canada and which has or would reasonably be expected to have a Material Adverse Effect on the business of Expedition, as now conducted or as proposed to be conducted.

5.10 Oil and Gas Information

Expedition has made available to GLJ, prior to the issuance of the GLJ Report, for the purpose of preparing the GLJ Report, all information requested by GLJ, which information did not contain any material misrepresentation at the time such information was provided. Expedition has no knowledge of a material adverse change in any production, cost, price (except with respect to changes in commodity prices), reserves or other relevant information provided to GLJ since the date that such information was so provided. Expedition believes that the GLJ Report reasonably presents the quantity and pre-tax present worth values of the natural gas reserves attributable to the properties evaluated in such report as at December 31, 2006 based upon information available at the time the GLJ Report was prepared and the assumptions as to commodity prices and costs contained therein, and Expedition believes that at the date of such report it did not (and as of the date hereof, except as may be attributable to production and/or changes in commodity prices since the date of such report does not) overstate the aggregate quantity or pre-tax present worth values of such reserves or the estimated monthly production volumes therefrom.

5.11 Environmental Matters

Except to the extent that any violation or other matter referred to in this subparagraph does not have a Material Adverse Effect:

(a) Expedition and each of its subsidiaries is not in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");

(b) Expedition and each of its subsidiaries has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(c) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Expedition or any of its subsidiaries that have not been remedied;

(d) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Expedition or any subsidiary;

(e) Expedition and each of its subsidiaries has not failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law;

(f) Expedition and each of its subsidiaries holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licences, permits and approvals are in full force and effect, and except for (i) notifications and conditions of general application to assets of the type owned by Expedition and its subsidiaries, and (ii) notifications relating to reclamation obligations under the *Environmental Protection and Enhancement Act* (Alberta) or similar legislation of the jurisdictions in which Expedition and its subsidiaries carry on business, Expedition and each of its subsidiaries has not received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated; and

(g) neither Expedition nor any of its subsidiaries has received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and neither Expedition nor any of its subsidiaries has settled any allegation of material non-compliance short of prosecution.

5.12 Properties

Although it does not warrant title:

(a) Expedition has no reason to believe that it does not have the right, subject to applicable laws and to applicable title documents, to produce and sell its petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the "**Interests**") and represents and warrants that the Interests are free and clear of adverse claims created by, through or under Expedition, except those arising in the ordinary course of business and that would not have a Material Adverse Effect, and, to its knowledge, Expedition holds the Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements, except where the failure to so hold the Interests would not have a Material Adverse Effect; and

(b) Expedition is not aware of any defects, failures or impairments in the title of Expedition to its oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and 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 the oil and gas reserves of Expedition as shown in the GLJ Report; (ii) the current production of Expedition; or (iii) the current cash flow of Expedition from such properties.

5.13 No Defaults under Leases and Agreements

(a) Expedition has not received notice of any default under any of the leases and other title and operating documents or any other agreement or instrument pertaining to Expedition's oil and gas assets to which Expedition is a party or by or to which Expedition 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

(b) to the knowledge of Expedition:

(i) Expedition is in good standing under all, and is not in default under any; and

(ii) 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, except to the extent that such defaults would not in the aggregate have a Material Adverse Effect 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.

5.14 No Encumbrances

Expedition has not encumbered or alienated its interest in its 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 Expedition's credit facilities or encumbrances disclosed in the Public Record, any governmental registry (including the personal property registry in British Columbia and Alberta) or those arising in the ordinary course of business, which are not material in the aggregate.

5.15 No Reduction of Interests

None of Expedition's 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 Expedition except to the extent that such reduction or change to an interest would not in the aggregate have a Material Adverse Effect.

5.16 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 Expedition's 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.

5.17 Production Allowables and Production Penalties

(a) None of the wells in which Expedition holds an interest has been produced in excess of applicable production allowables imposed by any Applicable Law or any governmental authority and Expedition does not have any knowledge of any impending change in production allowables imposed by any Applicable Law or any Authorized Authority that may be applicable to any of the wells in which it 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.

(b) Expedition has not 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 its knowledge, none of the wells in which it 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.

5.18 Operation and Condition of Wells

All wells in which Expedition holds an interest:

(a) for which Expedition 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

(b) for which Expedition was not or is not operator, to Expedition's 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.

5.19 Operation and Condition of Tangibles

Expedition's tangible depreciable property used or intended for use in connection with their oil and gas assets:

(a) for which Expedition 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 Expedition 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

(b) for which Expedition was not or is not operator, to Expedition's 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 Expedition was not 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.

5.20 Outstanding AFEs

Other than as set forth in the Disclosure Letter, there are no outstanding authorizations for expenditure pertaining to any of Expedition's 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 Expedition Financial Statements other than pursuant to the 2007 capital budget disclosed in writing to Salvo.

5.21 Tax Matters

(a) For purposes of this Section 5.21, the following definitions shall apply:

(i) the term "**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, provincial, 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), capital, payroll and employee withholding taxes, labour taxes, employment insurance, social insurance taxes, sales and use taxes, *ad valorem* taxes, value added 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 Expedition is required to pay, withhold or collect; and

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

(b) All Returns required to be filed by or on behalf of Expedition have been duly filed on a timely basis and such Returns were complete and correct in all material respects. All Taxes shown to be payable on the Returns, on subsequent assessments, in respect of installments or otherwise due and payable have been paid in full on a timely basis and no other Taxes are payable by Expedition with respect to items or periods covered by such Returns.

(c) Expedition has paid all Taxes required to be paid on or prior to the date hereof and provided adequate accruals for Taxes in respect of all periods ending on or before the Effective Date in the Expedition Financial Statements, in conformity with Canadian GAAP applied on a basis consistent with those of prior years.

(d) For all periods covered by the filed Returns, Expedition has made available to Salvo true and complete copies of: (i) material portions of income tax audit reports, statements of deficiencies, closing or other agreements received by Expedition or on behalf of Expedition relating to Taxes; and (ii) all of its Returns, other than Returns which are immaterial.

(e) No material deficiencies exist or have been asserted against Expedition with respect to Taxes. Expedition is not a party to any action or proceeding for assessment, reassessment or collection of Taxes, nor has such event been asserted or to Expedition's knowledge threatened against Expedition or any of its assets. No waiver or extension of any time limitation is in effect with respect to Taxes or Returns of Expedition. There is no audit in process, pending or, to the knowledge of Expedition, threatened by an Authorized Authority or taxing authority relating to the Returns of Expedition.

(f) Expedition has withheld from each payment made to any of its present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the Tax Act, all amounts required by Applicable Law and will continue to do so until the Effective Time and has remitted such withheld amounts within the prescribed periods to the appropriate Authorized Authority. Expedition has remitted all Canada Pension Plan contributions, employment insurance premiums, and other Taxes payable by it in respect of its employees and has or will have remitted such amounts to the proper governmental authority within the time required by Applicable Law. Expedition has charged, collected and remitted on a timely basis all Taxes as required by Applicable Law on any sale, supply or delivery whatsoever, made by Expedition.

(g) None of sections 79, 80, 80.01, 80.02, 80.03 or 80.04 of the Tax Act, or any equivalent provision of the tax legislation of any province or any other jurisdiction, have applied or will apply to Expedition at any time up to and including the Effective Time.

(h) Expedition has not acquired property from a non-arm's length person, within the meaning of the Tax Act, for consideration, the value of which is less than the fair market value of the property acquired in circumstances which could subject it to a liability under section 160 of the Tax Act.

(i) For all transactions between Expedition and any non-resident person with whom Expedition was not dealing at arm's length during a taxation year ending on or before the date hereof, Expedition has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act.

(j) Expedition does not have and will not have any obligation to file on or prior to the Effective Time, any Return required to be made, prepared or filed under any Applicable Law of any jurisdiction other than Canada in respect of any Taxes, and Expedition does not have any outstanding liability on account of any failure to comply with any such obligation.

(k) Expedition is duly registered under subdivision (d) of Division V of Part IX of the *Excise Tax Act* (Canada) with respect to the goods and services tax and Expedition's registration number is 891489130 RT0001.

(l) The liability for Taxes of Expedition under the Tax Act, and any other Applicable Law has been assessed by the relevant authority for all taxation years to and including its taxation year ended on December 31, 2006.

(m) Expedition has not or will not claim any reserves under the Tax Act or any equivalent provincial or territorial statute for the taxation year ending immediately prior to the Effective Time.

(n) All of the non-capital losses, as defined in the Tax Act, of Expedition for taxation years ending on or before the date hereof were incurred by Expedition in the course of carrying on the current principal business of Expedition and Expedition has not, at any point in time, discontinued carrying on that business.

5.22 Debt

At June 30, 2007, Expedition's Debt was $6,474,881. "**Expedition's Debt**" means total indebtedness, including long-term debt, bank debt and working capital deficiency, but excluding hedging obligations.

5.23 Lending Agreements

Expedition has no existing banking or lending agreements other than as set forth in the Disclosure Letter.

5.24 Flow-Through Obligations

Expedition has not entered into any agreements or made any covenants with any parties with respect to the issuance of "flow-through" shares or the incurring and renunciation of Canadian exploration expense or Canadian development expense, which amounts have not been fully expended and renounced as required thereunder.

5.25 No Shareholders' Rights Protection Plan

Expedition is not a party to, and prior to the expiry of the Arrangement, Expedition will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Expedition Shares or other securities of Expedition or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the making or consummation of the Arrangement.

5.26 No Undisclosed Material Liabilities

Expedition does not have any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:

(a) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the Expedition Financial Statements (the "**Expedition Balance Sheet**");

(b) those incurred in the ordinary course of business and not required to be set forth in the Expedition Balance Sheet under Canadian GAAP;

(c) those associated with or contemplated by the 2007 capital expenditure budget of Expedition (a copy of which is appended to the Disclosure Letter);

(d) those incurred in the ordinary course of business since the date of the Expedition Balance Sheet and consistent with past practice; or

(e) those incurred in connection with the negotiation, evaluation, approval and execution of this Agreement or pursuant to the terms of this Agreement.

5.27 Material Contracts

Other than the agreements set forth in the Disclosure Letter, documents of title and other agreements by which the Interests are derived and this Agreement, there are no material contracts or agreements to which Expedition is a party or by which it is bound. For the purposes of this Section 5.27, any contract or agreement pursuant to which Expedition will, or may reasonably be expected to, expend more than an aggregate of $100,000 or receive or be entitled to receive revenue of more than $100,000 in either case in the next 12 months, or is out of the ordinary course of business of Expedition, shall be considered to be material.

5.28 Employee Obligations

(a) Except for obligations of common law or applicable employment standards legislation that would be payable in the event of termination of the employees and officers of Expedition, the aggregate amounts payable by Expedition under any obligations or liabilities of Expedition to pay any amounts to its officers, directors, employees or consultants (other than for salary or directors' fees in the ordinary course, in each case in amounts consistent with historic practices), including obligations of Expedition to officers, employees or consultants for severance, retention, termination or bonus payments on a change of control of Expedition pursuant to Expedition's severance policy, will not exceed $600,000 (exclusive of GST) immediately following the completion of the Arrangement.

(b) There are no accrued bonuses payable to any officers, directors or employees of Expedition.

5.29 Leases and Other Obligations

Expedition is not a party to any outstanding leases or office leases pursuant to which any material amount could become payable by virtue of a change of control of Expedition or otherwise as a result of the completion of the transactions contemplated hereby.

5.30 Employment Agreements

Other than as provided to Salvo prior to the date hereof, Expedition does not have in place any employment agreements or other agreements that would give rise to a payment on a change of control (including completion of the transaction contemplated hereby).

5.31 U.S. Matters

(a) Expedition is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the United States Securities and Exchange Commission under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**").

(b) Expedition is not registered or required to be registered as an investment company under the *Investment Company Act of 1940*.

(c) Expedition is not incorporated in the United States and the principal offices of Expedition are not located within the United States.

(d) Expedition does not hold more than $50 million worth of assets in the United States, measured by fair market value, and has not made aggregate sales in or into the United States exceeding $50 million during its most recent fiscal year.

5.32 Employee Benefit Plans

Expedition has no defined benefit plans or other employee benefit plans and has made no agreements or promises in respect of any such plan.

5.33 Litigation, Etc.

(a) As of the date hereof, there are no actions, suits or proceedings in existence or pending or, to the knowledge of Expedition, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect Expedition or affecting or that would reasonably be expected to affect any of its properties or assets, at law or equity or before or by any Authorized Authority, which action, suit or proceeding involves a possibility of any judgment against or liability of Expedition that, would reasonably be expected to cause a Material Adverse Change in respect of Expedition, or would significantly impede the ability of Expedition to consummate the Arrangement.

(b) Expedition has not retained nor will it retain any financial advisor, broker, agent or finder or paid or agreed to pay any financial advisor, broker, agent or finder on account of this Agreement, the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except that Sayer Energy Advisors has been retained as Expedition's financial advisor in connection with certain matters, including the transaction contemplated thereby and Expedition has retained Borden Ladner Gervais LLP as Expedition's legal advisors in connection with the transaction contemplated herein. Expedition has delivered to Salvo true and correct copies of all agreements between Expedition and its financial advisor which could give rise to a payment of any fees to such financial advisor. Other than the foregoing, Expedition has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agents' commission or other forms of compensation with respect to the transactions contemplated by this Agreement.

5.34 Transaction Costs

Expedition's aggregate transaction costs related to the transaction contemplated hereby (including all financial advisory, legal, accounting and any and all other costs and expenses of Expedition relating to the transaction contemplated hereby, but excluding those set forth in Subsection 5.28(a) and the Salvo Non-Completion Fee) is not expected to exceed $350,000 plus GST, excluding any reasonable costs and expenses of Expedition or its advisors arising from, or incurred with respect to, the matters contemplated by Subsections 3.2(b)(v) or 3.2(c). Notwithstanding the foregoing, Expedition will use reasonable commercial efforts to keep its costs below $350,000, and will provide written notice to Salvo promptly after becoming aware that the costs of the transaction to Expedition are reasonably likely to exceed $350,000.

5.35 Disclosure

(a) The data and information in respect of Expedition and its assets, liabilities, business, operations and subsidiaries provided by Expedition or its advisors to Salvo or its advisors was and is accurate and correct in all material respects as at the respective effective dates thereof of such data or information and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided, taken as a whole, not misleading as at the effective dates of such data or information.

(b) To the knowledge of Expedition, Expedition has not withheld from Salvo any material information or documents concerning Expedition or its assets, liabilities or subsidiaries during the course of Salvo's review of Expedition and its assets.

5.36 No Guarantees or Indemnities

Expedition is not 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 Expedition and Applicable Law and as set forth in the Disclosure Letter), or any other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person.

5.37 No Loans

Expedition does not have any loans or other indebtedness currently outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with Expedition.

5.38 No Net Profits or Other Interests

No officer, director, employee or any other person not dealing at arm's length with Expedition or, to the knowledge of Expedition, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on revenue from the properties or assets of Expedition or any revenue or rights attributed thereto.

5.39 Reporting Issuer

Expedition is a reporting issuer in British Columbia and Alberta only, Expedition is in material compliance with the applicable securities laws of such jurisdictions, the issued and outstanding Expedition Shares are listed and posted for trading on the TSXV and Expedition is in compliance with the by-laws, rules and regulations of the TSXV.

5.40 No Cease Trade Orders

No securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of Expedition and Expedition is not in default of any requirement of applicable securities laws that would have a material adverse effect on the transactions contemplated by this Agreement.

5.41 Public Record

The information and statements set forth in the Expedition Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the respective effective dates of such information or statements, and no material change has occurred in relation to Expedition which is not disclosed in the Expedition Public Record, and Expedition has not filed any confidential material change reports which continue to be confidential.

5.42 No Material Transactions

Except as publicly disclosed prior to the date of this Agreement, since December 31, 2006 Expedition has not incurred, assumed or suffered any liability (absolute, accrued, contingent or otherwise) or entered into any transaction, which is or may be material to Expedition, which was not in the ordinary course of business.

5.43 No Swaps

Expedition currently has no outstanding Swaps.

5.44 No Unanimous Shareholder Agreement

To its knowledge, neither Expedition nor any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Expedition.

5.45 Confidentiality Agreements

Expedition has not negotiated any Take-over Proposal with any person who has not entered into a confidentiality agreement or provided access to confidential information in respect of Expedition in relation to any proposed, possible or actual Take-over Proposal to any person who has not entered into a confidentiality agreement. Expedition has not amended, modified or provided any consents under such confidentiality agreements or provided any release from, or relaxation of, the obligations under such confidentiality agreements to any of the other parties thereto. Expedition has not waived the applicability of any "standstill" or other provisions of any confidentiality agreements entered into by Expedition.

5.46 Restrictions on Business

There is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which either Expedition or its subsidiaries is a party or by which it is otherwise bound that would now or hereafter in any way limit its business or operations in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction preventing Expedition or its subsidiaries from engaging in its business or from competing with any person or in any geographic area.

5.47 Outstanding Acquisitions or Dispositions

Expedition has no rights to purchase any assets, properties or undertakings of third parties nor any obligation to sell assets, properties or undertakings under any agreements to purchase or sell or similar agreements that have not closed.

5.48 Insurance

Policies of insurance in force as of the date hereof naming Expedition as an insured adequately cover all risks reasonably and prudently foreseeable in the operation and conduct of the business of Expedition to the extent customary in respect of the business carried on by Expedition. All such policies of insurance shall remain in force and effect in accordance with their terms following the execution and delivery of this Agreement and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby or by the Arrangement.

5.49 Transferred Information

Expedition: (i) has provided all necessary notices to and has obtained all necessary consents from each individual to which the Transferred Information relates for the collection, use and disclosure of such information for the purposes for which such information is currently and was historically collected, used and disclosed by Expedition and for the completion of the transactions contemplated herein; and (ii) has not received notice, or has reason to believe, that any such consent has been withdrawn or varied. The Transferred Information is necessary for, and solely relates to, the completion of the transactions as contemplated herein, including the determination to complete such transactions.

5.50 Directors' Approvals

The board of directors of Expedition has: (i) received an opinion from its financial advisor that the Arrangement is fair, from a financial point of view, to the Expedition Shareholders; (ii) unanimously endorsed the Arrangement and approved this Agreement; (iii) unanimously determined that the Arrangement is fair, from a financial point of view, to Expedition Shareholders; and (iv) has resolved to unanimously recommend approval of the Arrangement by Expedition Shareholders.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF SALVO

Salvo represents and warrants to and in favour of Expedition as follows and acknowledges that Expedition is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

6.1 Organization and Qualification

Salvo has been duly incorporated under the laws of Alberta and has the requisite power and capacity to carry on its business as it is now being conducted. Salvo is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a material adverse effect on Salvo.

6.2 Authority Relative to this Agreement

Salvo has the requisite power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance by Salvo of its obligations hereunder have been duly authorized by the board of directors of Salvo, and no other proceedings on the part of Salvo are necessary to authorize this Agreement or the performance by Salvo of its obligations hereunder. This Agreement has been duly executed and delivered by Salvo and constitutes a legal, valid and binding obligation of Salvo enforceable against Salvo in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to the general principles of equity.

6.3 No Violations

(a) Neither the execution and delivery of this Agreement by Salvo, the consummation by it of the transactions contemplated hereby nor compliance by Salvo with any of the provisions hereof will: (i) violate, conflict with, or result in the 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, any of the terms, conditions or provisions of: (A) the articles or by-laws of Salvo; or (B) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Salvo is a party or to which Salvo, or any of its properties or assets, may be subject or by which Salvo is bound; or (ii) subject to compliance with Applicable Law, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Salvo (except, in the case of each of clauses (i) and (ii) directly above, for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices that, if not given or received, would not have a material adverse effect on the ability of Salvo and Expedition to consummate the transactions contemplated hereby).

(b) Other than in connection with or in compliance with the provisions of Applicable Law and the requirements of the TSXV: (i) there is no legal impediment to the performance by Salvo of its obligations under this Agreement or to the execution and delivery of this Agreement by Salvo and (ii) no filing or registration by Salvo with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary in connection with the making or 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 ability of Salvo to consummate the transactions contemplated hereby.

6.4 Interest in Expedition

Salvo, together with its affiliates and associates (as those terms are defined in the *Securities Act* (Alberta) currently does not have a beneficial interest in any of the issued and outstanding Expedition Shares.

6.5 Funds Available

Salvo has sufficient funds or has made adequate financing arrangements so that it will have at the time the Expedition Shares are to be paid for once taken up under the Arrangement, the aggregate purchase consideration payable pursuant to the Arrangement and will be at the time the Expedition Shares are to be paid for once taken up under the Arrangement, in a position to pay for all the Expedition Shares tendered pursuant to the Arrangement in accordance with the terms of the Arrangement and will be in a position to pay all other amounts contemplated by this Agreement.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 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) the Interim Order shall have been granted in form and substance satisfactory to each of Salvo and Expedition, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Expedition and Salvo, acting reasonably, on appeal or otherwise;

(b) a resolution shall have been passed by the holders of Expedition Shares, in form and substance satisfactory to each of Salvo and Expedition, acting reasonably, duly approving the Arrangement in accordance with the Interim Order;

(c) the Final Order shall have been granted in form and substance satisfactory to Salvo and Expedition, acting reasonably;

(d) the Articles of Arrangement filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to each of Salvo and Expedition, acting reasonably;

(e) all government and regulatory approvals, orders, rulings, exemptions and consents (including, without limitation those of any stock exchanges or other securities or regulatory authorities) which, in the judgment of the Parties, acting reasonably, are necessary to complete the Arrangement, shall have been obtained on terms and conditions satisfactory to the Parties, acting reasonably, and shall be in full force and effect, and any and all other applicable waiting periods under any competition, merger control or similar laws or regulations or imposed by any Authorized Authority having jurisdiction over Expedition, Salvo, the Arrangement or any other transaction contemplated by the Arrangement with respect to any such matters, shall have expired or been terminated and no objection or opposition shall have been filed, initiated or made during any applicable statutory or regulatory period;

(f) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any Authorized Authority or by any private person in Canada or elsewhere, whether or not having the force of law, and no law, regulation or policy (including applicable tax laws and regulations in those jurisdictions in which Expedition carries on business) shall have been proposed, enacted, promulgated, amended or applied, which in any case, in the judgment of the Parties, acting reasonably:

(i) has the effect or may have the effect to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by, or the sale to, Salvo of the Expedition Shares or the right of Salvo to own or exercise full rights of ownership of the Expedition Shares; or

(ii) has had, or if the Arrangement was consummated would result in, a Material Adverse Effect on Expedition or Expedition's ability to complete the Arrangement, as determined by the Parties, acting reasonably; and

(g) the Arrangement shall have become effective on or prior to the Outside Date.

The conditions set forth in this Section 7.1 are for the mutual benefit of Expedition and Salvo and may be asserted by each of Expedition and Salvo regardless of the circumstances and may be waived by Expedition and Salvo in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Expedition or Salvo may have.

7.2 Conditions to Obligations of Expedition

The obligation of Expedition 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) each of the acts and undertakings of Salvo to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by Salvo; and

(b) except as affected by the transactions contemplated by this Agreement, the representations and warranties of Salvo contained in Article 6 shall be true and correct in all material 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 Salvo shall have complied in all material respects with its covenants in this Agreement and Expedition shall have received a certificate to that effect dated the Effective Date from two senior officers of Salvo acceptable to Expedition, acting reasonably, acting solely on behalf of Salvo and not in their personal capacity, to the best of his information and belief having made reasonable inquiry and Expedition will have no knowledge to the contrary.

The conditions in this Section 7.2 are for the exclusive benefit of Expedition and may be asserted by Expedition regardless of the circumstances or may be waived by Expedition in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Expedition may have.

7.3 Conditions to Obligations of Salvo

The obligation of Salvo 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) each of the acts and undertakings of Expedition to be performed on or before the Effective Date pursuant to the terms of this Agreement shall have been duly performed by Expedition;

(b) Expedition shall have furnished Salvo with:

(i) certified copies of the resolutions duly passed by the board of directors of Expedition approving this Agreement and the consummation of the transactions contemplated hereby and directing the submission of the Arrangement for approval at the Expedition Meeting and recommending that Expedition Shareholders vote in favour of the Arrangement; and

(ii) certified copies of the special resolutions of Expedition Shareholders, duly passed at the Expedition Meeting, approving the Arrangement in accordance with the Interim Order;

(c) Expedition shall have mailed the Expedition Information Circular and other documentation required in connection with the Expedition Meeting on or before October 5, 2007, provided that the failure to mail by such date is not caused by a material breach by Salvo of its covenant in Subsection 3.3(b);

(d) Expedition shall have furnished Salvo, prior to the mailing of the Expedition Information Circular as contemplated by Subsection 7.3(c), with the written consent of Expedition's bankers to the Arrangement and the related transactions;

(e) except as affected by the transactions contemplated by this Agreement, the representations and warranties of Expedition contained in Article 5 shall be true and correct in all material respects as at the Effective Date (except for such representations and warranties made as of a specified date, which shall be true and correct as of such specified date) with the same effect as though such representations and warranties had been made at and as of such time and Expedition shall have complied in all material respects with its covenants in this Agreement and Salvo shall have received a certificate to that effect (which certificate will provide a detailed breakdown of the transaction costs contemplated by Section 5.34) dated the Effective Date from two senior officers of Expedition acceptable to Salvo, acting reasonably, acting solely on behalf of Expedition and not in their personal capacity, to the best of their information and belief having made reasonable inquiry and Salvo will have no knowledge to the contrary;

(f) holders of outstanding Expedition Shares, representing not more than 5% of the outstanding Expedition Shares, shall have exercised rights of dissent in respect of the Arrangement that have not been withdrawn as at the Effective Date;

(g) the working capital deficiency of Expedition (being the difference calculated by subtracting Expedition's current liabilities from its current assets, in each case as defined under Canadian GAAP) on the Closing Date shall not exceed an amount equal to $2,175,000, as adjusted to exclude each of the following:

(i) Expedition's expenses in relation to the Arrangement, not to exceed $350,000 plus applicable GST;

(ii) Employee Obligations of Expedition, not to exceed $600,000 plus applicable GST;

(iii) amounts paid to holders of options in accordance with Section 4.1;

(iv) expenditures made or other transactions completed which have an effect on Expedition's working capital, in each case which are expressly authorized by Salvo in accordance with the provisions of this Agreement;

(v) changes to working capital from hedging obligations; and

(vi) any other changes to working capital which result from matters arising in the ordinary course of Expedition's business which were not reasonably foreseeable as of the date of this Agreement, not to exceed $300,000 in the aggregate;

(h) at the time of the closing of the Arrangement, each of the directors and officers of Expedition and its subsidiaries (other than those agreed to by Salvo) shall have provided their resignations (in the case of directors, in a manner that allows for the orderly replacement of directors on the Effective Date) and such officers shall have delivered mutual releases in favour of Expedition and Salvo, in form and substance satisfactory to Salvo and such persons, all the foregoing to be effective at the Effective Time;

(i) there shall not have occurred any Material Adverse Change in respect of Expedition after the date hereof or prior to the date hereof which has not been publicly disclosed prior to the date hereof or disclosed to Salvo in writing prior to the date hereof; and

(j) immediately prior to the Effective Time, Salvo shall be satisfied there shall not be more than 33,522,908 Expedition Shares, assuming the exercise of all 1,895,500 Expedition Options, and Salvo shall be satisfied that upon completion of the Arrangement that all outstanding Expedition Options and all other rights to acquire any Expedition Shares, if any, shall have either been exercised, deemed exercised or terminated or may be terminated or otherwise dealt with on a basis acceptable to Salvo, acting reasonably, and no person shall have any agreement, option or any right or privilege (whether by law, pre-emptive, by contract or otherwise) capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued Expedition Shares or other securities of Expedition.

The conditions described in this Section 7.3 are for the exclusive benefit of Salvo and may be asserted by Salvo regardless of the circumstances or may be waived by Salvo in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Salvo may have.

7.4 Notice of Failure to Comply with Conditions

Each of Expedition and Salvo 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; 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.

7.5 Satisfaction of Conditions

The conditions set out in this Article 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Arrangement are filed under the Act to give effect to the Arrangement.

ARTICLE 8
NON-COMPLETION FEE

8.1 Non-Completion Fee Payable by Expedition

Expedition shall pay to Salvo a fee (the "**Salvo Non-Completion Fee**") equal to $750,000, if, at any time after the date of execution of this Agreement and prior to the termination of this Agreement (and provided that there is no breach or non-performance by Salvo of a material provision of this Agreement) any of the following occur:

(a) the board of directors of Expedition: (i) fails to recommend that holders of Expedition Shares vote in favour of the Arrangement, (ii) withdraws, modifies or changes any of its recommendations, approvals, resolutions or determinations in respect of the Arrangement in a manner adverse to the Arrangement or to Salvo, or shall have resolved to do so prior to the Effective Date, or (iii) fails to reaffirm any of its recommendations, approvals, resolutions or determinations in respect of the Arrangement upon request from time to time by Salvo to do so, or upon a Take-Over Proposal being publicly announced in respect of Expedition or proposed, offered or made to Expedition or the holders of Expedition Shares, within 48 hours of such request being made or such Take-Over Proposal being publicly announced, proposed, offered or made, which ever occurs first;

(b) the board of directors of Expedition shall have recommended that holders of Expedition Shares deposit their Expedition Shares under, or vote in favour of, or otherwise accept a Take-Over Proposal;

(c) prior to expiry of the Arrangement, a *bona fide* Take-Over Proposal is publicly announced or made to all or substantially all holders of Expedition Shares and the Arrangement is not approved by holders of the Expedition Shares at the Expedition Meeting and such *bona fide* Take-Over Proposal (or another Take-Over Proposal) is subsequently completed within six months of the date of termination of this Agreement;

(d) Expedition accepts, recommends, approves or enters into any agreement with any person to implement a Take-Over Proposal prior to the Effective Time (other than a confidentiality agreement contemplated by Subsection 3.2(b)(v));

(e) Expedition is in breach of one or more of its covenants made in this Agreement which individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change in respect of Expedition or to materially impede the completion of the transaction contemplated hereby, and Expedition fails to cure such breach within five Business Days after receipt of written notice thereof from Salvo (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

(f) Expedition is in breach of: (i) any one of its individual representations or warranties made in this Agreement; or (ii) more than one of its representations or warranties made in this Agreement (in the case of (ii), without giving effect to any materiality qualifiers contained therein), which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change in respect of Expedition or to materially impede the completion of the transaction contemplated hereby, and Expedition fails to cure such breach within five Business Days after receipt of written notice thereof from Salvo (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date),

provided that, Expedition shall not be required to pay the Salvo Non-Completion fee:

(i) as a result of a breach by Expedition of the representations in Section 5.11 if the facts that give rise to the breach of such representations could not reasonably have been known to the Designated Officers of Expedition on the date of this Agreement;

(ii) as a result of Salvo terminating this Agreement solely on the basis of Section 11.1(b)(viii); and

(iii) as a result of Salvo terminating this Agreement solely on the basis of the condition in Section 7.3(g) not being satisfied;

Expedition agrees that the Salvo Non-Completion Fee will be paid forthwith upon the occurrence of any such event and in any event within two Business Days of the date of the earliest of such event to occur. On the date of the earliest event described above in this Section 8.1, Expedition shall be deemed to hold such sum in trust for Salvo. For greater certainty, Expedition shall only be required to make one payment pursuant to this Section 8.1.

8.2 Non-Completion Fee Payable by Salvo

Salvo shall pay to Expedition a fee (the "**Expedition Non-Completion Fee**") equal to $750,000 if, at any time after the date of execution of this Agreement and prior to the termination of this Agreement (and provided that there is no breach or non-performance by Expedition of a material provision of this Agreement) any of the following occur:

(a) Salvo is in breach of one or more of its covenants made in this Agreement which individually or in the aggregate would reasonably be expected to materially impede the completion of the transaction contemplated hereby, and Salvo fails to cure such breach within five Business Days after receipt of written notice thereof from Expedition (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

(b) Salvo is in breach of: (i) any one of its individual representations or warranties made in this Agreement; or (ii) more than one of its representations or warranties made in this Agreement (in the case of (ii), without giving effect to any materiality qualifiers contained therein), which breach individually or in the aggregate would reasonably be expected to materially impede the completion of the transaction contemplated hereby, and Salvo fails to cure such breach within five Business Days after receipt of written notice thereof from Expedition (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).

Salvo agrees that the Expedition Non-Completion Fee will be paid forthwith upon the occurrence of any such event and in any event within two Business Days of the date of the earliest of such event to occur. On the date of the earliest event described above in this Section 8.2, Salvo shall be deemed to hold such sum in trust for Expedition. For greater certainty, Salvo shall only be required to make one payment pursuant to this Section 8.2.

8.3 Liquidated Damages

Each Party acknowledges that the payments contemplated by this Article 8 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 are not penalties. The Party required to make the payment set out in this Article 8 irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive or represent a penalty. For greater certainty, the Parties agree that, subject to Article 11, the payment of an amount required pursuant to this Article 8 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 otherwise to obtain specific performance of any such act, covenants or agreements, without the necessity of posting bond or security in connection therewith. Salvo and Expedition acknowledge and agree that neither the Salvo Non-Completion Fee nor the Expedition Non-Completion Fee shall be payable in circumstances where the Arrangement is not approved by the Expedition Shareholders at the Expedition Meeting and none of the circumstances contemplated by Sections 8.1 or 8.2 have occurred.

ARTICLE 9
TRANSITIONAL PROVISIONS

9.1 Access to Information and Integration of Operations

From and after date of this Agreement, Expedition agrees to provide to Salvo all information relating to its business and affairs and Salvo and its representatives will be permitted reasonable access to Expedition's management personnel, Expedition's premises, field operations, records, computer systems, properties, books, contracts and employees to permit Salvo to be in a position to expeditiously integrate the business and operations of Expedition with those of Salvo immediately upon, but not prior to, the Effective Time, provided that the activities of Salvo pursuant to this Section 9.1 do not cause any unreasonable disruptions to Expedition's business or operations prior to the Effective Time. Expedition will conduct itself so as to keep Salvo fully informed as to its business affairs and the decisions required with respect to the most advantageous methods of operating its assets and shall cooperate with Salvo in respect thereof. Salvo agrees that all information provided under this Section 9.1 shall be treated as if it were confidential and shall not be disclosed or used except to the extent required by Applicable Law or in order to enforce its rights under this Agreement.

9.2 Press Releases, etc.

From the date hereof until the Effective Time, each of Salvo and Expedition shall consult and cooperate with and advise each other prior to issuing any press release or other public disclosures or other written statement to the media or shareholders with respect to this Agreement, the transactions contemplated hereby or any other matters relating to the proposed business combination between Salvo and Expedition. Salvo and Expedition shall not issue any such press release or make any such public disclosures or statement prior to such consultation, except as may be required by Applicable Law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable commercial efforts to consult the other Party, taking into account the time constraints to which it is subject as a result of such law or obligation.

9.3 Transition of Control

Immediately following the Effective Time, the board of directors of Expedition shall be reconstituted through the resignations of all existing directors of Expedition (other than as may be agreed to by Salvo) and the appointment of Salvo nominees in their stead. Expedition shall, in accordance with the foregoing and subject to the provisions of the Act, assist Salvo to secure the resignations of all directors of Expedition to be effective at such time as may be required by Salvo and to use its reasonable best efforts to cause the election of the Salvo nominees to fill the vacancies so created in order to effect the foregoing without the necessity of a shareholder meeting.

ARTICLE 10
NOTICES

10.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent (or if such date is not a Business Day, the next Business Day following such date) if delivered personally or sent by facsimile or sent by prepaid courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

(a) if to Salvo:

Salvo Energy Corporation
200, 625 - 4th Ave S.W.
Calgary, Alberta T2P 0K2
Attention: President
Facsimile No.: (403) 777-9120

with a copy to:

Blake, Cassels & Graydon LLP
#3500, 855 - 2nd Street S.W.
Calgary, Alberta T2P 4J8
Attention: Michael Laffin and Daniel McLeod
Facsimile No.: (403) 260-9700

(b) if to Expedition:

Expedition Energy Inc.
#725, 435 - 4th Avenue S.W.
Calgary, Alberta T2P 3A8
Attention: President and Chief Executive Officer
Facsimile No.: (403) 264-1499

with a copy to:

Borden Ladner Gervais LLP
1000 Canterra Tower
400 Third Avenue S.W.
Calgary, Alberta T2P 4H2
Attention: William C. Guinan and Steven G. Pearson
Facsimile No.: (403) 266-1395

ARTICLE 11
TERMINATION

11.1 Termination

(a) This Agreement may, prior to the filing of the Articles of Arrangement, be terminated by mutual agreement of Salvo and Expedition without further action on the part of the Expedition Shareholders.

(b) Notwithstanding any other rights contained herein, Salvo may terminate this Agreement upon written notice to Expedition if:

(i) the Interim Order has been refused or has been granted in form or substance not satisfactory to Salvo, acting reasonably, or has not been granted on or prior to October 5, 2007, or, if issued, has been set aside or modified in a manner unacceptable to Salvo, acting reasonably, on appeal or otherwise (unless the failure to obtain the Interim Order by such date resulted from a failure or delay caused by Salvo in breach of this Agreement);

(ii) the Arrangement is not approved by the Expedition Shareholders in accordance with the terms of the Interim Order on or before the Outside Date;

(iii) the Final Order has not been granted in form and substance satisfactory to Salvo, acting reasonably, on or prior to November 21, 2007 or, if issued, has been set aside or modified in a manner unacceptable to Salvo, acting reasonably, on appeal or otherwise (unless the failure to obtain the Final Order by such date resulted from a failure or delay caused by Salvo in breach of this Agreement);

(iv) the Arrangement has not become effective on or before the Outside Date (unless the failure for the Arrangement to become effective by such date resulted from a failure or delay caused by Salvo in breach of this Agreement);

(v) any of the conditions precedent set forth in Sections 7.1 or 7.3 shall not be complied with or waived by Salvo on or before the date required for the performance thereof;

(vi) the Salvo Non-Completion Fee is payable in accordance with Section 8.1;

(vii) the Expedition Non-Completion Fee is payable in accordance with Section 8.2 and is paid by Salvo;

(viii) Expedition's aggregate transaction costs as contemplated by Section 5.34 exceed $350,000, exclusive of applicable GST; or

(ix) a Material Adverse Change in respect of Expedition shall have occurred.

(c) Notwithstanding any other rights contained herein, Expedition may terminate this Agreement upon written notice to Salvo if:

(i) the Interim Order has been refused or has been granted in form or substance not satisfactory to Expedition, acting reasonably, or has not been granted on or prior to October 5, 2007 or if issued, has been set aside or modified in a manner unacceptable to Expedition, acting reasonably, on appeal or otherwise (unless the failure to obtain the Interim Order by such date resulted from a failure or delay caused by Expedition in breach of this Agreement);

(ii) the Arrangement is not approved by the Expedition Shareholders in accordance with the terms of the Interim Order on or before the Outside Date;

(iii) the Final Order has not been granted in form and substance satisfactory to Expedition, acting reasonably, on or prior to November 21, 2007 or, if issued, has been set aside or modified in a manner unacceptable to Expedition, acting reasonably, on appeal or otherwise (unless the failure to obtain the Final Order by such date resulted from a failure or delay caused by Expedition in breach of this Agreement);

(iv) the Arrangement has not become effective on or before the Outside Date (unless the failure for the Arrangement to become effective by such date resulted from a failure or delay caused by Expedition in breach of this Agreement);

(v) any of the conditions precedent set forth in Sections 7.1 or 7.2 shall not be complied with or waived by Expedition on or before the date required for the performance thereof;

(vi) the Expedition Non-Completion Fee is payable in accordance with Section 8.2; or

(vii) the Salvo Non-Completion Fee is payable in accordance with Section 8.1 and is paid by Expedition.

(d) In the event of the termination of this Agreement as provided in Section 11.1, this Agreement and each of the Expedition Support Agreements shall forthwith have no further force or effect and there shall be no obligation on the part of Salvo or Expedition hereunder, or Salvo or any Expedition Shareholder under any Expedition Support Agreement, except for each Party's obligations as set out under Sections 8.1, 8.2, 12.3 and this Subsection 11.1(d) (provided that, in the case of Sections 8.1 and 8.2, the right of payment occurred prior to termination of this Agreement and for the purposes of this Subsection 11.1(d), the right of payment associated with Subsection 8.1(c) shall be deemed to be the public announcement, offering or making of any Take-Over Proposal contemplated thereby), which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement accruing prior to termination or any Expedition Shareholder from liability for any breach of its Expedition Support Agreement accruing prior to termination.

11.2 Amendment

This Agreement may at any time and from time to time before or after the holding of the Expedition Meeting be amended by written agreement of the Parties without, subject to Applicable Law, further notice to or authorization on the part of Expedition's 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 a Expedition Shareholder without approval by the Expedition Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

11.3 Waiver

Either of Salvo or Expedition may: (i) extend the time for the performance of any of the obligations or other acts of the other; (ii) waive compliance with any of the other's agreements or the fulfillment of any conditions to its own obligations contained herein; or (iii) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party.

ARTICLE 12
GENERAL

12.1 Miscellaneous

This Agreement: (i) together with the Confidentiality Agreement, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Parties, with respect to the subject matter hereof; and (ii) shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that each of the Parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the Province of Alberta having jurisdiction, this being in addition to any other remedy to which a Party is entitled at Applicable Law or in equity.

12.2 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties without the prior written consent of the other Party. Salvo may assign all and not less than all of its rights or obligations under this Agreement to a direct or indirect wholly-owned subsidiary of Salvo, provided that if such assignment takes place, Salvo shall continue to be liable to Expedition for any default in performance by the assignee.

12.3 Confidentiality

None of the Parties will make any disclosure of this Agreement or its contents, or any related discussions between the Parties to any third parties without the prior written consent of the other Party provided, however, that such disclosure may be made, after consultation with the other Party, in response to requirements of Applicable Law or the policies, rules or requirements of securities regulatory authorities or the TSXV.

12.4 Expenses

Except as provided in Sections 8.1 and 8.2 or otherwise contemplated by this Agreement, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such cost or expense, whether or not the Arrangement is consummated.

12.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12.6 Counterpart Execution

This Agreement may be executed via facsimile and in any number of counterparts and each such counterpart shall be deemed to be an original instrument and all such counterparts, when taken together, shall constitute one agreement.

12.7 Waiver of Confidentiality Agreement

Expedition hereby waives compliance by Salvo and its Representatives with the Confidentiality Agreement to the extent necessary to permit Salvo to participate in and complete the Arrangement and to permit Salvo to exercise its rights and perform its obligations hereunder and under the Arrangement. Expedition hereby consents (and confirms that its board of directors has consented, to Salvo purchasing Expedition Shares from time to time in private transactions through the facilities of the TSX Venture Exchange prior to the completion of the Arrangement, provided that (a) such purchases are made in compliance with Applicable Law, (b) the number of Expedition Shares purchased by Salvo shall not exceed 9% of the number of Expedition Shares outstanding; and (c) the restrictions on acquisitions of Expedition Shares contained in the Confidentiality Agreement will become effective in their entirety in the event this Agreement is terminated prior to the completion of the Arrangement.

12.8 Privacy Matters

Expedition covenants and agrees to advise Salvo of all purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and all additional purposes where Expedition has notified the individual of such additional purpose, and where required by Applicable Law, obtained the consent of such individual to such use or disclosure.

Salvo covenants and agrees to:

(a) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including the determination to complete such transactions;

(b) after the completion of the transactions contemplated herein:

(i) collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless:

(A) Expedition or Salvo has first notified such individual of such additional purpose, and where required by Applicable Law, obtained the consent of such individual to such additional purpose, or

(B) such use or disclosure is permitted or authorized by Applicable Law, without notice to, or consent from, such individual;

(c) where required by Applicable Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to Salvo, and

(d) return or destroy the Transferred Information, at the option of Expedition, should the transactions contemplated herein not be completed.

[The remainder of this page left blank intentionally.]

IN WITNESS WHEREOF, Salvo and Expedition have caused this Agreement to be executed as of the date first written above.

SALVO ENERGY CORPORATION

By: (signed "Patricia Phillips")
Name:
Title:

EXPEDITION ENERGY INC.

By: (signed "M. Scott St. John")
Name:
Title:

THIS IS **SCHEDULE 1.1(nn)** ATTACHED TO AND MADE PART OF THE ARRANGEMENT AGREEMENT DATED THE 31ST DAY OF AUGUST, 2007 BETWEEN SALVO ENERGY CORPORATION AND EXPEDITION ENERGY INC.

PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Act**" means the *Business Corporations Act* (Alberta), in effect on the date hereof;

"**Arrangement**" means the arrangement involving Expedition under section 193 of the Act on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 11.2 of the Arrangement Agreement or Article 5 hereof or made at the direction of the Court;

"**Arrangement Agreement**" means the arrangement agreement made as of August 31, 2007 between Salvo and Expedition, as amended, supplemented and/or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;

"**Arrangement Resolution**" means the special resolution of the Expedition Shareholders, approving the Arrangement;

"**Articles of Arrangement**" means the articles of arrangement of Expedition in respect of the Arrangement that are required by the Act to be sent to the Registrar after the Final Order is made;

"**Authorized Authority**" means, in relation to any Person, transaction or event, any: (i) national, federal, provincial, state, county, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign; (ii) agency, authority, ministry, department, board, bureau, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory, administrative or similar powers or functions of or pertaining to government; (iii) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions; and (iv) 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;

"**Business Day**" means any day, excepting Saturdays, Sundays and statutory holidays observed in Calgary, Alberta;

"**Cash Consideration**" means $0.34 in cash;

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

"**Depositary**" means Valiant Trust Company at its offices set out in the Letters of Transmittal;

"**Dissent Rights**" has the meaning given to that term in Section 3.1;

"**Dissenting Shareholders**" means a holder of Expedition Shares who has properly exercised Dissent Rights and has not withdrawn or been deemed to have withdrawn such Dissent Rights;

"**Effective Date**" means the date on which the Articles of Arrangement are filed with the Registrar;

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

"**Expedition**" means Expedition Energy Inc., a corporation existing under the Act;

"**Expedition Information Circular**" means the management proxy circular of Expedition to be sent by Expedition to the Expedition Shareholders in connection with the Expedition Meeting;

"**Expedition Meeting**" means the special meeting of Expedition Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement;

"**Expedition Shareholders**" means the Holders of Expedition Shares;

"**Expedition Shares**" means issued and outstanding common shares in the share capital of Expedition;

"**Final Order**" means the order of the Court approving the Arrangement pursuant to subsection 193(9) of the Act, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"**Holders**" means, when used with reference to the Expedition Shares, the holders of such shares shown from time to time in the register maintained by or on behalf of Expedition in respect thereof;

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

"**Letters of Transmittal**" means, collectively, the letters of transmittal for use by Expedition Shareholders, in the forms accompanying the Expedition Information Circular or such other equivalent forms acceptable to Expedition and Salvo, acting reasonably;

"**Person**" includes any individual, sole proprietorship, partnership, firm, limited partnership, limited liability company, unlimited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body, corporation, or Authorized Authority and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representatives;

"**Plan of Arrangement**", "**hereof**", "**hereunder**" and similar expressions means this Plan of Arrangement, including the recitals and appendices hereto and includes any agreement or instrument supplementary or ancillary hereto;

"**Registrar**" means the Registrar of Corporations duly appointed pursuant to Section 263 of the Act;

"**Salvo**" means Salvo Energy Corporation;

"**Securities Act**" means the *Securities Act* (Alberta); and

"**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time.

1.2 Certain Rules of Interpretation

In this Plan of Arrangement:

(a) **Currency.** Unless otherwise specified, all references to money amounts are to lawful currency of Canada.

(b) **Headings.** Headings of Articles and Sections are inserted for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

(c) **Including.** Where the word "including" or "includes" is used in this Plan of Arrangement, it means "including (or includes) without limitation".

(d) **Number and Gender.** Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

(e) **Statutory references.** A reference to a statute includes all rules and regulations made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation or rule which amends, supplements or supersedes any such statute or any such regulation or rule.

(f) **Time Periods.** Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

ARTICLE 2
ARRANGEMENT

2.1 Binding Effect

This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on Expedition, Salvo, all Expedition Shareholders and all beneficial owners of Expedition Shares.

2.2 Arrangement

Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

(a) all of the Expedition Shares held by Dissenting Shareholders shall be deemed to have been transferred to Salvo, free of any claims, and each Dissenting Shareholder shall cease to have any rights as a shareholder of Expedition other than the right to be paid, in accordance with the Dissent Rights, the fair value of the Expedition Shares with respect to which the Dissenting Shareholder has dissented; and

(b) all of the issued and outstanding Expedition Shares, other than Expedition Shares held by Dissenting Shareholders and Expedition Shares held by Salvo shall be transferred from each Expedition Shareholder, free and clear of any liens, encumbrances or claims, to Salvo, solely in exchange for a cash amount equal to the product of: (i) the number of Expedition Shares held by each such Expedition Shareholder; and (ii) the Cash Consideration.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Expedition Shareholders may exercise rights of dissent with respect to such Expedition Shares, pursuant to and in the manner set forth in section 191 of the Act and this Section 3.1 (the "**Dissent Rights**") in connection with the Arrangement as the same may be modified by the Interim Order or the Final Order; provided that, notwithstanding subsection 191(5) of the Act, the written objection to the Arrangement Resolution referred to in subsection 191(5) of the Act must be received by Expedition not later than 5:00 p.m. (Calgary time) on the date which is at least two Business Days preceding the Expedition Meeting. Expedition Shareholders who duly exercise such rights of dissent and who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Expedition Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Expedition Shareholders and shall receive the cash amount on the basis determined in accordance with Subsection 2.2(b).

In no case shall Salvo, Expedition, the Depositary or any other Person be required to recognize such Dissenting Shareholders as Expedition Shareholders after the Effective Time and the names of such Dissenting Shareholders shall be deleted from the register of Expedition Shareholders at the Effective Time.

3.2 Dissent Right Availability

An Expedition Shareholder is not entitled to exercise Dissent Rights with respect to such Expedition Shares if such Expedition Shareholder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the Arrangement Resolution. An Expedition Shareholder may only exercise Dissent Rights in respect of all, and not less than all, of his, her or its Expedition Shares.

ARTICLE 4
CERTIFICATES

4.1 Exchange of Certificates for Cash Consideration

At or promptly after the Effective Time, Salvo shall deposit with the Depositary, for the benefit of the Expedition Shareholders, cash in an amount equal to the aggregate Cash Consideration to be received by Expedition Shareholders pursuant to Subsection 2.2(b). Upon surrender to the Depositary of a certificate which immediately prior to the Effective Time represented outstanding Expedition Shares that, under the Arrangement, were transferred to Salvo in exchange for the cash amount such Expedition Shareholder has the right to receive pursuant to Subsection 2.2(b), together with a duly completed Letter of Transmittal and such additional documents, instruments and payments as the Depositary may reasonably require, the Holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such Expedition Shareholder, a cheque representing the aggregate cash amount to which such Expedition Shareholder is entitled pursuant to Subsection 2.2(b), less any amounts withheld pursuant to Section 4.5, and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Expedition Shares which is not registered in the transfer records of Expedition, a cheque representing the appropriate cash amount may be issued to the transferee if the certificate representing such Expedition Shares is presented to the Depositary, accompanied by all documents required to evidence and effect such transfer. Until surrendered as contemplated by this Section 4.1, each certificate which immediately prior to the Effective Time represented one or more outstanding Expedition Shares that, under the Arrangement, was transferred to Salvo in return for the cash amount such Expedition Shareholder has the right to receive pursuant to Subsection 2.2(b), shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender a cheque representing the cash payment in lieu of such certificates as contemplated by this Section 4.1, less any amounts withheld pursuant to Section 4.5.

4.2 Distributions with Respect to Unsurrendered Certificates

No dividends or other distributions declared or made with respect to the Expedition Shares with a record date after the Effective Time shall be paid to the Expedition Shareholder of any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Expedition Shares.

4.3 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Expedition Shares that were exchanged pursuant to Subsection 2.2(b) of Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Expedition Shareholder claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate a cheque representing the appropriate cash amount deliverable to such Expedition Shareholder in accordance with the provisions of Subsection 2.2(b). When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Expedition Shareholder to whom a cheque is to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Salvo and the Depositary in such sum as Salvo or the Depositary may direct or otherwise indemnify Salvo, Expedition and the Depositary in a manner satisfactory to Salvo and the Depositary against any claim that may be made against Salvo, Expedition or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 Extinction of Rights

Any certificate which immediately prior to the Effective Time represented outstanding Expedition Shares that were exchanged pursuant to Subsection 2.2(b) or Section 3.1 (or an affidavit of loss and bond or other indemnity pursuant to Section 4.3), together with such other documents or instruments required by such former Expedition Shareholder to receive payment for their Expedition Shares, that is not deposited with all other instruments required by Section 4.1 on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature against Salvo. On such date, the aggregate cash amount to which the former Expedition Shareholder referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered for no consideration to Salvo and shall be returned to Salvo by the Depositary. Neither of Salvo nor the Depositary shall be liable to any Person in respect of any cash amount for Expedition Shares delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

4.5 Withholding Rights

Salvo, Expedition and the Depositary shall be entitled to deduct and withhold from any dividend or consideration otherwise payable to any Expedition Shareholder such amounts as Salvo, Expedition or the Depositary determines, acting reasonably, are required or permitted pursuant to the Tax Act or any successor provision thereto to be deducted and withheld with respect to such payment under the Tax Act, the *United States Internal Revenue Code of 1986*, or any provision of federal, provincial, territorial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Expedition Shareholder in respect of which such deduction and withholding was made; provided that, such withheld amounts are actually remitted to the appropriate Authorized Authority.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) Expedition reserves the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:

(i) set out in writing;

(ii) approved by Salvo;

(iii) filed with the Court and, if made following the Expedition Meeting, approved by the Court; and

(iv) communicated to the Expedition Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Expedition at any time prior to the Expedition Meeting (provided that Salvo 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 Expedition Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Expedition Meeting shall be effective only if it is consented to by each of Expedition and Salvo, and if required by the Court, it is consented to by the Expedition Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Salvo, provided that it concerns a matter which, in the reasonable opinion of Salvo, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein. Salvo and Expedition may agree not to implement this Plan of Arrangement, notwithstanding the passing of the Arrangement Resolution and receipt of the Final Order.

THIS IS **SCHEDULE 1.1(bb)** ATTACHED TO AND MADE PART OF THE ARRANGEMENT AGREEMENT DATED THE 31ST DAY OF AUGUST, 2007 BETWEEN SALVO ENERGY CORPORATION AND EXPEDITION ENERGY INC.

FORM OF EXPEDITION SUPPORT AGREEMENT

August 31, 2007

CONFIDENTIAL

____
(Please print full name)

____
(Please print full address, including postal code)

____

Dear Sirs:

Re: Expedition Energy Inc.

We understand that you (the "**Shareholder**") are the beneficial owner of the number of common shares ("**Expedition Shares**") of Expedition Energy Inc. ("**Expedition**") and hold options ("**Options**") to purchase Expedition Shares, each as set forth on the signature page hereof.

Pursuant to an arrangement agreement dated August 31, 2007 (the "**Agreement**") between Expedition and Salvo Energy Corporation ("**Salvo**"), Salvo proposes to acquire all of the issued and outstanding Expedition Shares (the "**Transaction**") on a diluted basis. Capitalized terms used herein but not otherwise defined have the meanings ascribed thereto in the Agreement.

In consideration for Salvo entering into the Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows.

1. The Transaction

1.1 Salvo will, subject to applicable conditions set out in the Agreement, effect the Transaction on the basis of $0.34 in cash for each Expedition Share.

1.2 The completion of the Transaction is subject to various conditions as set forth in the Agreement, which conditions are for the benefit of Salvo or Expedition (or both), which Salvo or Expedition (or both) has the right to waive, in whole or in part, or to rely on in connection with termination of the Agreement and their respective obligations in relation to the Transaction.

2. Agreement to Vote

2.1 Subject to the terms and conditions hereof and Applicable Law, the Shareholder hereby agrees to vote (and to provide evidence thereof to Salvo not later than 10 days prior to the Expedition Meeting), all of the Expedition Shares that the Shareholder beneficially owns or over which it exercises control or direction (the "**Presently Held Securities**") and any additional Expedition Shares that the Shareholder may hereafter become the beneficial owner of or exercise control or direction over (including any such Expedition Shares issued on exercise of any Options) (the "**After Acquired Securities**") (the Presently Held Securities and the After Acquired Securities, collectively, the "**Subject Securities**") in favour of the Transaction and any other matters proposed by Expedition or Salvo that are necessary or desirable to complete the Transaction and not withdraw any proxies or change the vote in respect thereof.

3. Representation, Warranties and Covenants of the Shareholder

3.1 The Shareholder represents and warrants to Salvo, and acknowledges that Salvo is relying upon such representations and warranties in entering into this agreement that:

(a) the Shareholder has good and sufficient power, authority and right to enter into this agreement and to perform the Shareholder's obligations hereunder;

(b) assuming the due execution and delivery of this agreement by Salvo, this agreement is a legal, valid and binding obligation of the Shareholder enforceable by Salvo against the Shareholder in accordance with its terms (subject to the limitation that the enforceability of any waiver of statutory rights may be limited by Applicable Law), and the performance by the Shareholder of its obligations hereunder will not constitute a violation of or default under, or conflict with, any contract, commitment, agreement, arrangement, understanding or restriction of any kind to which the Shareholder is a party or by which the Shareholder is bound;

(c) the Shareholder is the beneficial owner of the Presently Held Securities and owns the Presently Held Securities for its own benefit and not for the benefit of any other person, and not as nominee, agent or other representative of any other person, and will, upon deposit of its Expedition Shares under the Transaction, hold such securities free and clear of all liens, charges, encumbrances, security interests and other rights of others whatsoever and the Shareholder has, or in the case of the After Acquired Securities will have, good and sufficient power, authority and right to transfer or cause to be transferred the legal and beneficial title to the Expedition Shares comprising the Subject Securities to Salvo with good and marketable title thereto; and

(d) the Presently Held Securities represent all of the Expedition Shares beneficially owned or over which the Shareholder exercises control or direction and the Shareholder does not hold any other rights to acquire any Expedition Shares, other than the Options.

The foregoing representations and warranties will be true and correct on the date hereof and on the date of completion of the Transaction.

3.2 The Shareholder covenants and agrees with Salvo that the Shareholder will not, and will use its reasonable best efforts to cause its representatives and advisors not to, directly or indirectly:

(a) solicit, initiate, invite, encourage or continue any inquiries or proposals from, or negotiations with, any person, company or other entity (other than Salvo) which constitutes or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions) a Take-over Proposal;

(b) enter into any agreement, discussions or negotiations with any person, company or other entity other than Salvo or any of its affiliates with respect to a Take-Over Proposal or a potential Take-Over Proposal;

(c) furnish or cause to be furnished any non-public information concerning the business, results of operations, assets, liabilities, prospects, financial condition or affairs of Expedition or any of its subsidiaries in connection with a Take-Over Proposal to any person, company or other entity other than Salvo and its representatives, other than as disclosed prior to the date hereof; or

(d) take any action that might reasonably be expected to reduce the likelihood of success of the Transaction,

provided that, if the Shareholder is a director or officer of Expedition, the foregoing provisions of this Section 3.2 shall not restrict the Shareholder from discharging his or her fiduciary duties to Expedition as a director or officer (or both).

3.3 The Shareholder covenants and agrees with Salvo that so long as the Shareholder is required to vote the Subject Securities in favour of the Transaction, that:

(a) it will notify Salvo promptly if any discussions or negotiations of the nature contemplated by Section 3.2 are sought or if any Take-Over Proposal is received, being considered or indicated to be forthcoming;

(b) except as contemplated herein, it shall not sell, assign, convey, otherwise dispose of or pledge, charge, encumber or grant a security interest in or grant to any other person any interest in any of the Subject Securities;

(c) it shall not exercise any shareholder rights or remedies available at common law or pursuant to applicable securities or corporate laws to delay, hinder, upset or challenge the Transaction;

(d) it shall exercise all voting rights attached to the Subject Securities to vote against any resolution to be considered by the securityholders of Expedition that, if approved, could reasonably be considered to reduce the likelihood of success of the Transaction; and

(e) in the event that it holds or exercises control or direction over any Options, it will either exercise such Options or exchange them for Expedition Shares or a cash payment, as contemplated by section 4.1 of the Agreement, and vote the Expedition Shares received on any such exercise or exchange in favour of the Transaction in accordance with Section 2.1 hereof, or it agrees that all such Options shall terminate immediately prior to the Effective Time.

4. Representations and Warranties of Salvo

4.1 Salvo represents and warrants to the Shareholder, and acknowledges that the Shareholder is relying upon such representations and warranties in entering into this agreement, that:

(a) it has good and sufficient power, authority and right to enter into this agreement and to complete the transactions contemplated hereby, including the payments contemplated by section 6.5 of the Agreement;

(b) upon the due execution and delivery of this agreement by the Shareholder, this agreement is a legal, valid and binding obligation of Salvo enforceable by the Shareholder against Salvo in accordance with its terms (subject to the limitation that the enforceability of any waiver of statutory rights may be limited by Applicable Law), and the consummation by it of the transactions contemplated hereby will not constitute a violation of or default under, or conflict with, any contract, commitment, agreement, arrangement, understanding or restriction of any kind to which it is a party or by which it is bound; and

(c) the execution and delivery by Salvo of this agreement and the performance by Salvo of its obligations hereunder will not result in a violation or breach of any provision of:

(A) Salvo's articles or by-laws; or

(B) any law, regulation, order, judgment or decrees applicable to Salvo;

and, other than as set out in or contemplated by the Agreement, no authorization, consent or approval of, or filing with, any public body or court of authority is necessary for the fulfillment by Salvo of its obligations in respect of the Transaction.

The foregoing representations and warranties will be true and correct on the date hereof and on the Effective Date.

5. Termination

5.1 The obligations hereunder of the Shareholder shall terminate at the option of the Shareholder upon written notice given by the Shareholder to Salvo:

(a) if Salvo decreases the consideration offered pursuant to the Transaction or otherwise modifies or amends the terms of the Transaction in a manner materially adverse to holders of Expedition Shares;

(b) if there has been any breach or non-performance by Salvo of a provision of this agreement in any material respect or the representations and warranties of Salvo contained herein are not true and correct in a material respect; or

(c) if the Agreement is terminated in accordance with its terms.

5.2 The obligations hereunder of Salvo shall terminate at the option of Salvo upon written notice given by Salvo to the Shareholder:

(a) if the Shareholder has breached or failed to perform and satisfy any of its covenants or agreements herein contained in a material respect or any of the representations and warranties of the Shareholder contained herein are not true and correct in a material respect; or

(b) if the Agreement is terminated in accordance with its terms.

5.3 In the event of the termination of this agreement as provided in Sections 5.1 and 5.2 above, this agreement shall forthwith become void and shall be of no further force or effect and there shall be no liability on the part of any party hereto, provided that the foregoing shall not relieve any party from any liability for any breach of this agreement that occurs prior to such termination.

6. Regulatory Approvals

6.1 The Shareholder covenants that, so long as the Shareholder is not entitled to withdraw any proxies in favour of the Transaction or change its vote in respect thereof, the Shareholder shall, acting reasonably, at Salvo's or Expedition's cost, co-operate with Salvo in obtaining all governmental and regulatory approvals required to permit Salvo to complete the Transaction in accordance with its terms and to acquire Expedition Shares thereunder, as contemplated in the Agreement.

7. Public Disclosure

7.1 Prior to the public announcement of the execution of the Agreement, the Shareholder will not make any public disclosure or announcement of or pertaining to this agreement, the Agreement or the Transaction nor disclose that any discussions or negotiations are taking place in connection therewith, without the prior written consent of Salvo, except as required by Applicable Law. Prior to the completion of the Transaction or the termination of this Agreement, whichever first occurs, the Shareholder will not make any announcements to the press or issue any news releases regarding the Transaction without the prior written consent of Salvo, except as required by Applicable Law.

8. Amendments and Assignment

8.1 This agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto. No party to this agreement may assign any of its rights or obligations under this agreement without the prior written consent of the other party.

9. Time

9.1 Time is of the essence of this agreement.

10. Survival

10.1 The representations, warranties and covenants of the Shareholder and of Salvo in Sections 3.1 and 4.1 hereof shall survive the consummation of the Transaction and the acquisition of the Expedition Shares comprising the Subject Securities by Salvo.

11. Successors and Assigns

11.1 This agreement shall be binding upon, enure to the benefit of and be enforceable by the Shareholder, Salvo and their respective heirs, executors, legal personal representatives, successors and permitted assigns, as the case may be.

12. Notice

12.1 Any notice or other communication required or permitted to be given hereunder shall be sufficiently given if delivered:

(a) in the case of the Shareholder, to the address appearing on the first page of this letter; and

(b) in the case of Salvo, to:

Salvo Energy Corporation
200, 625 - 4th Ave S.W.
Calgary, Alberta T2P 0K2
Attention: President
Facsimile No.: (403) 777-9120

or to such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this Section 12.1. Any notice or other communication given or made shall be deemed to have been duly given or made as at the date delivered or sent if delivered personally or sent by facsimile transmission at the address for service provided herein.

13. General

13.1 All references to Expedition Shares herein shall include any shares into which the Expedition Shares may be reclassified, subdivided, redivided, consolidated or converted by amendment to the articles of Expedition or otherwise and the price per share referred to herein shall be amended accordingly.

13.2 Words signifying the singular number shall include, whenever appropriate, the plural and vice versa; and words signifying the masculine gender shall include, whenever appropriate, the feminine or neuter gender.

13.3 This agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

14. Acceptance

14.1 If you are in agreement with the foregoing, kindly signify your acceptance by signing the second copy of this letter and delivering it to Salvo in the manner provided below. This letter may be signed in two or more counterparts that together shall be deemed to constitute one valid and binding agreement and delivery of counterparts may be effected by means of facsimile transmission.

Yours very truly,

SALVO ENERGY CORPORATION

By: ______________________________
Name:
Title:

In consideration of your entering into of the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholder hereby irrevocably accepts the foregoing as of this _________ day of August, 2007.

____
(Signature of Shareholder)

____
(Name of Shareholder – please print)

____
(Number of Expedition Shares beneficially held or controlled)

____
(Number of Options Held)