**NOTICE REQUIRED UNDER SECTION 106 OF THE**
***REGULATION RESPECTING SECURITIES* (QUEBEC)**

## 1. NAME AND ADDRESS OF THE ISSUER AND OTHER PERSONS INVOLVED IN THE TRANSACTION

(a) Storm Energy Ltd. ("**Storm**")
3300, 205 – 5th Avenue, SW
Calgary, Alberta T2P 2V7

(b) Harvest Energy Trust ("**Harvest**")
1900, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4

(c) Harvest Operations Corp. ("**Harvest Operations**")
1900, 330 – 5th Avenue SW
Calgary, Alberta T2P 0L4

(d) 1106789 Alberta Ltd. (**"ExporeCo"**)
3300, 205 – 5th Avenue, SW
Calgary, Alberta T2P 2V7

(e) Rock Energy Inc. ("**Rock**")
2400, 500 - 4th Avenue S.W.
Calgary, Alberta T2P 2V6

(f) Alterna Technologies Group Inc. ("**Alterna**")
3700, 400 – 3rd Avenue S.W.
Calgary, Alberta, T2P 4H2

(Alterna has made a proposal to Storm whereby Alterna would replace ExploreCo as a party to the Arrangement. Storm and Alterna are currently negotiating the terms under which Alterna would participate in the Arrangement in the place of ExploreCo. Alterna's participation in the Arrangement will not affect the consideration to be received by Shareholders on the Arrangement, except that, rather than an ExploreCo Share, the Shareholders would receive a share of Alterna.)

## 2. A DESCRIPTION OF THE SECURITIES INVOLVED IN THE EXCHANGE

(a) Storm Energy Ltd. common shares ("**Storm Shares**")

The Storm Shares rank junior to the First Preferred Shares, Second Preferred Shares and Third Preferred Shares of Storm. Holders of Storm Shares are entitled to one vote per share at meetings of shareholders of Storm, to receive dividends if, as and when declared by the board of directors of Storm, and to receive pro rata the remaining property and assets of Storm upon its dissolution or winding-up, subject to the rights of shares having priority over the Storm Shares.

(b) Harvest Energy trust units ("**Trust Units**")

Each Trust Unit entitles the holder thereof to one vote at any meeting of the holders of Trust Units and represents an equal undivided beneficial interest in any distribution from the Trust (whether of net income, net realized capital gains or other amounts) and in any net assets of the

Trust in the event of termination or winding-up of the Trust. All Trust Units outstanding from time to time shall be entitled to equal shares of any distributions by the Trust, and in the event of termination or winding-up of the Trust, in any net assets of the Trust. All Trust Units shall rank among themselves equally and rateably without discrimination, preference or priority. Each Trust Unit is transferable, is not subject to any conversion or preemptive rights and entitles the holder thereof to require the Trust to redeem any or all of the Trust Units held by such holder and to one vote at all meetings of unitholders for each Trust Unit held.

(c) New Harvest Operations exchangeable shares ("**Exchangeable Shares**")

The Exchangeable Shares rank prior to the common shares of New Harvest Operations and any other shares ranking junior to the Exchangeable Shares with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of New Harvest Operations.

Each Exchangeable Share has economic rights (including the right to have the Exchange Ratio adjusted to account for distributions paid to Unitholders) equivalent to those of the Trust Units into which they are exchangeable from time to time and to one vote for each Exchangeable Share (through the benefit of the Special Voting Units granted to the Trustee). In addition, holders of Exchangeable Shares have the right to receive Trust Units at any time in exchange for their Exchangeable Shares, on the basis of the Exchange Ratio in effect at the time of the exchange. Fractional Trust Units will not be delivered on any exchange of Exchangeable Shares. In the event that the Exchange Ratio in effect at the time of an exchange would otherwise entitle a holder of Exchangeable Shares to a fractional Trust Unit, the number of Trust Units to be delivered will be rounded to the nearest whole number of Trust Units. Holders of Exchangeable Shares will not receive cash distributions from the Trust or New Harvest Operations. Rather, the Exchange Ratio will be adjusted to account for distributions paid to Unitholders.

(d) ExploreCo common shares ("**ExploreCo Shares**")

ExploreCo Shares entitle the holder thereof to: (a) to receive dividends as and when declared by the board of directors of ExploreCo, subject to the rights of holders of shares of any class having priority over the ExploreCo Shares, provided that no dividends may be declared in respect of or any benefit conferred upon the holders of the common non-voting shares of ExploreCo unless the same dividend or benefit is conferred upon the holders of the ExploreCo Shares, (b) to share rateably, together with the holders of the common non-voting shares of ExploreCo, in the assets of ExploreCo as are available for distribution in the event of any liquidation, dissolution or winding up of ExploreCo or other distribution of the assets of ExploreCo among its shareholders for the purpose of winding up its affairs, subject to the rights of the holders of shares of any class having priority over the ExploreCo Shares, and (c) receive notice of and to attend any meeting of the shareholders of ExploreCo and to vote at any meeting of shareholders of ExploreCo.

(e) Rock common shares ("**Rock Shares**")

The holders of Rock Shares are entitled to receive notice of and to one vote per share at all meetings of shareholders of Rock, except meetings at which only holders of another specified class or series of shares of Rock are entitled to vote separately as a class or series. Subject to the prior rights of any shares ranking senior to the Rock Shares with respect to priority in the payment of dividends, the holders of Rock Shares shall be entitled to receive dividends and Rock shall pay dividends thereon, as and when declared by the board of directors of Rock, out of monies properly applicable to the payment of dividends, in such amount and in such form as the board of directors of Rock may from time to time determine. In the event of the dissolution, liquidation or winding-up of Rock, whether voluntary or involuntary, or any other distribution of assets of Rock among its shareholders for the purpose of winding-up its affairs, subject to the prior rights of the holders of any shares ranking senior to the Rock Shares with respect to priority in the distribution of assets upon dissolution, liquidation, winding-up or distribution for the purpose of winding-up, the holders of Rock Shares shall be entitled to receive the remaining property and assets of Rock.

## 3. THE NUMBER AND VALUE OF THE SECURITIES

The Arrangement will result, through a series of transactions, in Storm shareholders ultimately receiving for each Storm Share held, either: (i) $4.15 cash; or (ii) 0.281 of a Trust Unit; or (iii) 0.281 of an Exchangeable Share, or a combination of the foregoing, subject to the limitations below, and (iv) one ExploreCo Share; and (v) 0.053 of a Rock Share.

## 4. THE METHOD OF EVALUATING THE SECURITIES, AND THE BASIS FOR EXCHANGE

The method of evaluating the securities is based upon a transaction negotiated at arm's length between Storm and Harvest as of April 18, 2004.

Pursuant to the plan:

(a) Harvest will acquire each Storm Share in exchange for (at the election of each Storm shareholder):

   (i) $4.15 cash to a maximum of $75 million; or

   (ii) 0.281 of a Trust Unit; or

   (iii) 0.281 of an Exchangeable Share;

   or a combination thereof, subject to a maximum of 2.0 million Exchangeable Shares and a maximum of 8.0 million of Trust Units and Exchangeable Shares in aggregate. As a result, Storm shareholders may elect to receive up to 60% of the consideration from Harvest in cash or up to 95% of the consideration in Trust Units or Exchangeable Shares. In the event that all Storm shareholders elect cash, the consideration payable for each Storm Share will be comprised of $2.51 cash and 0.111 of a Trust Unit;

(b) Storm shareholders will receive one ExploreCo Share for each Storm Share that they hold; and

(c) Storm's holdings of 1,602,640 Rock Share will be distributed to Storm shareholders, representing approximately 0.053 Rock Shares received for each Storm Share.

## 5. THE CONDITIONS TO BE MET FOR COMPLETION, AND THE DATE SET FOR THE TRANSACTION

The Arrangement is anticipated to become effective on or about June 29, 2004.

The following procedural steps must be completed:

- the Arrangement must be approved by at least 66 2/3% of the votes cast by Storm shareholders, voting as a class, present in person or by proxy at a special meeting;
- the Court of Queen's Bench of Alberta must approved the Arrangement;
- all necessary third party consents and regulatory approvals must be granted; and
- all conditions precedent to the closing of the Arrangement must be met.

**6. THE NAME AND ADDRESS OF ANY REMUNERATED AGENT**

N/A

**7. THE AMOUNT OF SUCH REMUNERATION**

N/A