PRE-ACQUISITION AGREEMENT

Between

DIRECT ENERGY MARKETING LIMITED

and

ROCKYVIEW ENERGY INC.

November 14, 2007

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PRE-ACQUISITION AGREEMENT

THIS AGREEMENT is made this 14th day of November, 2007;

BETWEEN:

DIRECT ENERGY MARKETING LIMITED, a corporation incorporated under the laws of the Province of Ontario, and having an office in the City of Calgary, in the Province of Alberta (hereafter referred to as "**Direct**")

- and -

ROCKYVIEW ENERGY INC., a corporation amalgamated under the laws of the Province of Alberta and having an office in the City of Calgary, in the Province of Alberta (hereafter referred to as "**Rockyview**")

Background:

(a) Direct is willing to make an offer to the shareholders of Rockyview in order to effect a business combination between Direct and Rockyview on the terms and subject to the conditions set out in this Agreement;

(b) the Board of Directors of Rockyview wishes to support Direct's offer to the shareholders of Rockyview to purchase all of the issued and outstanding Rockyview Shares (including any Rockyview Shares that may be issued after the date hereof upon the exercise of outstanding Rockyview Options and Rockyview Warrants) on the terms and subject to the conditions set forth in this Agreement;

(c) the Board of Directors of Rockyview has determined that the proposed offer by Direct is in the best interest of Rockyview's shareholders and that it will recommend acceptance of such offer to the shareholders of Rockyview and cooperate with Direct with respect to its offer as set forth herein; and

(d) the Board of Directors of Rockyview has determined that it would be in the best interests of Rockyview and its shareholders for Rockyview to enter into this Agreement.

NOW THEREFORE IN CONSIDERATION OF the mutual covenants hereinafter contained and other good and valuable consideration (the receipt and adequacy of which are hereby acknowledged), the parties hereto agree as follows.

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

"**Acquisition Proposal**" has the meaning ascribed thereto in Section 10.1(b)(i);

"**Act**" means the *Business Corporations Act* (Alberta), as in effect on the date hereof;

"**affiliate**" has the meaning contemplated by the Act;

"**Agreement**", "**this Agreement**", "**herein**", "**hereto**", and "**hereof**" and similar expressions refer to this Agreement, as the same may be amended or supplemented from time to time and, where applicable, to the appropriate Schedules hereto;

"**Board of Directors**" means the board of directors of Rockyview;

"**BOE**" means barrels of oil equivalent with natural gas converted on the basis of 1 BOE for 6 thousand cubic feet of natural gas;

"**Business Day**" means any day, excepting Saturdays, Sundays and statutory holidays observed in Calgary, Alberta;

"**Canadian GAAP**" means Canadian generally accepted accounting principles applied on a consistent basis;

"**Compulsory Acquisition**" means an acquisition by Direct of all Rockyview Shares not tendered to the Offer pursuant to Part 16 of the Act;

"**Confidentiality Agreement**" means the confidentiality agreement dated as of September 21, 2007 and accepted as of September 27, 2007 between Rockyview and Direct;

"**Corporate Laws**" means all applicable corporate laws, including those set forth in the Act;

"**Designated Employees**" has the meaning ascribed thereto in Section 6.25(c);

"**Designated Officers**" means the President and Chief Executive Officer, the Vice President, Finance and Chief Financial Officer, the Vice President, Engineering and the Chief Operating Officer of Rockyview;

"**diluted basis**" with respect to the number of outstanding Rockyview Shares at any time, means such number of outstanding Rockyview Shares actually issued and outstanding, together with all

Rockyview Shares that may be issued on the exercise of all outstanding Rockyview Options, all outstanding Rockyview Warrants and other rights to purchase or acquire Rockyview Shares;

"**Direct Non-Completion Fee**" has the meaning ascribed thereto in Section 11.1;

"**Disclosure Letter**" means the letter from Rockyview to Direct dated the date hereof setting forth the disclosure of certain facts referred to in this Agreement;

"**Documents of Title**" means, collectively, any and all certificates of title, leases, permits, licences, unit agreements, assignments, trust declarations, royalty agreements, operating agreements or procedures, participation agreements, farm-in and farm-out agreements, sale and purchase agreements, pooling agreements and other agreements by virtue of which Rockyview's title to and interest in its oil and gas assets are derived;

"**Effective Time**" means the time that Direct shall have taken up and paid for at least the Minimum Required Shares pursuant to the Offer;

"**Employee Obligations**" means the obligations of Rockyview to its officers, directors, employees and consultants for retention, severance, termination or bonus payments in connection with a termination of employment or change of control of Rockyview pursuant to any written or oral agreements or any resolution of the Board of Directors of Rockyview, pension plans or other plans, Rockyview's severance, retention or other policies or otherwise;

"**Expiry Time**" means the Initial Expiry Time, unless the Offer is extended in which case it means the expiry time of the Offer as extended from time to time;

"**Governmental Authority**" has the meaning ascribed thereto in Section 2.1(e)(vi);

"**Initial Expiry Time**" means 4:30 p.m. (Calgary time) on the first Business Day which falls after the 35th day following the day of the mailing of the Offer Documents to the holders of Rockyview Shares (where the first day of such period is the day immediately following the day of mailing), provided that Business Day shall not be earlier than January 4, 2008;

"**material**" when used in relation to Rockyview, means that a fact, asset, liability, transaction or circumstance, as applicable, concerning the business, assets, rights, liabilities, capitalization, operations, prospects or financial condition of Rockyview is such that: (i) it would be reasonably likely to have a significant effect on the value of the Rockyview Shares; or (ii) it would prevent or materially delay completion of the Offer in accordance with this Agreement, or any compulsory acquisition or Second Stage Transaction;

"**Material Adverse Change**" means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, financial condition, prospects, licenses, permits, concessions, rights, liabilities or privileges, whether contractual or otherwise, of Rockyview (on a consolidated basis) that is, or could reasonably be expected have a Material Adverse Effect;

"**Material Adverse Effect**" in relation to any circumstance, event or change, means an effect that is or would reasonably be expected to be materially adverse to the financial condition, operations, assets, liabilities, or business of Rockyview (on a consolidated basis), other than an effect: (i) that relates to or arises out of a matter that has been disclosed in the Rockyview Public Record or otherwise disclosed in writing to Direct prior to the date hereof; (ii) that relates to or arises out of conditions affecting the western Canadian oil and gas industry as a whole; (iii) that relates to or arises out of general economic, financial, interest, currency exchange, securities or commodity market conditions in North America; (iv) that relates to or arises out of any change in the market price of crude oil, natural gas or related hydrocarbons or the taxes or royalties relating thereto; (v) which arises out of any action or inaction taken by Rockyview with the approval, consent or authority of Direct; (vi) that relates to or arises out of this Agreement or the announcement of the transactions contemplated hereby; (vii) that relates to or arises solely out of changes in the market price of Rockyview Shares; or (viii) that relates to or arises out of any natural disaster, act of God, act of terrorism or outbreak or escalation of hostilities or armed conflict;

"**Minimum Condition**" means the condition set forth in paragraph (a) of Schedule A;

"**Minimum Required Shares**" means at least that number of the outstanding Rockyview Shares required to be tendered to the Offer to satisfy the Minimum Condition, unless Direct waives the Minimum Condition, in which case "**Minimum Required Shares**" means that number of the outstanding Rockyview Shares that Direct takes up on the Take-up Date;

"**misrepresentation**" shall have the meaning ascribed thereto under the *Securities Act* (Alberta);

"**NI 51-101**" means National Instrument 51-101 of the Canadian Securities Administrators;

"**Offer**" has the meaning ascribed thereto in Section 2.1(a);

"**Offer Documents**" has the meaning ascribed thereto in Section 2.3(a);

"**Outside Date**" means the date that is 60 days following the date on which the Initial Expiry Time occurs;

"**Partnership**" means Rockyview Energy Partnership, an Alberta general partnership of which Rockyview and ROGL are the only general partners;

"**Partnership Agreement**" means the partnership agreement dated January 11, 2006 between Rockyview and ROGL providing for the formation of the Partnership;

"**Permitted Encumbrances**" means: (a) the terms and condition of the Documents of Title, including the following: (i) any overriding royalties, net profits interests or other encumbrances applicable to the Interests, (ii) any existing potential alteration of the Interests because of a payout conversion or farm-in, farm-out or other such agreement, and (iii) any penalty or forfeiture that applies to the Interests at the date hereof because of Rockyview's election not to participate in a particular operation; (b) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, and wires; (c) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy taxes or to control or regulate any of Rockyview's assets in any manner, including, without limitation, the right to control or regulate production rates and the conduct of operations; (d) statutory exceptions to title and the reservations, limitations and conditions in any grants or transfers from the Crown of any of the Interest or interests therein; (e) undetermined or inchoate liens incurred or created in the ordinary course of business as security for Rockyview's share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Expiry Time; (f) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Expiry Time; and (g) liens granted in the ordinary course of business to a public entity, municipality or governmental authority respecting operations pertaining to any of Rockyview's assets;

"**Pre-Tender Agreements**" means agreements between certain holders of Rockyview Shares and Direct, pursuant to which such holders agree, among other things, to tender their Rockyview Shares under the Offer;

"**Representatives**" of a person means such person's officers, directors, employees, advisors, representatives and agents;

"**Rockyview Balance Sheet**" has the meaning ascribed thereto in Section 6.23(a);

"**Rockyview Financial Statements**" means the audited consolidated financial statements of Rockyview as at and for the year ended December 31, 2006 and the period ended December 31, 2005 and the interim unaudited consolidated financial statements of Rockyview as at and for the nine and three month periods ended September 30, 2007;

"**Rockyview Interests**" has the meaning ascribed thereto in Section 6.11;

"**Rockyview Options**" means the outstanding options to acquire Rockyview Shares;

"**Rockyview Parties**" means, collectively, Rockyview, ROGL and the Partnership;

"**Rockyview Public Record**" has the meaning ascribed thereto in Section 6.40;

"**Rockyview Shareholders**" means holders of Rockyview Shares;

"**Rockyview Shares**" means common shares in the share capital of Rockyview and includes any common shares of Rockyview issued after the date hereof upon the exercise of outstanding Rockyview Options, outstanding Rockyview Warrants or other rights to purchase or acquire Rockyview Shares;

"**Rockyview Warrants**" means the outstanding warrants to acquire Rockyview Shares;

"**ROGL**" means Rockyview Oil & Gas Ltd., a subsidiary of Rockyview;

"**Second Stage Transaction**" has the meaning ascribed thereto in Section 4.1;

"**Securities Authorities**" means the applicable Canadian provincial and territorial securities commissions and similar regulatory authorities;

"**Securities Laws**" has the meaning ascribed thereto in Section 2.3(a);

"**Specified Directors**" means the members of the Board of Directors of Rockyview specified as such in the Disclosure Letter;

"**Sproule**" means Sproule Associates Limited, independent reserve engineers of Calgary, Alberta;

"**Sproule Report**" means the report of Sproule evaluating the crude oil, natural gas, coal bed methane and natural gas liquids reserves of Rockyview effective December 31, 2006;

"**subsidiary**" has the meaning contemplated by the Act;

"**Superior Proposal**" has the meaning ascribed thereto in Section 10.1(b)(v);

"**Swaps**" means any transaction which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, hedge, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, forward sale, exchange traded futures contract or any other similar transaction (including any option with respect to any of these transactions or any combination of these transactions);

"**Take-Over Proposal**" means a proposal, offer or agreement (other than by or with Direct or an affiliate of Direct) to acquire 20% or more of the outstanding Rockyview Shares, or any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or a similar transaction or other business combination involving Rockyview, or a subsidiary of Rockyview, or any proposal, offer or agreement to acquire 20% or more in value of the assets of Rockyview;

"**Take-up Date**" means the date that Direct first takes up Rockyview Shares pursuant to the Offer;

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

"**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information, when used or disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) to be disclosed or conveyed to Direct or any of its representatives or agents by or on behalf of Rockyview as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to Direct prior to the execution of this Agreement;

"**Transaction Costs**" has the meaning ascribed thereto in Section 6.31;

"**TSX**" means the Toronto Stock Exchange; and

"**Work Program**" has the meaning ascribed thereto in Section 6.34.

1.2 Singular, Plural, etc.

Words importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.3 Deemed Currency

In the absence of a specific designation of any currency, any dollar amount referenced herein shall be deemed to refer to lawful currency of Canada.

1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules to Articles, Sections and Schedules refer to Articles and Sections of and Schedules to this Agreement or of the Schedules in which such reference is made.

1.5 Date for any Action

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

1.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

1.7 Attornment

Each of the parties 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.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributed thereto under Canadian GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with Canadian GAAP applied on a consistent basis.

1.9 Inclusive Terminology

Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters or items shall be regarded as illustrative without being either characterizing or exhaustive.

1.10 Interpretation Not Affected by Party Drafting

The parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement, and the parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting party will not be applicable to the interpretation of this Agreement.

1.11 Knowledge

Where in this Agreement a representation or warranty is made on the basis of the knowledge or awareness of Rockyview, such knowledge or awareness consists only of the actual knowledge or awareness, as of the date of this Agreement, of the Designated Officers after due inquiry but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

1.12 Incorporation of Schedules

Schedules A and B attached hereto and described below shall, for all purposes hereof, form an integral part of this Agreement.

Schedule A Conditions to the Offer
Schedule B Form of Pre-tender Agreement

ARTICLE 2
THE OFFER

2.1 The Offer

(a) On the terms and subject to satisfaction of the conditions set out in this Agreement, Direct shall mail to holders of Rockyview Shares, Rockyview Options and Rockyview Warrants as soon as practicable but in any event not later than 11:59 p.m. (Calgary time) on November 29, 2007, an offer to purchase all of the outstanding Rockyview Shares (including any Rockyview Shares that are issued after the date of the Offer and prior to the Expiry Time on the exercise of Rockyview Options and Rockyview Warrants) on the basis of $3.16 in cash for each Rockyview Share.

The foregoing offer shall be made in accordance with this Agreement, Corporate Laws and Securities Laws and be subject only to the conditions set forth in Schedule A hereto and such other conditions as mutually agreed to by the parties (hereinafter referred to as the "**Offer**", which term shall include any amendments to, variations of, or extensions of, such Offer, including, without limitation, any change in the consideration offered for the Rockyview Shares, the removal or waiver of any condition or extension of the date by which Rockyview Shares may be tendered under the Offer by the holder thereof).

Direct and Rockyview shall cooperate in making on a timely basis any filings with respect to the Offer, including amendments thereafter as required by Securities Laws or Corporate Laws.

The Offer shall be prepared in the English language and, if required under the applicable Securities Laws, the French Language as well. Notwithstanding the foregoing, the Offer may provide that the Offer is only being made in jurisdictions where permitted. Direct shall provide Rockyview with a draft copy of the Offer Documents prior to their finalization and mailing for Rockyview's review and comment.

(b) The Offer shall expire at the Initial Expiry Time, except that the Offer may be extended one or more times to a date or dates no later than 60 days following the date on which the Initial Expiry Time occurs, at the sole discretion of Direct, if the conditions thereto set forth in Schedule A hereto are not satisfied at the date and time at which the Offer would otherwise expire in accordance with its terms or if such conditions are satisfied or waived at or prior to the time set for expiry of the Offer and Direct has, to the extent legally permitted, concurrently with or before such extension taken up and paid for all Rockyview Shares then validly tendered (and not properly withdrawn) pursuant to the Offer. In the event that any required regulatory approval is not obtained prior to the time that the Offer is scheduled to terminate, unless such approval has been denied, Direct will extend the Offer for a period of not less than ten (10) days past the Initial Expiry Time pending receipt of such approval. Subject to the satisfaction or waiver of the conditions set forth in Schedule A hereto, Direct shall, to the extent legally permitted, take-up all Rockyview Shares validly tendered (and not properly withdrawn) pursuant to the Offer at the Expiry Time and shall pay for such shares as soon as practicable thereafter, and, in any event, on or before the third Business Day following the date that such Rockyview Shares are taken up by Direct. Each of Direct and Rockyview shall use all commercially reasonable efforts to consummate the Offer (including using commercially reasonable efforts to obtain the consent of Rockyview's bankers, as contemplated by Section 2.1(e)(vii))).

(c) Direct may, in its sole discretion, vary or waive any term or condition of the Offer for its benefit, provided that Direct shall not, without the prior consent of Rockyview: (i) waive or reduce the Minimum Required Shares to less than 50% or increase the Minimum Required Shares to greater than 66-2/3% of the issued and outstanding Rockyview Shares (calculated on a diluted basis); (ii) impose additional conditions to the Offer except for those conditions set forth in Schedule A hereto; (iii) decrease or change the form of the consideration to be paid for each Rockyview Share (unless the consideration includes consideration in addition to the consideration required to be offered pursuant to the provisions hereof); or (iv) make any other change in the Offer which is in the opinion of Rockyview, acting reasonably, materially adverse to holders of Rockyview Shares (and for which purpose an extension of the Offer or waiver of a condition (other than a reduction of the Minimum Condition to below 50% of the outstanding Rockyview Shares) will not be considered adverse).

(d) Direct will instruct the depositary under the Offer to advise Rockyview from time to time as Rockyview may reasonably request and in such manner as Rockyview may reasonably request, as to the number of Rockyview Shares that have been tendered (and not withdrawn) under the Offer.

(e) Direct's obligation to make the Offer is conditional upon:

(i) persons holding not less than 5.8% of the outstanding Rockyview Shares on a non-diluted basis (including the Designated Officers and all directors of Rockyview other than the Specified Directors) shall have entered into Pre-Tender Agreements, in substantially the form set forth in Schedule B hereto, prior to, or contemporaneously with, the execution of this Agreement;

(ii) the execution and delivery to Direct not less than two Business Days prior to mailing of the Offer of agreements, in form and substance satisfactory to Direct, acting reasonably, with persons holding not less than 50% of the outstanding Rockyview Options and persons holding not less than 50% of the outstanding Rockyview Warrants (or delivery to Direct not less than two Business Days prior to the mailing of the Offer of other evidence satisfactory to Direct) providing that any Rockyview Options or

Rockyview Warrants, as applicable, held by such persons and not exercised or surrendered prior to the Take-up Date shall be terminated (or cashed out in accordance with Section 2.4(a) in the case of the Options with an exercise price of less than $3.16) or otherwise dealt with in a manner satisfactory to Direct immediately prior to such time;

(iii) the Board of Directors of Rockyview shall have recommended (and not modified or changed such recommendation) that shareholders of Rockyview accept the Offer;

(iv) each of the representations and warranties of Rockyview provided herein shall be true and correct at the date the Offer is made and Rockyview shall have complied with each of its covenants and obligations set out herein (provided that, other than a breach in respect of Section 10.1 or Section 11.1, Rockyview shall be given written notice by Direct of, and five Business Days to cure, any misrepresentation, breach or non-performance of any representation, warranty, covenant or obligation, provided that the five Business Day cure period shall not extend beyond 11:59 p.m. (Calgary time) on November 29, 2007), and Direct shall have been provided with a certificate to such effect signed by the President and Chief Executive Officer and Vice-President, Finance and Chief Financial Officer of Rockyview (or other senior officers of Rockyview reasonably acceptable to Direct);

(v) Direct shall be satisfied, acting reasonably, that no Material Adverse Change in respect of Rockyview shall have occurred;

(vi) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken against or affecting Rockyview before or by any domestic or foreign court, tribunal or governmental agency or other regulatory or administrative agency or commission (a "**Governmental Authority**") or 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 Direct, acting reasonably, in any case has had or, if the Offer was consummated, would result in a Material Adverse Change or would have a material adverse effect on the ability of Direct to complete the Offer;

(vii) Direct shall have received the consent of Rockyview's bankers to the Offer and the transactions contemplated herein, in form and substance satisfactory to Direct, acting reasonably;

(viii) Rockyview shall have made available to Direct and shall have consented to the use of all information of Rockyview which may be required, by Securities Laws, to be disclosed in the Offer Documents;

(ix) no person shall have commenced a bona fide action for injunctive relief against the performance of this Agreement or the completion of the Offer and no event shall have occurred or circumstances shall exist that would make it impossible or impractical to satisfy one or more of the conditions of the Offer set forth in Schedule A hereto; and

(x) no person shall have made an Acquisition Proposal which provides (or if successful would provide) to shareholders of Rockyview consideration that has greater value per Rockyview Share than the value per Rockyview Share that would be provided pursuant to the Offer (as determined by Direct, acting reasonably).

The foregoing conditions in this Section 2.1(e) are for the sole benefit of Direct and may be waived by Direct at any time in whole or in part, in its sole discretion, at any time and from time to time, without prejudice to any other rights it may have.

2.2 Rockyview Directors' Circular

(a) Rockyview hereby consents to the Offer as set forth in Section 2.1 and confirms that its Board of Directors has approved the making of the Offer by Direct and the entering into of this Agreement and has determined that the Offer is in the best interests of Rockyview and holders of Rockyview Shares and to recommend acceptance of the Offer by the Rockyview Shareholders subject to Section 10.1. Rockyview agrees that it shall mail and file a directors' circular in accordance with Securities Laws and Corporate Laws, which directors' circular will, among other things, set forth the recommendation of the Board of Directors of Rockyview described above. Rockyview shall provide Direct with a draft copy of the directors' circular prior to its finalization for Direct's review and comment and the parties shall use all reasonable best efforts to cause the directors' circular to be mailed together with the Offer Documents.

(b) The Board of Directors of Rockyview has been advised that all of the Designated Officers and all of the directors of Rockyview other than the Specified Directors (or corporations controlled by such persons) intend to tender to the Offer the Rockyview Shares they beneficially own (and which they exercise control or direction over and those which they acquire prior to expiry of the Offer), and will either exercise their Rockyview Options and Rockyview Warrants, or surrender and terminate their Rockyview Options and Rockyview Warrants on the basis provided in Section 2.4(b). The directors' circular of Rockyview required to be mailed shall disclose: (i) the execution and delivery of such Pre-Tender Agreements and (ii) the agreement of such directors of Rockyview and the

Designated Officers to tender their Rockyview Shares, including Rockyview Shares issued on the exercise of Rockyview Options and Rockyview Warrants, as applicable, pursuant to the Offer.

(c) Rockyview represents that it has obtained advice from its financial advisor, that the consideration to be received by the holders of Rockyview Shares pursuant to the Offer is fair to holders of Rockyview Shares, from a financial point of view, and that it has been advised that such financial advisor will provide a written opinion to such effect on or before the date of the directors' circular. Such fairness opinion will be attached to or referred to in the director's circular referred in Section 2.2(a).

2.3 Offer Documents

(a) Within the time periods required pursuant to this Agreement and Securities Laws, Direct shall file or cause to be filed with the appropriate Securities Authorities and mailed to holders of Rockyview Shares, Rockyview Options and Rockyview Warrants an Offer to Purchase and Take-over Bid Circular, and related letter of transmittal and notice of guaranteed delivery pursuant to which the Offer will be made (collectively, the "**Offer Documents**"). The Offer Documents, when filed with the Securities Authorities and when mailed to holders of Rockyview Shares, Rockyview Options and Rockyview Warrants shall contain (or shall be amended in a timely manner to contain) all information that is required to be included therein in accordance with Corporate Laws and any applicable Canadian provincial securities laws and any other applicable securities laws in Canada or the United States (collectively, the "**Securities Laws**"), subject to any applicable exemptions from such laws granted by a court or competent regulatory authority.

(b) Rockyview agrees to provide such assistance to Direct and its representatives as Direct may reasonably request in connection with the preparation of and mailing of the Offer Documents (and any amendments and supplements thereto) to the holders of the Rockyview Shares, Rockyview Options and Rockyview Warrants and to such other persons as are entitled to receive the Offer under Securities Laws, including providing lists and updated or supplemental lists of the shareholders of Rockyview (including, to the extent reasonably possible, lists of beneficial shareholders) and of the holders of Rockyview Options and Rockyview Warrants and mailing labels with respect to all such holders of securities as soon as practicable after the date of this Agreement, but in any event no later than the close of business in Calgary on the fourth day prior to the mailing of the Offer Documents (and/or such other dates(s) that Direct may reasonably request) and updates or supplements thereto from time to time as may be requested by Direct. If requested by Direct, Rockyview shall consent to and permit its registrar and transfer agent to act as depositary under and in connection with the Offer.

(c) Direct agrees to provide such assistance to Rockyview and its representatives as Rockyview may reasonably request in connection with communicating the Offer and any amendments or supplements thereto to the holders of the Rockyview Shares, Rockyview Options and Rockyview Warrants and to such other persons as are entitled to receive the Offer under Securities Laws.

(d) Upon the request of Direct, Rockyview shall provide a certificate of the President and Chief Executive Officer and the Vice-President, Finance and Chief Financial Officer of Rockyview (or such other officers as are acceptable to Direct, acting reasonably), effective immediately prior to the time Direct intends to take up Rockyview Shares pursuant to the Offer, that:

(i) except as contemplated by this Agreement or as otherwise disclosed in the Rockyview Public Record or the Disclosure Letter, the representations and warranties made by Rockyview in this Agreement are true and correct in all material respects as at the date that Direct takes up Rockyview Shares pursuant to the Offer as if made on and as of such date;

(ii) Rockyview has complied in all material respects with its covenants contained in this Agreement;

(iii) there has not occurred any Material Adverse Change in respect of Rockyview; and

(iv) there are not more than 24,785,545 Rockyview Shares (assuming the exercise of all Rockyview Options with an exercise price of less than $3.16 per share) outstanding immediately prior to the time that Direct takes up any Rockyview Shares pursuant to the Offer.

2.4 Outstanding Rockyview Options and Rockyview Warrants

(a) Direct will provide that, subject to the receipt of any necessary regulatory approvals, all persons holding Rockyview Options or Rockyview Warrants, who may do so under Securities Laws and in accordance with the terms of the Rockyview Options and Rockyview Warrants held by them: shall be entitled to either exercise all of their Rockyview Options and Rockyview Warrants and tender all Rockyview Shares issued in connection therewith under the Offer upon payment of the exercise price in full; or surrender and terminate their Rockyview Options and Rockyview Warrants as provided in Section 2.4(b). It is agreed by Direct that all Rockyview Options and Rockyview Warrants that are tendered to Rockyview for exercise, conditional on Direct taking up Rockyview Shares under the Offer ("**Conditional Option Exercise**"), shall be deemed by Direct to have been exercised immediately prior to the take-up of Rockyview Shares by Direct and Direct shall accept as validly tendered under the Offer as of the Take-up Date, all Rockyview Shares that are to be issued pursuant to the Conditional Option Exercise, provided that the holders of such Rockyview Options and Rockyview Warrants indicate that such shares are tendered pursuant to the Offer and provided that such holders agree to surrender any of their remaining unexercised

Rockyview Options to Rockyview for cancellation effective immediately prior to the Take-up Date.

Direct and Rockyview agree that to the extent holders of Rockyview Options with an exercise price of less than $3.16 per share do not exercise such Rockyview Options and tender to the Offer the Rockyview Shares that would be received upon such exercise, Rockyview may agree with such remaining holders of Rockyview Options that, in lieu of such persons exercising their Rockyview Options, Rockyview will pay to such persons the difference between the exercise price of their Rockyview Options and the purchase price for the Rockyview Shares under the Offer immediately after the Expiry Time of the Offer in exchange for the termination of their Rockyview Options and provided that such holders agree to surrender their remaining unexercised Rockyview Options to Rockyview for cancellation for no consideration effective immediately after the Take-up Date.

(b) Rockyview will use commercially reasonable efforts to ensure that all outstanding Rockyview Options and Rockyview Warrants are either exercised, terminated, surrendered or expire prior to the Take-up Date, provided that Rockyview shall not pay the holders any amount in consideration therefor without the prior approval of Direct, and Rockyview shall not grant any additional Rockyview Options, Rockyview Warrants or other rights to purchase or acquire Rockyview Shares, or make any amendments to outstanding Rockyview Options or Rockyview Warrants, without the prior written consent of Direct, except to permit the early vesting of all such Rockyview Options and Rockyview Warrants and to cause the cancellation, termination, expiry or surrender of the Rockyview Options and Rockyview Warrants prior to the Take-up Date without payment therefor.

Rockyview agrees to use reasonable commercial efforts to obtain as soon as practical, and in any event not less than two Business Days prior to the time that the Offer is mailed, the agreement of all holders of Rockyview Options other than the Specified Directors and the holders of all the Rockyview Warrants that any Rockyview Options and Rockyview Warrants that are not exercised prior to the Take-up Date shall either be surrendered or terminated or otherwise dealt with in a manner satisfactory to Direct prior to the Take-up Date and Rockyview acknowledges that the obtaining of such agreement with such holders of the Rockyview Options and each of the holders of the Rockyview Warrants is a condition to Direct's obligation to make the Offer hereunder.

(c) Rockyview shall promptly notify Direct in writing of any exercise of Rockyview Options and Rockyview Warrants pursuant to Section 2.4(a). Such notice shall include full particulars of each such exercise.

ARTICLE 3
PUBLICITY

3.1 <u>Press Releases, etc.</u>

From the date hereof until the Expiry Time, each of Direct and Rockyview shall consult and cooperate with and advise each other prior to issuing any press release or other public disclosures or other written statement to the media or shareholders with respect to this Agreement, the transactions contemplated hereby or any other matters relating to the proposed business combination between Direct and Rockyview. Direct and Rockyview shall not issue any such press release or make any such public disclosures or statement prior to such consultation, except as may be required by applicable law or by obligations pursuant to any listing agreement with a stock exchange and only after using its reasonable commercial efforts to consult the other party, taking into account the time constraints to which it is subject as a result of such law or obligation.

ARTICLE 4
TRANSACTIONS FOLLOWING COMPLETION OF THE OFFER

4.1 <u>Second Stage Transaction</u>

After Direct takes up and pays for the Rockyview Shares under the Offer, Direct shall, subject to the terms and conditions of this Agreement, as soon as reasonably practicable (and in any event not more than 120 days after the date of completion of the Offer), use its commercially reasonable efforts to pursue and consummate a statutory arrangement, amalgamation, merger, reorganization, consolidation, recapitalization or other type of acquisition transaction or transaction to acquire the remaining Rockyview Shares (each a "**Second Stage Transaction**") for cash consideration per Rockyview Shares that is not less than the consideration paid pursuant to the Offer; provided, however, that if as of the final expiration of the Offer, the Offer has been accepted by holders of Rockyview Shares holding not less than 90% of the outstanding Rockyview Shares as at the Expiry Time, excluding Rockyview Shares held prior to the commencement of the Offer by Direct or any affiliate or "associate" (as such term is defined in the *Securities Act* (Alberta)), Direct shall, subject to the terms and conditions hereof, use its commercially reasonable efforts to complete as soon as reasonably practicable (and in any event not more than 120 days after the date of completion of the Offer) a Compulsory Acquisition with respect to the Rockyview Shares. If Direct takes up and pays for Rockyview Shares pursuant to the Offer, and thereby acquires at least the Minimum Required Shares, Rockyview agrees to use all commercially reasonable efforts to assist Direct in effecting a Second Stage Transaction carried out for consideration per Rockyview Share that is not less than the consideration paid pursuant to the Offer. Nothing herein shall be construed to prevent Direct from acquiring, directly or indirectly, additional Rockyview Shares in the open market, by privately negotiated transactions, in another take-over bid, tender or exchange offer, or otherwise in accordance with Securities Laws (including by way of compulsory acquisition) following completion of the Offer.

4.2 Information Circular, Etc.

Without limiting Section 4.1, Rockyview agrees that if Direct determines to effect a Second Stage Transaction which requires approval of Rockyview's shareholders at a meeting of Rockyview's shareholders, Rockyview shall take all action necessary in accordance with Securities Laws, Corporate Laws, other applicable laws and the Rockyview constating documents to duly call, give notice of, convene and hold a meeting of its shareholders as promptly as practicable to consider and vote upon the action proposed by Direct. In the event of such a meeting or meetings, Rockyview shall use all commercially reasonable efforts to mail to its shareholders an Information Circular with respect to the meeting of Rockyview's shareholders. The term "**Information Circular**" shall mean such proxy or other required informational statement or circular, as the case may be, and all related materials at the time required to be mailed to Rockyview's shareholders and all amendments or supplements thereto, if any. Direct and Rockyview, as applicable, shall use all commercially reasonable efforts to obtain and furnish the information required to be included in any Information Circular. The information provided and to be provided by Direct and Rockyview, as applicable, for use in the Information Circular, on both the date that the Information Circular is first mailed to Rockyview's shareholders and on the date any such meeting is held, shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or that is necessary to make the statements therein, in light of the circumstances under which they are made, not misleading and will comply in all material respects with the requirements of all applicable laws. Direct and Rockyview, as applicable, each agree to correct promptly any such information provided by it for use in any Information Circular, which shall have become false or misleading.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF DIRECT

Direct hereby represents and warrants to Rockyview as follows and acknowledges that Rockyview is relying upon such representations and warranties in connection with the execution and delivery of this Agreement.

5.1 Organization and Qualification

Direct has been duly organized under the laws of Ontario and has the requisite power and capacity to carry on its business as it is now being conducted. Direct is duly registered to do business and in good standing in each jurisdiction in which the character of its properties, owned or leased, or in 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 the financial condition, operations, assets, liabilities, or business of Direct (on a consolidated basis).

5.2 Authority Relative to this Agreement

Direct has the requisite power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance by Direct of its obligations hereunder have been duly authorized by all necessary action on the part of Direct and its direct and indirect parent companies, and no other proceedings on the part of Direct or its direct and indirect parent companies are necessary to authorize this Agreement or the performance by Direct of its obligations hereunder (except for obtaining appropriate approval to the form of Offer Documents and the distribution thereof). This Agreement has been duly executed and delivered by Direct and constitutes a legal, valid and binding obligation of Direct enforceable against Direct 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 the general principles of equity.

5.3 No Violations

(a) Neither the execution and delivery of this Agreement by Direct, the consummation by it of the transactions contemplated hereby nor compliance by Direct with any of the provisions hereof will: (i) violate, conflict with, or result in the 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, any of the terms, conditions or provisions of (A) the governing documents of Direct, or (B) any material note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Direct is a party or to which Direct, or any of its properties or assets, may be subject or by which Direct is bound; or (ii) subject to compliance with Corporate Laws and Securities Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Direct (except, in the case of each of clauses (i) and (ii) directly above, for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices that, if not given or received, would not have a material adverse effect on the ability of Direct and Rockyview to consummate the transactions contemplated hereby).

(b) Other than in connection with or in compliance with the provisions of Corporate Laws, Securities Laws, requirements of the TSX and the *Competition Act* (Canada): (i) there is no legal impediment to the performance by Direct of its obligations under this Agreement or to the execution and delivery of this Agreement by Direct and (ii) no filing or registration by Direct with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary in connection with the making or the consummation of the Offer, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have a material adverse effect on the ability of Direct to consummate the transactions contemplated hereby.

5.4 No Claims

There is no claim, action, proceeding or investigation pending or, to the knowledge of Direct, threatened against or relating to Direct or affecting any of its properties or assets before any court or governmental or regulatory authority or body that, if adversely determined, is likely to prevent or materially delay consummation of the transactions contemplated by this Agreement or the Offer, nor is Direct aware of any basis of any such claim, action, proceeding or investigation. Direct is not subject to any outstanding order, injunction or decree that has had to is reasonably likely to prevent or materially delay consummation of the transaction contemplated by this Agreement or the Offer.

5.5 Interest in Rockyview

Direct currently does not have a beneficial interest in more than 10% of the Rockyview Shares.

5.6 Funds Available

Direct has sufficient funds or has made adequate financing arrangements so that it will have, at the time the Rockyview Shares are to be paid for once taken up under the Offer, the aggregate purchase consideration payable pursuant to the Offer and will be, at the time the Rockyview Shares are to be paid for once taken up under the Offer, in a position to pay for all the Rockyview Shares tendered pursuant to the Offer in accordance with the terms of the Offer.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF ROCKYVIEW

Rockyview hereby represents and warrants to Direct as follows and acknowledges that Direct is relying upon such representations and warranties in connection with the execution and delivery of this Agreement and the making of the Offer.

6.1 Organization and Qualification

Each of Rockyview and ROGL has been duly amalgamated under the laws of Alberta and has the requisite corporate power and capacity to carry on its business as it is now being conducted. The Partnership has been duly formed and is validly existing as a general partnership under the laws of Alberta in accordance with the Partnership Agreement. Each of Rockyview, ROGL and the Partnership 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.

6.2 Authority Relative to this Agreement

Rockyview has the requisite corporate power and capacity to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the performance by Rockyview of its obligations hereunder have been duly authorized by the Board of Directors of Rockyview, and no other corporate proceedings on the part of Rockyview are necessary to authorize this Agreement or the performance by Rockyview of its obligations hereunder (except for obtaining shareholder approval in respect of any Second Stage Transaction and obtaining director approval to the form of directors' circular and the distribution thereof).

This Agreement has been duly executed and delivered by Rockyview and constitutes a legal, valid and binding obligation of Rockyview enforceable against Rockyview 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 the general principles of equity.

6.3 No Violations

(a) Subject to receipt of consent of Rockyview's bankers to the Offer and related transactions, neither the execution and delivery of this Agreement by Rockyview, the consummation by it of the transactions contemplated hereby nor compliance by Rockyview with any of the provisions hereof will: (i) violate, conflict with, or result in the 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 the creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Rockyview, ROGL or the Partnership under any of the terms, conditions or provisions of (A) the articles or by-laws of Rockyview or ROGL or the Partnership Agreement, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which any of Rockyview, ROGL or the Partnership is a party or to which Rockyview, ROGL or the Partnership or any of their respective properties or assets may be subject or by which any of Rockyview, ROGL or the Partnership is bound; or (ii) subject to compliance with Corporate Laws and Securities Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to any of Rockyview, ROGL or the Partnership (except, in the case of each of clauses (i) and (ii) directly above, for such violations, conflicts, breaches, defaults or terminations which, or any consents, approvals or notices that if not given or received, would not have any Material Adverse Effect and would not have an adverse effect on the ability of Direct and Rockyview to consummate the transactions contemplated hereby).

(b) Other than in connection with or in compliance with the provisions of Corporate Laws, Securities Laws, requirements of the TSX and the *Competition Act* (Canada): (i) there is no legal impediment to the performance by Rockyview of its obligations under this Agreement or to the execution and delivery of this Agreement by Rockyview and (ii) no filing or registration by Rockyview with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary in connection with the making or the consummation of the Offer, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals, which, if not received, would not have an adverse effect on the ability of Direct and Rockyview to consummate the transactions contemplated hereby.

6.4 Capitalization of Rockyview and its Subsidiaries

The authorized share capital of Rockyview consists of an unlimited number of Rockyview Shares and an unlimited number of preferred shares, issuable in series, of which, as of the date hereof, only 24,364,378 Rockyview Shares and no preferred shares are issued and outstanding. As of the date hereof, 1,952,335 Rockyview Options and 892,272 Rockyview Warrants have been granted and are outstanding, the expiry dates and exercise prices of which are detailed in the Disclosure Letter. The authorized share capital of ROGL consists of an unlimited number of common shares, of which only 17,064,811 common shares are issued and outstanding. The only partners of the Partnership are Rockyview and ROGL, and the ownership of the Partnership is accurately described in the Rockyview Public Record. Except as set forth above, there are no securities or interests of Rockyview, ROGL or the Partnership outstanding and none of Rockyview, ROGL or the Partnership has any other options, warrants or other rights, agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Rockyview, ROGL or the Partnership of any securities or interests of Rockyview, ROGL or the Partnership (including Rockyview Shares) or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities or interests of Rockyview, ROGL or the Partnership (including Rockyview Shares), nor are there any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or other attributes of Rockyview, ROGL or the Partnership. All outstanding Rockyview Shares have been duly authorized and are validly issued, as fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all Rockyview Shares issuable upon exercise of outstanding Rockyview Options and Rockyview Warrants will, when issued in accordance with the respective terms thereof, be duly authorized and validly issued as fully paid and non assessable shares.

6.5 No Material Adverse Change

Except as disclosed in the Rockyview Public Record or the Disclosure Letter, there has not been any material change in the assets, liabilities or obligations (absolute, contingent or otherwise) of Rockyview (on a consolidated basis) from the position set forth in the Rockyview Financial Statements prior to the date hereof and there has not been any Material Adverse Change since December 31, 2006; and since that date, except as disclosed in the Rockyview Public Record or the Disclosure Letter, there have been no facts, transactions, events or occurrences that could materially adversely affect Rockyview's ability to consummate the transactions contemplated by this Agreement.

6.6 Financial Statements

The Rockyview Financial Statements were prepared in accordance with Canadian GAAP (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Rockyview's independent auditors or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, are subject to normal year end adjustments or may be condensed or summary statements), and fairly present in accordance with Canadian GAAP the consolidated financial position, results of operations and changes in financial position of Rockyview as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments) and reflect appropriate and adequate reserves in respect of contingent liabilities, if any, of Rockyview on a consolidated basis. There has been no change in Rockyview's accounting policies, except as described in the notes to the Rockyview Financial Statements, since December 31, 2006.

6.7 Minute Books

The corporate records and minute books of each of the Rockyview Parties have been maintained in accordance with all applicable statutory requirements and are complete and up-to-date in all material respects.

6.8 Subsidiaries

Other than ROGL and the Partnership, Rockyview has no subsidiaries and Rockyview is not affiliated with, nor is it a holding corporation of any other body corporate. Rockyview is the beneficial direct or indirect owner of all of the outstanding shares, partnership interests and other securities, as applicable, of each of ROGL and the Partnership with good title thereto free and clear of any and all encumbrances, except for security interests in such securities for the benefit of the lenders under Rockyview's bank credit facilities.

6.9 Compliance with Applicable Laws

Each of the Rockyview Parties has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations and by-laws and other lawful requirements of any governmental or regulatory bodies applicable to such entity in each jurisdiction in which such entity carries on its business and holds all licences, registrations and qualifications in all jurisdictions in which such entity carries on its business which are necessary to carry on the business of such entity, as now conducted and as presently proposed to be conducted and all such licenses, registrations or qualifications are valid and existing and in good standing and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which is of a nature that is not generally applicable to corporations or other entities engaged in the business of oil and gas exploration, development and production in Western Canada and which has or would reasonably be expected to have a Material Adverse Effect.

6.10 Conduct of Operations

Any and all operations of the Rockyview Parties and, to Rockyview's knowledge, any and all operations by third parties on or in respect of the assets and properties of the Rockyview Parties, have been conducted, in all material respects, in accordance with good oilfield practices.

6.11 Petroleum and Natural Gas Property Interests

Other than Permitted Encumbrances the interests of the Rockyview Parties in its petroleum and natural gas properties (the "**Rockyview Interests**") are free and clear of adverse claims created by, through or under Rockyview and its subsidiaries, except as disclosed in the Rockyview Financial Statements or those arising in the ordinary course of business and that would not have a Material Adverse Effect and, to its knowledge, Rockyview and its subsidiaries, as the case may be, holds the Rockyview Interests under valid and subsisting licenses, leases, permits, concessions, concession agreements, contracts, subleases, reservations or other agreements.

6.12 Title to Oil and Gas Properties

Although it does not warrant title, other than Permitted Encumbrances, Rockyview is not aware of any defects, failures or impairments to the title to the Rockyview Parties 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 taken together, if more than one could reasonably be expected to materially adversely affect: (a) the quantity and pre-tax present worth values of Rockyview's oil and gas reserves (on a consolidated basis); (b) the current production attributable to Rockyview's properties (on a consolidated basis); or (c) the current cash flow from Rockyview's properties (on a consolidated basis).

6.13 Environmental Matters

(a) Except as disclosed in the Disclosure Letter:

(i) none of the Rockyview Parties is (after due inquiry) aware of, or has received, any order or directive which relates to environmental matters and which requires any work, repairs, construction, or capital expenditures;

(ii) none of the Rockyview Parties is (after due inquiry) aware of, or has received, any demand or notice with respect to the breach of any environmental, health or safety law applicable to the Rockyview Parties or any of their business undertakings, including any regulations respecting the use, discharge, storage, treatment, transportation, or disposition of environmental contaminants;

(iii) to Rockyview's knowledge (after due inquiry), there are no claims, investigations or inquiries pending or threatened against the Rockyview Parties (or naming the Rockyview Parties as a potentially responsible party) based on non-compliance with any Environmental Law (as defined below) at any of the properties or facilities currently or formerly owned, leased or operated by the Rockyview Parties;

(iv) none of the Rockyview Parties nor any other person has, with respect to the Rockyview Parties' business, filed any notice under any Environmental Law reporting past or present treatment, storage or disposal of a Hazardous Material (as defined below) or reporting a Release (as defined below) of a Hazardous Material;

(v) no encumbrance for: (A) any liability under Environmental Laws; or (B) damages arising from or costs incurred in connection with a Release of a Hazardous Material or other substance into the environment has been filed or is attached to any property or assets of the Rockyview Parties;

(vi) none of the Rockyview Parties has any contingent liability in connection with: (A) the Release or threatened Release into the environment at, beneath or on any property or facility now owned, leased or operated by the Rockyview Parties or, to the knowledge of Rockyview, the Release or threatened Release into the environment at, beneath or on any property or facility previously owned, leased or operated by the Rockyview Parties; or (B) the storage or disposal of any Hazardous Material;

(vii) none of the Rockyview Parties has received any claim, complaint, notice, letter of violation, inquiry or request for information involving any matter which remains unresolved as of the date hereof with respect to any alleged violation of any Environmental Law or regarding potential liability under any Environmental Law relating to operations or conditions of any facility or property (including off-site storage or disposal of any Hazardous Material from such facility or property) currently or formerly owned, leased or operated by the Rockyview Parties;

(viii) no property now owned or leased by the Rockyview Parties is listed on any federal or provincial list as a site requiring investigation or cleanup;

(ix) none of the Rockyview Parties is transporting, has transported or is arranging for the transportation of any Hazardous Material;

(x) there are no sites, locations or operations at which any of the Rockyview Parties is currently undertaking, or has completed, any removal, remedial or response action relating to any disposal or release of Hazardous Materials, as required by Environmental Laws;

(xi) none of the Rockyview Parties owns or operates any underground storage tanks, treatment, storage or disposal facilities or any solid waste disposal facilities; and

(xii) Rockyview has provided Direct with all environmental audits, tests, results of investigations and analyses that have been performed with respect to any property or facility currently or formerly owned, leased or operated by the Rockyview Parties.

(b) All material environmental and health and safety permits, licenses, approvals, consents, certificates and other authorizations of any kind or nature ("**Environmental Permits**") necessary for the ownership, operation, development, maintenance, or use of any of the assets of the Rockyview Parties or otherwise in connection with the business or operations of the Rockyview Parties have been obtained and maintained in full force and effect; each of the Rockyview Parties has complied with all Environmental Permits in all material respects, and there is no action, investigation or proceeding pending or to the knowledge of Rockyview, threatened regarding any Environmental Permit.

(c) The Rockyview Parties and their assets and the ownership, operation, development, maintenance and use thereof are, in all material respects, in compliance with all Environmental Laws and with all terms and conditions of all Environmental Permits, and all prior instances of non-compliance have been fully and finally resolved to the satisfaction of all governmental authorities with jurisdiction over such matters.

(d) As used herein:

(i) "**Environmental Law**" means any requirement pursuant to law, policy or regulation or any order, judgment or decree relating to the protection of human health, safety or the environment or to emissions, discharges or Releases of pollutants, contaminants, or chemicals, or industrial, toxic or hazardous substances or wastes, into the environment (including structures, ambient air, soil, surface water, ground water, wetlands, land or subsurface strata), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes, including petroleum and petroleum products and byproducts;

(ii) "**Hazardous Material**" means any chemicals or other materials or substances that are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", "extremely hazardous wastes", "restricted hazardous wastes", "toxic substances", "pollutants", "contaminants", or words of similar import under any Environmental Law, including radioactive materials (including naturally occurring radioactive materials); and any other chemical, material or substance, the presence of or exposure to which is prohibited, limited or regulated by any governmental or regulatory authority under any Environmental Law; and

(iii) "**Release**" means any actual or threatened release, spill, effluent, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the environment or any structure.

6.14 Reserve Report

The Sproule Report complies in all material respects with the requirements of NI 51-101, (including the requirements of the COGE Handbook (as defined therein)) and has been prepared or audited by a qualified reserves evaluator (determined in accordance with NI 51-101) and the results thereof may be disclosed in accordance with NI 51-101. Rockyview made available to Sproule, prior to the issuance of the Sproule Report, for the purpose of preparing the Sproule Report, all information requested by Sproule, which information, taken as a whole, did not contain any misrepresentation at the time such information was provided. Rockyview has no knowledge of a material adverse change in the information, taken as a whole, provided to Sproule since the date that such information was provided. Rockyview believes that the Sproule Report reasonably presented the quantity and pre-tax present worth of oil, natural gas, coal bed methane and natural gas liquids reserves of Rockyview as at December 31, 2006 based upon information available at the time the Sproule Report was prepared and the assumptions as to commodity prices and costs contained therein. The Disclosure Letter contains a summary of the results of the most recent mechanical update of the Sproule Report, and Rockyview believes that such mechanical update reasonably presents the quantity and pre-tax present worth of oil, natural gas, coal bed methane and natural gas liquids reserves of Rockyview as at September 1, 2007 based on information available at the time the Sproule Report (as updated by such mechanical update) was prepared and the assumptions as to commodity prices and costs contained therein.

6.15 Tax Matters

(a) For purposes of this Section 6.15, the following definitions shall apply:

(i) The term "**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, provincial, 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), capital, payroll and employee withholding taxes, labour taxes, employment insurance, social insurance taxes, sales and use taxes, ad valorem taxes, value added 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 Rockyview is required to pay, withhold or collect; and

(ii) The term "**Returns**" shall mean all reports, estimates, declarations of estimated tax, information statements and returns relating to, or required to be filed in connection with, any Taxes.

(b) All Returns required to be filed by or on behalf of the Rockyview Parties have been duly filed on a timely basis and such Returns were complete and correct in all material respects. 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 and to the knowledge of Rockyview, no other Taxes are payable by the Rockyview Parties with respect to items or periods covered by such Returns.

(c) Each of the Rockyview Parties has paid or provided adequate accruals for Taxes as at December 31, 2006 in its financial statements as at and for the year ended December 31, 2006, in conformity with Canadian GAAP applied on a basis consistent with those of prior years.

(d) No material deficiencies exist or have been asserted against the Rockyview Parties with respect to Taxes. None of the Rockyview Parties is a party to any action or proceeding for assessment or collection of Taxes, nor has such event been asserted or to Rockyview's knowledge threatened against the Rockyview Parties or any of their respective assets. No waiver or extension of any statute of limitations is in effect with respect to Taxes or Returns of the Rockyview Parties. Other than as described in the Disclosure Letter, there is no audit in process, pending or, to the knowledge of Rockyview, threatened by a Governmental Authority or taxing authority relating to the Returns of the Rockyview Parties.

(e) Each of the Rockyview Parties 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 Tax Act, all amounts required by law and will continue to do so until the Expiry Time and has remitted such withheld amounts within the prescribed periods to the appropriate Governmental Authority. Each of the Rockyview Parties has remitted all Canada Pension Plan contributions, employment insurance premiums, 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. Each of the Rockyview Parties 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 the Rockyview Parties, as the case may be.

(f) To Rockyview'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 and its subsidiaries hydrocarbon substances, or the receipt of proceeds therefrom, payable in respect of the Rockyview Parties oil and gas assets prior to the date hereof have been properly and fully paid and discharged in all material respects, and there are no unpaid Taxes or assessments which could result in a lien or charge on its or its subsidiaries oil and gas assets.

6.16 Debt and Working Capital

At November 12, 2007, Rockyview's Net Debt did not exceed $34.5 million. "**Rockyview's Net Debt**" means total indebtedness, including long-term debt and bank debt (excluding hedging obligations), less cash and cash equivalents. At September 30, 2007, Rockyview's working capital (calculated as current assets (other than cash and cash equivalents) less current liabilities, in each case as determined in accordance with Canadian GAAP) was not less than $260,000.

6.17 Production

Rockyview's average daily production for the month of September 2007 was not less than 2,660 BOE per day. To the best of Rockyview's knowledge based on information available on the date of this Agreement, Rockyview estimates that the average daily production for the month of October 2007 was not less than 2,700 BOE per day.

6.18 Tax Pools

As at September 30, 2007, Rockyview's Canadian and Alberta tax pools were not less than as set forth in the Disclosure Letter.

6.19 Financial Commitments

Except for operating costs incurred in the ordinary course of business, as of the date hereof, the Rockyview Parties' outstanding authorities for expenditures or other financial commitments in respect of the Rockyview Interests do not exceed $5.25 million in the aggregate.

6.20 No Default Under Lending Agreements

No event of default or event that, with the passage of time or the giving of notice would be an event of default or other breach of any covenant has occurred and is continuing under Rockyview's existing banking and lending agreements.

6.21 Flow Through Obligations

Rockyview has not entered into any agreements or made any covenants with any parties with respect to the issuance of "flow-through" shares or the incurring and renunciation of Canadian exploration expense or Canadian development expense, which amounts have not been fully expended and renounced as required thereunder.

6.22 No Shareholders' Rights Protection Plan

Rockyview is not a party to, and prior to the expiry of the Offer, Rockyview will not implement, a shareholder rights plan or any other form of plan, agreement, contract or instrument that will trigger any rights to acquire Rockyview Shares or other securities of Rockyview or rights, entitlements or privileges in favour of any person upon the entering into of this Agreement or the making or consummation of the Offer.

6.23 No Undisclosed Material Liabilities

Rockyview does not have any material liabilities of any nature (matured or unmatured, fixed or contingent), other than:

(a) those set forth or adequately provided for in the most recent balance sheet and associated notes thereto included in the Rockyview Financial Statements (the "**Rockyview Balance Sheet**"); and

(b) those incurred in the ordinary course of business and not required to be set forth in the Rockyview Balance Sheet under Canadian GAAP.

6.24 Material Contracts

Except for Documents of Title, this Agreement and the material agreements listed in the Disclosure Letter, there are no contracts or agreements to which Rockyview or any of its subsidiaries is a party or by which it or its subsidiaries is bound, which is material to Rockyview on a consolidated basis. All such material agreements are valid and subsisting and Rockyview or its subsidiary that is a party thereto, as the case may be, is not in material default under any such agreement.

6.25 Employee Obligations

(a) The aggregate amounts payable by Rockyview and its subsidiaries under any obligations or liabilities of Rockyview or its subsidiaries to pay any amounts to its or its subsidiaries' officers, directors, employees or consultants (other than for salary or directors' fees in the ordinary course, in each case in amounts consistent with historic practices), including obligations of Rockyview to officers, employees or consultants for severance, retention, termination or bonus payments on a change of control of Rockyview pursuant to Rockyview's severance policy, will not exceed $1,484,000.

(b) There are no accrued bonuses payable to any officers, directors or employees of Rockyview or any of its subsidiaries.

(c) the Disclosure Letter contains a schedule containing a list of all of the employees of the Rockyview Parties, the position of each such employee and a summary of each such employees' salary and employment benefits. Such schedule indicates all of the employees of the Rockyview Parties who are executive officers of Rockyview and who will resign their respective positions effective at the Effective Time. The employees of the Rockyview Parties other than such resigning executive officers are referred to herein as the "**Designated Employees**".

6.26 Leases and Other Obligations

None of Rockyview or any of its subsidiaries is a party to any outstanding material leases or office leases pursuant to which any material amount could become payable by virtue of a change of control of Rockyview or otherwise as a result of the completion of the transactions contemplated hereby. Rockyview has provided Direct with true copies of all lease agreements relating to Rockyview's leased premises, and all such leases are described accurately in the Disclosure Letter.

6.27 Processing and Transportation Commitments

None of Rockyview or any of its subsidiaries has any third party processing or transportation agreements or any obligations to deliver sales volumes to any other person that have not been entered into with arms length third parties and in the ordinary course of business of Rockyview. The Disclosure Letter contains a complete list of all such processing and transportation agreements and obligations to deliver sales volumes.

6.28 U.S. Matters

(a) Rockyview is a "foreign private issuer" within the meaning of Rule 405 of Regulation C adopted by the United States Securities and Exchange Commission under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**").

(b) Rockyview is not registered or required to be registered as an investment company under the *Investment Company Act of 1940*.

(c) Rockyview is not incorporated in the United States and the principal offices of Rockyview are not located within the United States.

(d) Rockyview does not hold more than $50 million worth of assets in the United States, measured by fair market value, and has not made aggregate sales in or into the United States exceeding $50 million during its most recent fiscal year.

6.29 Employee Benefit Plans

Other than as described in the Disclosure Letter, Rockyview has no employee benefit plans and has made no agreements or promises in respect of any such plan.

6.30 Litigation, Etc.

Other than as described in the Disclosure Letter, there are no actions, suits or proceedings in existence or pending or, to the knowledge of Rockyview, threatened or for which there is a reasonable basis, affecting or that would reasonably be expected to affect any of the Rockyview Parties or affecting or that would reasonably be expected to affect any of their properties or assets, at law or equity or before or by any Governmental Authority, which action, suit or proceeding involves a possibility of any judgment against or liability of any of the Rockyview

Parties that, would reasonably be expected to impede the ability of Direct and Rockyview to consummate the Offer.

6.31 Transaction Costs

Rockyview's aggregate transaction costs related to the transaction contemplated hereby (including all financial advisory, legal, accounting, engineering, change of control or bonus payments, Employee Obligations and any and all other costs and expenses of Rockyview relating to the transaction contemplated hereby (but, for clarity, excluding the costs of Rockyview's December 31, 2007 engineering evaluation and financial statement audit incurred in the ordinary course) (collectively, "**Transaction Costs**") will not exceed $3,050,000.

6.32 No Guarantees or Indemnities

None of Rockyview or any of its subsidiaries is a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with the by-laws of Rockyview and applicable laws and other than standard indemnities in favour of purchasers of assets in purchase and sale agreements and underwriters and agents in connection with offerings of securities, the financial advisor engaged by Rockyview for purposes of the transactions contemplated hereby, Rockyview's registrar and transfer agent, indemnities and guarantees in favour of Rockyview's bankers and indemnities to support Rockyview's obligations pursuant to agreements entered into in the ordinary course of business), or any other like commitment of the obligations, liabilities (contingent or otherwise) of indebtedness of any other person.

6.33 No Loans

None of the Rockyview Parties has any loans or other indebtedness currently outstanding which have been made to or from any of their shareholders, officers, directors or employees or any other person not dealing at arm's length with Rockyview.

6.34 Work Program

The Disclosure Letter contains an accurate description of the current capital program of the Rockyview Parties until December 31, 2007 (the "**Work Program**"). Rockyview is not aware of any reason why the Work Program cannot be completed substantially as planned.

6.35 No Net Profits or Other Interests

No officer, director, employee or any other person not dealing at arm's length with any of the Rockyview Parties or, to the knowledge of Rockyview, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of the Rockyview Parties or any revenue or rights attributed thereto.

6.36 Production Allowables and Production Penalties.

(a) None of the wells in which any of the Rockyview Parties holds an interest has been produced in excess of applicable production allowables imposed by any applicable law or any governmental authority and the Rockyview Parties do not have any knowledge of any impending change in production allowables imposed by any applicable law or any governmental authority that may be applicable to any of the wells in which any of them holds an interest, other than changes of general application in the jurisdiction in which such wells are situate.

(b) None of the Rockyview Parties has received notice of any production penalty or similar production restriction of any nature imposed or to be imposed by any governmental authority, including gas-oil ratio, off-target and overproduction penalties imposed by the Alberta Energy and Utilities Board, and, to Rockyview's knowledge, none of the wells in which any of the Rockyview Parties holds an interest is subject to any such penalty or restriction.

6.37 Operation and Condition of Wells.

All wells in which any of the Rockyview Parties holds an interest:

(a) for which the Rockyview Parties was or is operator, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and all applicable law; and

(b) for which none of the Rockyview Parties was or is operator, to Rockyview's knowledge, were or have been drilled and, if and as applicable, completed, operated and abandoned in accordance with good and prudent oil and gas industry practices in Canada and all applicable law.

6.38 Operation and Condition of Tangibles.

The tangible depreciable property used or intended for use in connection with the oil and gas assets of the Rockyview Parties:

(a) for which any of the Rockyview Parties was or is operator, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all applicable law during all periods in which a Rockyview Party was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business; and

(b) for which none of the Rockyview Parties was or is operator, to Rockyview's knowledge, was or has been constructed, operated and maintained in accordance with good and prudent oil and gas industry practices in Canada and all applicable law during all periods in which none of the Rockyview Parties was operator thereof and is in good condition and repair, ordinary wear and tear excepted, and is useable in the ordinary course of business.

6.39 Reporting Issuer

Rockyview is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec, Rockyview is in compliance with the applicable securities laws of such jurisdictions, the issued and outstanding Rockyview Shares are listed and posted for trading on the TSX and Rockyview is in compliance with the by-laws, rules and regulations of the TSX. No securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of Rockyview.

6.40 Public Record

The information and statements set forth in the information filed by or on behalf of Rockyview after December 31, 2006 with any securities commission or similar regulatory authority in compliance, or intended compliance, with applicable securities laws (the "**Rockyview Public Record**"), as relates to Rockyview, were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the effective dates of such information or statements, and no material change has occurred in relation to Rockyview which is not disclosed in the Rockyview Public Record, and Rockyview has not filed any confidential material change reports which continue to be confidential. Except as disclosed in the Rockyview Public Record prior to the date of this Agreement, since December 31, 2006 Rockyview has not incurred, assumed or suffered any liability (absolute, accrued, contingent or otherwise) or entered into any transaction, which is or may be material to Rockyview, which was not in the ordinary course of business.

6.41 No Swaps

The Rockyview Parties currently have no outstanding Swaps other than those described in the Disclosure Letter.

6.42 No Unanimous Shareholder Agreement

To its knowledge, none of the Rockyview Parties is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Rockyview.

6.43 Confidentiality Agreements

Rockyview has not negotiated any Acquisition Proposal with any person who has not entered into a confidentiality agreement or provided access to confidential information in respect of Rockyview in relation to any proposed, possible or actual Acquisition Proposal to any person who has not entered into a confidentiality agreement. Rockyview has not amended, modified or provided any consents under such confidentiality agreements or provided any release from, or relaxation of, the obligations under such confidentiality agreements to any of the other parties thereto. Rockyview has not waived the applicability of any "standstill" or other provisions of any confidentiality agreements entered into by Rockyview.

6.44 Restrictions on Business

Other than as described in the Disclosure Letter, there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Rockyview or any of its subsidiaries is a party or by which it or its subsidiaries are otherwise bound that would now or hereafter in any way limit its or its subsidiaries' business or operations in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction preventing Rockyview from engaging in its business or from competing with any person or in any geographic area.

6.45 Collateral Benefits

To the knowledge of Rockyview, no related parties of Rockyview have received or will receive any collateral benefit (as such term is defined for purposes of Ontario Securities Commission Rule 61-501) in connection with the Offer or the transactions contemplated thereby.

6.46 Financial Advisor

Rockyview has not retained nor will it retain any financial advisor, broker, agent or finder or pay, or agree to pay any financial advisor, broker, agent or finder on account of this Agreement, any transaction contemplated hereby or any transaction presently ongoing or contemplated, except for Tristone Capital Inc., and the payment of those fees described in the engagement letter between Rockyview and Tristone Capital Inc. dated August 22, 2007, a true copy of which has been provided to Direct prior to the date hereof. After the payment of such financial obligations to Tristone Capital Inc., Rockyview will not have any continuing obligations to such advisor other than those related to indemnification, confidentiality and the payment of expenses. Rockyview agrees that is shall not agree to amend the letter agreement with Tristone Capital Inc. without the prior written consent of Direct.

6.47 Outstanding Acquisitions or Dispositions

Other than as described in the Disclosure Letter, none of the Rockyview Parties has any rights to purchase any assets, properties or undertakings of third parties nor any obligation to sell assets, properties or undertakings under any agreements to purchase or sell that have not closed.

6.48 Insurance

Policies of insurance in force as of the date hereof naming Rockyview as an insured adequately cover all risks reasonably and prudently foreseeable in the operation and conduct of the business of Rockyview and its subsidiaries to the extent customary in respect of the business carried on by the Rockyview Parties. All such policies of insurance shall remain in force and effect in accordance with their terms following the execution and delivery of this Agreement and shall not be cancelled or otherwise terminated as a result of the transactions contemplated hereby or by the Offer.

6.49 <u>Transferred Information</u>

Rockyview: (i) has provided all necessary notices to and has obtained all necessary consents from each individual to which the Transferred Information relates for the collection, use and disclosure of such information for the purposes for which such information is currently and was historically collected, used and disclosed by Rockyview and for the completion of the transactions contemplated herein; and (ii) has not received notice, or has reason to believe, that any such consent has been withdrawn or varied. The Transferred Information is necessary for, and solely relates to, the completion of the transactions as contemplated herein, including the determination to complete such transactions.

ARTICLE 7
INTERIM OPERATIONS

7.1 <u>Conduct of Business</u>

During the period from the date of execution of this Agreement and ending on the earlier of the Effective Time and the termination of this Agreement, except with the prior written consent of Direct, and except as otherwise required by law or expressly permitted or specifically contemplated by this Agreement:

(a) Rockyview covenants and agrees that its business 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), and it shall use all commercially reasonable efforts to maintain and preserve its business, assets and advantageous business relationships. Rockyview shall consult with Direct in respect of its ongoing business and affairs and keep Direct apprised of all material developments relating thereto;

(b) Rockyview 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 securities; (iii) issue (other than on exercise of currently outstanding options or warrants to acquire common shares of Rockyview), grant, sell or pledge or agree to issue, grant, sell or pledge any securities of Rockyview, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, securities of Rockyview; (iv) redeem, purchase or otherwise acquire any of its outstanding securities, except as permitted pursuant to the terms thereof or as permitted in accordance with or contemplated by this Agreement; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of Rockyview; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing except as otherwise permitted or contemplated by this Agreement;

(c) Rockyview will not, and will not permit any of its subsidiaries to, directly or indirectly, do any of the following other than as contemplated by this Agreement or pursuant to commitments entered into prior to the date of this Agreement and disclosed to the other party in writing or otherwise disclosed to the other party, without the prior consent of the other party, such consent not to be unreasonably withheld: (i) sell, pledge, dispose of or encumber any assets except for production in the ordinary course of business, for a consideration in excess of $75,000 individually or $150,000 in the aggregate; (ii) expend or commit to expend amounts in respect of capital expenses in excess of $75,000 individually or $150,000 in the aggregate, excluding certain expenditures which may be agreed to, from time to time, by Direct in writing, which for greater certainty, shall not be subject to the covenants set forth in this Section 7.1(c); (iii) reorganize, amalgamate, merge or otherwise continue with any other person, corporation, partnership or other business organization whatsoever; (iv) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or, except for investments in securities made in the ordinary course of business, make any investment, either by purchase of shares or securities, contributions of capital (other than to subsidiaries), property transfer, or, except in the ordinary course of business, purchase any property or assets of any other individual or entity, in each case having a value in excess of $75,000 individually or $150,000 in the aggregate; (v) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligation of any other individual or entity, or make any loans or advances, in each case except in the ordinary course of business pursuant to its existing credit facility or otherwise, in excess of $75,000 individually or $150,000 in the aggregate; (vi) pay, discharge or satisfy any material claims, liabilities or obligations other than as reflected or reserved against in Rockyview's published financial statements or as contemplated by item (v) above; (vii) enter into any hedges, Swaps or other financial instruments or like transactions; (viii) enter into any agreements for the sale of production having a term of more than 30 days; (ix) enter into any employment, consulting or contract operating agreement that cannot be terminated on 30 days or less notice without penalty; (x) conduct its exploration and production activities other than as substantially set forth in the Work Program; (xi) enter into any agreements settling the rights of the Rockyview Parties to any coal bed methane which is or may potentially be in dispute; or (xii) 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) Rockyview shall not adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement or arrangements for the benefit of employees, except as is necessary: (i) to comply with applicable law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements; or (ii) to accelerate vesting of Rockyview Options;

(e) Rockyview shall not grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers, employees or consultants, nor adopt or amend (other than to permit accelerated vesting of Rockyview Options and Rockyview Warrants) or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, or form a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with applicable law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements or to accelerate vesting of Rockyview Options and Rockyview Warrants;

(f) Rockyview shall use its reasonable commercial efforts to cause its current insurance (or re-insurance) 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;

(g) Rockyview shall notify Direct in writing of any material change (actual, anticipated, contemplated or, to its knowledge threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, and shall in good faith discuss with Direct any change in circumstances (actual, anticipated, contemplated, or to its knowledge threatened) which is of such a nature that there may be a reasonable question as to whether notice need be given to the other party pursuant to this provision; and

(h) Rockyview 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 Article 11 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.

7.2 Access to Information and Integration of Operations

From and after date of this Agreement, Rockyview agrees to provide to Direct all information relating to its business and affairs as are reasonably requested by Direct and its Representatives from time to time and Direct and its Representatives will be permitted reasonable access to Rockyview's management personnel, Rockyview's premises, field operations, records, computer systems, properties, books, contracts and employees to permit Direct to be in a position to expeditiously integrate the business and operations of Rockyview with those of Direct immediately upon, but not prior to, the Effective Time, provided that the activities of Direct pursuant to this Section 7.2 do not cause any unreasonable disruptions to Rockyview's business or operations prior to the Effective Time. Rockyview will conduct itself so as to keep Direct fully informed as to its business affairs and the decisions required with respect to the most advantageous methods of exploring, operating and producing from its assets and shall cooperate with Direct in respect thereof. Direct agrees that all information provided under this Section 7.2 shall be treated as if it were confidential and shall not be disclosed or used except to the extent required by applicable laws or in order to enforce its rights under this Agreement.

ARTICLE 8
COVENANTS OF ROCKYVIEW

8.1 Notice of Material Change

From the date hereof until the date that this Agreement is terminated, Rockyview shall promptly notify Direct in writing of:

(a) any material change (actual, anticipated, contemplated or, to the knowledge of Rockyview, threatened, financial or otherwise) in the business, affairs, financial condition, prospects, operations, assets, liabilities (contingent or otherwise) or capital of Rockyview (on a consolidated basis);

(b) any change in the factual basis for any representation or warranty set forth in Article 6, where such a change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or

(c) any material fact in respect of Rockyview which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.

Rockyview shall, in good faith, discuss with Direct any change in circumstances (actual, anticipated, contemplated or, to the knowledge of Rockyview, threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Direct pursuant to this Section.

8.2 Board of Directors of Rockyview

Immediately following the Effective Time, the Board of Directors of Rockyview shall be reconstituted through the resignations of all existing directors of Rockyview (other than the Specified Directors or as may otherwise be agreed to by Direct) and the appointment of Direct nominees in their stead. Rockyview shall, in accordance with the foregoing and subject to the provisions of the Act, assist Direct to secure the resignations of such directors of Rockyview to be effective at such time as may be required by Direct and to use its best commercial efforts to cause the appointment of the Direct nominees to fill the vacancies so created in order to effect the foregoing without the necessity of a shareholder meeting. Any directors and officers of Rockyview who resign or are otherwise removed from office following completion of the Offer will be provided with releases from Rockyview in a form acceptable to such directors and officers, acting reasonably.

8.3 Use of Rockyview Financial Statements

Rockyview shall make available to Direct, and consents to the use of, all financial statements and other information of Rockyview which may be required to be disclosed in the Offer or in any other Direct documents including any proxy statement or prospectus of Direct or pursuant to a Second Stage Transaction, and any amendments thereto, as required under Securities Laws. Such financial statements shall be prepared in accordance with Canadian GAAP. If required by Securities Laws, such financial statements shall be audited or reviewed, as the case may be, by Rockyview's auditors. Rockyview shall use reasonable commercial efforts to have its auditors, to the extent required by Securities Laws, provide the consent to the use of their report and the use of their name in connection with any disclosure by Direct of such financial statements.

ARTICLE 9
COVENANTS OF DIRECT

9.1 Certain Covenants of Direct

Direct covenants and agrees that, during the period from the date of this Agreement until the date this Agreement is terminated, unless Rockyview shall otherwise agree in writing or as otherwise expressly permitted or specifically contemplated by this Agreement, Direct shall not take any action or permit any of its subsidiaries to 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.

9.2 Run Off Insurance

Direct agrees that Rockyview shall be entitled to secure, at a cost not to exceed $75,000, directors' and officer's liability insurance for Rockyview's present and former directors and officers, covering claims made prior to and within three years after the Effective Time and on a "trailing" or "run off" basis, which has scope and coverage substantially equivalent in scope and coverage to that provided by Rockyview's current director's and officer's insurance policy.

Direct agrees to maintain such insurance in place and agrees not to take any action, or to cause Rockyview to take any action, to terminate such directors' and officers' liability insurance or any indemnity agreements in favour of current or former directors and officers of Rockyview that are in place as at the date hereof and in the form disclosed to Direct prior to the date hereof. Alternatively, Direct may notify Rockyview prior to the Effective Time that such insurance coverage (on equivalent terms and conditions, such terms and conditions to be not materially less favourable to Rockyview's directors and officers than Rockyview's current director's and officer's insurance policy) is to be provided under Direct's officer's and directors' liability insurance, in which case the foregoing shall apply *mutatis mutandis* to Direct's coverage in respect thereof. The provisions of this Section 9.2 and Section 9.3 are intended for the benefit of present and former directors and officers of Rockyview, as and to the extent applicable in accordance with its terms, and shall be enforceable by each of such persons and his heir, executors, administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and Rockyview and any successor to Rockyview shall hold the rights and benefits under this section in trust for and on behalf of the Third Party Beneficiaries and Rockyview hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries and which rights are in addition to and not in substitution for any other rights the Third Party Beneficiaries may have by contract or otherwise.

9.3 Indemnities

If Direct acquires the Minimum Required Shares under the Offer, it will not take any action to terminate or materially adversely affect any indemnity agreements or right to indemnity in favour of past or present officers and directors of Rockyview pursuant to the provisions of the articles, by laws or similar constating documents of Rockyview or written indemnity agreements between Rockyview and its past and present directors and officers or any indemnity agreements in favour of current directors and officers of Rockyview that are in place as at the date hereof and in the form disclosed to Direct prior to the date hereof.

9.4 Availability of Funds

Direct covenants and agrees that at all times while the Offer is outstanding, it shall not take any action, or fail to take any action, that would or could result in any representation and warranty set out in Section 5.6 being untrue at any time while the Offer is outstanding.

9.5 Other Covenants

Direct covenants and agrees that, from and including the date hereof until the termination of this Agreement, unless Rockyview agrees otherwise in writing;

(a) it shall use its reasonable commercial efforts to consummate the Offer, subject only to the terms and conditions hereof and thereof;

(b) it shall use its reasonable commercial efforts to obtain all of the regulatory approvals, waivers and consents set out in paragraph (b) of Schedule A; and

(c) it shall cause Rockyview to pay each Designated Employee an amount immediately following the Effective Time equal to 50% of the severance that such Designated Employee is entitled to and, in the event that the employment of any Designated Employee is not continued with Rockyview, Direct or any affiliate of Direct following the Effective Time, or is terminated on or before December 31, 2008, it shall cause Rockyview to pay the remaining 50% of such severance amount to each such Designated Employee, provided that, for greater certainty, no such severance amount shall be paid to any Designated Employee who refuses to accept such continued employment (provided that the terms of such continued employment are comparable to such employee's current terms in relation to compensation, title, recognition of years of service, benefits and vacation, and is reasonably comparable to such employee's current job responsibilities having regard to the relative size of Direct and Rockyview), who voluntarily resigns from Rockyview, or who is terminated with just cause.

ARTICLE 10
MUTUAL COVENANTS

10.1 <u>Non-Solicitation</u>

(a) Rockyview shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any of its Representatives on its behalf), if any, with any other person 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 which have entered into a confidentiality agreement with such party relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.

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

(i) solicit, facilitate, initiate or encourage or take any action to solicit, facilitate or encourage any inquiry or communication or the making of any proposal or offer to Rockyview or its securityholders 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 Rockyview or its securityholders of any securities of Rockyview or its subsidiaries (other than on exercise of currently outstanding options, warrants or other convertible securities); (ii) any acquisition of a significant amount of assets of Rockyview or any of its subsidiaries; (iii) an amalgamation, arrangement, merger or consolidation involving Rockyview or its subsidiaries; or (iv) any Take-Over Proposal, take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving Rockyview or any of 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 which would or could reasonably be expected to materially reduce the benefits to the other party hereto under this Agreement (any such inquiry or proposal in respect of any of the foregoing being referred to herein as an "**Acquisition Proposal**");

(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 its business, properties, operations, prospects 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, Rockyview and its Representatives may:

(v) enter into or participate in any negotiations or discussions with a third party who (without any solicitation, initiation or encouragement, directly or indirectly, after the date of this Agreement, by Rockyview or any of its Representatives) seeks to engage in such negotiations or discussions and, subject to execution of a confidentiality agreement having terms and provisions substantially similar to the Confidentiality Agreement (provided that such confidentiality agreement shall provide for disclosure thereof (along with all information provided thereunder) to the other party hereto as set out below), may furnish to such third party information concerning Rockyview 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 which the Board of Directors of Rockyview determines in good faith: (i) is funded, in that funds or other consideration necessary for the Acquisition Proposal are or are likely to be available and (ii) in the case of Rockyview (after consultation with its financial advisor) would, if consummated in accordance with its terms, result in a transaction financially superior for the securityholders of Rockyview than the Offer (in its then current form) and is reasonably likely to be carried out in a reasonable timeframe taking into account all financial, regulatory and other aspects of such proposal (including the ability of the proposing party to consummate the proposed Acquisition Proposal), and the Board of Directors of Rockyview further determines, after receiving the advice of outside counsel, as reflected in minutes of the Board of Directors of Rockyview, that the taking of such action is necessary for the Board of Directors in discharge of its fiduciary duties under applicable laws (any such bona fide Acquisition Proposal being herein referred to as a "**Superior Proposal**"); and

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

(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, the Board of Directors of Rockyview shall have concluded in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 10.1(c) and after receiving the advice of outside counsel as reflected in the minutes of the Board of Directors of Rockyview, that the taking of such action is necessary for the Board of

Directors in discharge of its fiduciary duties under applicable laws and Rockyview complies with its obligations set forth in Section 10.1(c) and terminates this Agreement in accordance with Section 12.1(j) and concurrently therewith pays the amount required by Section 11.1 to Direct.

(c) If Rockyview receives a Superior Proposal, Rockyview shall give Direct, 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 include a copy of the Superior Proposal, including the identity of the third party making the Superior Proposal. During such 72 hour period, Rockyview 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 Offer. In addition, during such 72 hour period, Rockyview shall and shall cause its financial and legal advisors to, negotiate in good faith with Direct and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Offer as would enable Rockyview to proceed with the Offer as amended rather than the Superior Proposal. In the event Direct proposes to amend this Agreement and the Offer to provide that the Rockyview Shareholders shall receive a value per Rockyview Share equal to or greater than the value per Rockyview Share provided in the Superior Proposal and so advises the Board of Directors of Rockyview prior to the expiry of such 72 hour period, the Board of Directors of Rockyview 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 Offer.

(d) Direct agrees that all information that may be provided to it by Rockyview with respect to any Superior Proposal pursuant hereto shall be treated as if it were confidential and shall not be disclosed or used except to the extent required by applicable laws or in order to enforce its rights under this Agreement in legal proceedings.

(e) Rockyview shall ensure that its Representatives retained by it are aware of this Section 10.1. Rockyview shall be responsible for any breach of this Section 10.1 by any of its Representatives.

10.2 <u>Other Filings</u>

Direct and Rockyview shall, as promptly as practicable hereafter, prepare and file any documents required under any Securities Laws, Corporate Laws or any other applicable law relating to the Offer and the transactions contemplated thereby.

10.3 <u>Additional Agreements</u>

Subject to the terms and conditions set out in this Agreement and to fiduciary obligations under applicable laws, each of the parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including using commercially reasonable efforts: (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts (including, without limitation, the agreement of any persons as may be required pursuant to any agreement, arrangement or understanding relating to Rockyview's operations); (ii) to obtain all necessary consents, approvals and authorizations as are required to be obtained under any federal, provincial or foreign law or regulations; (iii) to defend all lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated hereby; (iv) to cause to be lifted or rescinded any injunction or restraining order or other order adversely affecting the ability of the parties to consummate the transactions contemplated hereby; (v) to effect all necessary registrations and other filings and submissions of information requested by governmental authorities; and (vi) to fulfill all conditions and satisfy all provisions of this Agreement and the Offer. For purposes of the foregoing, the obligation to use "commercially reasonable efforts" to obtain waivers, consents, approvals and authorizations to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

ARTICLE 11
NON-COMPLETION FEES

11.1 <u>Direct Non-Completion Fee</u>

Rockyview shall pay to Direct a fee (the "**Direct Non-Completion Fee**") equal to $4,000,000 if, at any time after the date of execution of this Agreement and prior to the termination of this Agreement (and provided that there is no material breach or non performance by Direct of a provision of this Agreement) any of the following occur:

(a) the Board of Directors of Rockyview: (i) fails to recommend that holders of Rockyview Shares accept the Offer, (ii) withdraws, modifies or changes any of its recommendations, approvals, resolutions or determinations in respect of the Offer in a manner adverse to the Offer or to Direct, or shall have resolved to do so prior to the Effective Date, or (iii) fails to reaffirm any of its recommendations, approvals, resolutions or determinations in respect of the Offer upon request from time to time by Direct to do so, or upon an Acquisition Proposal being publicly announced in respect of Rockyview or proposed, offered or made to Rockyview or the holders of Rockyview Shares, within three Business Days of such request being made or such Acquisition Proposal being publicly announced, proposed, offered or made, which ever occurs first;

(b) the Board of Directors of Rockyview shall have recommended that holders of Rockyview Shares deposit their Rockyview Shares under, or vote in favour of, or otherwise accept an Acquisition Proposal;

(c) prior to the Expiry Time, an Acquisition Proposal is publicly announced or made to all or substantially all holders of Rockyview Shares and, at the Expiry Time, the Minimum Condition has not been satisfied and such Acquisition Proposal (or another Acquisition Proposal) is subsequently completed within six months of the Expiry Time;

(d) Rockyview accepts, recommends, approves or enters into any agreement with any person to implement an Acquisition Proposal prior to the Expiry Time (other than a confidentiality agreement contemplated by Section 10.1(b)(v));

(e) Rockyview is in breach of one or more of its covenants made in this Agreement which individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change in respect of Rockyview or to materially impede the completion of the transaction contemplated hereby, and Rockyview fails to cure such breach within five Business Days after receipt of written notice thereof from Direct (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date); or

(f) Rockyview is in breach of any of its representations or warranties made in this Agreement (without giving effect to any materiality qualifiers contained therein), which breach individually or in the aggregate causes or would reasonably be expected to cause a Material Adverse Change in respect of Rockyview or to materially impede the completion of the transaction contemplated hereby, and Rockyview fails to cure such breach within five Business Days after receipt of written notice thereof from Direct (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date).

Rockyview agrees that the Direct Non-Completion Fee will be paid forthwith upon the occurrence of any such event and in any event within two (2) Business Days of the date of the earliest of such event to occur. On the date of the earliest event described above in this Section 11.1, Rockyview shall be deemed to hold such sum in trust for Direct. For greater certainty, Rockyview shall only be required to make one payment pursuant to this Section 11.1.

11.2 Expense Reimbursement

If at the Expiry Time Rockyview's largest beneficial shareholder (together with its affiliates) has not tendered its Rockyview Shares to the Offer and the Minimum Required Shares have not been tendered to the Offer, Rockyview shall pay to Direct an amount not to exceed \$375,000 to compensate Direct for its reasonable third party costs and expenses in connection with this Agreement and the transactions and activities contemplated hereby. Such third party costs and expenses shall be paid immediately upon receipt of an invoice therefor.

ARTICLE 12
TERMINATION, AMENDMENT AND WAIVER

12.1 Termination

Subject to Section 12.2, this Agreement may be terminated by written notice given to the other party hereto, at any time prior to the Take-up Date:

(a) by mutual written agreement of Direct and Rockyview;

(b) by either Direct or Rockyview, if a court of competent jurisdiction or a governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting the making or consummation of the Offer and such order, decree, ruling or other action shall have become final;

(c) by Direct, if the conditions to making the Offer in Section 2.1(e) are not satisfied or waived prior to the time specified therein, if applicable, or, if not specified, by the time that the Offer is required to be made;

(d) by Rockyview, if Direct has not mailed the Offer Documents to holders of Rockyview Shares prior to 11:59 p.m. (Calgary time) on December 3, 2007, or such later date as Rockyview may agree to;

(e) by Rockyview, if the conditions to the Offer have all been satisfied but Direct has not taken up and paid for the Rockyview Shares deposited under the Offer on or before the Outside Date, unless the failure of Direct to take up and pay for the Rockyview Shares arises as a result of a breach by Rockyview of any material covenant or obligation under this Agreement or as a result of any material representation or warranty of Rockyview in this Agreement being untrue or incorrect;

(f) by either Direct or Rockyview, if the Offer terminates or expires at the Expiry Time without Direct taking up and paying for any of the Rockyview Shares as a result of the failure of any condition to the Offer to be satisfied or waived, unless the failure of such condition shall be due to the failure of the party seeking to terminate this Agreement to perform the obligations required to be performed by it under this Agreement;

(g) by Rockyview, if Direct is in breach of one or more of its covenants made in this Agreement which individually or in the aggregate causes or would reasonably be expected to materially impede the completion of the transaction contemplated hereby, and Direct fails to cure such breach within five Business Days after receipt of written notice thereof from Rockyview (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);

(h) by Rockyview, if Direct is in breach of any of its representations or warranties made in this Agreement (without giving effect to any materiality qualifiers contained therein), which breach individually or in the aggregate causes or would reasonably be expected to materially impede the completion of the transaction contemplated hereby, and Direct fails to cure such breach within five Business Days after receipt of written notice thereof from Rockyview (except that no cure period shall be provided for a breach which by its nature cannot be cured and, in no event, shall any cure period extend beyond the Outside Date);

(i) by Direct, if the Direct Non-Completion Fee becomes payable;

(j) by Rockyview, if the Direct Non-Completion Fee becomes payable and payment thereof is made to Direct; or

(k) by Direct if a Material Adverse Change in respect of Rockyview shall have occurred.

12.2 <u>Effect of Termination</u>

In the event of the termination of this Agreement as provided in Section 12.1, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Direct or Rockyview hereunder, except for obligations as set out under Sections 11.1, 11.2, 13.4 and this Section 12.2 (provided that, in the case of Sections 11.1 and 11.2 the right of payment (for purposes of this Section 12.2, the right of payment associated with Section 11.1(c) shall be deemed to be public announcement, offering or making of any Acquisition Proposal contemplated thereby) occurred prior to termination of this Agreement), which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any party from liability for any breach of this Agreement accruing prior to termination.

12.3 <u>Amendment</u>

This Agreement may be amended by mutual agreement between the parties. This Agreement may not be amended except by an instrument in writing signed by the parties.

12.4 <u>Waiver</u>

Either of Direct or Rockyview may (i) extend the time for the performance of any of the obligations or other acts of the other, (ii) waive compliance with any of the other's agreements or the fulfillment of any conditions to its own obligations contained herein or (iii) waive inaccuracies in any of the other's representations or warranties contained herein or in any document delivered by the other party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party.

ARTICLE 13
GENERAL PROVISIONS

13.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile or sent by prepaid courier to the parties at the following addresses (or at such other addresses as shall be specified by the parties by like notice):

(a) if to Rockyview:

Rockyview Energy Inc.
2250, 801 6th Avenue S.W.
Calgary, Alberta T2P 3W2

Attention: Steven Cloutier
Facsimile No.: (403) 538-5050

with a copy to:

Burnet, Duckworth & Palmer LLP
1400, 350 - 7th Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: Fred D. Davidson
Facsimile No.: (403) 260-0332

(b) if to Direct:

Direct Energy Marketing Limited
1000, 111-5th Avenue S.W.
Calgary, Alberta T2P 3Y6

Attention: Niall A. Armstrong
Facsimile No.: (403) 290-6780

with a copy to:

Blake Cassels & Graydon LLP
855 - 2nd Street S.W.
Suite 3500, Bankers Hall East Tower
Calgary Alberta T2P 4J8

Attention: Mungo Hardwicke-Brown
Facsimile No.: (403) 260-9700

13.2 Miscellaneous

This Agreement: (i) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the parties, with respect to the subject matter hereof; and (ii) shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. The parties shall be entitled to rely upon delivery of an executed facsimile copy of this Agreement, and such facsimile copy shall be legally effective to create a valid and binding agreement between the parties. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement is not performed in accordance with its specific terms or is otherwise breached. It is accordingly agreed that each of the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the Province of Alberta having jurisdiction, this being in addition to any other remedy to which a party is entitled at law or in equity.

13.3 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the parties without the prior written consent of the other party. Direct may assign all and not less than all of its rights or obligations under this Agreement to a direct or indirect wholly-owned subsidiary of Direct or an affiliate of Direct, provided that if such assignment takes place, Direct shall continue to be liable to Rockyview for any default in performance by the assignee.

13.4 Confidentiality

None of the parties hereto will make any disclosure of this Agreement or its contents, or any related discussions between the parties hereto to any third parties without the prior written consent of the other parties hereto provided however that such disclosure may be made, after consultation with the other parties, in response to requirements of applicable law or the policies, rules or requirements of securities regulatory authorities or stock exchanges.

13.5 Expenses

Except as provided in Sections 11.1 and 11.2, all fees, costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such cost or expense, whether or not the Offer is consummated.

13.6 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.7 Counterpart Execution

This Agreement may be executed in any number of counterparts and each such counterpart shall be deemed to be an original instrument and all such counterparts, when taken together, shall constitute one agreement.

13.8 Privacy Matters

(a) Rockyview covenants and agrees to advise Direct of all purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and all additional purposes where Rockyview has notified the individual of such additional purpose, and where required by law, obtained the consent of such individual to such use or disclosure.

(b) Direct covenants and agrees to:

(i) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including the determination to complete such transactions;

(ii) after the completion of the transactions contemplated herein:

(A) collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless:

(I) Rockyview or Direct has first notified such individual of such additional purpose, and where required by law, obtained the consent of such individual to such additional purpose, or

(II) such use or disclosure is permitted or authorized by law, without notice to, or consent from, such individual;

(B) where required by law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to Direct, and

(C) return or destroy the Transferred Information, at the option of Rockyview, should the transactions contemplated herein not be completed.

13.9 Alternate Form of Transaction

Notwithstanding any other provision of this Agreement, if Direct and Rockyview agree, acting reasonably that it would be mutually beneficial that the business combination contemplated by this Agreement will be effected by means of a statutory plan of arrangement (solely of Rockyview), instead of pursuant to the Offer, Direct and Rockyview will use their best efforts to prepare and enter into an arrangement agreement (on terms and conditions standard and customary for statutory plans of arrangement of this type), as soon as reasonably practicable thereafter, which agreement will contain, to the fullest extent practicable, the same terms and conditions as are contained in this Agreement, modified only as required to give effect to the alternate form of transaction to be used to effect the foregoing business combination.

IN WITNESS WHEREOF, Direct and Rockyview have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

DIRECT ENERGY MARKETING LIMITED

Per: Signed "*Wes Morningstar*"

ROCKYVIEW ENERGY INC.

Per: Signed "*Alan MacDonald*"

SCHEDULE A

CONDITIONS TO THE OFFER

Capitalized terms used in this Schedule A have the meanings set forth in the attached Pre-Acquisition Agreement dated November 14, 2007 (the "**Agreement**") between Direct Energy Marketing Limited and Rockyview Energy Inc., except that the term "Offeror" shall be deemed to refer to Direct or its permitted assignee under the Agreement.

Notwithstanding any other provision of the Offer, but subject to the provisions of the Agreement, the Offeror reserves the right to withdraw or terminate the Offer and not take up and pay for, or to extend the period of time during which the Offer is open and postpone taking up and paying for, any Rockyview Shares deposited under the Offer unless all of the following conditions are satisfied or waived by the Offeror:

(a) at the Expiry Time, and at the time the Offeror first takes up Rockyview Shares under the Offer, there shall have been validly deposited under the Offer and not withdrawn at least 66 2/3% of the outstanding Rockyview Shares (calculated on a diluted basis), excluding Rockyview Shares that may not be included as part of any minority approval required in respect of a Second Stage Transaction;

(b) all government and regulatory approvals, orders, rulings, exemptions and consents (including, without limitation those of any stock exchanges or other securities or regulatory authorities) which, in the sole judgment of Direct, acting reasonably, are necessary, shall have been obtained on terms and conditions satisfactory to Direct in its sole judgment, acting reasonably, and shall be in full force and effect, and any and all other applicable waiting periods under any competition, merger control or similar laws or regulations or imposed by any governmental authority having jurisdiction over Rockyview, Direct, the Offer or any other transaction contemplated by the Offer with respect to any such matters, shall have expired or been terminated and no objection or opposition shall have been filed, initiated or made during any applicable statutory or regulatory period;

(c) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission by any elected or appointed public official or by any private person in Canada or elsewhere, whether or not having the force of law, and no law, regulation or policy (including applicable tax laws and regulations in those jurisdictions in which Rockyview carries on business) shall have been proposed, enacted, promulgated, amended or applied, which in any case, in the sole judgment of the Offeror, acting reasonably:

    (i) has the effect or may have the effect to cease trade, enjoin, prohibit or impose material limitations, damages or conditions on the purchase by, or the sale to, the Offeror of the Rockyview Shares or the right of the Offeror to own or exercise full rights of ownership of the Rockyview Shares;

(ii) has had, or if the Offer was consummated would result in, a Material Adverse Effect on Rockyview or would have material adverse effect on the financial condition, operations, assets, liabilities, or business of the Offeror (on a consolidated basis) or the Offeror's ability to complete the Offer, as determined by the Offeror, acting reasonably; or

(iii) may have a material adverse effect on the completion of any compulsory acquisition or any amalgamation, statutory arrangement or other transaction involving the Offeror or an affiliate of the Offeror (or both) and Rockyview or the holders of Rockyview Shares (or both), which Direct (or any affiliate) may wish to undertake to cause Rockyview to become, directly or indirectly, a wholly-owned subsidiary of the Offeror or to effect a Second Stage Transaction;

(d) the Offeror shall have determined in its sole judgment, acting reasonably, that there shall not exist any prohibition at law against the Offeror making the Offer or taking up and paying for all of the Rockyview Shares under the Offer or completing any compulsory acquisition or Second Stage Transaction in respect of any Rockyview Shares not acquired under the Offer;

(e) the Offeror shall have determined, in its sole judgment, acting reasonably, that (i) Rockyview shall not have breached, or failed to comply with, in any material respect, any of its covenants or other obligations under the Agreement (without giving effect to any materiality qualifiers contained therein), and (ii) all representations and warranties of Rockyview contained in the Agreement shall have been true and correct in all material respects as of the date of the Agreement (without giving effect to any materiality qualifiers contained therein) and shall not have ceased to be true and correct in all material respects thereafter (without giving effect to any materiality qualifiers contained therein), and the Offeror shall have received a certificate to that effect from the President and Chief Executive Officer and the Vice President, Finance and Chief Financial Officer (or other officer reasonably satisfactory to the Offeror) to that effect, provided that Rockyview has been given notice of any misrepresentation, breach or non-performance and five Business Days to cure such misrepresentation, breach or non-performance and has failed to cure any such misrepresentation, breach or non-performance within such five Business Day period;

(f) the Offeror shall have determined in its sole judgment, acting reasonably, that no Material Adverse Change in respect of Rockyview shall exist or shall have occurred;

(g) the Agreement shall not have been terminated or the Offeror shall have determined in its sole judgment, acting reasonably, that such termination shall not affect the ability of the Offeror to consummate the Offer or to complete a compulsory acquisition or Second Stage Transaction or that such termination was not related to any matter that is materially adverse to the business of Rockyview or to the value of the Rockyview Shares to the Offeror;

(h) the Offeror shall in its sole judgment, acting reasonably, be satisfied that there are not more than 24,364,378 Rockyview Shares (plus any Rockyview Shares issuable upon exercise of Rockyview Options and Rockyview Warrants outstanding on the date of this Agreement) outstanding and that not less than 50% of the outstanding Rockyview Options and not less than 50% of the outstanding Rockyview Warrants shall have either been exercised, deemed exercised or terminated or may be terminated or otherwise dealt with on a basis acceptable to the Offeror, acting reasonably, prior to the Offeror taking-up any Rockyview Shares pursuant to the Offer; and

(i) each of the directors and officers of Rockyview (other than the Specified Directors and those otherwise agreed to by Direct) shall have provided their resignations (in the case of directors, in a manner that allows for the orderly replacement of directors) and shall have delivered a release in favour of Rockyview and Direct, effective on the Take-up Date, in form and substance and on such terms as are satisfactory to Direct, acting reasonably.

SCHEDULE B

FORM OF PRE-TENDER AGREEMENT

November 14, 2007

CONFIDENTIAL

____
(Please print full name)

____
(Please print full address, including postal code)

____

Dear Sirs:

Re: Rockyview Energy Inc.

We understand that you (the "**Shareholder**") are the beneficial owner of the number of common shares ("**Rockyview Shares**") of Rockyview Energy Inc. ("**Rockyview**") and hold options ("**Options**") and warrants ("**Warrants**") to purchase Rockyview Shares, each as set forth on the signature page hereof.

Pursuant to a pre-acquisition agreement dated November 14, 2007 (the "**Agreement**") between Rockyview and Direct Energy Marketing Limited ("**Direct**"), Direct proposes to acquire all of the issued and outstanding Rockyview Shares (the "**Transaction**") on a fully diluted basis. Once all tax, corporate and securities law matters are considered, Direct and Rockyview may determine to proceed with the Transaction other than by way of offer to acquire or take-over bid ("**Offer**") and any such alternative form of business combination may include a plan of arrangement, amalgamation or other transaction (a "**Business Combination**").

In consideration for Direct entering into the Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows.

1. **The Transaction**

Direct will, subject to applicable conditions set out in the Agreement, make the Offer on the basis of $3.16 in cash for each Rockyview Share.

1.1 The Agreement contemplates that Direct and Rockyview may enter into an arrangement agreement (the "Arrangement Agreement") in respect of the Transaction under certain circumstances as described in the Agreement and in such event the provisions hereof shall be modified as necessary having regard to the terms of the Arrangement Agreement.

1.2 Notwithstanding the foregoing, the completion of the Transaction is subject to various conditions as set forth in the Agreement (and to be contained in the Arrangement Agreement if so entered), which conditions are for the benefit of Direct or Rockyview (or both), which Direct or Rockyview (or both) has the right to waive, in whole or in part, or to rely on in connection with termination of the Agreement (or the Arrangement Agreement, if so entered into) and their respective obligations in relation to the Transaction.

2. Agreement to Vote or to Tender

2.1 If the Transaction is completed by way of a Business Combination, subject to the terms and conditions hereof, the Shareholder hereby irrevocably agrees to vote (and to provide evidence thereof to Direct not later than 10 days prior to the meeting of shareholders of Rockyview to consider the Transaction), all of the Rockyview Shares that the Shareholder beneficially owns or over which it exercises control or direction (the "**Presently Held Securities**") and any additional Rockyview Shares that the Shareholder may hereafter become the beneficial owner of or exercise control or direction over (including any such Rockyview Shares issued on exercise of any Options or Warrants) (the "**After Acquired Securities**") (the Presently Held Securities and the After Acquired Securities, collectively, the "**Subject Securities**") in favour of the Transaction and any other matters proposed by Rockyview that are necessary or desirable to complete the Transaction and not withdraw any proxies or change the vote in respect thereof, except as provided herein.

2.2 If the Transaction is completed by way of an Offer, subject to the terms and conditions hereof, the Shareholder hereby irrevocably agrees to deposit, or cause to be deposited (and to provide evidence thereof to Direct not later than 10 days prior to expiry of the Offer), all of the Presently Held Securities of the Shareholder (and within one day prior to expiry of the Offer any After Acquired Securities then held) and, notwithstanding any rights granted to the Shareholder under applicable securities legislation or the terms of the Offer, further irrevocably agrees that thereafter the Shareholder shall not withdraw any of the Subject Securities deposited by the Shareholder under the Offer until the earliest of:

(a) the date on which the Offer expires or is terminated without Direct taking up and paying for Rockyview Shares deposited under the Offer; and

(b) the date this agreement is terminated pursuant to its terms.

3. Representation, Warranties and Covenants of the Shareholder

3.1 The Shareholder represents and warrants to Direct, and acknowledges that Direct is relying upon such representations and warranties in entering into this agreement that:

(a) the Shareholder has good and sufficient power, authority and right to enter into this agreement and to perform the Shareholder's obligations hereunder;

(b) assuming the due execution and delivery of this agreement by Direct, this agreement is a legal, valid and binding obligation of the Shareholder enforceable by Direct against the Shareholder in accordance with its terms (subject to the limitation that the enforceability of any waiver of statutory rights may be limited by applicable law), and the performance by the Shareholder of its obligations hereunder will not constitute a violation of or default under, or conflict with, any contract, commitment, agreement, arrangement, understanding or restriction of any kind to which the Shareholder is a party or by which the Shareholder is bound;

(c) the Shareholder is the beneficial owner of the Presently Held Securities and owns the Presently Held Securities for its own benefit and not for the benefit of any other person, and not as nominee, agent or other representative of any other person, and will, upon deposit of same under the Transaction, hold such securities free and clear of all liens, charges, encumbrances, security interests and other rights of others whatsoever and the Shareholder has, or in the case of the After Acquired Securities will have, good and sufficient power, authority and right to transfer or cause to be transferred the legal and beneficial title to the Subject Securities to Direct with good and marketable title thereto; and

(d) the Presently Held Securities represent all of the Rockyview Shares beneficially owned or over which the Shareholder exercises control or direction and the Shareholder does not hold any other rights to acquire any Rockyview Shares, other than the Options and Warrants.

The foregoing representations and warranties will be true and correct on the date hereof and on the date of completion of the Transaction.

3.2 The Shareholder covenants and agrees with Direct that the Shareholder will not, and will use its reasonable best efforts to cause its representatives and advisors not to, directly or indirectly:

(a) solicit, initiate, invite, encourage or continue any inquiries or proposals from, or negotiations with, any person, company or other entity (other than Direct) relating to the purchase of Rockyview Shares or any other securities of Rockyview or its subsidiaries, any amalgamation, merger or other form of business combination involving Rockyview or any of its subsidiaries, any sale, lease, exchange or transfer of any material assets of Rockyview or any of its subsidiaries, or any take-over bid, reorganization, recapitalization, liquidation or winding-up of or other business combination or other transaction involving Rockyview or any of its subsidiaries with any person other than Direct or any of its affiliates (each of the foregoing transactions being herein referred to as a "**Proposed Transaction**");

(b) enter into any agreement, discussions or negotiations with any person, company or other entity other than Direct or any of its affiliates with respect to a Proposed Transaction or a potential Proposed Transaction;

(c) furnish or cause to be furnished any non-public information concerning the business, results of operations, assets, liabilities, prospects, financial condition or affairs of Rockyview or any of its subsidiaries to any person, company or other entity other than Direct and its representatives, other than as disclosed prior to the date hereof; or

(d) take any action that might reasonably be expected to reduce the likelihood of success of the Transaction, provided that if the Shareholder is a director or officer of Rockyview, the foregoing provisions of this Section 3.2 shall not restrict the Shareholder from discharging his or her fiduciary duties to Rockyview as a director or officer (or both).

3.3 The Shareholder covenants and agrees with Direct that so long as the Shareholder is required to vote the Subject Securities in favour of the Transaction hereunder, or Tender the Subject Securities into the Offer that:

(a) it will notify Direct promptly if any discussions or negotiations of the nature contemplated by Section 4.1 are sought or if any proposal in respect of a Proposed Transaction is received, being considered or indicated to be forthcoming;

(b) except as contemplated herein, it shall not sell, assign, convey, otherwise dispose of or pledge, charge, encumber or grant a security interest in or grant to any other person any interest in any of the Subject Securities;

(c) it shall not exercise any shareholder rights or remedies available at common law or pursuant to applicable securities or corporate laws to delay, hinder, upset or challenge the Transaction;

(d) it shall exercise all voting rights attached to the Subject Securities to vote against any resolution to be considered by the securityholders of Rockyview that, if approved, could reasonably be considered to reduce the likelihood of success of the Transaction;

(e) it shall exercise all voting rights attached to the Subject Securities owned or controlled by the Shareholder and use its reasonable best efforts to cause Rockyview and its subsidiaries to carry on their respective businesses in the regular and ordinary course consistent with past practice;

(f) in connection with the completion of the Transaction, if the Shareholder is a director or officer of Rockyview, it will, if requested by Direct, resign his or her position as a director and/or officer of Rockyview effective at such time as may be requested by Direct (provided such time is not prior to the effective time of the Transaction) and provide a mutually acceptable release in favour of Direct and Rockyview, against delivery of a mutually acceptable release in favour of the Shareholder from Rockyview, and will use its reasonable best efforts to enable Direct to elect or appoint all of the directors of Rockyview and to effect an orderly transition of management and control of Rockyview at the time and in the manner requested by Direct;

(g) in the event that it holds or exercises control or direction over any Options or Warrants, it will either exercise such Options and Warrants for Rockyview Shares, or exchange such Options for cash, as contemplated by Section 2.4(a) of the Agreement, and vote or tender the Rockyview Shares received on any such exercise or exchange in favour of the Transaction in accordance with Sections 3.1 and 3.2 hereof, or it agrees that all such Options shall terminate immediately prior to the effective time of the Transaction; and

(h) it shall use its reasonable best efforts to cause Rockyview to perform its obligations under the Agreement and the Arrangement Agreement, to the extent such is within its power.

4. **Representations and Warranties of Direct**

4.1 Direct represents and warrants to the Shareholder, and acknowledges that the Shareholder is relying upon such representations and warranties in entering into this agreement, that:

(a) it has good and sufficient power, authority and right to enter into this agreement and to complete the transactions contemplated hereby;

(b) upon the due execution and delivery of this agreement by the Shareholder, this agreement is a legal, valid and binding obligation of Direct enforceable by the Shareholder against Direct in accordance with its terms, and the consummation by it of the transactions contemplated hereby will not constitute a violation of or default under, or conflict with, any contract, commitment, agreement, arrangement, understanding or restriction of any kind to which it is a party or by which it is bound; and

(c) the execution and delivery by Direct of this agreement and the performance by Direct of its obligations hereunder will not result in a violation or breach of any provision of:

(i) Direct's articles or by-laws; or

(ii) any law, regulation, order, judgment or decrees applicable to Direct;

and, other than as set out in or contemplated by the Agreement, no authorization, consent or approval of, or filing with, any public body or court of authority is necessary for the fulfillment by Direct of its obligations in respect of the Offer.

The foregoing representations and warranties will be true and correct on the date hereof and on the date of completion of the transactions contemplated by the Offer.

5. **Termination**

5.1 The obligations hereunder of the Shareholder shall terminate at the option of the Shareholder upon written notice given by the Shareholder to Direct:

(a) if the Agreement or, once entered into, the Arrangement Agreement, is terminated in accordance with its terms, other than as a result of a breach of this agreement by the Shareholder;

(b) if Direct decreases the consideration offered pursuant to the Offer or otherwise modifies or amends the Offer in a manner materially adverse to holders of Rockyview Shares; provided that, an extension of the Offer or increase in the value of the consideration offered shall not constitute an adverse modification or amendment to the Offer;

(c) Rockyview shall have received a Superior Proposal (as such term is defined in the Agreement) and the Board of Directors of Rockyview has accepted, recommended, approved or authorized Rockyview to enter into an agreement to implement such Superior Proposal in compliance with Section 10.1(b)(vii) of the Agreement; or

(d) if the Transaction is not completed on or before the Outside Date (as defined in the Agreement).

5.2 The obligations hereunder of Direct shall terminate at the option of Direct upon written notice given by Direct to the Shareholder:

(a) if the Shareholder has breached or failed to perform and satisfy any of its covenants or agreements herein contained in a material respect or any of the representations and warranties of the Shareholder contained herein are not true and correct in a material respect; or

(b) if the Agreement or the Arrangement Agreement is terminated in accordance with its terms.

5.3 In the event of the termination of this agreement as provided in Sections 5.1 and 5.2 above, this agreement shall forthwith become void and shall be of no further force or effect and there shall be no liability on the part of any party hereto, provided that the foregoing shall not relieve any party from any liability for any breach of this agreement that occurs prior to such termination.

6. **Regulatory Approvals**

6.1 The Shareholder covenants that the Shareholder shall, acting reasonably, at Direct's or Rockyview's cost, co-operate with Direct in obtaining all governmental and regulatory approvals required to permit Direct to complete the Transaction in accordance with its terms and to acquire Rockyview Shares thereunder, as contemplated in the Agreement and the Arrangement Agreement.

7. **Public Disclosure**

7.1 The Shareholder agrees not to make any public disclosure or announcement of or pertaining to this agreement, the Agreement or the Arrangement Agreement or the Transaction nor to disclose that any discussions or negotiations are taking place in connection therewith, without the prior written consent of Direct except as required by law.

8. **Amendments and Assignment**

8.1 This agreement may not be modified, amended, altered or supplemented except upon the execution and delivery of a written agreement executed by the parties hereto. No party to this agreement may assign any of its rights or obligations under this agreement without the prior written consent of the other party.

9. **Time**

9.1 Time shall be of the essence of this agreement.

10. **Survival**

10.1 The representations, warranties and covenants of the Shareholder and of Direct herein shall survive the consummation of the Transaction and the acquisition of the Subject Securities by Direct.

11. **Successors and Assigns**

11.1 This agreement shall be binding upon, enure to the benefit of and be enforceable by the Shareholder, Direct and their respective heirs, executors, legal personal representatives, successors and permitted assigns, as the case may be.

12. **Notice**

12.1 Any notice or other communication required or permitted to be given hereunder shall be sufficiently given if delivered:

(a) in the case of the Shareholder, to the address appearing on the first page of this letter; and

(b) in the case of Direct, to:

Direct Energy Marketing Limited,
1000, 111-5th Avenue S.W.
Calgary, Alberta T2P 3Y6

Attention: Niall A. Armstrong
Facsimile No.: (403) 290-6780

or to such other address as the party to which such notice or other communication is to be given has last notified the party giving the same in the manner provided in this paragraph. Any notice or other communication given or made shall be deemed to have been duly given or made as at the date delivered or sent if delivered personally or sent by facsimile transmission at the address for service provided herein.

13. **General**

13.1 All references to Rockyview Shares herein shall include any shares into which the Rockyview Shares may be reclassified, subdivided, redivided, consolidated or converted by amendment to the articles of Rockyview or otherwise and the price per share referred to herein shall be amended accordingly.

13.2 Words signifying the singular number shall include, whenever appropriate, the plural and vice versa; and words signifying the masculine gender shall include, whenever appropriate, the feminine or neuter gender.

13.3 This agreement and the rights and obligations of the parties hereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

13.4 Direct and the Shareholder agree to pay their own respective expenses incurred in connection with this agreement and the transactions contemplated hereby.

14. **Acceptance**

14.1 If you are in agreement with the foregoing, kindly signify your acceptance by signing the second copy of this letter and delivering it to Direct in the manner provided below. This letter may be signed in two or more counterparts that together shall be deemed to constitute one valid and binding agreement and delivery of counterparts may be effected by means of facsimile transmission.

Yours very truly,

DIRECT ENERGY MARKETING LIMITED

Per: ________________________________

Per: ________________________________

*In consideration of your entering into of the Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Shareholder hereby irrevocably accepts the foregoing as of this 14th day of November, 2007***.**

____
(Signature of Shareholder)

____
(Name of Shareholder – please print)

____
(Number of Rockyview Shares beneficially held or controlled)

____
(Number of Options Held)

____
(Number of Warrants Held)