AMENDED AND RESTATED ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated as of the 15th day of December 2006.

AMONG:

TITAN EXPLORATION LTD., a corporation incorporated under the laws of the Province of Alberta (**"Titan"**)

- and -

TRIMOX ENERGY INC., a corporation incorporated under the laws of the Province of Alberta (**"Trimox"**)

WHEREAS Titan and Trimox entered into an arrangement agreement dated effective December 5, 2006 with respect to a proposed arrangement involving Trimox and its securityholders (the "**Original Agreement**");

AND WHEREAS the Parties now desire, in accordance with Article 7 of the Original Agreement, to amend and restate the Original Agreement as set forth hereunder principally to amend the Plan of Arrangement appended to the Original Agreement;

AND WHEREAS the Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (Alberta);

AND WHEREAS the Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

(a) **"ABCA"** means the *Business Corporations Act,* R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

(b) **"Acquisition Proposal"** means any inquiry or the making of any proposal to Trimox or the Trimox Shareholders from any person which constitutes, or may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from Trimox or the Trimox Shareholders of any of the Trimox Securities (other than on exercise of currently outstanding Trimox Options) or its Subsidiaries; (ii) any acquisition of a substantial amount of the assets of Trimox or its Subsidiaries; (iii) an amalgamation, arrangement, merger, or consolidation involving Trimox or its Subsidiaries; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving Trimox or its Subsidiaries or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or the Arrangement or which would or could reasonably be expected to materially reduce the benefits to Titan under this Agreement or the Arrangement;

(c) **"Agreement", "herein", "hereof', "hereto", "hereunder"** and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

(d) **"Applicable Laws"** means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;

(e) **"Arrangement"** means the arrangement pursuant to Section 193 of the ABCA set forth in the Plan of Arrangement;

(f) **"Arrangement Resolution"** means the special resolution in respect to the Arrangement and other related matters to be considered at the Trimox Meeting;

(g) **"Articles of Arrangement"** means the articles of arrangement in respect of the Arrangement required under Subsection 193(10) of the ABCA to be sent to the Registrar after the Final Order has been granted, giving effect to the Arrangement;

(h) **"Business Day"** means a day other than a Saturday, Sunday or other than a day when banks in the City of Calgary, Alberta are not generally open for business;

(i) **"Certificate"** means the certificate or other confirmation of filing to be issued by the Registrar pursuant to Subsection 193(11) of the ABCA giving effect to the Arrangement;

(j) **"Closing Time"** shall be 10:00 a.m. (Calgary time) on the Business Day immediately following date of the Trimox Meeting unless otherwise agreed to by Titan and Trimox;

(k) **"Competition Act"** means the *Competition Act*, R.S. 1985, c. C-34, as amended;

(l) **"Confidentiality Agreement"** means the confidentiality agreement between Titan and Trimox dated November 3, 2006 in respect of information relating to Trimox;

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

(n) **"Escrow Agreement"** means the escrow agreement dated November 9, 2004 among Trimox, Valiant Trust Company and certain shareholders of the Trimox Shareholders;

(o) **"Effective Date"** means the date the Arrangement becomes effective under the ABCA which is scheduled to occur on January 18, 2007 or such later date as may be agreed to by Trimox and Titan;

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

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

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

(s) **"Parties"** means, collectively, Titan and Trimox; and **"Party"** means either one of them;

(t) **"Plan of Arrangement"** means the plan of arrangement substantially in the form set out in **Schedule A** to this Agreement as amended or supplemented from time to time in accordance with Article 6 thereof and Article 7 hereof;

(u) **"Public Record"** means all information filed by either Titan or Trimox, as the case may be, after January 1, 2006 with any securities commission or similar regulatory authority in compliance, or intended compliance, with any applicable securities laws;

(v) **"Registrar"** means the Registrar of Corporations for the Province of Alberta duly appointed under the ABCA;

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

(x) **"Subsidiary"** has the meaning ascribed thereto in the ABCA (and shall include all trusts or partnerships directly or indirectly owned by Titan or Trimox, as the case may be);

(y) **"Superior Proposal"** has the meaning set forth in Section 3.4(b)(v)(A);

(z) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time;

(aa) **"Taxes"** shall mean all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof; imposed by any federal, territorial, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, unemployment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which Titan or Trimox (or any of their respective Subsidiaries), as the case may be, is required to pay, withhold, remit or collect;

(bb) **"Titan Class A Shares"** means class A shares of Titan, and **"Titan Class A Shareholder"** means the holders from time to time of Titan Class A Shares;

(cc) **"Titan Class B Shares"** means class B shares of Titan, and **"Titan Class B Shareholder"** means the holders from time to time of Titan Class B Shares;

(dd) **"Titan Financial Statements"** means the audited consolidated financial statements of Titan for the year ended December 31, 2005, together with the notes thereto and the report of the auditors thereon and the interim unaudited financial statements of Titan for the nine month period ended September 30, 2006, together with the notes thereto;

(ee) **"Titan Information"** means the information included in the Trimox Information Circular describing Titan and its business, operations and affairs;

(ff) **"Titan Shares"** means, collectively, the Titan Class A Shares and the Titan Class B Shares;

(gg) **"Trimox Class A Shares"** means class A shares of Trimox, and **"Trimox Class A Shareholder"** means the holders from time to time of Trimox Class A Shares;

(hh) **"Trimox Class B Shares"** means class B shares of Trimox, and **"Trimox Class B Shareholder"** means the holders from time to time of Trimox Class B Shares;

(ii) **"Trimox Debt"** means total indebtedness, including long-term debt, bank debt, working capital (each as defined in accordance with Canadian generally accepted accounting principles), but excluding income taxes payable, and the costs and liabilities referred to in Section 10.4;

(jj) **"Trimox Financial Statements"** means, collectively, the audited consolidated financial statements of Trimox for the year ended December 31, 2005, together with the notes thereto and the report of the auditors thereon and the interim unaudited financial statements of Trimox for the nine month period ended September 30, 2006, together with the notes thereto;

(kk) **"Trimox Information"** means the information included in the Trimox Information Circular describing Trimox and its business, operations and affairs and the matters to be considered at the Trimox Meeting;

(ll) **"Trimox Information Circular"** means the management proxy circular of Trimox to be sent by Trimox to the Trimox Securityholders in connection with the Trimox Meeting;

(mm) **"Trimox Lock-up Agreements"** means agreements between Titan and certain Trimox Securityholders pursuant to which such Trimox Securityholders have agreed to vote the Trimox Securities beneficially owned or controlled by such Trimox Securityholders in favour of the Arrangement Resolution and to otherwise support the Arrangement and other related matters to be considered at the Trimox Meeting;

(nn) **"Trimox Meeting"** means the special meeting of Trimox Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

(oo) **"Trimox Optionholders"** means the holders from time to time of Trimox Options;

(pp) **"Trimox Options"** means the outstanding stock options, whether or not vested, to acquire Trimox Shares;

(qq) **"Trimox Securities"** means, collectively, the Trimox Shares and the Trimox Options;

(rr) **"Trimox Securityholders"** means, collectively, the Trimox Shareholders and the Trimox Optionholders;

(ss) **"Trimox Shareholders"** means the holders from time to time of Trimox Shares;

(tt) **"Trimox Shares"** means, collectively, the Trimox Class A Shares and the Trimox Class B Shares;

(uu) **"TSX"** means the Toronto Stock Exchange; and

(vv) **“TSXV”** means the TSX Venture Exchange.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof’, “herein” and “hereunder” and similar expressions refer to this Agreement (including Schedule A hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

1.3 Number, etc.

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

1.4 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

1.5 Entire Agreement

This Agreement, the Confidentiality Agreement and the Trimox Lock-Up Agreements, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof. To the extent there is any inconsistency between this Agreement and the Confidentiality Agreement, this Agreement shall supercede the Confidentiality Agreement.

1.6 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under Canadian generally accepted accounting principles and all determinations of an accounting nature are required to be made shall be made in a manner consistent with Canadian generally accepted accounting principles.

1.8 Disclosure in Writing

Reference to disclosure in writing herein shall, in the case of Titan, include disclosure to Titan or its representatives, or in the case of Trimox, include disclosure to Trimox or its representatives.

1.9 References to Legislation

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.10 Enforceability

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

1.11 Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

A - Plan of Arrangement

ARTICLE 2
THE ARRANGEMENT

2.1 Plan of Arrangement

Trimox will forthwith file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Trimox Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and upon receipt thereof, forthwith carry out the terms of the Interim Order to the extent applicable to it. Provided all necessary approvals for the Arrangement Resolution are obtained from the Trimox Shareholders, Trimox shall submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5, Trimox shall forthwith proceed to file the Articles of Arrangement, the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to Subsection 193(9) of the ABCA, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality. The Parties hereby covenant and agree to act reasonably to finalize the terms of the Plan of Arrangement consistent with the provisions of this Agreement.

2.2 Interim Order

The Interim Order shall provide that:

(a) the securities of Trimox for which holders shall be entitled to vote on the Arrangement Resolution shall be the Trimox Shares;

(b) the Trimox Class A Shareholders shall be entitled to vote on the Arrangement Resolution, with each Trimox Class A Shareholder being entitled to one vote for each Trimox Class A Share held by such holder;

(c) the Trimox Class B Shareholders shall be entitled to vote on the Arrangement Resolution as a separate class, with each Trimox Class B Shareholder being entitled to one vote for each Trimox Class B Share held by such holder; and

(d) the requisite majority for the approval of the Arrangement Resolution shall be: (i) two-thirds of the votes cast by the Trimox Class A Shareholders present in person or by proxy at the Trimox Meeting; (ii) two-thirds of the votes cast by the Trimox Class B Shareholders present in person or by proxy at the Trimox Meeting, voting as a separate class; and (ii) a majority of the votes cast by the Trimox Shareholders, after excluding the votes cast by those persons whose votes must be excluded pursuant to Ontario Securities Commission Rule 61-501 or the equivalent rules in Quebec.

2.3 Information Circulars and Meetings

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws:

(a) Titan shall prepare the Titan Information for inclusion in the Trimox Information Circular; and

(b) Trimox shall:

(i) prepare the Trimox Information Circular, in consultation with Titan, and cause such circular to be mailed to the Trimox Shareholders and filed with applicable regulatory authorities and other governmental authorities in all jurisdictions where the same are required to be mailed and filed; and

(ii) convene the Trimox Meeting.

2.4 Effective Date

The Arrangement shall become effective at the Effective Time on the Effective Date.

2.5 Effect of the Arrangement

Upon closing of the Arrangement, holders of:

(a) Trimox Class A Shares will receive 0.55 of a Titan Class A Share for each Trimox Class A Share; and

(b) Trimox Class B Shares will receive that number of Titan Class A Shares as is equal to the quotient obtained by dividing $10.00 by the 5-day weighted average trading price of the Titan Class A Shares ending on the second last day immediately preceding the Effective Date.

ARTICLE 3
COVENANTS

3.1 Covenants of Titan

From the date hereof until the Effective Date or termination of this Agreement, except with the prior written consent of Trimox (such consent not to be unreasonably withheld), and except as otherwise expressly permitted or specifically contemplated by this Agreement:

(a) Titan and its Subsidiaries will not do any of the following:

(i) conduct any activity or operations that would otherwise be detrimental to the Arrangement; or

(ii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Arrangement;

(b) Titan shall not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents in a manner materially adverse to the consideration to be received by Trimox Shareholders; (ii) declare, set aside or pay any dividend or payment (whether in cash, shares or property) in respect of its outstanding Titan Shares; (iii) split, combine or reclassify any of its Titan Shares unless the Arrangement is amended upon the same terms and conditions; (iv) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Titan; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(c) Titan shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;

(d) Titan shall promptly notify Trimox in writing of any material adverse change (actual, anticipated, contemplated or, to the knowledge of Titan threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Titan or of any change in any representation or warranty provided by Titan in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Titan shall in good faith discuss with Trimox any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Titan threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Trimox pursuant to this provision;

(e) Titan shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1 and 5.3 as soon as reasonably possible to the extent that the satisfaction of the same is within the control of Titan;

(f) Titan will assist Trimox in the preparation of the Trimox Information Circular and provide to Trimox, in a timely and expeditious manner, all information as may be reasonably requested by Trimox with respect to Titan for inclusion in the Trimox Information Circular and any amendments or supplements thereto, in each case complying in all material respects with all applicable legal requirements on the date of issue thereof, the Arrangement and the transactions to be considered at the Trimox Meeting;

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

(i) any misrepresentation or alleged misrepresentation in the Titan Information or in any material filed in compliance or intended compliance with any Applicable Laws;

(ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Titan Information or in any material filed by or on behalf of Titan in compliance or intended compliance with Applicable Laws, which prevents or restricts the trading in the Titan Shares; or

(iii) Titan not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement;

except that Titan shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation of a material fact based solely on the Trimox Information included in the Titan Information or the negligence of Trimox;

(h) except for non-substantive communications, Titan will furnish promptly to Trimox or Trimox's counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Titan in connection with: (i) the Arrangement; (ii) any filings under Applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with regulatory agencies in connection with the transactions contemplated hereby;

(i) Titan will not disclose to any person, other than officers, directors and key employees and professional advisors of Titan, any confidential information relating to Trimox or its affiliates except information required to be disclosed by law or otherwise known to the public;

(j) Titan will make all necessary filings and applications under Canadian federal and provincial and U.S. laws and regulations required to be made on the part of Titan in connection with the transactions contemplated herein and shall take all reasonable commercial action necessary to be in compliance with such laws and regulations; and

(k) Titan shall take all necessary actions to give effect to the transactions contemplated by this Agreement and the Arrangement and the listing of the Titan Class A Shares to be issued pursuant to the Arrangement on the TSX.

Notwithstanding anything else contained in this Section 3.1, the parties acknowledge and agree that Titan and any of its Subsidiaries may, but are not obligated to, make open-market purchases of Trimox Shares from and after Mailing Date until the Effective Date.

3.2 Covenants of Trimox

From the date hereof until the Effective Date or termination of this Agreement, except with the prior written consent of Titan, and except as otherwise expressly permitted or specifically contemplated by this Agreement:

(a) Trimox's business and the business of each of its Subsidiaries shall be conducted only in the usual and ordinary course of business consistent with past practices (for greater certainty, where it is an operator of any property, it shall operate and maintain such property in a proper and prudent manner in accordance with good industry practice and the agreements governing the ownership and operation of such property), Trimox shall consult with Titan in respect of the ongoing business and affairs of Trimox and its Subsidiaries and keep Titan apprised of all material developments relating thereto;

(b) Trimox shall not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue (other than on exercise of currently outstanding Trimox Options), grant, sell or pledge or agree to issue, grant, sell or pledge any shares of Trimox, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Trimox; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities, except as permitted pursuant to the terms thereof or as permitted in accordance with the terms hereunder; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Trimox; (vii) pursue any corporate acquisition or disposition, amalgamation, merger, arrangement or purchase or sale of assets or make any material change to the business, capital or affairs of Trimox; (viii) reduce the stated capital of Trimox or any of its outstanding shares; (ix) conduct any activity or operations that would otherwise be detrimental to completion of the Arrangement; (x) other than pursuant to commitments entered into by Trimox prior to the date of the Agreement and disclosed in writing to Titan prior to the date hereof, pay, discharge or satisfy any material claims, liabilities or obligations other than in the ordinary course of business consistent with past practice; (xi) other than pursuant to commitments entered into by Trimox prior to the date of this Agreement and disclosed in writing to Titan prior to the date hereof, sell, dispose of, transfer, convey, encumber, surrender, release or abandon the whole or any part of its assets, other than production in the ordinary course; (xii) terminate any employees; (xiii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Arrangement; (xiv) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(c) Trimox will not, and will not permit any of its Subsidiaries to, except as previously disclosed in writing or with the consent of Titan, such consent not to be unreasonably withheld, directly or indirectly: (i) sell, pledge, dispose of or encumber any assets having an individual value in excess of $25,000, other than production in the ordinary course of business; (ii) expend or commit to expend any amount with respect to any capital expenditures; (iii) expend or commit to expend any amounts with respect to any operating expenses other than in the ordinary course of business or pursuant to the Arrangement; (iv) acquire or agree to acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof which is not a Subsidiary or affiliate of such party, or make any investment therein either by purchase of shares or securities, contributions of capital or property transfer; (v) acquire any assets with an acquisition cost in excess of $50,000 in the aggregate; (vi) incur any indebtedness for borrowed money in excess of existing credit facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise become responsible for, the obligations of any other individual or entity, or make any loans or advances, other than in respect of fees payable to legal, financial and other advisors in the ordinary course of business or in respect of the Arrangement; (vii) authorize, recommend or propose any release or relinquishment or any material contract right; (viii) waive, release, grant or transfer any material rights of value or modify or change in any material respect any existing material license, lease, contract, production sharing agreement, government land concession or other material document; (ix) enter into or terminate any hedges, swaps or other financial instruments or like transactions; or (x) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(d) other than severance or other termination payments made on or prior to the Effective Date to directors, officers and employees of Trimox (which payments shall not exceed, in the aggregate, $525,000), Trimox shall not, nor permit any of its Subsidiaries to, make any payment to any employee, officer or director outside of their ordinary and usual compensation for services provided;

(e) the total fees payable by Trimox to its financial, legal and accounting advisors in connection with the transactions contemplated herein shall not exceed $700,000;

(f) Trimox shall not, nor permit any of its Subsidiaries to, adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

(g) Trimox shall not, nor permit any of its Subsidiaries to, (i) grant any officer, director or employee an increase in compensation in any form, other than as disclosed in writing to Titan; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at arm's length;

(h) Trimox shall cooperate with Titan for the purposes of hedging up to 50% of Trimox's gas production for 2007 on terms acceptable to both Titan and Trimox (the **"Hedge"**), provided that in the event the Arrangement does not proceed, other than by reason of a breach or non-performance by Trimox of a material provision of this Agreement, Trimox shall have five business days to elect by notice in writing to Titan whether it intends to maintain the Hedge or whether it intends to unwind the Hedge in which latter case Titan shall indemnify Trimox for all costs, expenses and losses (if any) incurred thereby. Other than as set forth above, or with the written consent of Titan, Trimox shall not enter into or close any hedges, swaps or other like transactions;

(i) Trimox shall use its reasonable commercial efforts to cause its current insurance (or reinsurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect and will pay all premiums in respect of such insurance policies that become due prior to the Effective Date;

(j) except to permit the early vesting of all Trimox Options, no amendments shall be made to outstanding Trimox Options without the prior written consent of Titan;

(k) Trimox shall not take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to completion of the Arrangement or termination of this Agreement, whichever first occurs;

(l) Trimox shall promptly notify Titan in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Trimox threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Trimox or of any change in any representation or warranty provided by Trimox in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Trimox shall in good faith discuss with Titan any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Trimox threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Titan pursuant to this provision;

(m) Trimox shall ensure that it has available funds under its lines of credit or other bank facilities to permit the payment of the amount which may be required by Section 6.1 having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount when required;

(n) Trimox shall use its reasonable commercial efforts to obtain the consent of its bankers and any other third party consents required for the transactions contemplated hereby and provide the same to Titan on or prior to the Effective Date;

(o) Trimox shall use its reasonable commercial efforts to satisfy or cause satisfaction of the conditions set forth in Sections 5.1 and 5.2 as soon as reasonably possible to the extent that the satisfaction of the same is within the control of Trimox;

(p) Trimox shall provide notice to Titan of the Trimox Meeting and allow Titan's representatives to attend such meeting;

(q) Trimox will ensure that the Trimox Information Circular provides Trimox Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters before them, and will set out the Titan Information in the Trimox Information Circular in the form approved by Titan and shall include, without limitation; (i) any financial statements in respect of prior acquisitions made by it that are required to be included therein in accordance with Applicable Laws; and (ii) the unanimous determination of the members of the board of directors of Trimox that the Arrangement is fair to Trimox Shareholders, is in the best interests of Trimox and Trimox Shareholders, and include the unanimous recommendation of the members of the board of directors of Trimox that the Trimox Shareholders vote in favour of the Arrangement Resolution; provided that, notwithstanding the covenants of Trimox in this subsection, prior to the completion of the Arrangement, the board of directors of Trimox may withdraw, modify or change the recommendation regarding the Arrangement if, in the opinion of such board of directors acting reasonably, having received the advice of its outside legal counsel which is reflected in minutes of the meeting of the board of directors, such withdrawal, modification or change is required to act in a manner consistent with the fiduciary duties of the board of directors of Trimox and, if applicable, provided the board of directors shall have complied with the provisions of Sections 3.4 and 6.1;

(r) Trimox shall indemnify and save harmless Titan and the directors, officers and agents of Titan from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Titan, or any director, officer or agent thereof may be subject or which Titan, or any director, officer or agent thereof may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in the Trimox Information Circular or in any material filed in compliance or intended compliance with any Applicable Laws;

(ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or omission of a material fact or any misrepresentation or any alleged misrepresentation in the Trimox Information Circular or in any material filed by or on behalf of Trimox in compliance or intended compliance with Applicable Laws, which prevents or restricts the trading in the Trimox Shares; and

(iii) Trimox not complying with any requirement of Applicable Laws in connection with the transactions contemplated in this Agreement;

except that Trimox shall not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of or are based upon any misrepresentation or alleged misrepresentation of a material fact based solely on the Titan Information included in the Trimox Information Circular or the negligence of Titan;

(s) Trimox shall provide to Titan reports on its operations and affairs as may be reasonably requested from time to time by Titan;

(t) Trimox will use reasonable commercial efforts to keep Titan informed as to the decisions required with respect to the most advantageous methods of exploring, operating and producing from its business, in the opinion of Trimox;

(u) Trimox shall use its reasonable commercial efforts to preserve intact its business organizations and goodwill and to maintain satisfactory relationships with suppliers, distributors, customers and others having business relationships with it;

(v) Trimox will not disclose to any person, other than officers, directors and key employees and professional advisors of Trimox, any confidential information relating to Titan or its affiliates except information required to be disclosed by law or otherwise known to the public;

(w) except for proxies and other non-substantive communications with securityholders, Trimox will furnish promptly to Titan or Titan’s counsel, a copy of each notice, report, schedule or other document delivered, filed or received by Trimox from securityholders or regulatory agencies in connection with: (i) the Arrangement; (ii) the Trimox Meeting; (iii) any filings under Applicable Laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated hereby;

(x) Trimox shall solicit proxies to be voted at the Trimox Meeting in favour of matters to be considered at the Trimox Meeting, including the Arrangement Resolution;

(y) Trimox shall conduct the Trimox Meeting in accordance with the by-laws of Trimox and any instrument governing the Trimox Meeting (including, without limitation, the Interim Order), as applicable, and as otherwise required by law;

(z) Trimox will make all necessary filings and applications under Canadian federal and provincial and U.S. laws and regulations required to be made on the part of Trimox in connection with the transactions contemplated herein and shall take all reasonable action necessary to be in compliance with such laws and regulations;

(aa) in the event that dissent rights are given to Trimox Shareholders under the terms of the Interim Order, Trimox shall promptly advise Titan of the number of Trimox Securities for which Trimox receives notices of dissent or written objections to the Arrangement and provide Titan with copies of such notices and written objections;

(bb) prior to the Effective Date, Trimox will cooperate with Titan in making application to list the Titan Class A Shares to be issued pursuant to the Arrangement on the TSX; and (cc) Trimox shall take all necessary actions to give effect to the transactions contemplated by this Agreement and the Arrangement.

3.3 Mutual Covenants Regarding the Arrangement

From the date hereof until the Effective Date, each of Titan and Trimox will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

(a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and

(c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement, and each of Titan and Trimox will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 3.3 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between representatives of Titan and Trimox, subject in all cases to the Confidentiality Agreement.

3.4 Trimox's Covenants Regarding Non-Solicitation

(a) Trimox shall immediately cease and cause to be terminated all existing discussions or negotiations (including, without limitation, through any of its officers, directors, employees, advisors, representatives and agents (**"Representatives"**)), if any, with any parties initiated before the date of this Agreement with respect to any Acquisition Proposal and shall immediately request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with Trimox relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.

(b) Trimox shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:

(i) solicit, facilitate, initiate, encourage or take any action to solicit, facilitate, initiate, entertain or encourage any inquiries or communication regarding or the making of any proposal or offer that constitutes or may constitute an Acquisition Proposal, including, without limitation, by way of furnishing information;

(ii) enter into or participate in any negotiations or initiate any discussion regarding an Acquisition Proposal, or furnish to any other person any information with respect to their respective businesses, properties, operations or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;

(iii) waive, or otherwise forbear in the enforcement of, or enter into or participate in any discussions, negotiations or agreements to waive or otherwise forbear in respect of, any rights or other benefits under confidential information agreements, including, without limitation, any "standstill provisions" thereunder; or

(iv) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal;

provided, however, that notwithstanding any other provision hereof, Trimox and its Representatives may:

(v) enter into or participate in any discussions or negotiations with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Trimox or any of its Representatives) seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality and standstill agreement substantially similar to the Confidentiality Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to Titan as set out below), may furnish to such third party information concerning Trimox and its business, properties and assets, in each case if, and only to the extent that:

(A) the third party has first made a written bona fide Acquisition Proposal and the board of directors of Trimox determines in good faith: (1) that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available; (2) (after consultation with its financial advisor) the Acquisition Proposal would, if consummated in accordance with its terms, result in a transaction financially superior for the Trimox Securityholders than the transaction contemplated by this Agreement; and (3) after receiving the advice of outside counsel as reflected in minutes of the board of directors of Trimox, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under Applicable Laws (a **"Superior Proposal"**); and

(B) prior to furnishing such information to or entering into or participating in any such negotiations or initiating any discussions with such third party, Trimox provides prompt notice to Titan to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such person or entity together with a copy of the confidentiality agreement referenced above and if not previously provided to Titan, copies of all information provided to such third party concurrently with the provision of such information to such third party, and provided further that Trimox shall notify Titan orally and in writing of any inquiries, offers or proposals with respect to a Superior Proposal (which written notice shall include, without limitation, a summary of the details of such proposal (and any amendments or supplements thereto), the identity of the person making it, if not previously provided to Titan, copies of all information provided to such party and all other information reasonably requested by Titan), within 24 hours of the receipt thereof, shall keep Titan informed of the status and details of any such inquiry, offer or proposal and answer Titan's questions with respect thereto; or

(vi) comply with Section 172 of the *Securities Act* (Alberta) and similar provisions under applicable Canadian securities laws relating to the provision of directors' circulars and make appropriate disclosure with respect thereto to its securityholders; and

(vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party, but only if prior to such acceptance, recommendation, approval or implementation, its board of directors shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement and after receiving the advice of outside counsel as reflected in minutes of the board of directors of Trimox, that the taking of such action is necessary for the board of directors in discharge of its fiduciary duties under Applicable Laws and Trimox complies with its obligations set forth in Section 3.4(c) and terminates this Agreement in accordance with Section 8.1(d) and concurrently therewith pays the amount required by Section 6.1.

(c) In the event that Trimox is in receipt of a Superior Proposal, it shall give Titan, orally and in writing, at least 72 hours advance notice of any decision by its board of directors to accept, recommend, approve or enter into an agreement to implement a Superior Proposal, which notice shall confirm that the board of directors of Trimox has determined that such Acquisition Proposal constitutes a Superior Proposal, shall identify the third party making the Superior Proposal and shall provide a true and complete copy thereof and any amendments thereto. During such 72 hour period, Trimox agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. In addition, during such 72 hour period, Trimox shall, and shall cause its financial and legal advisors to, negotiate in good faith with Titan and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable Trimox to proceed with the Arrangement as amended rather than the Superior Proposal. In the event Titan proposes to amend this Agreement and the Arrangement to provide that each of the holders of Trimox Class A Shares and Trimox Class B Shares, respectively, shall receive a value per Trimox Class A Share and a value per Trimox Class B Share equal to or having a value greater than the value per Trimox Class A Share and per Trimox Class B Share provided in the Superior Proposal and so advises the Trimox Board prior to the expiry of such 72 hour period, the board of directors of Trimox shall not accept, recommend, approve or enter into any agreement to implement such Superior Proposal and shall not release the party making the Superior Proposal from any standstill provisions and shall not withdraw, redefine, modify or change its recommendation in respect of the Arrangement. Notwithstanding the foregoing, and for greater certainty, Titan shall have no obligation to make or negotiate any changes to this Agreement or the Arrangement in the event that Trimox is in receipt of a Superior Proposal.

(d) Titan agrees that all information that may be provided to it by Trimox with respect to any Superior Proposal pursuant to this Section 3.4 shall be treated as if it were “Confidential Information” as that term is defined in the Confidentiality Agreement and shall not be disclosed or used except in accordance with the provisions of the Confidentiality Agreement or in order to enforce its rights under this Agreement in legal proceedings.

(e) Each Party shall ensure that its officers, directors and employees and any investment bankers or other advisers or representatives retained by it are aware of the provisions of this Section 3.4. Titan shall be responsible for any breach of this Section 3.4 by its officers, directors, employees, investment bankers, advisers or representatives, and Trimox shall be responsible for any breach of this Section 3.4 by its officers, directors, employees, investment bankers, advisers or representatives.

3.5 Access to Information

From and after the date hereof, Trimox shall provide Titan and its representatives access, during normal business hours and at such other time or times as Titan may reasonably request, to its premises (including field offices and sites), books, contracts, records, computer systems, properties, employees and management personnel and shall furnish promptly to Titan all information concerning its business, properties and personnel as Titan may reasonably request in order to permit Titan to be in a position to expeditiously and efficiently integrate the business and operations of Trimox with those of Titan immediately upon but not prior to the Effective Date. Trimox agrees to keep Titan fully appraised in a timely manner of every circumstance, action, occurrence or event occurring or arising after the date hereof that would be relevant and material to a prudent operator of the business and operations of Trimox. Trimox shall confer with and obtain Titan's approval (not to be unreasonably withheld or delayed), prior to taking action (other than in emergency situations) with respect to any material operational matters involved in its business.

Without limiting the generality of any of the other provisions of this Agreement, each of Trimox and Titan will make available to the other all land, legal, title documents and related files, geologic maps, well files and well logs, books, papers, financial information and pertinent documents or agreements.

In addition, each of parties agrees to:

(a) permit the legal and professional representatives and agents of the other full access to such other's books, records and documents, provided that the disclosing party is satisfied, acting reasonably, that the confidentiality of the subject matter of the disclosure can be maintained in accordance herewith; and

(b) endeavour to include in the information furnished to the other, or obtained by the other in the course of the aforesaid investigations, all information which would reasonably be considered to be relevant for the purposes of the other's investigation and not knowingly withhold any information which would make anything contained in the information delivered erroneous or misleading.

The parties acknowledge and agree that all information provided by one party to the other pursuant to this Section 3.5 shall remain subject to the provisions of the Confidentiality Agreement.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Titan

Titan hereby makes the representations and warranties set forth in this Section 4.1 to and in favour of Trimox and acknowledges that Trimox is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

(a) Titan and each of its Subsidiaries is a corporation or partnership duly incorporated, amalgamated or created and validly subsisting under the laws of its jurisdiction of incorporation, amalgamation or creation and has the requisite power and authority to carry on its business as it is now being conducted. Titan and each of its Subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a material adverse effect on Titan and its Subsidiaries taken as a whole.

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

(c) Neither the execution and delivery of this Agreement by Titan, the consummation by Titan of the transactions contemplated hereby nor compliance by Titan with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Titan or any of its Subsidiaries under, any of the terms, conditions or provisions of (x) the articles or bylaws or other constating documents of Titan or any of its Subsidiaries, or (y) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Titan is a party or to which it or its properties or assets, may be subject or by which Titan or any of its Subsidiaries is bound; or (ii) subject to compliance with Applicable Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Titan or any of its Subsidiaries (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any material adverse effect on the business, operations or financial condition of Titan and its Subsidiaries taken as a whole, or on the ability of Titan or any of its Subsidiaries to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a material adverse effect on the business, operations or financial condition of Titan and its Subsidiaries taken as a whole.

(d) Other than in connection with or in compliance with the provisions of Applicable Laws:

(i) there is no legal impediment to Titan's consummation of the transactions contemplated by this Agreement; and

(ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by Titan in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have any material adverse effect on the ability of Titan to consummate the transactions contemplated hereby.

(e) Titan has authorized an unlimited number of Titan Class A Shares and Titan Class B Shares of which, as at December 5, 2006, Titan has issued and outstanding 25,132,572 Titan Class A Shares and 1,012,500 Titan Class B Shares and, in addition, as at December 5, 2006 Titan has issued and outstanding options entitling the holders thereof to acquire 1,996,940 Titan Class A Shares. Except as aforesaid, there are no outstanding shares of Titan or options, warrants, rights or conversion or exchange privileges or other securities entitling anyone to acquire any shares of Titan or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Titan of any shares of Titan (including Titan Class A Shares and

Titan Class B Shares) or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Titan. All outstanding Titan Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor have they been issued in violation of, any pre-emptive rights, and all Titan Class A Shares issuable upon exercise or conversion of outstanding options in accordance with their respective terms, will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

(f) Since the date of the Titan Financial Statements, except as disclosed in the Public Record:

(i) there has been no material adverse change, (or any condition, event or development involving a prospective change that could be materially adverse to Titan and its Subsidiaries on a consolidated basis) in the business, affairs, operations, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of Titan and its Subsidiaries on a consolidated basis;

(ii) Titan and each of its Subsidiaries has conducted its business only in the ordinary and normal course; and

(iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Titan or any of its Subsidiaries has been incurred other than in the ordinary and normal course of business.

(g) The data and information in respect of Titan and its assets, reserves, liabilities, business and operations provided by Titan or its advisors to Trimox or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof. Titan has no knowledge of any material adverse change to the oil and gas reserves of Titan from that disclosed in such data and information.

(h) The information and statements set forth in the Public Record as at the date hereof, as relates to Titan, are true, correct, and complete and did not contain any misrepresentation, as of the respective dates of such information or statements, and no material change has occurred in relation to Titan which is not disclosed in the Public Record, and Titan has not filed any confidential material change reports which continue to be confidential.

(i) Except as disclosed in the Public Record or as otherwise disclosed in writing to Trimox by Titan prior to the date hereof, there are no outstanding or threatened claims, suits, actions or proceedings against Titan which, if determined adversely to Titan, take as a whole, would have a material adverse effect on the assets, liabilities, business or operations of Titan, taken as a whole, or on the ability of Titan to consummate the transactions contemplated hereby.

(j) The Titan Financial Statements fairly present, in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition of Titan and its Subsidiaries on a consolidated basis at the dates thereof and the results of the operations of Titan and its Subsidiaries on a consolidated basis for the periods then ended and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Titan and its Subsidiaries on a consolidated basis as at the dates thereof.

(k) Titan has not received notice of any material violation of or investigation relating to any federal, provincial or local law, regulation or ordinance with respect to its assets, business or operations and Titan and its Subsidiaries hold all permits, licenses and other authorizations which are required under federal, provincial or local laws relating to its assets, business or operations. The assets of Titan, taken as a whole, are operated and maintained by it are in compliance with all terms and conditions of such laws, permits, licenses and authorizations in all material respects.

(l) No securities commission or similar regulatory authority, or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Titan, no such proceeding is, to the knowledge of Titan, pending, contemplated or threatened and Titan is not, to its knowledge, in default of any requirement of any securities laws, rules or policies applicable to Titan or its securities.

(m) The board of directors of Titan has unanimously approved this Agreement.

(n) Titan is not a party to and Titan will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire securities of Titan or its Subsidiaries or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the Arrangement.

(o) The corporate records and minute books, books of account and other records of Titan and each of its Subsidiaries have (whether of a financial or accounting nature or otherwise) been maintained in accordance with, in all material respects, all applicable statutory requirements and prudent business practice and are complete and accurate in all material respects.

(p) Titan is a “reporting issuer” or equivalent in the provinces of British Columbia, Alberta, Saskatchewan and Ontario and the outstanding Titan Shares are listed and posted for trading on the TSX.

(q) Olympia Trust Company, at its principal office in Calgary is the duly appointed registrar and transfer agent of Titan with respect to the Titan Shares.

(r) All Returns required to be filed have been duly filed on a timely basis and all Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis. Except for matters disclosed in the Titan Financial Statements or otherwise disclosed to Trimox that may give rise to the filing of amended Returns, the filed Returns are true, complete and correct in all material respects, and no other Taxes are payable by Titan or any of its Subsidiaries with respect to items or periods covered by such Returns.

(s) Titan has paid or provided adequate accruals in its financial statements for the year ended dated December 31, 2005 for Taxes, including income taxes and related future taxes, in conformity with generally accepted accounting principles applicable in Canada.

(t) No material deficiencies exist or have been asserted with respect to Taxes. Neither Titan nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Titan or any of its Subsidiaries or any of their respective assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns. The Returns have never been audited by a government or taxing authority, nor is any such audit in process, pending or threatened which resulted in or could result in a reassessment of Taxes owing by Titan or any of its Subsidiaries. Titan and its Subsidiaries have withheld any Taxes required to be withheld by the Applicable Laws and the Tax Act and has paid or remitted on a timely basis, the full amount of any Taxes which have been withheld to the applicable governmental authority.

(u) No director, officer, insider or other non-arm's length party to Titan or any of its Subsidiaries (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Titan or any of its Subsidiaries that will be effective after the Effective Date.

(v) Except as disclosed in the Public Record, no director, officer, insider or other non-arm's length party is indebted to Titan or any of its Subsidiaries.

(w) Titan has provided (or, upon written request from Trimox, will provide with the consent of Titan's auditors) to Trimox copies of all management recommendation letters relating to Titan or any of its Subsidiaries received from Titan's current auditor or any previous auditor during the two years prior to the date hereof.

(x) Titan has or will have sufficient available lines of credit or bank facilities to pay out the Trimox bank facilities on the Effective Date.

(y) To the knowledge of Titan, Titan has not withheld from Trimox any material information or documents concerning Titan or any of its Subsidiaries or their respective assets or liabilities during the course of Trimox's review of Titan and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Trimox by Titan pursuant hereto contains or will contain an untrue statement of a material fact which is necessary to make the statements herein or therein not misleading.

4.2 Representations and Warranties of Trimox

Trimox hereby makes the representations and warranties set forth in this Section 4.2 to and in favour of Titan and acknowledges that Titan is relying upon such representations and warranties in connection with the matters contemplated by this Agreement.

(a) Each of Trimox and its Subsidiaries is a corporation duly incorporated or amalgamated, and validly subsisting under the laws of its jurisdiction of incorporation or amalgamation, as applicable, and has the requisite corporate power and authority to carry on its business as it is now being conducted. Trimox and each of its Subsidiaries is duly registered to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities make such registration necessary, except where the failure to be so registered or in good standing would not have a material adverse effect on Trimox and its Subsidiaries taken as a whole.

(b) Trimox has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation by Trimox of the transactions contemplated hereby have been duly authorized by Trimox's board of directors and, subject to obtaining shareholder approval, no other corporate proceedings on the part of Trimox are or will be necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Trimox and constitutes a legal, valid and binding obligation of Trimox enforceable against Trimox in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

(c) Neither the execution and delivery of this Agreement by Trimox, the consummation by Trimox or any of its Subsidiaries of the transactions contemplated hereby nor compliance by Trimox with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Trimox or any of its Subsidiaries under, any of the terms, conditions or provisions of (x) the articles, bylaws or other constating documents of Trimox or any of its Subsidiaries, or (y) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Trimox or any of its Subsidiaries is a party or to which it, or its properties or assets, may be subject or by which Trimox or any of its Subsidiaries is bound (subject to obtaining the consent of Trimox's bankers and the consent of Trimox's landlord under its office lease); or (ii) subject to compliance with Applicable Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Trimox or any of its Subsidiaries (except, in the case of each of clauses and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any material adverse effect on the business, operations or financial condition of Trimox and its Subsidiaries taken as a whole, or on the ability of Trimox or any of its Subsidiaries to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a material adverse effect on the business, operations or financial condition of Trimox and its Subsidiaries taken as a whole.

(d) Other than in connection with or in compliance with the provisions of Applicable Laws:

(i) there is no legal impediment to Trimox's consummation of the transactions contemplated by this Agreement; and

(ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary by Trimox in connection with the consummation of the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have any material adverse effect on the ability of Trimox to consummate the transactions contemplated hereby.

(e) Trimox has authorized an unlimited number of Trimox Class A Shares and Trimox Class B Shares of which, as at December 5, 2006, Trimox has issued and outstanding 14,900,000 Trimox Class A Shares and 450,000 Trimox Class B Shares and, in addition, as at December 5, 2006 Trimox has issued and outstanding Trimox Options entitling the holders thereof to acquire 1,335,000 Trimox Class A Shares. Except as aforesaid, there are no outstanding shares of Trimox or options, warrants, rights or conversion or exchange privileges or other securities entitling anyone to acquire any shares of Trimox or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by Trimox of any shares of Trimox (including Trimox Class A Shares and Trimox Class B Shares) or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of Trimox. All outstanding Trimox Shares have been duly authorized and validly issued, and are fully paid and non-assessable and are not subject to, nor have they been issued in violation of, any pre-emptive rights, and all Trimox Class A Shares issuable upon exercise or conversion of outstanding Trimox Options in accordance with their respective terms, will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights.

(f) There has not been any material adverse change in the capital, assets, liabilities (absolute, accrued, contingent or otherwise) of Trimox or any of its Subsidiaries from the position set forth in the Trimox Financial Statements (other than as has been publicly and generally disclosed), there has not been any material adverse change in the business, operations, capital or condition (financial or otherwise) or results of the operations of Trimox and its Subsidiaries (taken as a whole) since the date of the Trimox Financial Statements and since that date there have been no material facts, transactions, events or occurrences which, to the knowledge of Trimox could materially adversely affect the consolidated capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations or condition (financial or otherwise) or results of the operations of Trimox and the Subsidiaries (taken as a whole) which have not been disclosed publicly.

(g) Since the date of the Trimox Financial Statements, except as disclosed in the Public Record:

(i) Trimox and each of its Subsidiaries has conducted its business only in the ordinary and normal course; and

(ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Trimox or any of its Subsidiaries has been incurred other than in the ordinary and normal course of business or as disclosed to Titan in writing prior to the execution of this Agreement.

(h) The data and information in respect of Trimox and its assets, reserves, liabilities, business and operations provided by Trimox or its advisors to Titan or its advisors was and is accurate and correct in all material respects as at the respective dates thereof and, in respect of any information provided or requested, did not knowingly omit any material data or information necessary to make any data or information provided not misleading as at the respective dates thereof. Trimox has no knowledge of any material adverse change to the oil and gas reserves of Trimox from that disclosed in such data and information.

(i) The information and statements set forth in the Public Record as at the date hereof, as relates to Trimox, are true, correct, and complete and did not contain any misrepresentation, as of the respective dates of such information or statements, and no material change has occurred in relation to Trimox which is not disclosed in the Public Record, and Trimox has not filed any confidential material change reports which continue to be confidential.

(j) Except as disclosed in the Public Record or as otherwise disclosed in writing to Titan by Trimox prior to the date hereof, there are no outstanding claims, suits, actions or proceedings against Trimox or any of its Subsidiaries which, if determined adversely to Trimox or any of its Subsidiaries, would have a material adverse effect on the assets, liabilities, business or operations of Trimox, or on the ability of Trimox and its Subsidiaries, taken as a whole, or any of its Subsidiaries to consummate the transactions contemplated hereby and, to the knowledge of Trimox, no such claims, suits, actions or proceedings are pending or threatened.

(k) The Trimox Financial Statements fairly present, in accordance with generally accepted accounting principles in Canada, consistently applied, the financial position and condition of Trimox and its Subsidiaries on a consolidated basis at the dates thereof and the results of the operations of Trimox and its Subsidiaries on a consolidated basis for the periods then ended and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Trimox and its Subsidiaries on a consolidated basis as at the dates thereof.

(l) Neither Trimox nor any of its Subsidiaries has received notice of any material violation of or investigation relating to any federal, provincial or local law, regulation or ordinance with respect to its assets, business or operations and Trimox holds all permits, licenses and other authorizations which are required under federal, provincial or local laws to be held by it relating to its assets, business or operations. The assets of Trimox and each of its Subsidiaries operated and maintained by it are in compliance with all terms and conditions of such laws, permits, licenses and authorizations in all material respects.

(m) No securities commission or similar regulatory authority, or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of Trimox, no such proceeding is, to the knowledge of Trimox, pending, contemplated or threatened and Trimox is not, to its knowledge, in default of any requirement of any securities laws, rules or policies applicable to Trimox or its securities.

(n) There are no payments to directors, officers and employees of Trimox prior to the Effective Date under all contract settlements, bonus plans, retention arrangements, change of control agreements and severance obligations (whether resulting from termination or alteration of duties) other than the amounts payable pursuant to payments referenced in Section 3.2(d) and the amounts payable pursuant to the agreements provided to Titan.

(o) Trimox has not retained any financial advisor, broker, agent or finder, or paid or agreed to pay or have Titan pay any financial advisor, broker, agent or finder on account of this Agreement or the Arrangement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except that FirstEnergy Capital Corp. has been retained as Trimox's financial and strategic advisors in connection with certain matters, including the transactions contemplated hereby. Trimox has delivered to Titan true and current copies of all agreements between Trimox and these financial advisers which could give rise to the payment of any fees to such financial advisers. Trimox may only retain additional financial advisors with the prior written consent of Titan.

(p) The board of directors of Trimox has unanimously endorsed the Arrangement and approved this Agreement, has unanimously determined that the Arrangement and this Agreement are in the best interests of Trimox and the Trimox Shareholders, has unanimously determined that the Arrangement is fair, from a financial point of view, to Trimox Shareholders and has resolved to unanimously recommend approval of the Arrangement by Trimox Shareholders.

(q) Trimox is not a party to and, prior to the Effective Date, Trimox will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Trimox Shares or other securities of Trimox or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the Arrangement.

(r) Other than pursuant to the Escrow Agreement, none of the Trimox Shares are the subject of any escrow, voting trust or other similar agreement.

(s) Trimox does not have any outstanding obligations to incur and/or renounce any Canadian exploration expenditures or Canadian development expenditures to any purchaser of the shares of Trimox that have not yet been fully expended and renounced and reflected in the Trimox Financial Statements, other than as disclosed in writing to Titan prior to the date hereof.

(t) Except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on Trimox as a whole, in respect of each of Trimox and its Subsidiaries:

(i) it is not in violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, **"Environmental Laws"**);

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

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

(iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Trimox or any of its Subsidiaries;

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

(vi) it holds all licenses, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, all such licenses, permits and approvals are in full force and effect, and except for notifications and conditions of general application to assets of reclamation obligations under the Environmental Protection and Enhancement Act (Alberta) and similar legislation in any other jurisdiction in which it conducts its business, neither Trimox nor any of its Subsidiaries has received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by it as a condition of continued compliance with any Environmental Laws, or any license, permit or approval issued pursuant thereto, or that any license, permit or approval referred to above is about to be reviewed, made subject to limitation or conditions, revoked, withdrawn or terminated.

(u) Trimox has no Subsidiaries.

(v) The corporate records and minutes books, books of account and other records of Trimox and each of its Subsidiaries have (whether of a financial or accounting nature or otherwise) been maintained in accordance with, in all material respects, all applicable statutory requirements and prudent business practice and are complete and accurate in all material respects.

(w) Trimox is a "reporting issuer" or equivalent in the provinces of British Columbia, Alberta and Ontario and the outstanding Trimox Shares are listed and posted for trading on the TSXV.

(x) Valiant Trust Company at its principal offices in Calgary, Alberta and Toronto, Ontario is the duly appointed registrar and transfer agent of Trimox with respect to the Trimox Shares.

(y) All Returns required to be filed have been duly filed on a timely basis and all Taxes shown to be payable on the Returns or on subsequent assessments with respect thereto have been paid in full on a timely basis. Except for matters disclosed in the Trimox Financial Statements or otherwise disclosed to Trimox that may give rise to the filing of amended Returns, the filed Returns are true, complete and correct in all material respects, and no other Taxes are payable by Trimox or any of its Subsidiaries with respect to items or periods covered by such Returns.

(z) Trimox has paid or provided adequate accruals in its Trimox Financial Statements for the year ended December 31, 2005 for Taxes, including income taxes and related future taxes, in conformity with generally accepted accounting principles applicable in Canada.

(aa) No material deficiencies exist or have been asserted with respect to Taxes. Neither Trimox nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or threatened against Trimox or any of its Subsidiaries or any of their respective assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns. The Returns have never been audited by a government or taxing authority, nor is any such audit in process, pending or threatened which resulted in or could result in a reassessment of Taxes owing by Trimox or any of its Subsidiaries. Trimox and its Subsidiaries have withheld any Taxes required to be withheld by the Applicable Laws and the Tax Act and has paid or remitted on a timely basis, the full amount of any Taxes which have been withheld to the applicable governmental authority.

(bb) No director, officer, insider or other non-arm's length party to Trimox or any of its Subsidiaries (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Trimox or any of its Subsidiaries that will be effective after the Effective Date.

(cc) Except as disclosed in the Public Record, no director, officer, insider or other non-arm's length party of Trimox or any of its Subsidiaries is indebted to Trimox or any of its Subsidiaries.

(dd) Except for indemnity agreements with its directors and officers, neither Trimox nor any of its Subsidiaries is a party to or bound by any agreement, guarantee, indemnification, or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any person, firm or corporation.

(ee) Any and all operations of Trimox and its Subsidiaries, and to the best of Trimox's knowledge, any and all operations by third parties, on or in respect of the assets and properties of Trimox or any of its Subsidiaries, have been conducted in compliance with good oilfield practices.

(ff) Trimox made available to McDaniel & Associates Consultants Ltd. (**"McDaniel"**), prior to the issuance of the report dated September 6, 2006 and effective July 31, 2006 (the **"McDaniel Report"**), for the purpose of preparing such report, all information requested by McDaniel, which information did not contain any material misrepresentation at the time such information was so provided. Trimox has no knowledge of a material adverse change in any information provided to McDaniel since that date. Trimox believes that the McDaniel Report complies with the requirements of National Instrument 51-101 and believes that the McDaniel Report reasonably presented the quantity and pre-tax present worth values of estimated oil and gas reserves attributable to the properties evaluated therein as at the date stated therein based upon information available at the time the McDaniel Report was prepared and the assumptions as to commodity prices and costs contained therein. McDaniel has not re-evaluated any of the reserves of Trimox since the McDaniel Report.

(gg) Although it does not warrant title, Trimox does not have reason to believe that Trimox or any of its Subsidiaries do not have title to or the irrevocable right to produce and sell its petroleum, natural gas and related hydrocarbons (for the purposes of this clause, the foregoing are referred to as the **"Interests"**) and does represent and warrant that the Interests are free and clear of adverse claims created by, through or under Trimox, except as disclosed in the Public Record, related to bank financing or those arising in the ordinary course of business, and, to the knowledge of Trimox after due inquiry, Trimox and each of its Subsidiaries holds its Interests under valid and subsisting leases, licenses, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements except where the failure to so hold the Interest would not have a material adverse effect upon Trimox and its Subsidiaries (taken as a whole).

(hh) Trimox is not aware of any defects, failures or impairments in the title of Trimox or any of its Subsidiaries to its oil and gas properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a material adverse effect on: (A) the quantity and pre-tax present worth values of the oil and gas reserves of Trimox or any of its Subsidiaries shown in the applicable independent engineering report attributable to such properties; (B) the current production of Trimox or any of its Subsidiaries; or (C) the current cash flow of Trimox or any of its Subsidiaries.

(ii) The Canadian tax pools of Trimox and its Subsidiaries as at September 30, 2006 are not less than $18.0 million.

(jj) As at the date hereof, the Trimox Debt does not exceed $6.0 million.

(kk) As at the date hereof, Trimox's production is not less than 950 boe/d.

(ll) Trimox has withheld from each payment made to any of its present or former employees, officers and directors, and to all persons who are non-residents of Canada for the purposes of the Income Tax Act (Canada) all amounts required by law and will continue to do so until the Effective Date and has remitted such withheld amounts within the prescribed periods to the appropriate governmental authority. Trimox has remitted all Canada Pension Plan contributions, unemployment insurance premiums, employer health taxes and other taxes payable by it in respect of its employees and has or will have remitted such amounts to the proper governmental authority within the time required by applicable law. Trimox has charged, collected and remitted on a timely basis all taxes as required by applicable law on any sale, supply or delivery whatsoever, made by Trimox.

(mm) To Trimox's knowledge, all ad valorem, property, production, severance and similar taxes and assessments based on or measured by the ownership of property or the production of its hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of its oil and gas assets prior to the date hereof have been properly and fully paid and discharged, and there are no unpaid taxes or assessments which could result in a lien or charge on its oil and gas assets.

(nn) Neither Trimox nor any of its Subsidiaries has any outstanding obligation to incur and/or renounce any Canadian exploration expense or Canadian development expense (as those terms are defined in the Tax Act) to any purchaser of shares in the capital of Trimox or any of its Subsidiaries that have not yet been fully expended and renounced as at the date hereof.

(oo) Neither Trimox nor any of its Subsidiaries is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, transfer or move any of its assets or operations, where such covenant would have a material adverse affect on the business of Trimox and its Subsidiaries taken as a whole.

(pp) The policies of insurance in force at the date hereof naming Trimox as an insured and as disclosed to Titan prior to the date hereof to the knowledge of Trimox, remain in force and effect and shall not be cancelled or otherwise terminated as a result of the transactions contemplated herein.

(qq) Trimox is not in default under its existing bank facility and, to Trimox's knowledge, its banker is not contemplating any reduction in Trimox's borrowing base, prior to giving effect to this transaction.

(rr) Trimox has provided (or, upon written request from Titan, will provide with the consent of Trimox's auditors) to Titan copies of all management recommendation letters relating to Trimox or any of its Subsidiaries received from Trimox's current auditor or any previous auditor during the two years prior to the date hereof.

(ss) To the knowledge of Trimox, Trimox has not withheld from Titan any material information or documents concerning Trimox or any of its Subsidiaries or their respective assets or liabilities during the course of Titan's review of Trimox and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document provided or to be provided to Titan by Trimox pursuant hereto contains or will contain any untrue statement or a material fact which is necessary in order to make the statements herein or therein not misleading.

(tt) All of the directors and officers of Trimox holding approximately 25% of the outstanding Trimox Class A Shares and 1% of the outstanding Trimox Class B Shares have executed the Trimox Lock-up Agreements.

4.3 Privacy Issues

(a) For the purposes of this Section 4.3, the following definitions shall apply:

(i) **"applicable law"** means, in relation to any person, transaction or event, all applicable provisions of laws, statutes, rules, regulations, official directives and orders of and the terms of all judgments, orders and decrees issued by any authorized authority by which such person is bound or having application to the transaction or event in question, including applicable privacy laws.

(ii) **"applicable privacy laws"** means any and all applicable laws relating to privacy and the collection, use and disclosure of Personal Information in all applicable jurisdictions, including but not limited to the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable provincial law including the *Personal Information Protection Act* (Alberta).

(iii) **"authorized authority"** means, in relation to any person, transaction or event, any (a) federal, provincial, municipal or local governmental body (whether administrative, legislative, executive or otherwise), both domestic and foreign, (b) agency, authority, commission, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, (c) court, arbitrator, commission or body exercising judicial, quasi-judicial, administrative or similar functions, and (d) other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange, in each case having jurisdiction over such person, transaction or event.

(iv) **"Personal Information"** means information about an individual transferred to Trimox by Titan in accordance with this Agreement and/or as a condition of the Arrangement.

(b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws which govern the collection, use and disclosure of Personal Information acquired by or disclosed to either Party pursuant to or in connection with this Agreement (the **"Disclosed Personal Information"**).

(c) Neither Party shall use the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement.

(d) Each Party acknowledges and confirms that the disclosure of Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the disclosure of Personal Information relates solely to the carrying on of the business and the completion of the Arrangement.

(e) Each Party acknowledges and confirms that it has and shall continue to employ appropriate technology and procedures in accordance with applicable law to prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized input or access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.

(f) Each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or advisors responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Each Party shall ensure that access to the Disclosed Personal Information shall be restricted to those employees or advisors of the respective party who have a bona fide need to access to such information in order to complete the Arrangement.

(g) Each Party shall promptly notify the other Party to this Agreement of all inquiries, complaints, requests for access, and claims of which the Party is made aware in connection with the Disclosed Personal Information. The Parties shall fully co-operate with one another, with the persons to whom the Personal Information relates, and any authorized authority charged with enforcement of applicable privacy laws, in responding to such inquiries, complaints, requests for access, and claims.

(h) Upon the expiry or termination of this Agreement, or otherwise upon the reasonable request of either Party, the counterparty shall forthwith cease all use of the Personal Information acquired by the counterparty in connection with this Agreement and will return to the party or, at the Party's request, destroy in a secure manner, the Disclosed Personal Information (and any copies).

ARTICLE 5
CONDITIONS PRECEDENT

5.1 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

(a) on or prior to December 31, 2006, the Interim Order shall have been granted in form and substance satisfactory to each of Titan and Trimox, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Titan and Trimox, acting reasonably, on appeal or otherwise;

(b) the Arrangement Resolution shall have been passed by the Trimox Shareholders on or prior to January 30, 2007 in accordance with the Interim Order and in form and substance satisfactory to each of Titan and Trimox, acting reasonably;

(c) on or prior to January 30, 2007, the Final Order shall have been granted in form and substance satisfactory to Titan and Trimox, acting reasonably;

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

(e) the Arrangement shall have become effective on or prior to January 31, 2007 in accordance with the terms of the Plan of Arrangement;

(f) the TSX shall have conditionally listed all of the Titan Class A Shares to be issued pursuant to the Arrangement;

(g) the relevant waiting period in section 123 of the Competition Act shall have expired and: (i) an advance ruling certificate (**"ARC"**) pursuant to section 102 of the Competition Act shall have been issued by the Commissioner of the Competition Bureau (**"Commissioner"**) appointed under the Competition Act; or (ii) a "no action letter" satisfactory to each of Titan and Trimox, acting reasonably, indicating that the Commissioner has determined not to make an application for an order under section 92 of the Competition Act shall have been received from the Commissioner, and any terms and conditions attached to any such letter shall be acceptable to each of Titan and Trimox, acting reasonably; and in addition, in the event that the ARC or "no action" letter described in (i) or (ii) in the foregoing is issued, there shall be no threatened or actual application by the Commissioner for an order under section 92 or 100 of the Competition Act;

(h) unless Trimox has put in place "trailing" or "run-off" directors' and officers' liability insurance for all present and former directors and officers of Trimox, which shall be for not more than a period of three years, with substantially the same coverage and amounts containing substantially similar terms and conditions as Trimox's current directors' and officers' liability insurance, and at an aggregate cost of not more than $75,000, Titan and Trimox shall enter into written agreements effective as of the Effective Date satisfactory to each of Titan and Trimox, acting reasonably, pursuant to which Titan shall agree that, for a period of three years after the Effective Date, it shall cause to be maintained in effect the current policies of directors' and officers' liability insurance maintained by Trimox providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of Trimox with respect to claims arising from facts or events which occurred before the Effective Date with substantially the same coverage and amounts containing substantially similar terms and conditions to Trimox's current directors' and officers' liability insurance, and at an aggregate cost of not more than $75,000 or if not available at such price, such similar coverage as may be obtained by Titan, in its sole determination, for $75,000;

(i) there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:

(i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Arrangement or any other transactions contemplated herein; or

(ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of Titan and Trimox may be asserted by Titan and Trimox regardless of the circumstances and may be waived by Titan and Trimox (with respect to such Party) in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Titan or Trimox may have.

5.2 Additional Conditions to Obligations of Titan

The obligation of Titan to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) Trimox shall have mailed the Trimox Information Circular and other documentation required in connection with the Trimox Meeting on or before December 31, 2006 (the **"Mailing Date"**);

(b) the representations and warranties made by Trimox in Section 4.2 of this Agreement shall be true as of the Effective Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) except where the failure of such representations and warranties to be true and correct would not, directly or indirectly, adversely affect the completion of the Arrangement in accordance with its terms and Trimox shall have provided to Titan a certificate of an officer of Trimox certifying as to such matters on behalf of Trimox on the Effective Date;

(c) Trimox shall have complied in all material respects with its covenants in this Agreement and Trimox shall have provided to Titan a certificate of a senior officer of Trimox certifying, on behalf of Trimox, as to such compliance and Titan shall have no actual knowledge to the contrary;

(d) all of the Trimox Optionholders shall have entered into an agreement with Trimox and Titan whereby each such holder agrees that, on or prior to the Effective Date, either: (i) such holder's Trimox Options will be exercised for Trimox Class A Shares, or (ii) such holder will receive from Trimox, in respect of each Trimox Option, a cash payment in an amount equal to 0.55 multiplied by the 5-day weighted average trading price of the Titan Class A Shares on the second last trading day immediately preceding the Effective Date less the exercise price of such Trimox Option and, in the event a negative number results from such calculation, any such Trimox Option shall be surrendered by the Trimox Optionholder for no consideration;

(e) Trimox shall have furnished Titan with:

   (i) certified copies of the resolutions duly passed by the boards of directors of Trimox approving this Agreement and the consummation of the transactions contemplated hereby; and

   (ii) certified copies of the resolutions of Trimox Shareholders, duly passed at the Trimox Meeting, approving the Arrangement Resolution;

(f) no material adverse change shall have occurred in the affairs, operations or business of Trimox and its Subsidiaries, taken as a whole, from and after the date hereof and prior to the Effective Date, and no material adverse change in the financial condition of Trimox and its Subsidiaries, taken as a whole, shall have occurred prior to the date hereof or shall occur from and after the date hereof and prior to the Effective Date from that reflected in the unaudited financial statements of Trimox for the fiscal period ended September 30, 2006 (other than a material adverse change resulting from: (i) conditions affecting the oil and gas industry generally in jurisdictions in which it carries on business, including changes in commodity prices or taxes; (ii) resulting from general economic, financial, currency exchange, securities or commodities market conditions; or (iii) arising as a result of any matter permitted by this Agreement or consented to by Titan);

(g) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken against or affecting Trimox before or by any domestic or foreign court, tribunal or governmental agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Titan, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a material adverse change in the affairs, operations or business of Trimox or Titan or would have a material adverse effect on the ability of the parties to complete the Arrangement;

(h) Trimox shall not be in material breach of its obligations under this Agreement;

(i) The Mailing Date shall occur not later than December 31, 2006, provided the failure to mail by such date is not caused by a material breach of Titan's covenants under this Agreement;

(j) Trimox shall obtain all necessary consents, waivers, permissions and approvals by or from relevant third parties, on terms and conditions satisfactory to Titan, acting reasonably, including without limitation:

    (i) the approval of the Trimox Shareholders required for the Arrangement pursuant to the ABCA, the constating documents of Trimox or as required by the Court of Queen's Bench of Alberta (the **"Court"**);

    (ii) all applicable regulatory approvals, orders, notices and consents (including, without limitation, under the *Competition Act* (Canada), the *Investment Canada Act* (Canada) and those of the Toronto Stock Exchange or other securities regulatory authorities), and all applicable statutory or regulatory waiting periods shall have expired or been terminated;

    (iii) the approval of the Court; and

    (iv) the approval or consent of Trimox's bankers and creditors;

(k) if dissent rights are granted to Trimox Shareholders by the Court in connection with the Arrangement, holders of not more than 5% of the issued and outstanding Trimox Class A Shares and Trimox Class B Shares, in the aggregate, shall have exercised rights of dissent in relation to the Arrangement;

(l) Trimox shall have provided Titan with opinions of Trimox's counsel satisfactory to Titan and Titan's counsel, acting reasonably, dated the Effective Date and addressed to Titan:

(i) to the effect that Trimox is a valid and subsisting corporation under the laws of the Province of Alberta and has full power and authority to enter into this Agreement and perform its obligations hereunder;

(ii) to the effect that all necessary corporate proceedings and actions of Trimox have been taken to fully, validly and effectively authorize this Agreement and the Arrangement and the transactions contemplated herein and therein, including the performance by Trimox of its obligations hereunder and thereunder, and the execution and delivery by Trimox of this Agreement and all documents delivered pursuant hereto or thereto;

(iii) to the effect that the execution and delivery by Trimox of this Agreement and all related documents delivered pursuant to this Agreement to which Trimox is a party, the performance by Trimox of its obligations hereunder and thereunder, and the consummation of the transactions contemplated herein and therein will not:

A. result in the breach of or violate any term or provision of the notices of articles or articles of Trimox; or

B. violate any provision of law or administrative regulation or, in each case as known to Trimox's counsel, without special inquiry, any judicial or administrative order, award, judgment or decree applicable to Trimox.

(iv) to the effect that this Agreement and the documents delivered pursuant hereto to which Trimox is a party have been duly executed and delivered by Trimox and this Agreement is, and such other documents are, valid and binding on Trimox and enforceable against it in accordance with their respective terms; and

(v) as to the authorized and outstanding capital of Trimox immediately prior to the Effective Date.

Trimox shall also have provided to Titan customary transaction opinions of Trimox's counsel satisfactory to Titan, acting reasonably, pertaining to Trimox's Subsidiaries in respect to matters concerning due formation or incorporation (as applicable); due authorization, execution, delivery, performance and enforceability of transaction agreements; and to breach of governing documents or violation of laws, which opinions shall be dated the Effective Date and shall be addressed to Titan.

In giving such opinions, Trimox's counsel may rely, in respect of matters governed by the laws of any jurisdiction other than the Province of Alberta or, the laws of Canada applicable therein, upon the opinion of local counsel in such jurisdiction provided that Trimox's counsel is of the opinion that the opinion of such local counsel is one upon which Trimox's counsel may properly rely and, in respect of matters of fact, upon certificates of senior officers of Trimox or any other appropriate persons reasonably acceptable to Titan's counsel.

The conditions in this Section 5.2 are for the exclusive benefit of Titan and may be asserted by Titan regardless of the circumstances or may be waived by Titan, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Titan may have.

5.3 Additional Conditions to Obligations of Trimox

The obligations of Trimox to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions:

(a) the representations and warranties made by Titan in Section 4.1 of this Agreement shall be true as of the Effective Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) except where the failure of such representations and warranties to be true and correct would not, directly or indirectly, adversely affect the completion of the Arrangement in accordance with its terms and Titan shall have provided to Trimox a certificate of an officer of Titan certifying as to such matters on behalf of Titan on the Effective Date;

(b) Titan shall have complied in all material respects with its covenants in this Agreement and shall have provided to Trimox a certificate of a senior officer of Titan certifying, on behalf of Titan, as to such compliance and Trimox shall have no actual knowledge to the contrary;

(c) Titan shall have furnished Trimox with certified copies of the resolutions duly passed by the board of directors of Titan approving this Agreement and the consummation of the transactions contemplated hereby;

(d) the payments referenced in section 3.2(d) and the payments pursuant to the written agreements provided to Titan shall have been made (or provisions to make such payments shall have been made to the satisfaction of Trimox) to the directors, officers and employees of Trimox on the Effective Date;

(e) no material adverse change shall occur in the affairs, operations or business of Titan and its Subsidiaries, taken as a whole, from and after the date hereof and prior to the Effective Date, and no material adverse change in the financial condition of Titan and its Subsidiaries, taken as a whole, shall have occurred prior to the date hereof or shall occur from and after the date hereof and prior to the Effective Date from that reflected in the unaudited consolidated financial statements of Titan for the fiscal period ended September 30, 2006 (other than a material adverse change resulting from: (i) conditions effecting the oil and gas industry generally in jurisdictions in which it carries on business, including changes in commodity prices or taxes; (ii) resulting from general or economic, financial, currency exchange, securities or commodities market conditions; or (iii) arising as a result of any matter permitted by this Agreement, or consented to by Trimox);

(f) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken against or affecting Titan before or by any domestic or foreign court, tribunal or governmental agency or other regulatory or administrative agency or commission by any elected or appointed public official or private person in Canada or elsewhere, whether or not having the force of law and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, which in the sole judgment of Trimox, acting reasonably, in either case has had or, if the Arrangement was consummated, would result in a material adverse change in the affairs, operations or business of Trimox or Titan or would have a material adverse effect on the ability of the parties to complete the Arrangement;

(g) Titan shall not be in material breach of its obligations under this Agreement;

(h) the Mailing Date shall occur not later than December 31, 2006, provided the failure to mail by such date is caused solely by a material breach of Titan's covenants under this Agreement;

(i) the parties having obtained all required third party consents and approvals in respect of the transactions contemplated hereby on terms and conditions satisfactory to Trimox, acting reasonably; and

(j) Titan shall have provided Trimox with opinions of Titan's counsel satisfactory to Trimox and Trimox's counsel, acting reasonably, dated the Effective Date and addressed to Trimox:

(i) that Titan is a valid and subsisting corporation under the laws of the Province of Alberta and that Titan has full power and authority to enter into this Agreement and perform its obligations hereunder;

(ii) to the effect that all necessary corporate proceedings and actions of Titan have been taken to fully, validly and effectively authorize this Agreement and the Arrangement and the transactions contemplated herein and therein, including the performance by Titan of its obligations hereunder and thereunder, and the execution and delivery by Titan of this Agreement and all documents delivered pursuant hereto or thereto;

(iii) to the effect that the execution and delivery by Titan of this Agreement and all related documents delivered pursuant to this Agreement to which Titan is a party, the performance by Titan of its obligations hereunder and thereunder and the consummation of the transactions contemplated herein and therein will not:

A. result in the breach of or violate any term or provision of the notices of articles or articles of Titan; or

B. violate any provision of law or administrative regulation or, in each case as known to Titan's counsel, without special inquiry, any judicial or administrative order, award, judgment or decree applicable to Titan;

(iv) to the effect that this Agreement and the documents delivered pursuant hereto to which Titan is a party have been duly executed and delivered by Titan and this Agreement is, and such other documents are, valid and binding on Titan and enforceable against it in accordance with their respective terms;

(v) as to the authorized and outstanding capital of Titan immediately prior to the Effective Date;

(vi) to the effect that Titan has, as of the Closing Time, the full legal right, power and authority to issue the Titan Class A Shares issuable pursuant to the Arrangement and that the Titan Class A Shares issued pursuant to the Arrangement will, as at the Effective Time, be validly created, allotted and issued as fully paid and non-assessable Titan Class A Shares;

(vii) to the effect that all Applicable Laws have been complied with in connection with the issuance of Titan Class A Shares pursuant to the Arrangement; and

(viii) as to the first trade of the Titan Class A Shares issued pursuant to the Arrangement.

Titan shall also have provided to Trimox customary transaction opinions of Titan's counsel satisfactory to Trimox, acting reasonably, pertaining to Titan's direct and indirect Subsidiaries in respect to matters concerning due formation or incorporation (as applicable); due authorization, execution, delivery, performance and enforceability of transaction agreements; and to breach of governing documents or violation of laws, which opinions shall be dated the Effective Date and shall be addressed to Trimox.

In giving such opinions, Titan's counsel may rely, in respect of matters governed by the laws of any jurisdiction other than the Province of Alberta or, the laws of Canada applicable therein, upon the opinion of local counsel in such jurisdiction provided that Titan's counsel is of the opinion that the opinion of such local counsel is one upon which Titan's counsel may properly rely and, in respect of matters of fact, upon certificates of senior officers of Titan or any other appropriate persons reasonably acceptable to Trimox' counsel.

The conditions in this Section 5.3 are for the exclusive benefit of Trimox and may be asserted by Trimox regardless of the circumstances or may be waived by Trimox in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Trimox may have.

5.4 Notice and Effect of Failure to Comply with Conditions

(a) Each of Titan and Trimox shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder; provided, however, that no such notification will affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

(b) If any of the conditions precedents set forth in Sections 5.1, 5.2 or 5.3 hereof shall not be complied with or waived by the Party or Parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a Party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement provided that prior to the filing of the Articles of Arrangement for the purpose of giving effect to the Arrangement, the Party intending to rely thereon has delivered a written notice to the other Party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and provides the other Party 72 hours to rectify the breaches before the effective date of rescission of termination. More than one such notice maybe delivered by a Party.

5.5 Satisfaction of Conditions

The conditions set out in this Article 5 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the Parties, Articles of Arrangement are filed under the ABCA to give effect to the Arrangement.

ARTICLE 6
AGREEMENT AS TO DAMAGES AND OTHER ARRANGEMENTS

6.1 Titan Damages

(a) Provided that there is no material breach or non-performance by Titan of a material provision of this Agreement in any respect or, in the event of such material breach or non-performance, Titan has not failed to cure such breach or non-performance within three (3) Business Days after receipt of written notice thereof from Trimox (except that no cure period shall be provided for a breach which by its nature cannot be cured), if at any time after the execution of this Agreement:

(i) the Trimox Board fails to unanimously recommend or changes, withdraws or modifies any of its recommendations or determinations referred to in subsection 3.2(q) in a manner adverse to Titan or shall have resolved to do so prior to the Effective Date or otherwise fails to mail an Information Circular to the Trimox Shareholders containing the recommendations or determinations referred to in subsection 3.2(q);

(ii) a bona fide Acquisition Proposal (or bona fide intention to make one) is publicly announced, proposed, offered or made to the Trimox Shareholders or to Trimox and the Trimox Shareholders do not approve the Arrangement or the Arrangement is not submitted for their approval;

(iii) Trimox accepts, recommends, approves or enters into an agreement to implement a Superior Proposal;

(iv) the Arrangement is not completed and any other Acquisition Proposal in respect of a party made on or after the date of the Arrangement Agreement is completed within 90 days following the date of execution of the Arrangement Agreement; or

(iv) Trimox breaches any of its representations, warranties or covenants made in this Agreement which breach individually or in the aggregate would have a material adverse effect on Trimox or materially impede the completion of the Arrangement;

(each of the above being a **"Titan Damages Event"**), then in the event of the termination of this Agreement pursuant to Section 8.1, Trimox shall pay to Titan $1,400,000 as liquidated damages in immediately available funds to an account designated by Titan within three Business Days after the first to occur of the events described above, and after such event but prior to payment of such amount, Trimox shall be deemed to hold such funds in trust for Titan. Trimox shall only be obligated to pay a maximum of $1,400,000 pursuant to this Section 6.1.

6.2 Liquidated Damages

Each party acknowledges that all of the payment amounts set out in Section 6.1 are payments of liquidated damages which are a genuine pre-estimate of the damages which the party entitled to such damages will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement and are not penalties. Each party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, the parties agree that, subject to Article 8, the payment of the amount pursuant to this Section 6.2 is the sole monetary remedy of the party receiving such payment. Nothing herein shall preclude a party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreements or otherwise to obtain specific performance of any of such act, covenants or agreements, without the necessity of posting bond or security in connection therewith.

ARTICLE 7
AMENDMENT

7.1 Amendment

This Agreement may at any time and from time to time before or after the holding of the Trimox Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a Trimox Shareholder without approval by the Trimox Shareholders given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

ARTICLE 8
TERMINATION

8.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

(a) by mutual written consent of Titan and Trimox;

(b) as provided in Sections 5.1, 5.2 and 5.3, provided that the terminating party is not materially in default of its representations, warranties and covenants under this Agreement;

(c) by Titan upon the occurrence of a Titan Damages Event as provided in Section 6.1; or

(d) by Trimox upon the occurrence of a Titan Damages Event and the payment by Trimox to Titan of the amount required by Section 6.1.

In the event of the termination of this Agreement in the circumstances set out in paragraphs (a) through (d) of this Section 8.1, this Agreement shall forthwith become void and neither Party shall have any liability or further obligation to the other Party hereunder except with respect to the obligations set forth in or as otherwise specified in Article 6 which shall survive such termination.

Unless otherwise provided herein, the exercise by any party of any right of termination hereunder shall be without prejudice to any other remedy available to such party.

If this Agreement is validly terminated pursuant to any provision of this Agreement, the parties shall return all materials and copies of all materials delivered to Trimox or Titan, as the case may be, or their agents and, except for the rights and obligations set forth in this Section and Article 6 (which shall survive any termination of this Agreement and continue in full force and effect), no party shall have any further obligations to any other party hereunder with respect to this Agreement

ARTICLE 9
NOTICES

9.1 Notices

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by telecopy and in the case of:

(a) Titan, addressed to:

Suite 500, 555-4th Avenue S.W.
Calgary, Alberta T2P 3E7

Attention: Trevor R. Spagrud, President and Chief Executive Officer
Telecopier: (403) 313-8591

with a copy to:

McCarthy Tétrault LLP
3300, 421 – 7th Avenue S.W.
Calgary, Alberta T2P 4K9

Attention: Sony Gill
Telecopier: (403) 260-3501

(b) Trimox, addressed to:

Suite 450, 407-2nd Street S.W.
Calgary, Alberta T2P 2Y3

Attention: Steve Dabner, President and Chief Executive Officer
Telecopier: (403) 262-9276

with a copy to:

Burstall Winger LLP
Suite 1600 Dome Tower
333-7th Avenue S.W.
Calgary, Alberta T2P 2Z1

Attention: Jarrod Isfeld
Telecopier: (403) 266-6016

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such telecopy is received.

ARTICLE 10
GENERAL

10.1 Binding Effect

This Agreement shall be binding upon and enure to the benefit of the Parties hereto.

10.2 Assignment and Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other party hereto except that Titan may assign all or a portion of its rights under this Agreement to any Subsidiary of Titan, but no assignment shall relieve Titan of its obligations hereunder.

10.3 Disclosure

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Party prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if either Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Party as to the wording of such disclosure prior to its being made.

10.4 Costs

Except as contemplated in the Arrangement and herein, each party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

10.5 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

10.6 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

10.7 Time of Essence

Time shall be of the essence of this Agreement.

10.8 Governing Law

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

10.9 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

10.10 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

TITAN EXPLORATION LTD.

By: (signed)
Trevor R. Spagrud
President & Chief Executive Officer

By: (signed)
Richard F. McHardy
Vice President, Finance & Chief Financial Officer

TRIMOX ENERGY INC.

By: (signed)
Thomas Love
Chairman and Chief Financial Officer

SCHEDULE "A"

PLAN OF ARRANGEMENT UNDER SECTION 193

OF THE

BUSINESS CORPORATIONS ACT (ALBERTA)

ARTICLE 1
INTERPRETATION

1.1 In this Plan of Arrangement, the following terms have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**Arrangement**", **"herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the proposed arrangement involving Trimox, Titan, the Titan Partnership and the Trimox Securityholders pursuant to section 193 of the ABCA, on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"**Arrangement Agreement**" means the amended and restated arrangement agreement dated December 15, 2006 between Titan and Trimox with respect to the Arrangement, and all amendments thereto;

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement required under Section 193(10) of the ABCA to be filed with the Registrar after the Final Order has been made to give effect to the Arrangement;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Calgary, in the Province of Alberta, for the transaction of banking business;

"**Certificate**" means the certificate or certificates or other confirmation of filing to be issued by the Registrar pursuant to subsection 193(11) of the ABCA giving effect to the Arrangement;

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

"**Depositary**" means Olympia Trust Company at its offices referred to in the Letter of Transmittal;

"**Dissent Rights**" means the right of a registered Trimox Shareholder to dissent to the resolution approving the Arrangement and to be paid the fair value of the Trimox Shares in respect of which the holder dissents, all in accordance with Section 191 of the ABCA, the Interim Order and Article 5 hereof;

"**Dissenting Shareholders**" means the registered Trimox Shareholders that validly exercise the Dissent Rights and "**Dissenting Shareholder**" means any one of them;

"**Effective Date**" means the date the Arrangement is effective under the ABCA;

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

"**Final Order**" means the final order of the Court approving the Arrangement under Section 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

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

"**Letter of Transmittal**" means the applicable Letter of Transmittal enclosed with the Trimox Information Circular pursuant to which Trimox Shareholders are required to deliver certificates representing Trimox Shares;

"**Parties**" means, collectively, Trimox, Titan and the Titan Partnership and "**Party**" means any one of them;

"**Plan**" or "**Plan of Arrangement**" means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Article 7 of the Arrangement Agreement;

"**Registrar**" means the Registrar of Corporations duly appointed under the ABCA;

"**Titan**" means Titan Exploration Ltd., a corporation incorporated under the ABCA;

"**Titan Class A Shares**" means Class A shares of Titan;

"**Titan Partnership**" means Titan Canada Resources, a partnership formed under the *Partnership Act* (Alberta);

"**Trimox**" means Trimox Energy Inc., a corporation incorporated under the ABCA;

"**Trimox Assets**" means the assets to be transferred from Trimox to the Titan Partnership pursuant to the Trimox Conveyance Agreement;

"**Trimox Class A Shareholder**" means the holders from time to time of Trimox Class A Shares;

"**Trimox Class B Shareholder**" means the holders from time to time of Trimox Class B Shares;

"**Trimox Class A Shares**" means Class A shares of Trimox;

"**Trimox Class B Shares**" means Class B shares of Trimox;

"**Trimox Conveyance Agreement**" means the agreement to be entered into between Trimox and the Titan Partnership pursuant to which the Trimox Assets will be conveyed by Trimox to the Titan Partnership as part of the Arrangement;

"**Trimox Information Circular**" means the management proxy circular of Trimox to be dated on or about December 19, 2006 to be sent by Trimox to the Trimox Shareholders in connection with the Trimox Meetings;

"**Trimox Meetings**" means the special meetings of the Trimox Class A Shareholders and the Trimox Class B Shareholders to be held to consider the Arrangement and related matters, and any adjournments thereof, and "**Trimox Meeting**" means either of them;

"**Trimox Optionholders**" means the holders from time to time of Trimox Options;

“**Trimox Options**” means the stock options issued by Trimox entitling the holders thereof to acquire Trimox Class A Shares;

“**Trimox Securityholders**” means collectively, the Trimox Shareholders and the Trimox Optionholders;

“**Trimox Shares**” means collectively, the Trimox Class A Shares and the Trimox Class B Shares; and

“**Trimox Shareholders**” means collectively, the Trimox Class A Shareholders and the Trimox Class B Shareholders.

1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.

2.2 This Plan of Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective on, and be binding on and after, the Effective Time on: (i) the Trimox Securityholders; (ii) Trimox; (iii) Titan; and (iv) the Titan Partnership.

2.3 The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 3 has become effective in the sequence and at the times set out therein.

ARTICLE 3
ARRANGEMENT

3.1 Commencing at the Effective Time in one minute intervals, each of the events set out below shall occur and shall be deemed to occur in the following order without any further act or formality except as otherwise provided herein:

(a) the Trimox Shares held by Dissenting Shareholders who have exercised Dissent Rights which remain valid immediately prior to the Effective Time shall, as of the Effective Time, be deemed to have been transferred to Titan, and as of the Effective Time, such Dissenting Shareholders shall cease to have any rights as Trimox Shareholders, other than the right to be paid the fair value of their Trimox Shares in accordance with the Dissent Rights;

(b) all unexercised Trimox Options shall be cancelled for no consideration and shall cease to represent the right to acquire Trimox Class A Shares;

(c) each Trimox Class A Share (other than Trimox Class A Shares held by Dissenting Shareholders) shall be transferred to Titan in exchange for 0.55 of a Titan Class A Share;

(d) each Trimox Class B Share (other than Trimox Class B Shares held by Dissenting Shareholders) shall be transferred to Titan in exchange for that number of Titan Class A Shares as is equal to the quotient obtained by dividing $10.00 by the 5-day weighted average trading price of the Titan Class A Shares ending on the second last day immediately preceding the Effective Date; and

(e) Trimox shall transfer the Trimox Assets to the Titan Partnership pursuant to the Trimox Conveyance Agreement as a contribution to the Titan Partnership in exchange for an interest in the Titan Partnership.

3.2 With respect to each Trimox Shareholder other than Dissenting Shareholders at the Effective Time:

(a) upon the transfer of each Trimox Share from the Trimox Shareholders to Titan pursuant to Section 3.1(c) or (d), as the case may be:

(i) each holder of a Trimox Share shall cease to be a holder of the Trimox Shares so transferred and the name of such holder shall be removed from the register of holders of Trimox Shares as it relates to the Trimox Shares so transferred;

(ii) Titan shall become the holder of the Trimox Shares so transferred and shall be added to the register of holders of Trimox Shares; and

(iii) Titan shall allot and issue to such holder the number of Titan Class A Shares issuable to such holder on the basis set forth in Section 3.1(c) or (d), as the case may be, and the name of such holder shall be added to the register of holders of Titan Class A Shares.

ARTICLE 4
OUTSTANDING CERTIFICATES AND FRACTIONAL SECURITIES

4.1 From and after the Effective Time, certificates formerly representing Trimox Shares shall represent only the right to receive the consideration to which the holders are entitled under the Arrangement, or as to those held by Dissenting Shareholders, to receive the fair value of the Trimox Shares represented by such certificates.

4.2 Titan, as soon as practicable following the later of the Effective Date and the date of deposit by a former holder of Trimox Shares of a duly completed Letter of Transmittal and the certificates representing such Trimox Shares, either will:

(a) forward or cause to be forwarded by first class mail (postage prepaid) to such former holder at the address specified in the Letter of Transmittal; or

(b) if requested by such holder in the Letter of Transmittal, make available or cause to be made available at the Depositary for pickup by such holder;

certificates representing the number of Titan Class A Shares issued to such holder under the Arrangement.

4.3 If any certificate which immediately prior to the Effective Time represented an interest in outstanding Trimox Shares that were transferred or cancelled pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will issue and deliver in exchange for such lost stolen or destroyed certificate the consideration to which the holder is entitled pursuant to the Arrangement (and any dividends or distributions with respect thereto) as determined in accordance with the Arrangement. The person who is entitled to receive such consideration shall, as a condition precedent to the receipt thereof, give a bond to Titan and its transfer agent, which bond is in form and substance satisfactory to Titan and its transfer agent, or shall otherwise indemnify Titan and its transfer agent against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 Trimox Shareholders shall not be entitled to any interest, dividend, premium or other payment on or with respect to the Trimox Shares other than the Titan Class A Shares which they are entitled to receive for the Action Shares held by them pursuant to this Plan of Arrangement.

4.5 Any certificate formerly representing Trimox Shares that is not deposited with all other documents as required by this Plan of Arrangement on or before the fourth anniversary of the Effective Date shall cease to represent a right or claim of any kind or nature and, for greater certainty, the right of the holder of such Trimox Shares to receive certificates representing Titan Class A Shares shall be deemed to be surrendered to Titan.

4.6 No fractional Titan Class A Shares will be issued. In the event that a Trimox Shareholder would otherwise be entitled to a fractional Titan Class A Share hereunder, the number of Titan Class A Shares issued to such Trimox Shareholder shall be rounded up to the next greater whole number of Titan Class A Shares, if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Titan Class A Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Trimox Shares registered in the name of or beneficially held by such Trimox Shareholder or their nominee shall be aggregated.

ARTICLE 5
DISSENTING SHAREHOLDERS

5.1 Each registered holder of Trimox Shares shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order. A Dissenting Shareholder shall, at the Effective Time, cease to have any rights as a holder of Trimox Shares and shall only be entitled to be paid the fair value of the holder's Trimox Shares. A Dissenting Shareholder who is paid the fair value of the holder's Trimox Shares shall be deemed to have transferred the holder's Trimox Shares to Titan at the Effective Time, notwithstanding the provisions of section 191 of the ABCA. A Dissenting Shareholder who, for any reason is not entitled to be paid the fair value of the holder's Trimox Shares, shall be treated as if the holder had participated in the Arrangement on the same basis as a non-dissenting holder of Trimox Shares, notwithstanding the provisions of section 191 of the ABCA. The fair value of the Trimox Shares shall be determined as of the close of business on the last business day before the day on which the Arrangement is approved by the holders of Trimox Shares at the Trimox Meetings or, if not the same day, the day the last approval is obtained; but in no event shall Trimox be required to recognize such Dissenting Shareholder as shareholders of Trimox after the Effective Time and the names of such holders shall be removed from the applicable Trimox register of shareholders as at the Effective Time. For greater certainty, in addition to any other restrictions in section 191 of the ABCA, no person who has voted in favour of the Arrangement shall be entitled to dissent with respect to the Arrangement.

ARTICLE 6
AMENDMENTS

6.1 Trimox and Titan may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be: (i) set out in writing; (ii) filed with the Court and, if made following the Trimox Meetings, approved by the Court; and (iii) communicated to holders of Trimox Shares if and as required by the Court.

6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Trimox and Titan at any time prior to or at the earliest Trimox Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Trimox Meetings (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

6.3 Trimox or Titan, with the consent of the other party, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Trimox Meetings and prior to the Effective Time with the approval of the Court.

6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time but shall only be effective if it is consented to by Titan and Trimox, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Titan and Trimox, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Titan and Trimox or any former holder of Trimox Shares.