

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your investment dealer, stockbroker, bank manager, lawyer or other professional advisor.

August 24, 2000

NOTICE OF EXTENSION AND VARIATION

by

MAGIN ENERGY INC.

of its

OFFER TO PURCHASE

all of the outstanding Common Shares

of

PLACE RESOURCES CORPORATION

on the basis of

0.9 of a Common Share of Magin Energy Inc. for each Place Share

The Offer, as amended in accordance with this Notice, is open for acceptance until 12:00 noon (Calgary time) on September 6, 2000, unless withdrawn or extended.

The board of directors of Place Resources Corporation ("Place") unanimously recommends that shareholders of Place accept the Offer. The financial advisor to the board of directors of Place has concluded that the consideration to be received by Shareholders under the Offer is fair, from a financial point of view, to the Shareholders. For further information, refer to the Directors' Circular.

Holders of Common Shares of Place ("Place Shares") who wish to accept the Offer must properly complete and execute the accompanying Letter of Transmittal or a manually executed copy thereof and deposit it, together with the certificate or certificates representing their Place Shares, at one of the offices of Montreal Trust Company of Canada (the "Depositary") or Computershare Investors Services, LLC (the "U.S. Forwarding Agent") shown in the Letter of Transmittal and on the last page of this document, in accordance with the instructions in the Letter of Transmittal. Alternatively, a holder of Place Shares who desires to deposit such shares and whose certificate or certificates for such shares are not immediately available may deposit such certificate or certificates by following the procedures for guaranteed delivery set forth in Section 3 of the Offer, "Manner of Acceptance".

Questions and requests for assistance may be directed to Peters & Co. Limited (the "Dealer Manager"), the Depositary or the U.S. Forwarding Agent. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained upon request without charge from those persons at their respective offices shown in the Letter of Transmittal and on the last page of this document. Persons whose Place Shares are registered in the name of a nominee should contact their stockbroker, investment dealer, bank, trust company or other nominee for assistance in depositing their Place Shares.

NOTICE OF EXTENSION AND VARIATION

TO: THE SHAREHOLDERS OF PLACE RESOURCES CORPORATION

By notice to the Depository, Magin Energy Inc. ("Magin") has amended the Offer pursuant to which Magin is offering to purchase all of the outstanding Place Shares on the terms and conditions in the Offer and Circular of Magin dated August 2, 2000.

Except as otherwise set forth in this Notice of Extension and Variation (the "Notice"), the terms and conditions previously set forth in the Offer and Circular continue to be applicable in all respects, and this Notice should be read in conjunction with the Offer. Unless the context requires otherwise, terms denoted by initial capital letters and not defined herein shall have the meanings set forth in the Offer and Circular. The term "Amended Offer" means the Offer as amended by this Notice.

1. Extension of the Offer

The Expiry Date has been amended so as to mean September 6, 2000, unless the Amended Offer is extended (pursuant to Section 5 of the Offer, "Extension and Variation of the Offer"), in which event the Expiry Date shall mean the latest date on which the Amended Offer, as so extended, expires.

2. Recent Developments

Magin provided notice to the Depository that the Offer was extended to the amended Expiry Date in accordance with the Notice.

3. Depositing Place Shares

The time for which Place Shares deposited pursuant to the Amended Offer may be deposited by or on behalf of a depositing shareholder is at any time on or before 12:00 noon (Calgary time) on September 6, 2000, unless the Amended Offer is extended (pursuant to Section 5 of the Offer, "Extension and Variation of the Offer"), in which event Place Shares may be deposited at any time on or before the latest date on which the Amended Offer expires.

4. Payment of Deposited Place Shares

If all the conditions referred to in Section 4 of the Offer, "Conditions of the Offer", are satisfied or waived by Magin, Magin will (unless it shall have withdrawn or terminated the Offer) become obligated to take up the Place Shares validly deposited and not withdrawn under the Offer not later than 10 days after the Expiry Date. Any Place Shares taken up will be paid for as soon as possible, and in any event, not later than the earlier of 3 days after they are taken up and 10 days after the Expiry Time. In accordance with applicable law, any Place Shares deposited under the Amended Offer after the first date on which Place Shares have been taken up by Magin are required to be taken up and paid for within 10 days of such deposit.

Reference is made to Section 6 of the Offer, "Payment for Deposited Place Shares" for a complete description of the obligations of Magin to take up the Place Shares.

5. Right to Withdraw

All deposits of Place Shares pursuant to the Offer are irrevocable, provided that any Place Shares deposited in acceptance of the Amended Offer may be withdrawn by or on behalf of the Depositing Shareholder (unless otherwise required or permitted by applicable law):

- a. at any time before midnight (local time) on September 4, 2000; and
- b. at any time after September 16, 2000 provided that the Place Shares have not been taken up and paid for by Magin prior to the receipt by the Depository of the notice of withdrawal in respect of such Place Shares.

Place Shareholders will otherwise have the right to withdraw Place Shares under the circumstances and in the manner described in Section 7 of the Offer, "Withdrawal of Deposited Place Shares".

6. Amendments to Offer, Circular, Letter of Transmittal and Notice of Guaranteed Delivery

The Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery shall be amended *mutatis mutandis* to reflect the amendments contemplated by this Notice.

7. Statutory Rights

Securities legislation in certain of the provinces and territories of Canada provides Shareholders with, in addition to any other rights they may have at law, rights of rescission or to damages or to both, if there is a misrepresentation in a circular or notice that is required to be delivered to such Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

APPROVAL AND CERTIFICATE

The contents of this Notice have been approved and the sending, communication or delivery thereof to the Shareholders has been authorized by Magin.

The foregoing, together with the Offer and Circular as it has been supplemented and amended by the Notice, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. In addition, the foregoing does not contain any misrepresentation likely to affect the value or the market price of the securities which are the subject of the Offer.

Dated at Calgary, Alberta, the 24th day of August, 2000.

(signed) Glenn R. Carley
Chairman and Chief Executive Officer

(signed) Shivon M. Crabtree
Vice President, Finance and
Chief Financial Officer

On behalf of the Board of Directors

(signed) Glen A. Yeryk
Director

(signed) John A. Brussa
Director

Offices of the Depository, Montreal Trust Company of Canada

By Mail, Hand or Courier or Facsimile Transmission

Toronto

Stock Transfer Services
151 Front Street West
8th Floor
Toronto, Ontario
M5J 2N1

Tel: (416) 981-9633 or
1-800-663-9097
Fax: (416) 981-9600

Calgary

Stock Transfer Services
600, 530 - 8th Avenue S.W.
Calgary, Alberta
T2P 3S8

Tel: (403) 267-6555 or
1-888-267-6555
Fax: (403) 266-1490

Offices of the U.S. Forwarding Agent

By Hand and by Courier

Computershare Investor Services, LLC
Wall Street Plaza
19th Floor, 88 Pine Street
New York, New York
10005

By Mail and by Facsimile

Computershare Investor Services, LLC
Wall Street Station
P.O. Box 1023
New York, New York
10268-1023

Tel: (212) 701-7624
Fax: (212) 701-7636

Offices of the Dealer Manager

Peters & Co. Limited
2500, 350 - 7th Avenue S.W.
Calgary, Alberta
T2P 4N1

Telephone: (403) 261-4850
Fax: (403) 266-4116

Any questions and requests for assistance may be directed by Shareholders to the Dealer Manager, the U.S. Forwarding Agent or the Depository at their respective telephone numbers and locations set out above.