

Her majesty the Queen in the right of Prince Edward Island, represented by the Minister charged by the Lieutenant-Governor in Council with the Administration of the Oil and Natural Gas Act, hereinafter referred to as "the Permitter."

THE OIL AND NATURAL GAS ACT, R.S.P.E.I. 1988, CAP. 0-5
OIL AND NATURAL GAS PERMIT

Date Issued December 17, 2004 Permit No. 04-08

Term: Up to 6 Years From December 17, 2004 Blocks

Annual Rental \$0.10 per Acre (\$341.76) & \$25.00 permit fee Acreage 3,417.6 Acres

Total = \$366.76

Permittee PetroWorth Resources Inc.

The Permitter doth hereby grant unto the Permittee, pursuant to, and subject to the provisions of Part VIII of the Oil and Natural Gas Act, R.S.P.E.I. 1998, Cap. 0-5, (hereinafter referred to as "the Act") the exclusive right to do or cause to be done geological and geophysical work and exploratory drilling for all Crown Reserves of oil and natural gas in the location herein described, and the Permittee doth hereby covenant and agree at all times to perform, observe, and comply with the provisions of the Act, and amendments thereto from time to time enacted, and the provisions of any regulations which may from time to time be made under the authority thereof. The provisions of any other Act of the Province of Prince Edward Island that prescribes, relates to or affects the Permittee, shall be deemed to be incorporated into this Permit and shall bind the Permittee from the date it comes into force. In the event of conflict between any regulation made after the execution of this permit and any regulation previously made, the regulation last made shall prevail.

The provisions of Part VII of the Act shall not be applicable to this permit, nor shall any rights accrue to the Permittee under the said Part VII.

A Permittee which has complied with the provisions of this Permit shall, during the term of the Permit and subject to the provisions of this Permit and the Act, have the exclusive right to apply for a Lease covering any or all of the lands for which the right to explore is granted by this permit.

If default is made by the Permittee in the performance or observance of any of the terms and conditions provided for the Permit and is not corrected within thirty days from the date of the sending by registered mail of a notice to the Permittee advising of such default, the Permitter can cancel this permit.

Subject to the provisions of this Permit and the Act, a Permittee may surrender all or any portion of the lands contained in the Permit upon giving notice to the Permitter, any lands being so surrendered being in minimum one-quarter grid areas. Notwithstanding the foregoing, the Permittee remains liable for any act for which it was liable at the time of the surrender pursuant to the provisions of the Act or this Permit.

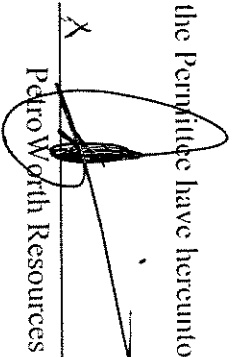
The Permittee shall keep the Permitter indemnified against all actions, claims, and demands that may be brought or made against the Permitter by reason or anything done by the Permittee, his servants, workmen, or agents, in the exercise or purported exercise of rights, powers, and privileges hereby granted.

Special Provision:

In addition to the above, this Permit is issued subject to any other further terms which the Permittee may require to be negotiated between the Permittee and Permittee.

IN WITNESS WHEREOF the Permittee and the Permittee have hereunto set their hands and seals the day and year first above written.

X 
Witness

X 
Petro-Canada Resources Inc.


Chief Officer, Witness


Minister, Permittee

Description of Location:

As described below.

Map Title:

Oil and Natural Gas Map- Permit and Options Areas- Prince Edward Island

Sections 87, 88, 97, and 98 of:

Grid Area N. Lat. 46° 30' W. Long 61° 45'