

CREDIT AGREEMENT

THIS AGREEMENT dated for reference April 15, 2008 is between:

IONIC CAPITAL CORP., an Alberta corporation, having an office at Suite 1028, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5

(the "**Lender**")

AND:

MARBLE POINT ENERGY LTD., an Alberta corporation, having an office at 1800, 700 4th Avenue SW, Calgary, Alberta, T2P 2H9

(the "**Borrower**")

AND:

CANADIAN PHOENIX RESOURCES CORP., an Alberta corporation having an office at 1605, 840 – 7th Avenue SW, Calgary, Alberta, T2P 3G2

("CPH")

BACKGROUND

The Lender has agreed to lend to the Borrower and the Borrower has agreed to borrow from the Lender the aggregate principal amount of up to \$35,000,000 on the terms and subject to the conditions of this Agreement.

AGREEMENTS

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

1. **Definitions.** In this Agreement:

- (a) "**Advances**" means, collectively, the Initial Advance and the Subsequent Advance;
- (b) "**Bond Offering**" has the meaning set forth in paragraph 10 below;
- (c) "**Bonus Shares**" has the meaning set forth in paragraph 7 below;
- (d) "**Business Day**" means a day which is not a Saturday, Sunday or a statutory holiday in Calgary, Alberta;

- (e) "**CPH**" means Canadian Phoenix Resources Corp.;
- (f) "**Crown Facility**" means the credit facility granted to the Borrower by DK Acquisition Partners, L.P., CCP Partners Holding and Crown Capital Partners Inc. pursuant to that certain credit agreement dated December 13, 2006;
- (g) "**Escrow Agreement**" has the meaning set forth in paragraph 6 below;
- (h) "**Event of Default**" has the meaning set forth in paragraph 16 below;
- (i) "**Exchange**" means the TSX Venture Exchange;
- (j) "**Facility**" means the credit facility granted by the Lender to the Borrower pursuant to this Agreement in the maximum aggregate amount of \$35,000,000;
- (k) "**Initial Advance**" has the meaning set forth in paragraph 2 below;
- (l) "**Initial Advance Fees**" has the meaning set forth in paragraph 2 below;
- (m) "**National Bank CPH Credit Facilities**" means any and all credit facilities granted to CPH by National Bank of Canada;
- (n) "**NBC Consent Letter**" means the letter dated April 15, 2008 from CPH to National Bank of Canada, accepted and agreed to by National Bank of Canada, pursuant to which, *inter alia*, National Bank of Canada (i) consents to the entering into of this Agreement and the granting of the applicable Security by CPH hereunder, and (ii) agrees to suspend the National Bank CPH Credit Facilities at a nil balance until such time as the Outstanding Obligations are irrevocably paid in full;
- (o) "**NBC Facility**" means the credit facility granted to the Borrower by National Bank of Canada pursuant to that certain offering letter dated September 6, 2007, as amended pursuant to that certain amending offering letter dated March 3, 2008;
- (p) "**NumberCo**" means 101073738 Saskatchewan Ltd.;
- (q) "**Outstanding Balance**" has the meaning set forth in paragraph 4(a) below;
- (r) "**Permitted Encumbrances**" has the meaning set forth in **Schedule "A"** hereto;
- (s) "**Result PSA**" means that certain purchase and sale agreement dated April 15, 2008 between Result Energy Inc., as vendor and Marble Point Energy Ltd., as purchaser;
- (t) "**Security Deposit**" means the amount of \$3,590,000 delivered to Fasken Martineau DuMoulin LLP, as escrow agent, to be held and released in accordance with the terms and conditions of the Security Deposit Escrow Agreement;

- (u) **"Security Deposit Escrow Agreement"** means the escrow agreement among Fasken Martineau DuMoulin LLP, the Lender, CPH and Marble Point, providing for the terms and conditions under which the Security Deposit is held in escrow by Fasken Martineau DuMoulin LLP and is releasable to either the Lender or CPH, as the case may be pursuant to such escrow agreement;
 - (v) **"Shareholder Loans"** means, collectively, those certain shareholder loans granted to the Borrower by Zen Investments Inc., Cosi Inc., 1163591 Alberta Ltd. and Danich Investments Ltd.;
 - (w) **"Structuring Fee Shares"** has the meaning set forth in paragraph 6 below;
 - (x) **"Subsequent Advance"** has the meaning set forth in paragraph 2 below;
 - (y) **"Subsidiaries"** means, with respect to the Borrower or CPH, respectively, any corporation of which at least a majority of the outstanding shares to which there is attached voting power under ordinary circumstances to elect a majority of the board of directors of such corporation, shall at the relevant time be owned directly or indirectly by the Borrower or CPH, as applicable, one or more Subsidiaries of the Borrower or CPH, or any combination thereof, and **"Subsidiary"** shall mean any one of them;
 - (z) **"Term Sheet"** means the Term Sheet for Credit Facility dated April 7, 2008 among the Borrower, the Lender and CPH; and
 - (aa) **"True Energy PSA"** means that certain asset purchase and sale agreement dated April 15, 2008 between True Energy Inc., as vendor and Marble Point Energy Ltd., as purchaser.
2. **Facility Advance.** Subject to and upon the fulfilment of the conditions precedent contained in paragraphs 9 and 10, as applicable, of this Agreement, the Lender will advance the principal amount of the Facility to the Borrower or as the Borrower may otherwise direct. The initial advance (the **"Initial Advance"**) shall be equal to the aggregate amount of (i) the deposits payable pursuant to the Result PSA and the True PSA, and (ii) the portion of the Structuring Fee payable in connection with the Initial Advance (the **"Initial Advance Fees"**) and, in any event, shall be no more than \$7,251,800. Upon completion of the Initial Advance, the amount available under the Facility (the **"Subsequent Advance"**) shall be no more than the difference between the Initial Advance and \$35,000,000. In respect of the Subsequent Advance, the Borrower shall provide written notice to the Lender and the Lender shall, if satisfied that all conditions hereunder have been met, provide the Borrower with such advance on the day of such notice.
3. **Use of Proceeds.** The Borrower covenants and agrees with the Lender that the Facility proceeds will be used by the Borrower for (i) the acquisition of certain oil & gas properties from True Energy Inc. pursuant to the True Energy PSA, (ii) the acquisition of

certain oil & gas properties from Result Energy Inc. pursuant to the Result PSA, (iii) payment in full of the NBC Facility (from the proceeds of the Subsequent Advance), and (iv) payment in full of the Crown Facility (from the proceeds of the Subsequent Advance), and for no other purpose whatsoever without the express written consent of the Lender. The Initial Advance shall be used solely to fund the deposits payable pursuant to the True PSA and the Result PSA in the amounts of \$6,000,000 and \$1,180,000, respectively and for payment of the Initial Advance Fees.

4. **Term and Prepayment.**

- (a) The aggregate principal amount of the Advances, together with all accrued but unpaid interest, bonus and other costs or charges payable hereunder from time to time (collectively the "**Outstanding Balance**"), will be immediately due and payable by the Borrower to the Lender on the earlier of:
 - (i) March 30, 2009; and
 - (ii) the occurrence of an Event of Default (as defined in paragraph 16 hereof) and a demand for payment by the Lender pursuant to paragraph 17 below;
- (b) Except in respect of the disposition of CPH's Freemont property to Serrano Energy Ltd. (the "**Serrano Transaction**") or in respect of the disposition of wells drilled in 2008 in the Pembina area, if after the Initial Advance, the Borrower, CPH, or any Subsidiary sells or otherwise disposes of any assets outside of the ordinary course of business, the Borrower or CPH or such Subsidiary, as the case may be, will pay or cause to be paid to the Lender all proceeds from such sale, disposition, net of reasonable costs, up to the full amount of the Outstanding Balance, to be applied on account of the Facility; and
- (c) The Borrower may prepay the Facility in whole at any time before maturity, without penalty, provided that such prepayment is made on the last Business Day of a calendar month and the Borrower has provided not less than ten (10) business days' prior notice of its intention to prepay the Facility.

5. **Interest.** Interest will accrue on the outstanding principal and any overdue interest from the date of the Initial Advance at the rate of twelve per cent (12%) per annum, calculated daily and compounded monthly (effective annual rate of 12.68%), and be payable by the Borrower to the Lender monthly on the last Business Day of every month, as well as after maturity, default and judgment.

6. **Structuring Fee.** As consideration for the structuring and syndication by the Lender of the Facility, concurrently with the Initial Advance and in respect thereof, the Borrower shall make a non-refundable cash payment to the Lender of \$71,800, representing 1% of the Initial Advance. In respect of the Subsequent Advance, the Borrower or CPH, as applicable, in the Borrower's discretion, shall, concurrently with the Subsequent Advance:

- (a) make a non-refundable cash payment to the Lender in an amount equal to 0.5% of the Subsequent Advance; or
- (b) arrange for payment to the Lender, payable in the form of common shares in the capital of CPH (the “**Structuring Fee Shares**”) equal to 0.6% of the amount of the Subsequent Advance divided by ninety per cent (90%) of the average closing price of such shares for the ten (10) trading days immediately preceding the date of the Borrower’s written request for such advance, and such shares, shall be subject to a maximum hold period of four (4) months and one day from the date of issuance under applicable securities laws and the rules and policies of the Exchange, registered in the name of the Lender, or as the Lender may otherwise direct.

In the event that the Borrower and CPH choose the option set out in sub-paragraph (b) of this paragraph 6, the Structuring Fee Shares shall be held in escrow pursuant to the terms of an escrow agreement in the form attached hereto as **Schedule “B”** (the “**Escrow Agreement**”) and, in accordance with the terms thereof, will be held pending the completion of the Marble Point Transaction (as defined in that certain news release dated February 29, 2008 in respect of the Borrower and CPH, a copy of which is attached hereto as **Schedule “C”**). Upon completion of the Marble Point Transaction and in accordance with the terms of the Escrow Agreement, the Structuring Fee Shares shall be unconditionally released to the Lender as non-refundable payment in respect of the Subsequent Advance. If the Marble Point Transaction does not close on or before July 15, 2008, the Structuring Fee Shares shall be returned to CPH for cancellation and in such an event, the Borrower shall concurrently with the return of such shares, make a non-refundable cash payment to the Lender in an amount equal to 0.6% of the Subsequent Advance. If the Borrower and CPH are unable or unwilling to agree which option should be chosen, option (a) of this paragraph 6 shall be deemed to have been chosen.

7. **Bonus.** As additional consideration for each of the Initial Advance and the Subsequent Advance, at the time of the Initial Advance and also at the time the Subsequent Advance is made to the Borrower, the Borrower and CPH shall, concurrently with each such advance:
- (a) make a non-refundable cash payment to the Lender in an amount equal to 9% of any such advance; or
 - (b) arrange for payment to the Lender, payable in the form of common shares in the capital of CPH (the “**Bonus Fee Shares**”) equal to 9% of the amount of such advance divided by ninety per cent (90%) of the average closing price of such shares for the ten (10) trading days immediately preceding the date of the Borrower’s written request for such advance, and such shares, shall be subject to a maximum hold period of four (4) months from the date of issuance under applicable securities laws and the rules and policies of the Exchange, registered in the name of the Lender, or as the Lender may otherwise direct.

In the event that the Borrower and CPH choose the option set out in sub-paragraph (b) of this paragraph 7, the Bonus Fee Shares shall be held in escrow pursuant to the terms of the Escrow Agreement and, in accordance with the terms thereof, will be held pending the completion of the Marble Point Transaction. Upon completion of the Marble Point Transaction and in accordance with the terms of the Escrow Agreement, the Bonus Fee Shares shall be unconditionally released to the Lender as non-refundable payment in respect of the Advances. If the Marble Point Transaction does not close on or before July 15, 2008, the Bonus Fee Shares shall be returned to CPH for cancellation and in such an event, the Borrower shall concurrently with the return of such shares, make a non-refundable cash payment to the Lender in an amount equal to 9% of the Advances. If the Borrower and CPH are unable or unwilling to agree which option should be chosen, option (a) of this paragraph 7 shall be deemed to have been chosen.

8. **Security.** As security for the Facility, the Borrower and CPH, as applicable, will:
- (a) execute and deliver to the Lender a promissory note from the Borrower, in the form attached hereto as **Schedule "D"** (the "**Note**") for the Initial Advance and for the Subsequent Advance, respectively;
 - (b) execute and deliver to the Lender, a fixed and floating charge debenture under which the Borrower will grant to the Lender, *inter alia*, a security interest in all of its present and after-acquired real property, subject only to Permitted Encumbrances and to the security interests of National Bank of Canada and Crown Capital Partners Inc. at the time of the Initial Advance and then providing a first priority security interest, subject only to Permitted Encumbrances, in respect of all such property effective as at the date of the Subsequent Advance and the concurrent payout in full of the NBC Facility and the Crown Facility, respectively (which will include at the time of the Subsequent Advance, a first fixed and floating charge against all assets acquired pursuant to the True PSA and the Result PSA and any other assets acquired through the use of the Subsequent Advance, subject to the terms and conditions of this Agreement, provided by way of a supplemental debenture (the "**Supplemental Debenture**");
 - (c) execute and deliver to the Lender, a general security agreement under which the Borrower will grant to the Lender, *inter alia*, a security interest in all of its present and after-acquired personal property, subject only to Permitted Encumbrances and to the security interests of National Bank of Canada and Crown Capital Partners Inc. at the time of the Initial Advance and then providing a first priority security interest, subject only to Permitted Encumbrances, effective as at the date of the Subsequent Advance and the concurrent payout in full of any and all indebtedness owing to National Bank of Canada and Crown Capital Partners Inc., respectively;
 - (d) execute and deliver to the Lender a guarantee of CPH, pursuant to which CPH will guarantee the payment and performance of each and every obligation of the Borrower to the Lender hereunder;

- (e) execute and deliver to the Lender, a fixed and floating charge debenture under which CPH will grant to the Lender, *inter alia*, a security interest in all of its present and after-acquired real property, subject only to Permitted Encumbrances and the security interests of National Bank of Canada;
- (f) execute and deliver to the Lender, a general security agreement under which CPH will grant to the Lender, *inter alia*, a security interest in all of its present and after-acquired personal property, subject only to Permitted Encumbrances and the security interests of National Bank of Canada;
- (g) execute and deliver to the Lender, immediately following the closing of the Serrano Transaction, a share pledge agreement, together with undated share transfer forms for each share certificate and certified directors' resolutions, under which CPH will pledge and grant to the Lender a first priority security interest in all of the shares of Serrano Energy Ltd. held by CPH at such time (the "**Serrano Share Pledge Documents**");
- (h) cause to be executed and delivered to the Lender a guarantee of NumberCo, pursuant to which NumberCo will guarantee the payment and performance of each and every obligation of the Borrower to the Lender hereunder;
- (i) cause to be executed and delivered to the Lender, a fixed and floating charge debenture under which NumberCo will grant to the Lender, *inter alia*, a first priority security interest in all of its present and after-acquired real property;
- (j) cause to be executed and delivered to the Lender, a general security agreement under which NumberCo will grant to the Lender, *inter alia*, a first priority security interest in all of its present and after-acquired personal property;
- (k) execute and deliver to the Lender an environmental indemnity agreement in respect of the Borrower's properties;
- (l) execute and deliver to the Lender an environmental indemnity agreement in respect of CPH's properties;
- (m) cause to be executed and delivered to the Lender an environmental indemnity agreement in respect of NumberCo's properties;
- (n) execute and deliver an assignment agreement in respect of the True PSA and the Result PSA;
- (o) execute and deliver an assignment agreement in respect of the deposits contemplated in the True PSA and the Result PSA;
- (p) arrange for the execution and delivery of a subordination agreement among the Lender, the Borrower, National Bank of Canada and Crown Capital Partners Inc.;

- (q) arrange for delivery of the Security Deposit to Fasken Martineau DuMoulin LLP;
- (r) arrange for the execution and delivery of the Escrow Agreement;
- (s) arrange for the execution and delivery of the Security Deposit Escrow Agreement; and
- (t) execute and deliver or cause to be executed and delivered, any other ancillary documentation that the Lender or its counsel may reasonably require,

all in form and terms satisfactory to the Lender and its counsel (collectively, the "Security").

9. **Conditions Precedent to Initial Advance.** As conditions precedent to the Initial Advance of the applicable portion of the Facility by the Lender:

- (a) the Borrower and CPH, as applicable, will have:
 - (i) executed and delivered or caused to be executed and delivered all of the Security documents and other items referred to in paragraph 8 above (with the exception of the Supplemental Debenture and the Note in respect of the Subsequent Advance) and the documents, securities and instruments referred to therein, and the Lender will have completed all registrations and other filings that may be prudent or necessary to perfect the Lender's security therein;
 - (ii) received and provided the Lender with written evidence of the conditional acceptance of the Exchange to (i) the issuance of the Structuring Fee Shares and the Bonus Shares, as applicable, and (ii) the transaction contemplated herein;
 - (iii) delivered a certified copy of the Borrower's directors' resolutions authorizing the borrowing of the Facility, the grant of the Security, as applicable, and the execution and delivery of this Agreement and all agreements, documents and instruments referred to herein, together with an officer's certificate, certifying certain factual matters, in form and terms satisfactory to the Lender;
 - (iv) delivered a certified copy of CPH's directors' resolutions authorizing the guarantee of the Facility, the grant of the Security, as applicable, and the execution and delivery of all agreements, documents and instruments applicable thereto, together with an officer's certificate, certifying certain factual matters, in form and terms satisfactory to the Lender;
 - (v) delivered a certified copy of NumberCo's directors' resolutions authorizing the guarantee of the Facility, the grant of the Security, as applicable, and the execution and delivery of all agreements, documents and

instruments applicable thereto, together with an officer's certificate, certifying certain factual matters, in form and terms satisfactory to the Lender;

- (vi) delivered to the Lender the NBC Consent Letter, in form and terms satisfactory to the Lender and its counsel;
- (vii) caused to be executed and delivered legal opinions of counsel to the Borrower and CPH, each in form and terms satisfactory to the Lender and its counsel;
- (b) the representations and warranties of the Borrower and CPH contained in paragraph 11 will be true and correct in all material respects and the Borrower and CPH will have complied with all covenants required to be complied with by them under this Agreement and all other documents delivered hereunder, prior to the Initial Advance by the Lender;
- (c) there shall have been no adverse material change in the business, operations, assets or ownership of the Borrower or CPH since the date of the Term Sheet;
- (d) the Lender will have completed and, in its sole and absolute discretion, be satisfied with its due diligence review of the Borrower and CPH and their respective Subsidiaries, properties and assets and will be satisfied in respect of all matters relating to the True PSA, the Result PSA and the Marble Point Transaction;
- (e) the Lender will have received the approval of the Lender's board of directors;
- (f) the Lender will have made arrangements satisfactory to the Lender for the syndication of the Facility; and
- (g) the Lender will, in its sole and absolute discretion, be satisfied as to the creditworthiness of the Borrower, CPH and any Subsidiaries and the adequacy of the collateral security contemplated herein.

If any of the foregoing conditions precedent are not satisfied or waived by the Lender in writing on or before April 15, 2008, this Agreement will terminate, the Lender will be under no further obligation to the Borrower in connection with the transaction contemplated herein and the Borrower will forthwith pay to the Lender all fees and expenses (including legal fees) on a full indemnity basis.

10. **Conditions Precedent to Subsequent Advance.** As conditions precedent to the Subsequent Advance by the Lender:

- (a) the Borrower will have provided written notice to the Lender in accordance with paragraph 2 above;

- (b) the Borrower will have executed and delivered a promissory note in the amount of the Subsequent Advance to the Lender;
- (c) the representations and warranties of the Borrower and CPH contained in paragraph 11 will be true and correct in all material respects and the Borrower and CPH will have complied with all covenants required to be complied with by them under this Agreement and all other documents delivered hereunder;
- (d) the Borrower, CPH and NumberCo, as applicable, will have:
 - (i) executed and delivered or caused to be executed and delivered all of the Security documents referred to in paragraph 8 above (including the Supplemental Debenture) and the documents, securities and instruments referred to therein, and the Lender will have completed all registrations and other filings that may be prudent or necessary to perfect the Lender's security therein;
 - (ii) received and provided the Lender with written evidence of the acceptance of the Exchange to (i) the issuance of the Structuring Fee Shares and the Bonus Shares, and (ii) the transaction contemplated herein;
 - (iii) caused to be executed and delivered a legal opinion of counsel to NumberCo, in form and terms satisfactory to the Lender and its counsel;
- (e) there shall have been no adverse material change in the business, operations, assets or ownership of the Borrower or CPH or any Subsidiaries since the date of the Initial Advance;
- (f) the Lender will have completed and, in its sole and absolute discretion, be satisfied with its due diligence review of the Borrower and CPH and their respective properties and assets and will be satisfied in respect of all matters relating to the True PSA, the Result PSA and the Marble Point Transaction;
- (g) the Lender will have received the approval of the Lender's board of directors;
- (h) the Lender will have made arrangements satisfactory to the Lender for the syndication of the Facility;
- (i) the Borrower will have raised not less than \$65,000,000 pursuant to a bond offering or equity financing (the “**Bond Offering**”);
- (j) The Lender will have received no interest letters from (i) the applicable secured creditors of Result Energy Inc. in respect of the assets purchased pursuant to the Result PSA, (ii) the applicable secured creditors of True Energy Inc. in respect of the assets purchased pursuant to the True PSA, and (iii) the Shareholder Loans;

- (k) The Lender will have received a general release and discharge in respect of the NBC Facility and the Crown Facility and all security related to each such facility, from National Bank of Canada and Crown Capital Partners Inc.;
- (l) the Lender will, in its sole and absolute discretion, be satisfied as to the creditworthiness of the Borrower, CPH and any Subsidiaries and the adequacy of the collateral security contemplated herein (including with respect to the priority of such security as contemplated in paragraph 8 hereof); and
- (m) the Lender will, in its sole discretion, be satisfied that there shall have been no adverse material change in the business, operations, assets or ownership of the Borrower or CPH since the date of the last advance made in connection with this Agreement.

If any of the foregoing conditions precedent are not satisfied or waived by the Lender in writing on or before April 30, 2008, the Borrower will forthwith pay to the Lender all fees and expenses (including legal fees) on a full indemnity basis and the Outstanding Balance shall immediately become due and payable without further notice.

11. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Lender as follows, as at the date hereof and on the date of each Advance:

- (a) the Borrower exists as a corporation under the laws of the Province of Alberta, and has not discontinued or been dissolved under any applicable laws and is in good standing with respect to the filing of annual reports and all other such requirements pursuant to the laws thereof;
- (b) NumberCo exists as a corporation under the laws of the Province of Saskatchewan, and has not discontinued or been dissolved under any applicable laws and is in good standing with respect to the filing of annual reports and all other such requirements pursuant to the laws thereof;
- (c) the Borrower and each Subsidiary has the power and authority to (i) carry on its businesses as now being conducted and is licensed or registered or otherwise qualified in all jurisdictions where in the nature of its assets or the business transacted makes such licensing, registration or qualification necessary, (ii) acquire, own, hold, lease and mortgage or grant security in its assets including real property and personal property and (iii) enter into and perform its obligations under this Agreement and all other documents or instruments delivered hereunder;
- (d) this Agreement and all ancillary instruments or documents issued, executed and delivered hereunder by the Borrower or any Subsidiary, as applicable, have been duly authorized by all necessary action of the Borrower and any Subsidiaries, as applicable, and each constitutes or will constitute a legal, valid and binding obligation of the Borrower and the Subsidiaries, as applicable, enforceable against the Borrower and the Subsidiaries, as applicable, in accordance with their terms,

subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and to the general principles of equity;

- (e) neither the Borrower nor any Subsidiary is in breach of or in default under any material obligation in respect of borrowed money, and the execution and delivery of this Agreement and all ancillary instruments or documents issued and delivered hereunder or thereunder, and the performance of the terms hereof and thereof will not be, or result in, a violation or breach of, or default under, the Borrower's or any Subsidiary's constating documents, any law, judgment, material agreement or instrument to which they are a party or may be bound;
- (f) neither the entering into of this Agreement nor of any of the Security by the parties thereto will constitute a breach or default under or in respect of any agreement to which the Borrower or any Subsidiary is bound, and no consent, filing, authorization or approval is prudent or necessary under the terms of any such agreement to proceed with the transactions contemplated herein, including but not limited to the granting of the Security by the parties thereto, other than registrations necessary to establish the priority of the security interests granted thereunder and the consent of National Bank of Canada and Crown Capital Partners Inc.;
- (g) the Security creates a valid charge, lien and security interest on the property and assets of the Borrower and NumberCo, as applicable, which has been granted over the applicable properties and assets in accordance with the terms hereof with the priority ranking contemplated in paragraph 8 above;
- (h) except with respect to any such as have been disclosed to the Lender in writing, no litigation or administrative proceedings before any court or governmental authority are presently ongoing, or have been threatened in writing, or to the best of the Borrower's knowledge are pending, against the Borrower, any Subsidiary or any of their respective properties or assets or affecting any of their respective properties or assets which could have a material adverse effect on their respective business, properties or assets;
- (i) the Borrower and each Subsidiary, as the case may be, is the legal and beneficial owner of or has the right to acquire the interests in the properties, business and assets referred to in any information circulars, prospectuses, annual information forms, offering memoranda, financial statements, material change reports and news releases filed with the Exchange and the securities regulatory authority or commission in each of the jurisdictions in which any of the Borrower or a Subsidiary is a reporting issuer on or during the twelve (12) months preceding the date hereof, and any other disclosure materials provided to the Lender and its advisers in conjunction with this Agreement (collectively, the "**Disclosure Record**"), and any and all agreements pursuant to which the Borrower and each Subsidiary, as the case may be, holds or will hold any such interest in property,

business or assets are in good standing in all material respects under the applicable statutes and regulations of the jurisdictions in which they are situated;

- (j) there has been no adverse material change (actual, contemplated or threatened) in the property, assets, business or operations of the Borrower or any Subsidiary within the past twelve (12) months, except as may be disclosed in the Disclosure Record;
- (k) the Disclosure Record is complete and accurate in all material respects and omits no facts, the omission of which makes the Disclosure Record, or any particulars therein, misleading, misrepresentative or incorrect in any material respect;
- (l) the Borrower and to the best of the Borrower's knowledge each Subsidiary, has conducted and is conducting its businesses in material compliance with all applicable laws, bylaws, rules and regulations of each jurisdiction in which its businesses are now carried on and hold all licenses, registrations, permits, consents or qualifications (whether governmental, regulatory or otherwise) required in order to enable its businesses to be carried on as now conducted or as proposed to be conducted, and all such licenses, registrations, permits, consents and qualifications are valid and subsisting and in good standing and neither the Borrower nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such licenses, registrations, permits, consents or qualifications which, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the condition of such businesses, operations, condition (financial or otherwise) or income of the Borrower or any such Subsidiary, as the case may be;
- (m) no order ceasing or suspending trading in securities of the Borrower or prohibiting the sale or trading of securities by the Borrower has been issued and no proceedings for this purpose have been instituted, are pending, contemplated or threatened;
- (n) neither Canada Revenue Agency nor any other taxation authority has asserted or, to the best of the Borrower's knowledge, has threatened to assert any assessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of the Borrower or any Subsidiary filed for any year which would have material adverse effect on the assets, properties, business, results of operations, prospects or condition (financial or otherwise) of the Borrower or any Subsidiary;
- (o) neither the Borrower nor any Subsidiary is a party to any material contract other than as disclosed in the Disclosure Record;
- (p) as at the date of this Agreement, except as disclosed in the Disclosure Record, no holder of outstanding shares in the capital of the Borrower will be entitled to any pre-emptive or any similar rights to subscribe for any of the shares in the capital

of the Borrower or other securities of the Borrower or any Subsidiary, and no rights, warrants or options to acquire, or instruments convertible into or exchangeable for any shares in the capital of the Borrower or any Subsidiary are outstanding;

- (q) except for NumberCo, the Borrower has no direct or indirect subsidiary corporations;
- (r) except as disclosed to the Lender in writing prior to the date of this Agreement, the Borrower and each Subsidiary owns its business, operations and assets, as may be more particularly described in any Disclosure Record, and holds good title thereto, free and clear of all liens, claims or encumbrances whatsoever, except for Permitted Encumbrances;
- (s) all factual information previously or contemporaneously furnished to the Lender by or on behalf of the Borrower or any Subsidiary for purposes of or in connection with this Agreement or any transaction contemplated hereby, is true and accurate in every material respect and such information is not incomplete by the omission of any material fact necessary to make such information not misleading;
- (t) after giving effect to the transactions contemplated in this Agreement, the Borrower and each Subsidiary are generally able to pay their debts as they come due;
- (u) the chief executive office, principal place of business and place where the Borrower keeps its books and records is located at 1800, 700 4th Avenue SW, Calgary, Alberta, T2P 2H9; and
- (v) the chief executive office, principal place of business and place where NumberCo keeps its books and records is located at 1800, 700 4th Avenue SW, Calgary, Alberta, T2P 2H9.

12. **Representations and Warranties of CPH.** CPH represents and warrants to the Lender as follows, as at the date hereof and on the date of each Advance:

- (a) CPH exists as a corporation under the laws of the Province of Alberta, and has not discontinued or been dissolved under any applicable laws and is in good standing with respect to the filing of annual reports and all other such requirements pursuant to the laws thereof;
- (b) CPH and each Subsidiary has the power and authority to (i) carry on its businesses as now being conducted and is licensed or registered or otherwise qualified in all jurisdictions where in the nature of its assets or the business transacted makes such licensing, registration or qualification necessary, (ii) acquire, own, hold, lease and mortgage or grant security in its assets including real property and personal property and (iii) enter into and perform its obligations under this Agreement and all other documents or instruments delivered hereunder;

- (c) this Agreement and all ancillary instruments or documents issued, executed and delivered hereunder by CPH or any Subsidiary, as applicable, have been duly authorized by all necessary action of CPH and any Subsidiaries, as applicable, and each constitutes or will constitute a legal, valid and binding obligation of the CPH and the Subsidiaries, as applicable, enforceable against CPH and the Subsidiaries, as applicable, in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and to the general principles of equity;
- (d) neither CPH nor and any Subsidiary is in breach of or in default under any material obligation in respect of borrowed money, and the execution and delivery of this Agreement and all ancillary instruments or documents issued and delivered hereunder or thereunder, and the performance of the terms hereof and thereof will not be, or result in, a violation or breach of, or default under, CPH's or any Subsidiary's constating documents, any law, judgment, material agreement or instrument to which they are a party or may be bound;
- (e) neither the entering into of this Agreement nor of any of the Security by the parties thereto will constitute a breach or default under or in respect of any agreement to which CPH or any Subsidiary is bound, and no consent, filing, authorization or approval is prudent or necessary under the terms of any such agreement to proceed with the transactions contemplated herein, including but not limited to the granting of the Security by the parties thereto, other than registrations necessary to establish the priority of the security interests granted thereunder and the consent of National Bank of Canada;
- (f) the Security creates a valid charge, lien and security interest on the property and assets of CPH which has been granted over the applicable properties and assets in accordance with the terms hereof with the priority ranking contemplated in paragraph 8 above;
- (g) except with respect to any such as have been disclosed to the Lender in writing, no litigation or administrative proceedings before any court or governmental authority are presently ongoing, or have been threatened in writing, or to the best of CPH's knowledge are pending, against CPH, any Subsidiary or any of their respective properties or assets or affecting any of their respective properties or assets which could have a material adverse effect on their respective business, properties or assets;
- (h) CPH and each Subsidiary, as the case may be, is the legal and beneficial owner of or has the right to acquire the interests in the properties, business and assets referred to in any information circulars, prospectuses, annual information forms, offering memoranda, financial statements, material change reports and news releases filed with the Exchange and the securities regulatory authority or commission in each of the jurisdictions in which CPH or a Subsidiary is a reporting issuer on or during the twelve (12) months preceding the date hereof,

and any other disclosure materials provided to the Lender and its advisers in conjunction with this Agreement (collectively, the "**Disclosure Record**"), and any and all agreements pursuant to which CPH and each Subsidiary, as the case may be, holds or will hold any such interest in property, business or assets are in good standing in all material respects under the applicable statutes and regulations of the jurisdictions in which they are situated;

- (i) there has been no material adverse change (actual, contemplated or threatened) in the property, assets, business or operations of CPH or any Subsidiary within the past twelve (12) months, except as may be disclosed in the Disclosure Record;
- (j) the Disclosure Record is complete and accurate in all material respects and omits no facts, the omission of which makes the Disclosure Record, or any particulars therein, misleading, misrepresentative or incorrect in any material respect;
- (k) CPH and to the best of the CPH's knowledge each Subsidiary, has conducted and is conducting its businesses in material compliance with all applicable laws, bylaws, rules and regulations of each jurisdiction in which its businesses are now carried on and hold all licenses, registrations, permits, consents or qualifications (whether governmental, regulatory or otherwise) required in order to enable its businesses to be carried on as now conducted or as proposed to be conducted, and all such licenses, registrations, permits, consents and qualifications are valid and subsisting and in good standing and neither CPH nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such licenses, registrations, permits, consents or qualifications which, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the condition of such businesses, operations, condition (financial or otherwise) or income of the Borrower or any such Subsidiary, as the case may be;
- (l) no order ceasing or suspending trading in securities of CPH or prohibiting the sale or trading of securities by CPH has been issued and no proceedings for this purpose have been instituted, are pending, contemplated or threatened;
- (m) neither Canada Revenue Agency nor any other taxation authority has asserted or, to the best of CPH's knowledge, has threatened to assert any assessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of CPH or any Subsidiary filed for any year which would have material adverse effect on the assets, properties, business, results of operations, prospects or condition (financial or otherwise) of CPH or any Subsidiary;
- (n) neither CPH nor any Subsidiary is a party to any material contract other than as disclosed in the Disclosure Record;
- (o) as at the date of this Agreement, except as disclosed in the Disclosure Record, no holder of outstanding shares in the capital of CPH will be entitled to any pre-

emptive or any similar rights to subscribe for any of the shares in the capital of CPH or other securities of CPH or any Subsidiary, and no rights, warrants or options to acquire, or instruments convertible into or exchangeable for any shares in the capital of CPH or any Subsidiary are outstanding;

- (p) CPH has no direct or indirect subsidiary corporations;
- (q) except as disclosed to the Lender in writing prior to the date of this Agreement, CPH and each Subsidiary owns its business, operations and assets, as may be more particularly described in any Disclosure Record, and holds good title thereto, free and clear of all liens, claims or encumbrances whatsoever, except for Permitted Encumbrances;
- (r) all factual information previously or contemporaneously furnished to the Lender by or on behalf of CPH or any Subsidiary for purposes of or in connection with this Agreement or any transaction contemplated hereby, is true and accurate in every material respect and such information is not incomplete by the omission of any material fact necessary to make such information not misleading;
- (s) after giving effect to the transactions contemplated in this Agreement, CPH and each Subsidiary are generally able to pay their debts as they come due;
- (t) there are no monies due and owing pursuant to the National Bank CPH Credit Facilities and such credit facilities are at a nil balance; and
- (u) the chief executive office, principal place of business and place where CPH keeps its books and records is located at 1605, 840 – 7th Avenue SW, Calgary, Alberta, T2P 3G2.

13. **Representations and Warranties of the Lender.** The Lender represents and warrants to the Borrower and CPH as follows:

- (a) the Lender is acquiring (i) the debt obligations of the Borrower and CPH created under this Agreement and any Security documents and (ii) the Bonus Shares and the Structured Fee Shares, as principal for its own account;
- (b) the Lender is an “accredited investor”, as such term is defined in National Instrument 45-106 entitled “Prospectus and Registration Exemptions” (NI 45-106”) promulgated under the securities legislation of the provinces of British Columbia and Alberta by virtue of the fact that the Lender is a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors; and
- (c) the Lender was not created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of “accredited investor” in NI 45-106.

14. **Positive Covenants.** Each of the Borrower and CPH covenants and agrees that so long as any obligations will be outstanding under this Agreement, it shall:
- (a) at all times maintain its corporate existence and the corporate existence of all of its Subsidiaries;
 - (b) duly perform its obligations under this Agreement and all other agreements and instruments executed and delivered hereunder or thereunder;
 - (c) promptly pay when due all agency or finders' fees payable in connection with the Facility or this Agreement and indemnify and save harmless the Lender from all claims in respect of any such fees;
 - (d) carry on and conduct its business in a proper business-like manner in accordance with good business practice and will keep or cause to be kept proper books of account in accordance with Canadian generally accepted accounting principles;
 - (e) at all times comply with all applicable laws, except such voluntary non-compliance as shall, in its good faith business judgment, not have a material adverse effect on the business of the Borrower, CPH or any Subsidiary, taken as a whole;
 - (f) at all times maintain any material contracts in good standing and fulfill all obligations thereunder, and immediately notify the Lender of any facts or circumstances which may arise which could constitute a default thereunder and give rise to a right of termination under either such agreement, and take all steps as may be prudent or necessary to rectify or cure any such default;
 - (g) provide the Lender with not less than thirty (30) days notice of the expiry or termination of any material options, rights or other benefits held by or available to the Borrower, CPH or any Subsidiaries;
 - (h) pay and discharge promptly when due, all taxes, assessments and other governmental charges or levies imposed upon it or upon its properties or assets or upon any part thereof, as well as all claims of any kind (including claims for labour, materials and supplies) which, if unpaid, would by law become a lien, charge, trust or other claims upon any such properties or assets, provided however that the Borrower and CPH shall not be required to pay any such tax, assessment, charge or levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and if the Borrower or CPH, as applicable, shall have set aside on its books the reserve the extent required by generally accepted accounting principles in an amount which is reasonably adequate with respect thereto;
 - (i) in respect of the Borrower, furnish to the Lender quarterly financial reports in form and substance satisfactory to the Lender and by the 30th of the month following the end of the quarter in question;

- (j) in respect of CPH, furnish to the Lender quarterly and annual financial statements filed on SEDAR by CPH within 3 Business Days of such filings;
- (k) promptly furnish and give to the Lender such reports, certificates, financial statements, and such other information with respect to the Borrower, CPH or any Subsidiary as the Lender may reasonably request from time to time during the term of this Agreement;
- (l) provide the Lender with written notice of any proposed financing made by or to the Borrower or CPH concurrently with, but not prior to, public disclosure of such financing;
- (m) furnish and give to the Lender (if such is the case) notice that an Event of Default has occurred and, if applicable, is continuing or notice in respect of any event which would constitute an Event of Default hereunder and specifying the nature of same;
- (n) in respect of CPH, execute and deliver or arrange for the execution and delivery of the Serrano Share Pledge Documents immediately following the closing of the Serrano Transaction;
- (o) use the proceeds of the Bond Offering to, *inter alia*, assist in the closing of the Marble Point Transaction and the payout in full of the NBC Facility, the Crown Facility; and
- (p) perform and do all such acts and things as are necessary to perfect and maintain the security provided to the Lender pursuant to this Agreement.

15. **Negative Covenants of the Borrower and CPH.** Each of the Borrower and CPH covenants and agrees with the Lender that, while any obligations remain outstanding hereunder, neither the Borrower nor CPH will, without first obtaining the written consent of the Lender:

- (a) make, give, create or permit or attempt to make, give or create any mortgage, charge, lien or encumbrance over any assets of the Borrower, CPH or any Subsidiary, other than Permitted Encumbrances or any other such contemplated hereby;
- (b) change the name of the Borrower, CPH or any Subsidiary;
- (c) allot and issue any new shares of the Borrower, CPH or any Subsidiary, other than any such contemplated hereunder or the other documents contemplated hereby;
- (d) in respect of itself or any Subsidiary, declare or provide for any dividends or other payments based on share capital;
- (e) redeem or purchase any of its shares or the shares of any Subsidiary;

- (f) make or permit any sale of or disposition of any substantial or material part of its business, assets or undertaking, or that of any Subsidiary, including its interest in the shares or assets of any Subsidiary outside of the ordinary course of business;
- (g) save and except for purchase money security interests and equipment leases entered into in the ordinary course of business, borrow or cause or permit any Subsidiary to borrow money from any person other than the Lender without first obtaining and delivering to the Lender a duly signed assignment and postponement of claim by such person in favour of the Lender, in form and terms satisfactory to the Lender;
- (h) in respect of itself or any Subsidiary, pay out or permit the payment out of any shareholders loans or other indebtedness to non-arm's length parties;
- (i) incur any indebtedness under the National Bank CPH Credit Facilities; or
- (j) in respect of itself or any Subsidiary, guarantee or permit the guarantee of the obligations of any other person, directly or indirectly, except in favour of the Lender.

16. **Events of Default.** Each and every of the events set forth in this paragraph will be an event of default ("**Event of Default**"):

- (a) if the Borrower fails to make any payment of principal or interest when due hereunder, and such failure continues for two (2) Business Days;
- (b) if the Borrower, CPH or any Subsidiary defaults in observing or performing any material term, covenant or condition of this Agreement, the Security documents or any other collateral document delivered hereunder or in connection with the Facility, other than the payment of monies as provided for in subparagraph (a) hereof, on its part to be observed or performed and such failure continues for five (5) Business Days;
- (c) if any of the Borrower's, CPH's or any Subsidiary's representations, warranties or other statements in this Agreement or any other collateral document delivered hereunder or in connection with the Facility were at the time given false or misleading in any material respect;
- (d) if the Borrower, CPH or any Subsidiary is in default (after the expiry of any cure period related thereto), in any material respect, in respect of observing or performing any term, covenant or condition of any material debt instrument or material debt obligation by which it is bound;
- (e) if the Borrower, CPH or any Subsidiary permits any sum which has been admitted as due by it, or is not disputed to be due by it, and which forms or is capable of being made a charge upon any of its assets or undertaking to remain unpaid or not

challenged for thirty (30) days after proceedings have been taken to enforce the same;

- (f) if the Borrower, CPH or any Subsidiary, either directly or indirectly through any Subsidiary, ceases or threatens to cease to carry on business;
- (g) if any order is made or issued by a competent regulatory authority prohibiting the trading in shares of the Borrower or CPH, or any successor thereof, or if CPH's common shares are suspended or de-listed from trading on any stock exchange;
- (h) if, in the reasonable opinion of the Lender, a material adverse change occurs in the financial condition of the Borrower, CPH, or any Subsidiary;
- (i) if the Lender in good faith and on commercially reasonable grounds believes that the ability of the Borrower to pay any of the Outstanding Balance to the Lender, or the ability of the Borrower or CPH to perform any of the covenants contained in this Agreement or any other collateral agreement or other document is impaired or any security granted by the Borrower, the Borrower or any Subsidiary to the Lender is or is about to be impaired or in jeopardy;
- (j) if the Borrower, CPH or any Subsidiary petitions or applies to any tribunal for the appointment of a trustee, receiver or liquidator or commences any proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law of any jurisdiction, whether now or hereafter in effect;
- (k) if the conditions in paragraph 10 hereof are not met by the Borrower and CPH, as applicable, or are not waived by the Lender on or before April 30, 2008; or
- (l) if any petition or application for appointment of a trustee, receiver or liquidator is filed, or any proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law are commenced, against the Borrower or any Subsidiary which is not opposed by the Borrower, CPH or any such Subsidiary in good faith, or an order, judgment or decree is entered appointing any such trustee, receiver, or liquidator, or approving the petition in any such proceeding.

17. **Effect of Event of Default.** If any one or more of the Events of Default occur or occurs and is or are continuing, the Lender may without limitation in respect of any other rights it may have in law or pursuant to this Agreement or any other document or instrument delivered hereunder, demand immediate payment of all monies owing hereunder.
18. **Lender's Legal Fees.** The Borrower will pay for the Lender's legal fees and other costs, charges and expenses (including due diligence expenses) of and incidental to the preparation, execution and completion of this Agreement and the security hereunder, as may be required by the Lender to complete this transaction on a full indemnity basis. Any amounts will be payable upon presentment of an invoice. If not paid within thirty (30) days of presentment of an invoice, such amount will be added to and form part of the

principal amount of the Facility and shall accrue interest from such date as if it had been advanced by the Lender to the Borrower hereunder.

19. **Indemnity.** Each of the Borrower and CPH agrees to indemnify and save harmless the Lender and each of its directors, officers, employees and agents from and against all liabilities, claims, losses, damages and reasonable costs and expenses in any way caused by or arising directly or indirectly from or in consequence of the occurrence of any Event of Default under this Agreement, except in respect of any such caused by the gross negligence, fraud or wilful misconduct of the Lender.
20. **Further Assurances.** Each of the Borrower and CPH will from time to time, whether before or after the occurrence of an Event of Default, do all such acts and things and execute and deliver all such documents, deeds, transfers, assignments and instruments as the Lender may require for perfecting the Security granted or to be granted pursuant to this Agreement. Each of the Borrower and CPH covenants and agrees with the Lender to discharge or cause to be discharged forthwith any encumbrances which may rank equal or in priority to the Lender's Security referred to herein, except any such as are expressly stated herein to be permissible. The Borrower covenants and agrees to take all steps and proceedings as may be necessary to give effect to this Agreement.
21. **Notices.** In this Agreement:
 - (a) any notice or communication required or permitted to be given under this Agreement will be in writing and will be considered to have been given if delivered by hand, transmitted by facsimile transmission or mailed by prepaid registered post to the address or facsimile transmission number of each party set out below:
 - (i) if to the Lender:

Ionic Capital Corp.
Suite 1028, Bentall 5
550 Burrard Street
Vancouver, BC V6C 3P1

Attention: Michael Atkinson
Fax No: (604) 681-4692
 - (ii) if to the Borrower:

Marble Energy Ltd.
1800, 700 4th Avenue SW
Calgary, Alberta
T2P 2H9

Attention: David Hall
Fax No: (403) 698-8324

(iii) if to CPH

Canadian Phoenix Resources Corp.
1605, 840 – 7th Avenue SW
Calgary, Alberta
T2P 3G2

Attention: Robert Chenery
Fax: (403) 920-0043

or to such other address or facsimile transmission number as any party may designate in the manner set out above; and

- (b) notice or communication will be considered to have been received:
- (i) if delivered by hand during business hours on a Business Day, upon receipt by a responsible representative of the receiver, and if not delivered during business hours, upon the commencement of business on the next Business Day;
 - (ii) if sent by facsimile transmission during business hours on a Business Day, upon the sender receiving confirmation of the transmission, and if not transmitted during business hours, upon the commencement of business on the next Business Day; and
 - (iii) if mailed by prepaid registered post upon the fifth Business Day following posting; except that, in the case of a disruption or an impending or threatened disruption in postal services every notice or communication will be delivered by hand or sent by facsimile transmission.
22. **Assignment.** Each of the Borrower and CPH acknowledges and agrees that the Lender may assign all or part of the Facility, this Agreement and all collateral agreements, documents or instruments delivered hereunder to one or more assignees, free from any right of set-off or counterclaim or equity, subject only to the Lender's notification of such assignment or assignments being given in writing to the Borrower. Neither the Borrower nor CPH may assign their respective rights and obligations pursuant to this agreement without the prior written consent of the Lender.
23. **Agreement to Pay.** Upon receipt of written notice and direction from the Lender, the Borrower covenants and agrees to make all payments of interest, principal and structuring fees due under this Agreement to the Lender and any assignee, pro rata in accordance with their respective proportionate interests in the Facility as set out in such written notice and direction, absent which all such payments may be made to the Lender.

24. **Enurement.** This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
25. **Waivers.** No failure or delay on the Lender's part in exercising any power or right hereunder will operate as a waiver thereof.
26. **Remedies are Cumulative.** The Lender's rights and remedies hereunder are cumulative and not exclusive of any rights or remedies at law or in equity.
27. **Time.** Time is of the essence of this Agreement and all documents or instruments delivered hereunder.
28. **Criminal Code Compliance.** In this paragraph the terms "interest", "criminal rate" and "credit advanced" have the meanings ascribed to them in Section 347 of the Criminal Code (Canada) as amended from time to time. Each of the Borrower, CPH and the Lender agree that, notwithstanding any agreement to the contrary, no interest on the Facility or the credit advanced by the Lender under this Agreement will be payable in excess of that permitted under the laws of Canada. If the effective rate of interest, calculated in accordance with generally accepted actuarial practices and principles, would exceed the criminal rate on the credit advanced, then:
- (a) the elements of return which fall within the term "interest" will be reduced to the extent necessary to eliminate such excess;
 - (b) any remaining excess that has been paid will be credited towards prepayment of the Facility; and
 - (c) any overpayment that may remain after such crediting will be returned forthwith to the Borrower upon demand, and, in the event of dispute, a Fellow of the Canadian Institute of Actuaries appointed by the Lender will perform the relevant calculations and determine the reductions, modifications and credits necessary to effect the foregoing and the same will be conclusive and binding on the parties. This Agreement, the Note and all related agreements and documents will automatically be modified to reflect such modifications without the necessity of any further act or deed of the Borrower and the Lender to give effect to them.
29. **Invalidity.** If at any time any one or more of the provisions hereof is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof will not in any way be affected or impaired thereby to the fullest extent possible by law.
30. **Governing Laws.** This Agreement will be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each of the Borrower and submits to the non-exclusive jurisdiction of the Courts of the Province of Alberta and agrees to be bound by any suit, action or proceeding commenced in such Courts and by any order or judgment resulting from such suit, action or proceeding, but the foregoing will in no way limit the right of the Lender to commence

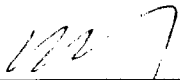
suits, actions or proceedings based on this Agreement in any jurisdiction it may deem appropriate.

31. **Amendment.** This Agreement supersedes the Term Sheet and all prior agreements and discussions between the parties with respect to the subject matter set forth herein. This Agreement may be varied or amended only by or pursuant to an agreement in writing signed by the parties hereto.
32. **Schedules.** All Schedules attached hereto will be deemed fully a part of this Agreement.
33. **Counterparts.** This Agreement may be signed in one or more counterparts, originally or by facsimile, each such counterpart taken together will form one and the same agreement.

TO EVIDENCE THEIR AGREEMENT each of the parties has executed this Agreement on the date first above written.

IONIC CAPITAL CORP.

Per:



Authorized Signatory

Per:

Authorized Signatory

MARBLE POINT ENERGY LTD.

Per:

Authorized Signatory

CANADIAN PHOENIX RESOURCES CORP.

Per:

Authorized Signatory

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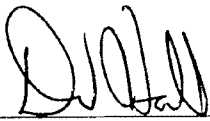
Authorized Signatory

Per:

Authorized Signatory

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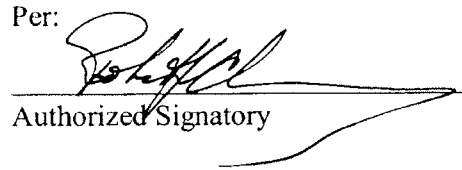
MARBLE POINT ENERGY LTD.

Per:

Authorized Signatory

CANADIAN PHOENIX RESOURCES CORP.

Per:



Authorized Signatory

SCHEDULE "A"

PERMITTED ENCUMBRANCES

1. undetermined or inchoate liens arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against the Borrower, CPH or any Subsidiary or in respect of which no steps or proceedings to enforce such lien have been initiated or which relate to obligations which are not yet due or delinquent;
2. liens incurred or created in the ordinary course of business and in accordance with sound industry practice in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other person conducting the development or operation of the property to which such liens relate, for the portion of the costs and expenses of such development or operation of the Borrower, CPH or any Subsidiary, provided such costs or expenses are not due or delinquent;
3. easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Borrower, CPH or any Subsidiary (including, without limitation, rights-of-way and servitudes for railways, sewers, drains, pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) which, either alone or in the aggregate, do not materially detract from the value of such land or materially impair its use in the operation of the business of the Borrower, CPH or any Subsidiary;
4. any lien or trust arising in connection with worker's compensation, employment insurance, pension and employment laws or which relate to obligations which are not due or delinquent;
5. the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Borrower, CPH and any Subsidiary, or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof, but only to the extent that such right has not been exercised and no proceedings or other steps have been taken to exercise such rights;
6. all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;
7. public statutory and similar liens arising by operation of law or which relate to obligations which are not due or delinquent;
8. all agreements pursuant to which the Borrower, CPH or any Subsidiary, as applicable, has agreed to (or is committed to) sell, for fair market value, petroleum, natural gas and/or

related hydrocarbons from any petroleum, natural gas or related hydrocarbon property to an arm's length purchaser and in the ordinary course of its business;

9. any lien arising in the ordinary course of business on any oil and gas interest or right or the production therefrom as security in favour of any other person who is conducting the development or operation of the property to which such oil and gas interest or right relates for the Borrower's, CHP's or any Subsidiary's portion of the costs and expenses of such development or operation;
10. any interest of a third party under any pooling unit, development, farmout or operating agreement, entered into the ordinary course of business affecting oil and gas interests or rights forming part of the property which is the subject matter of the mortgaged property;
11. minor defects in title not materially adversely affecting any petroleum, natural gas or related hydrocarbon property;
12. overriding royalty interests, farmouts, net profit interests, reversionary interests, carried interests and lessor royalties or other similar burdens on production in respect of the Borrower's, CPH's or any Subsidiary's oil and gas properties that are entered into with or granted to arm's length third parties in the ordinary course of business and in accordance with sound oil and gas industry practice;
13. "purchase money security interests" as such term is defined by the *Personal Property Security Act* (Alberta) which are not otherwise prohibited or restricted by any other agreement made between the Borrower, CPH or a Subsidiary, as applicable, and the Lender and which liens charge only the asset subject to the applicable purchase money security interest;
14. any lien in the nature of a capitalized lease obligation made in the ordinary course of business;
15. any claim or encumbrance which is disclosed by the Borrower, CPH or a Subsidiary, as applicable to the Lender and which is consented to in writing;
16. liens for taxes, assessments or governmental charges not due or delinquent or the validity of which the Borrower, CPH or any Subsidiary, as applicable, shall be contesting in good faith and in respect of which such contest will involve no risk of forfeiture of any material property, assets or undertaking;
17. to the extent a security interest is created thereby, equipment leases made in the ordinary course of business;
18. with respect to the Borrower, the following registrations:
 - (a) Alberta Personal Property Registration numbers 07092727333, 06041220135, 06072443747, 05101804895, 07031938181, 06120720690, 07092727382, 06120720633 and 07101114317;
 - (b) Saskatchewan Personal Property Registration numbers 300112367 and 300230162; and

- (c) British Columbia Personal Property Base Registration numbers 390407D and 948537D; and

19. with respect to CPH, the following registrations:

- (a) Alberta Personal Property Registry Registration numbers 04121328449, 04121328696, 06081126788, 07041103156 and 07041103099; 04121328548 and
- (b) Saskatchewan Personal Property Registry Registration numbers 121555524, 105027406 and 300153021.

SCHEDULE "B"

ESCROW AGREEMENT

THIS AGREEMENT made effective the 15th day of April, 2008

AMONG:

CANADIAN PHOENIX RESOURCES CORP., an Alberta corporation having an office at 1605, 840 – 7th Avenue SW, Calgary, Alberta, T2P 2H9 (hereinafter referred to as "**CPH**")

OF THE FIRST PART

- and -

IONIC CAPITAL CORP., an Alberta corporation having an office at Suite 1028, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5 (hereinafter referred to as "**Ionic**")

OF THE SECOND PART

- and -

MARBLE POINT ENERGY LTD., an Alberta corporation having an office at 1800, 700 4th Avenue SW, Calgary, Alberta, T2P 2H9 (hereinafter referred to as the "**Marble Point**")

OF THE THIRD PART

- and -

FASKEN MARTINEAU DuMOULIN LLP, a limited liability partnership having an office at 3400, 350 – 7th Avenue SW, Calgary, Alberta, T0L 0X0 (hereinafter referred to as the "**Escrow Agent**")

OF THE FORTH PART

WHEREAS CPH, pursuant to a credit agreement dated April 15, 2008 among Ionic, as lender, Marble Point, as borrower and CPH, as guarantor (the "**Credit Agreement**"), has agreed, as may be required pursuant to the Credit Agreement, to deliver certain Structuring Fee Shares (as defined in the Credit Agreement) and Bonus Fee Shares (as defined in the Credit Agreement) as consideration for, *inter alia*, the structuring and syndication of the Facility (as defined in the Credit Agreement);

AND WHEREAS, pursuant to the Credit Agreement, any Structuring Fee Shares and the Bonus Shares are to be held in escrow pending completion of the Marble Point Transaction (as defined in the Credit Agreement), at which point all such shares are to be released to Ionic as a non-refundable payment in respect of, *inter alia*, the structuring and syndication of the Facility. If for any reason the Marble Point Transaction is not completed on or before July 15, 2008, the Structuring Fees Shares and the Bonus Shares are to be returned to CPH in exchange for cash payments to Ionic as set out in Sections 6 and 7 of the Credit Agreement;

NOW, THEREFORE, THIS AGREEMENT WITNESSETH that, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this agreement, in addition to the terms defined parenthetically herein and unless inconsistent with the subject matter or context:

- (a) "**Agreement**" means this Escrow Agreement;
- (b) "**Original Share Certificates**" means the share certificates representing the Shares;
- (c) "**Shares**" means, collectively, the Structuring Fee Shares and the Bonus Fee Shares;

1.2 Applicable Law

This Agreement will be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereto submit to the non-exclusive jurisdiction of the Courts of the Province of Alberta and agree to be bound by any suit, action or proceeding commenced in such Courts and by any order or judgment resulting from such suit, action or proceeding.

1.3 Appendices

The following Appendices annexed hereto are incorporated by reference herein and deemed to be part hereof:

Appendix "A" – Release Notice

ARTICLE 2 ESCROW AGENT

2.1 Appointment of Escrow Agent

The Escrow Agent is hereby appointed by the parties hereto as escrow agent and custodian for the receipt and holding of the Original Share Certificates together with duly executed, undated medallion signature guaranteed stock powers of attorney and certified directors resolutions, in form and terms sufficient to permit the transfer of the Original Share Certificates (collectively, the “**Transfer Forms**”) in respect thereof in accordance with the terms of this Escrow Agreement and the Escrow Agent, by its execution and delivery of this Escrow Agreement, accepts such appointment.

ARTICLE 3 DEPOSIT AND RELEASE OF THE ORIGINAL SHARE CERTIFICATES

3.1 Deposit of the Original Share Certificates and the Transfer Forms

CPH delivers to the Escrow Agent herewith the Original Share Certificates and the Transfer Forms, to be held by the Escrow Agent and the Escrow Agent hereby acknowledges receipt of the Original Share Certificates and the Transfer Forms.

3.2 Release

Subject to Article 4 hereof, the Escrow Agent shall hold the Original Share Certificates and Transfer Forms in trust and shall release the same as follows:

- (a) To Ionic upon the closing of the Marble Point Transaction and the receipt by the Escrow Agent of a Release Notice, executed by each of Ionic and CPH;
- (b) if by July 15, 2008, the Escrow Agent has not received a Release Notice referred to in paragraph 3.2(a), the Escrow Agent shall deliver the Original Share Certificates and the Transfer Forms to CPH and, in such an event, CPH shall pay to Ionic the applicable Structuring Fee and Bonus in cash in accordance with Sections 6 and 7 of the Credit Agreement; or
- (c) upon the receipt by the Escrow Agent of a notice jointly executed by Ionic and CPH directing the Escrow Agent to deliver all or any portion of the Original Share Certificates and the Transfer Forms to any person, then the Escrow Agent shall release such shares in accordance with such notice.

ARTICLE 4 ESCROW AGENT

4.1 The Escrow **Agent** shall not be bound in any way by any other agreement or contract between the parties hereto (whether or not the Escrow Agent has any knowledge thereof), and the **duties** and responsibilities of the Escrow Agent shall be limited to those expressly set forth herein and the Escrow Agent will have no duty to know or determine the performance or non-performance of any provision of this Agreement or any other agreement

except as expressly required or contemplated herein. The Escrow Agent shall be under no duty or obligation to ascertain the identity, authority, or rights of any party (or their agents) executing or delivering or purporting to execute or deliver this Agreement, or any instruments, documents, or paper related hereto or properties deposited or called for hereunder and the Escrow Agent shall be fully protected in relying upon any written notice, demand, certificate or document which it considers, in good faith, to be genuine.

4.2 The Escrow Agent shall not be liable for any damage, loss or destruction of the Original Shares Certificates and the Transfer Forms held hereunder due to fire, flood, tornado, act of God, theft, or any other causes not resulting from the negligence, or willful misconduct of the Escrow Agent.

4.3 The parties hereto acknowledge that the Escrow Agent has acted as counsel to Ionic in connection with the Credit Agreement, related agreements and documents, and agree that the Escrow Agent may continue to provide legal advice and related services to Ionic in connection with all such agreements.

4.4 The Escrow Agent is expressly authorized to comply with and obey any and all processes, orders, judgments or decrees of any court. If the Escrow Agent obeys or complies with any such process, order, judgment, or decree of a court, the Escrow Agent and its partners, employees, agents and successors and assigns shall not be liable to any of the other parties hereto or anyone else by reason of such compliance, notwithstanding any such process, order, judgment, or decree being subsequently reversed, modified, annulled, set aside, or vacated, or being subsequently found to have been issued or entered into without jurisdiction. The provisions of this Escrow Agreement are not intended to and shall not restrict or remove any other rights which the Escrow Agent may have at law or in equity to seek relief or direction from the court in addition to such as are expressly set forth herein.

4.5 In the event of any conflicting demands or claims with respect to the subject matter of this Escrow Agreement, the Escrow Agent shall have the right to discontinue all further acts until such conflicts are resolved, and the further right to commence or defend any action or proceeding for the determination of such conflict, including, without limitation of the foregoing, a suit or action in interpleader. In the event that the Escrow Agent should commence any action to determine any such conflict between the parties, including but not limited to an action in the nature of an interpleader, the Escrow Agent shall, upon deposit of the Original Shares Certificates and the Transfer Forms delivered to it hereunder (or any part thereof) with a court of competent jurisdiction, be *ipso facto* released and discharged from any and all duties and obligations imposed upon the Escrow Agent hereunder with respect to the subject matter of such action.

4.6 Each party hereto (other than the Escrow Agent) waives any claims or demands against the Escrow Agent and its principals with respect to all acts taken by the Escrow Agent in performance of its duties and obligations under this Escrow Agreement. The Escrow Agent shall have no duty to take any action other than as specifically provided for in this Escrow Agreement, and shall have no liability for any non-action if such action has been restrained by any order of any court or administrative agency, or if, in its sole discretion, it determines that any such action would violate any law, regulation or regulatory policy.

4.7 The Escrow Agent may, in relation to its obligations hereunder, act on the opinion, advice or information obtained from any lawyer or other expert, whether retained by Ionic, CPH or Marble Point, but shall not be bound to act upon such opinion, advice or information and shall not be held responsible for any loss occasioned for so acting or not so acting, as the case may be, except if such loss results from the gross negligence or willful misconduct of the Escrow Agent, and the Escrow Agent may employ such assistants as may be necessary to properly discharge its duties and may pay any reasonable monies required for legal or other advice as aforesaid (which amount shall be reimbursable to it by Ionic, CPH and Marble Point equally).

4.8 Ionic, CPH and Marble Point hereby jointly and severally covenant and agree to indemnify the Escrow Agent and its partners, employees, agents and their respective successors and assigns for, and hold them harmless against, any claim, demand, judgment, loss, liability, cost or expense (including reasonable fees and disbursements of legal counsel on a solicitor and his own client basis), incurred by the Escrow Agent or its partners, employees or agents in any way connected with or arising out of this Agreement or the carrying out of any obligations hereunder including the cost and expenses of defending themselves against any claim or liability in connection with any such matter, except for any such claim, demand, judgment, loss, liability, cost or expense that is attributable solely to the gross negligence or wilful misconduct of the Escrow Agent.

4.9 The Escrow Agent may resign its position as escrow agent hereunder at any time upon written notice to the parties hereto. Upon such resignation, the Escrow Agent shall take such steps as are necessary to transfer any property (including the Original Shares Certificates and the Transfer Forms) held in escrow to a successor as agreed to by all parties hereto and, where such agreement is not obtained within five (5) days of the Escrow Agent's resignation, then to the clerk of the Court of Queen's Bench of Alberta.

4.10 The Escrow Agent shall be paid its usual fees for the performance of its duties hereunder, and shall be reimbursed for any disbursements or out of pocket costs incurred in connection with the performance of its duties hereunder. Such fees, disbursements and expenses shall not exceed Five Hundred Dollars (\$500.00), or such other amount as is agreed to by Ionic, CPH, Marble Point and the Escrow Agent, and shall be borne and paid equally by Ionic, CPH and Marble Point.

ARTICLE 5 MISCELLANEOUS

5.1 Notices

All notices to be given hereunder shall be delivered by hand or by telecopier and, if delivered by hand, shall be deemed to have been given on the delivery date and, if sent by telecopier, on the business day following the date of transmission.

Notice to Ionic shall be addressed to:

Ionic Capital Corp.
Suite 1028, Bentall 5

550 Burrard Street
Vancouver, BC
V6C 3P1

Attention: Michael Atkinson
Fax: (604) 681-4692

Notice to CPH:

Canadian Phoenix Resources Corp.
1605, 840 – 7th Avenue SW
Calgary, Alberta
T2P 3G2

Attention: Robert Chenery
Fax: (403) 920-0043

Notice to Marble Point:

Marble Point Energy Ltd.
1800, 700 4th Avenue SW
Calgary, Alberta
T2P 2H9

Attention: David Hall
Fax: (403) 698-8324

Notice to Escrow Agent shall be addressed to:

Fasken Martineau DuMoulin LLP
3400, 350 – 7th Avenue
Calgary, Alberta
T2P 3N9

Attention: Gary Rose
Fax: (403) 261-5351

5.2 Successors and Assigns

Except as otherwise provided, this Escrow Agreement shall enure to the benefit of and shall be binding upon the parties hereto and their respective successors and permitted assigns.

5.3 Counterparts

This Escrow Agreement may be executed in several counterparts, originally or by facsimile, each of which shall be deemed to be an original and together shall constitute one and the same instrument.

5.4 Entire Agreement

This Agreement constitutes the whole and entire agreement between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF the parties have executed this Escrow Agreement on the date first above written.

IONIC CAPITAL CORP.

**CANADIAN PHOENIX RESOURCES
CORP.**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

MARBLE POINT ENERGY LTD.

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

**FASKEN MARTINEAU DuMOULIN
LLP**

Per: _____
Authorized Signatory

Per: _____
Authorized Signatory

APPENDIX "A"

RELEASE NOTICE

TO: FASKEN MARTINEAU DuMOULIN LLP

Pursuant to the escrow agreement dated the 15th day of April, 2008 (the "Escrow Agreement") among Canadian Phoenix Resources Corp., of the first part, Ionic Capital Corp., of the second part, Marble Energy Ltd., of the third part and Fasken Martineau DuMoulin LLP, of the forth part, each of the undersigned hereby certify that the Marble Point Transaction (as defined in the Escrow Agreement) has closed.

You are therefore authorized and directed to forthwith release the Original Share Certificates and the Transfer Forms to Ionic Capital Corp.

Capitalized words and phrases used herein but not defined shall have the same meanings herein as in the Escrow Agreement.

DATED at _____ this _____ day of _____, 20__.

IONIC CAPITAL CORP.

Per:

Authorized Signatory

Per:

Authorized Signatory

CANADIAN PHOENIX RESOURCES CORP.

Per:

Authorized Signatory

SCHEDULE "C"

MARBLE POINT TRANSACTION NEWS RELEASE

(see attached)

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR
DISSEMINATION IN THE UNITED STATES

NEWS RELEASE

CANADIAN PHOENIX RESOURCES CORP.

Suite 700 – 602 12th Avenue S.W., Calgary Alberta T2R 1J3

CANADIAN PHOENIX TO ACQUIRE CONTROL OF MARBLE POINT ENERGY LTD.

AND

ENGAGEMENT OF J. F. MACKIE & COMPANY LTD.

February 29, 2008

Symbol: CPH-TSXV

CANADIAN PHOENIX RESOURCES CORP. (“**Canadian Phoenix**” or “**CPH**”) is pleased to announce that it has executed a non-binding letter of intent (the “**Letter of Intent**”) dated February 21, 2008 with Marble Point Energy Ltd. (“**Marble Point**”) which sets out the basic terms and conditions for the acquisition by Canadian Phoenix of not less than a 51% (and potentially up to a 76%) controlling ownership interest in Marble Point through a series of transactions (collectively, the “**Marble Point Transaction**”).

Canadian Phoenix also announces that it has engaged J.F. Mackie & Company Ltd. to act as its agent, on a reasonable commercial efforts basis, for a financing (the “**Financing**”) of subscription receipts to purchase common shares of Canadian Phoenix that is anticipated to be completed immediately prior to the completion of the Marble Point Transaction. Details of the Financing, including pricing and size, will be determined in the context of the market and will be announced in due course. It is not anticipated that the Financing will result in a change of control of Canadian Phoenix. The net proceeds of the Financing will be used by Canadian Phoenix to fund its obligations under the Marble Point Transaction, as described below, and for other purposes as determined by Canadian Phoenix. The Financing will be subject to acceptance by the TSX Venture Exchange.

Marble Point Transaction

The initial transaction provided for in the Letter of Intent is the subscription by Canadian Phoenix for 61,538,461 common shares of Marble Point (“**Marble Point Shares**”) at the price of \$0.65 per share for a total subscription amount of \$40 million (the “**Subscription Transaction**”). Following the completion of the Subscription Transaction, 120,324,130 Marble Point Shares will be outstanding of which Canadian Phoenix will own 61,538,461 or approximately 51.1% of the outstanding Marble Point Shares. The subscription amount of \$40 million is anticipated to be used by Marble Point to payout existing long term indebtedness, provide working capital for operations and an acquisition of assets currently producing not less than approximately 550 barrels of oil equivalent per day (“**BOEPD**”). This is anticipated to result in Marble Point having total production of approximately 1,300 BOEPD by the end of the second quarter of 2008.

As part of the Subscription Transaction, Canadian Phoenix will covenant to provide to Marble Point, subject to the satisfaction of certain conditions precedent, up to an additional \$60 million (the “**Bond Funds**”) for use by Marble Point to carry out future capital projects and acquisitions with a view to increasing Marble Point’s daily production to over 5,500 BOEPD. Canadian Phoenix will also be provided with the pre-emptive right to participate in any issuance of equity of Marble Point following

the completion of the Subscription Transaction so that Canadian Phoenix may avoid dilution of its ownership interest in Marble Point.

Concurrent with the completion of the Subscription Transaction, a total of 7.1 million Marble Point Shares held by the respective members of Marble Point's management team and Board of Directors will be deposited into escrow and thereafter subject to cancellation should Marble Point's daily production not equal or exceed 5,500 BOEPD within 180 business days of its receipt of the final draw of the Bond Funds. The escrow agreement will provide for additional conditions for the release or cancellation of the escrowed Marble Point Shares. Failure to provide the Bond Funds to Marble Point within the required time period will result in these Marble Point Shares being released from escrow.

In addition, Canadian Phoenix and Marble Point will enter into a voting agreement concurrent with the completion of the Subscription Transaction that will govern certain aspects of the relationship between Canadian Phoenix and Marble Point until the earlier of June 30, 2013 and the date on which Canadian Phoenix holds less than 10% of the outstanding Marble Point Shares. The voting agreement also provides for the appointment of a nominee of each of Canadian Phoenix and Marble Point on the other's Board of Directors.

Following the completion of the Subscription Transaction, Canadian Phoenix will be entitled to make an formal securities exchange takeover bid (the "Offer") to all holders of Marble Shares to purchase their respective shares in exchange for shares of Canadian Phoenix at an exchange ratio to be determined in the context of the market price of Canadian Phoenix shares at the time the Offer is made. The Offer will not include any conditions in favour of Canadian Phoenix regarding a minimum or maximum number of Marble Point Shares to be tendered under the Offer. It is anticipated that directors and officers of Marble Point will not tender their Marble Point Shares under the Offer. As such, it is anticipated that the maximum number of Marble Point Shares that may be exchanged for Canadian Phoenix shares under the Offer will be an additional 30,235,662 Marble Point Shares, which number represents approximately 25% of the number of Marble Point Shares anticipated to be issued and outstanding following the completion of the Subscription Transaction. If all such Marble Point Shares are acquired by Canadian Phoenix under the Offer, Canadian Phoenix would own approximately 76% of the outstanding Marble Point Shares.

About Marble Point

Marble Point Energy Ltd. was incorporated in June, 2005 under the Alberta *Business Corporations Act*. Marble Point's shares do not trade on any stock exchange. Marble Point has approximately 55.5 million shares outstanding of which approximately 40% are controlled by management and the Marble Point Board of Directors. The principal business activities include the evaluation, acquisition, exploration and development of oil and gas properties. Marble Point's production is predominantly natural gas and natural gas liquids. Currently, Marble Point's net daily gas production, based on field estimates, is approximately 500 BOEPD of which approximately 96% is gas and 4% is oil. An additional 2 wells are expected to be completed, equipped, and on production by March, 2008. These wells tested at a combined rate of 6 MMscf/day (1000 BOEPD) gross (3.0 MMscf/day (500 BOEPD net). Marble Point expects its exit production for the first quarter to be approximately 900 BOEPD. Production declines are anticipated to result in Marble Point's second quarter exit production to be approximately 750 BOEPD.

Marble Point commenced operations in 2005 with essentially no production and has grown its production since that time through its development of its own lands and as well through acquisitions. Marble Point has acquired a significant land position as well as considerable seismic data in oil and gas properties in western Canada. Management's future plans are to grow Marble Point's production

through development of these extensive land holdings and through acquisitions. Marble Point anticipates that it will remain focused on natural gas production.

Marble Point's undeveloped land base consists of approximately 62,900 net acres located in Saskatchewan (approximately 12,500 net acres), Alberta (predominantly the Grande Prairie area) (approximately 40,900 net acres) and British Columbia (approximately 9,500 net acres). Marble Point estimates of the value of its undeveloped lands to be \$7.0 million based on recent sales by others of interests in the same unproved property and on recent sales of similar properties in the same general area. This estimate was internally prepared by Marble Point..

In addition, Marble Point has an extensive seismic database consisting of 750 square kilometres of 3D data and 53,000 km of 2D data. The acquisition cost of this data was approximately of \$26.3 million. The 3D data is mostly concentrated over Marble Point's lands in northeastern British Columbia, and the 2D data is primarily located in the Peace River arch and west central regions of Alberta.

Marble Point has retained GLJ Petroleum Consultants ("GLJ") to evaluate its crude oil, natural gas liquids and natural gas reserves and the net present values of future net revenue for these reserves (the "Reserve Data") with an effective date of December 31, 2007 in accordance with National Instrument 51-101 Standards of Disclosure of Oil and Gas Activities. Summary information regarding the Reserves Data will be announced upon the completion by GLJ of its evaluation, which is expected to occur in early March 2008.

The following is a summary of the audited financial statements of Marble Point for the years ending December 31, 2006 and 2005 and the unaudited management prepared financial statements for the nine month period ending September 30, 2007. Readers are cautioned that this financial information has been provided to Canadian Phoenix by management of Marble Point. Management of Canadian Phoenix has not verified the accuracy of this information.

<u>Income Statement</u>	<u>For the Year Ended December 31, 2006 (\$)</u>	<u>For the Year Ended December 31, 2005 (\$)</u>	<u>For the Period Ended September 30, 2007 (\$)</u>
Total Revenue	4,250,180	-	6,154,878
Net Loss	(17,645,164)	(72,458)	(13,229,964)

Balance Sheet	As at December 31, 2006 (\$)	As at December 31, 2005 (\$)	As at September 30, 2007 (\$)
Current Assets	15,881,374	10,178,456	10,059,380
Total Assets	53,953,148	11,754,323	41,756,630
Liabilities (Current)	12,901,199	913,201	11,518,315
Long-Term Debt	7,500,000	-	13,882,253
Shareholders' Equity	32,752,798	9,759,542	15,675,834

The following table provides the names and brief biography of Marble Point's senior management and current Board of Directors.

Name and Municipality of Residence	Position	Biography
David Hall Calgary, Alberta	President, Chief Executive Officer and Director June, 2005	From December 2005 to May 2006, Director of Norquay Capital Ltd. (TSX-V, now Xtreme Coil Drilling Corp., TSX: XDC). From October 2002 to April 2005, President and Director of Argo Energy Ltd. From March 2007 to present director of Aqueous Capital Corp. (TSX-V: AQS.P) From November, 2005 to present director of Tiger-Cat Energy Ltd. (TSX-V: TCE). From June 1998 to February 2002 Director and Vice President of Argonauts Group Ltd. (a public oil and gas corporation, now part of Progress Energy Trust). From June 1998 to January 2000, Manager, Operations of Anglo Albania Petroleum. Previously, Coordinator Production, PanCanadian Petroleum.
Dennis Chorney Calgary, Alberta	Executive Chairman and Director June, 2005	From April 2005 to September 2006, Director of Sequoia Oil & Gas Trust (now Daylight Resources Trust). Currently a director of Daylight Resources Trust (TSX: DAY.UN). Currently a director of TUSK Energy Corporation (TSX: TSK). Currently a director of Sandy Cove Energy Ltd. (a private oil company having interests in Trinidad & Tobago). From December 2005 to May 2006, Director, Chief Executive Officer and Chief Financial Officer of Norquay Capital Ltd. (TSX-V, now Xtreme Coil Drilling Corp. (TSX: XDC). Currently a director of Tiger-Cat Energy Ltd. (TSX-V: TCE). From October 2002 to April 22, 2005, Director and Chairman of the Board of Argo Energy Ltd. From June 1998 to February 2002, Director, Chairman and Chief Executive Officer of Argonauts Group Ltd. (a public oil and gas corporation). From June 1998 to January 2000, Director of Production and Drilling of Anglo Albania Petroleum (a private oil and gas corporation). Previously, Mr. Chorney was VP Heavy Oil at PanCanadian Petroleum. Mr. Chorney is a professional engineer.
John Zang Calgary, AB	Secretary and Director	From October 2002 to present, sole practitioner lawyer. From July 2003 to present, Director, Chief Executive Officer and Secretary of Tiger-Cat Energy Ltd. (TSX-V: TCE). Currently a director of Sandy Cove Energy Ltd. (a private oil company having interests in Trinidad & Tobago). From

Name and Municipality of Residence	Position	Biography
	June, 2005	April 2005 to September 2006 Corporate Secretary and Corporate Counsel of Sequoia Oil & Gas Trust (TSX: SQE, now Daylight Resources Trust, TSX: DAY.UN). From July 2005 to May 2006, Corporate Secretary of Norquay Capital Ltd. (TSX-V, now Xtreme Coil Drilling Corp, TSX: XDC.). From October 2002 to April 2005, director and Secretary of Argo Energy Ltd. (TSX: AAE). From September 2001 to August 2002, Vice President of El Paso Buzzards Professional Hockey Team. From June 1998 to February 2002, Secretary of Argonauts Group Ltd. (a public oil and gas corporation). From September 1991 to August 2001, lawyer with Scott Hall (Barristers and Solicitors).
Danny Remenda Calgary, AB	Director June, 2005	Currently a director of Xtreme Coil Drilling Corp, (TSX: XDC). From October 2002 to May 2005, Director of Argo Energy Ltd. (TSX:AAE). From May 2001 to August 2002 director of High Plains Energy Ltd.. From March 1997 to July 2000 director of Plains Energy Ltd.
James Howe Calgary, AB	Director June, 2005	Currently a director of Ensign Energy Services Inc. (TSX – ESI). Currently a director of Wrangler West Energy Corp (TSX-WX). Currently a director of Seaview Energy Inc. (TSX – CVU). Currently a director of Pason Systems Inc. (TSX-PSI). Currently a director of Avery Resources Inc. (TSX-ARY). Currently a director of Holloway Lodging Real Estate Investment Trust (TSX-HLR.UN). From November 2002 to March 2005 director and senior officer of Kinloch Resources Inc. From June 2003 to April 2005 director of Argo Energy Ltd. (TSX-AAE).
Willey Wong Calgary, AB	Chief Financial Officer and Vice President, Finance June, 2005	Currently, Vice President Finance and CFO of Marble Point Energy Ltd., Currently Chief financial Officer of Tiger-Cat Energy Ltd.(TSX-V: TCE). From October 2002 to April 2005, Vice-President, Finance and Chief Financial Officer of Argo Energy Ltd. Controller of Argonauts Group Ltd. (a public oil and gas company) from July 2001 to February 2002. From September 1995 to January 2001, VP Finance and Chief Financial Officer of Western Oilfield Environmental Services Ltd. (a private oilfield services corporation). Mr. Wong is a Certified Management Accountant.
Dwayne Romansky Calgary, AB	Chief Operating Officer June, 2005	From November 2002 to April 2005, Vice President, Operations of Argo Energy Ltd. Currently Chief Operating Officer of Marble Point Energy Ltd. Formerly Chief Operating Officer of Tiger-Cat Energy Ltd. (TSX-V: TCE). From February 2000 to October 2002, Production Engineering Manager of Calpine Canada Inc. (a public oil and gas corporation). From August 1998 to February 2000, Exploitation Manager of COSI Inc. (a private oil consulting company). Mr. Romansky is a professional engineer.
Jason Denney Calgary, AB	VP Production	Former Development and Exploitation Group leader at EnCana. Mr. Denney is a professional engineer.
Jeff Werner Ottawa, Ont.	VP Exploration	Former Manager Exploration of Argo Energy. Eight years of experience with EnCana prior to joining Argo.
Jim Thomson	VP :Land	Former VP Land at Sequoia Oil and Gas Trust. Previously Manager of Land at Argo Energy and Murphy Oil.

In addition, it is anticipated that co-incident with closing of the Marble Point Transaction, David Tuer will be added to the Board of Directors of Marble Point and of Canadian Phoenix. Mr. Tuer has over 30 years of experience in the petroleum industry. From 1994 to 2001, he was President, Chief Executive Officer and a Director of PanCanadian Petroleum Limited and its parent company, PanCanadian Energy Corporation (a public oil and gas company). From January 2003 to March 2005, he was President and Chief Executive Officer of Hawker Resources Inc. (a public oil and gas company). Mr. Tuer currently is a director of Daylight Resources Trust (a public oil and gas trust). He is also the Chairman of the Calgary Health Region. Mr. Tuer also serves as a Director of Canadian Natural Resources Limited (a public oil and gas company), Rockwater Capital Corporation (a public finance company) and Xtreme Coil Drilling Corp. (a public oil and gas drilling company). Mr. Tuer is the Chairman of the Board of Directors of AltaLink Management Ltd. (a private Alberta electricity transmission company). Mr. Tuer is a former Assistant Deputy Minister of Energy for the Province of Alberta and also served as chairman of Mount Royal College in Calgary. Mr. Tuer received his B.Sc. in Mechanical Engineering from the University of Calgary.

Dave Hall, CEO of Marble Point stated that "Marble Point is excited with the opportunity that this transaction provides. Not only does it provide our shareholders with the opportunity to, in effect, have their shares trade on an Exchange through acceptance of the contemplated Canadian Phoenix offer, but also the infusion of capital allows us to accelerate our production growth plans." He further stated that "Marble Point looks forward to developing a synergistic relationship with Canadian Phoenix."

The Canadian Phoenix board of directors and its senior management team are extremely pleased with the opportunities that the transaction with Marble Point provides. CPH President & CEO Robert "Bob" Chenery commented that "the strategic ownership and alignment with companies such as Marble Point fits very well with the ongoing strategy of Canadian Phoenix to maximize value for its shareholders by acquiring and developing undervalued assets within the Western Canadian Sedimentary Basin."

The Marble Point Transaction is an arm's length transaction that is conditional upon the execution of definitive agreements, completion of satisfactory due diligence, receipt of shareholder (if applicable), debentureholder and regulatory approval, and receipt of third party consents and other conditions customary in a transaction of this nature. It is anticipated that Canadian Phoenix will prepare a Filing Statement in accordance with the form prescribed by the TSXV Venture Exchange in respect of the Marble Point Transaction. Where applicable, the transactions disclosed in this news release cannot close until the required shareholder approval is obtained. There can be no assurance that these transactions will be completed as proposed or at all. It is anticipated that the Subscription Transaction will be completed on or before April 30, 2008.

Canadian Phoenix Resources Corp. is a publicly traded junior oil and gas exploration, development and production company with operations in Western Canada. Canadian Phoenix is pursuing a corporate strategy of being a consolidator of undervalued oil and gas assets located in the Western Canadian Sedimentary Basin. Canadian Phoenix's shares trade on the TSX Venture Exchange under the symbol "CPH".

ON BEHALF OF THE BOARD OF DIRECTORS OF CANADIAN PHOENIX RESOURCES CORP.

"Robert J. Chenery"

Robert J. Chenery, President & CEO

For further information please contact the Corporation at 403-920-0040 or by fax at 403-920-0043.

This news release does not constitute an offer to sell or the solicitation of an offer to buy the securities of Canadian Phoenix within the United States. Securities of Canadian Phoenix have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws. Accordingly, none of the securities of Canadian Phoenix may be offered or sold in the United States or to U.S persons (as such terms are defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities law or an exemption from such registration is available.

Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this press release contains forward looking statements and information concerning completion of the Marble Point Transaction and the assessment of the Marble's Point's petroleum and natural gas production, undeveloped land holdings, business strategy, future development and growth opportunities, prospects, asset base and anticipated benefits from the combination. The forward-looking statements and information are based on certain key expectations and assumptions made by Marble Point, including expectations and assumptions concerning prevailing commodity prices and exchange rates, applicable royalty rates and tax laws, future well production rates and reserve volumes, receipt of regulatory and security holder approvals, the performance of existing wells, the success obtained in drilling new wells, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the impact of the Province of Alberta's new royalty regime. Although Canadian Phoenix and Marble Point believe that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Canadian Phoenix and Marble Point can give no assurance that they will prove to be correct. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production delays or changes in plans with respect to exploration or development projects or capital expenditures, the uncertainty of reserve estimates, the uncertainty of estimates and projections relating to reserves, production, costs and expenses, health, safety and environmental risks, commodity price and exchange rate fluctuations, marketing and transportation, loss of markets, environmental risks, competition, incorrect assessment of the value of acquisitions, failure to realize the anticipated benefits of acquisitions, ability to access sufficient capital from internal and external sources, failure to obtain required regulatory and other approvals, and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. There are risks also inherent in the nature of the Marble Point Transaction, including Canadian Phoenix not entering into definitive agreements that provide for such transaction, incorrect assessment of the value of Marble Point, and failure to obtain the required security holder, regulatory and other third party approvals. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this press release are made as of the date hereof and Canadian Phoenix undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Significant Assumptions and Uncertainties

The process of estimating reserves is complex requiring significant judgments and decisions based on available geological, geophysical, engineering and seismic data. Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates and the impact could be material.

Mr. Dwayne Romansky, P. Eng., of Marble Point, a Petroleum Engineer, is the qualified person who has reviewed the technical information contained in this news release.

Per barrel of oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil ("6:1"). The 6:1 conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Barrels of oil per day equivalency disclosure may be misleading, particularly if used in isolation.

The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

SCHEDULE "D"

PROMISSORY NOTE

Principal Amount: \$

For value received, MARBLE POINT ENERGY LTD. (the "**Borrower**") hereby promises to pay to IONIC CAPITAL CORP. (the "**Lender**") the principal sum of  (\$) on the earlier of:

- (a) March 30, 2009; and
- (b) the occurrence of an Event of Default (as defined in the Credit Agreement between the Borrower and the Lender dated for reference April 15, 2008, as may be amended from time to time),

together with interest accruing on the outstanding principal amount from the date hereof at a rate of TWELVE PERCENT (12%) per annum, compounded monthly (effective rate of 12.68% per annum), before and after each of maturity, default and judgment, payable monthly on the last Business Day of every month. All payments under this promissory note will be made by certified cheque, bank draft or wire transfer (pursuant to wire transfer instructions provided by the Lender from time to time) and delivered to the Lender at office at Suite 1028, 550 Burrard Street, Vancouver, British Columbia V6C 2B5.

The undersigned is entitled to prepay this promissory note, in whole or in part, without penalty, provided that such prepayment is made on the last Business Day of a calendar month and the Borrower has provided not less than ten (10) business days' prior notice of its intention to prepay the Facility. The undersigned waives demand and presentment for payment, notice of non-payment, protest, notice of protest and notice of dishonour. This promissory note will be governed by and construed in accordance with the laws of Alberta and the federal laws of Canada applicable therein. In this promissory note, "Business Day" means a day which is not a Saturday, Sunday or a statutory holiday in Alberta.

Dated: .

MARBLE POINT ENERGY LTD

Per:

Name: 
Title: 